

# 2 – DAY EFFECTIVE DEBT COLLECTION STRATEGIES THROUGH CREDIT MANAGEMENT



## Introduction

Bad debt, the opposite of profit, unfortunately, is a part of doing business, but not something that cannot be managed and controlled to a minimum thus ensuring the company stays on the right track in terms of profitability. A better understanding of the credit assessment policy and its control mechanism, which covers credit evaluation and credit limit review, would lay down a strong foundation to manage your company's risks to minimise bad debts.

Collecting book debts appears to be 'so difficult' to many people and deem uninteresting. Many people also find collecting debts an unpleasant job, not to mention frustrating and even complicating at times, even to senior staff. However, with the understanding of the credit recovery policy plus acquiring of the appropriate tools, strategies and techniques through training, collecting a debt can be professionally challenging and an exciting career.

In this course, the facilitator will share his 38 years of practical experience in credit management, that is, credit assessment and recovery, the 2 important components that would outline how to carry out the roles, functions and responsibilities appropriately to cope with the pressure, within or outside your organisation, in handling professionally, issues related to debt collection and ensuring that the company stays on course to achieving its goals.

## Course Objectives

By the end of this course, you will be able to:

- Understand the meaning and reasons for Credit Management
- Appreciate the important of credit policy in defining the objectives, function and responsibilities of credit department to achieve maximum profitability from trading.
- Realise the need of credit assessment due to selective risk-taking in the interests of increasing overall profitability.
- Establish a Collection Policy that not only ensure recovery of debts, but also provide follow up procedures in monitoring and collection of debts
- Highlight Debt Collection Agencies and legal action process in debt collection

## Methodology

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## Who Should Attend?

- Credit Assistants, Executives & Managers
- Finance, Accounts & Administrative Executives & Managers
- Executives to Senior Managers
- Marketing Professionals in-charge of collection

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## Course Outline

### MODULE 1: INTRODUCTION

### MODULE 2: SETTING EXPECTATIONS

- What do you expect to learn from this course?

### MODULE 3: PRIORITISE DEBTS RECOVERY

- Unless we prioritise the recovery of debts, it will go down as a result of poor debt recovery management
  - Collection Policy
  - Right attitude for Collection
  - Negotiation Techniques
    - Mind teaser - Characteristic of a good negotiator
    - Discussion
    - How to improve the outcome of your debt collection negotiation?
- Hiring the right person
- Build Customer Relationships
- The Techniques
- Telephone Collection Skills
  - Discussion
  - How to make your collection calls get results?
- Reminder letters
- Site visits
- What went wrong?

### MODULE 4: IMPORTANCE OF CREDIT ASSESSMENT

- Small and large companies now realise the importance of having a proper credit department to ensure their trade debtors are promptly recovered to meet its cash flow commitments.

### MODULE 5: CASE STUDY

- How to reduce the risk of late payment

### MODULE 6: EXPLORE EXTERNAL COLLECTION METHODS

- Outsource to Debt Collection Agencies
- Debt recovery through Legal Proceeding

