

Business Credit News

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**JULY 2015 Chairman: Terry Ludzenski
Holt Cat**

“100 Years Old and Still Effective”

I first want to make clear for many of you reading this that, in spite of the title, this article is not about me.

I don't believe there is anyone out there reading this who would argue that technology has not had a major impact on credit and collections today. How we conduct ourselves as professional along with our policies and day-to-day practices, has all been influenced, in some manner, by the constant changes in technology.

Customers who once submitted purchase orders by mail or phone, now do so through fax, email, and EDI. Many of our organizations, in turn, process those orders electronically. No longer do we “Pick, Pack, and Formac Em” as we used to say when I was with the McKesson organization. Today it's all transmitted in bits and bytes to robots and electronic delivery and payable systems.

Creditors who used to mail out hundreds of invoices daily now send those same invoices electronically. The invoices, that may also include proofs of delivery, and purchase orders, are then downloaded into the customers' accounts payable system without hardly any human involvement what-so-ever. Today many vendors and customers now have portals on their company websites that allow each other 24/7 access to invoices, statements, purchase orders, shipping documents, payment information, anything and everything imaginable to avoid the slightest chance of personal communication.

Some of us now use deduction management software to better manage the continuing common problem of unauthorized deductions when in reality it would be so much cheaper in the long term to correct the problem that is causing the deduction. However, where is the technology by doing that?

Credit managers are using decision support software to make faster, more consistent and better (?) credit decisions. Creditor companies have numerous options for communicating with their past due customers including instant messages, letters, faxes, e-mail, and automated dunning notices and the old standby the telephone.

I wrote recently about getting out of the office and making personal customer visits to improve collections. Here is another example of the more things change, the more they remain the same.
The Telephone is still the second most effective collection tool we have to collect money.

If we want to be more effective in our collection efforts, we need to reach out to past due accounts through personal contact either in person or by telephone. We cannot rely on any form of written communication to get the job done. Technology has not only changed the telephone but also how we can use it to our advantage. The telephone has evolved from hard line, to mobile, to cell, and today we can not only talk to each other but through face-to-face™ and skype™ we can see each other as well.

Regardless of any technology or any enhancements, the most effective way to collect involves a minimum of two persons engaged in dialogue. Any form of one- way communication such as an email, a FAX, an IM or a dunning notice is more likely to be un-opened, deleted, forwarded, or ignored rather than acted upon.

As a former business owner I can attest that, if we want our collection efforts to be taken seriously, we need to call on our past due accounts for payment status. A telephone call is harder to ignore or disregard. One way communication will never be as effective as a discussion with the customer in which issues are discussed and agreement is reached.

There are times when written collection correspondence is practical and effective but it is more likely when we are looking at financially well-heeled customers or those who inadvertently overlooked an invoice, and for the most part we know who those customers are. Correspondence is not likely to work with those customers intent on holding on to our money for as long as possible, and is even less likely to be an effective collection tool when debtors are experiencing serious financial problems.

David Balovich is an accomplished author and public speaker. He is presently the North Region credit manager for Holt Cat.

***** **JULY 2015** *****

Day	Date	Group	Location	Time
Tues	7	Austin Construction	Texas Land & Cattle, 6007 N IH 35 & Hwy 290, Austin TX	11:30
Tues	7	Coastal Bend Group	Holt Cat, 1319 S Padre Island Dr. Corpus Christi TX	11:30
Wed	8	Rio Grande Group	302 N Mile 2 ½ East, Mercedes TX	11:30
Thurs	9	SW Food Credit Group	Las Palapas, 4802 Walzem Rd, San Antonio TX	11:00
Thurs	16	Ad Media Credit Group	Phone Conference Meeting 1-800-791-2345	2:00
Fri	17	SW Electrical Group	Onion Creek Country Club, 2510 Onion Creek Pkwy, Austin TX	11:30
Tues	21	Austin Construction	Texas Land & Cattle, 6007 N IH 35 & Hwy 290, Austin, TX	11:30
Wed	22	Victoria Credit Group	Sky Restaurant, 236 Foster Field, Victoria TX	11:30
Thurs	23	Laredo Credit Group	Phone Conference Meeting 1-800-791-2345	2:30
Thurs	23	HVAC Credit Group	Texas Air Products, 11122 Gordon Rd, San Antonio TX	11:30
Thurs	23	Fuel & Lube/Heavy Eq.	Phone Conference Meeting 1-800-791-2345	2:30
Tues	28	SA Construction	Las Palapas, 4802 Walzem Rd, San Antonio TX	11:30

EASY ACCESS TO LEGAL INFORMATION

Did you know you could go on-line to get the legal list bulletin? You can download legal information (mechanic liens, state, and federal liens, suits, bankruptcies, abstract of judgments, etc) on any of the following counties: Travis, Williamson, Hays, Cameron, Hidalgo, and Bexar. To access go to our web site at www.nacmtx.com . All you have to do is go to NACM Online, enter your membership information and make selection under Legal Bulletin. It will bring you to the legal information you need. Select the county, type of legal information and the time period requested. Type in the word **all** at the search information box. Also, you can type in the business name to receive all legal information on that specific company. For help on how to use the legal bulletin on-line give us a call at (210)225-7106.

NACM COLLECTION SERVICE

Our collections staff is willing and certainly able to take on those tough, overdue accounts to which you've been devoting too much of your valuable time. We act promptly, personally contacting the debtors on the same day we receive your accounts. We are equal opportunity collectors, that is, no matter where your debtors live in the nation or who they are, we will find them and collect. In cases where we don't collect, we charge no fee, albeit we do so grudgingly.....we don't like failure. For your protection, all funds collected are placed in trust accounts. Also, all employees and attorney's are bonded. When you hit that wall in your collection efforts, give us a call at (210)225-7106 or you can fax your problems to us at (210)293-1501.