

Practitioner's guide to strengthening your credit and sales relationship



Sales and credit teams can view each other as obstacles to business success. Bridging that gap is vital to a company's success. The credit team often has a lower profile, so it may be down to you to make the first steps.

Credit and sales teams should work in a connected way. If they do, they could help you to consistently exceed customers' expectations. To increase the perceived value of your credit team, read our tips on strengthening your internal relationships.

Tip One:

Share visibility of ageing accounts

- Send a weekly report to each sales person of the ageing accounts. Getting each sales person to have total visibility on the ageing of their customers' accounts means when they talk to their clients they will know the credit status of their customer.

Remember:

Be as transparent as possible. Get your sales people to put themselves in your shoes. Ensure they understand how accountable you have to be for the risks you are being asked to take.

Tip Two:

'Sell' the credit team to sales and raise their status

- Customers form an opinion of your company from all members of the organisation, including the credit/collection team. Position your department as an asset to the sales team. If your sales team begin to understand this message, they will become more cooperative with your team.

Remember:

Regularly attend sales team meetings. Deliver well prepared presentations defining how the credit team is supporting sales revenues and targets. Sell on the fact that when they follow your policies and procedures, the revenue and commissions flow easily. Get them to see that you can help them hit their targets.

Tip Three:

Identify sales opportunities from your 'good' customers

- Reveal which businesses are well within their credit limits, have a good credit score and pay on time - they're all prime businesses for cross-sell/up-sell opportunities. This proactive approach to credit management may help you gain the respect of your sales team and will increase engagement.

Invest in and utilise all the internal resources to position your business as truly customer-centric. This means sales, credit and all your other functions working together to meet your customers' needs.

- **Checklist for a 'good' company prime for cross-sell/up-sell:**
- A good credit score blended with the business owners – so you know both the business and the owners are credit worthy.
- They consistently pay other suppliers on time.
- You can identify growth within the company accounts.
- They have not reached their credit limit, or have scope for extension.
- Their relationship with your business is good – they return calls and emails.
- The market in which they operate is profitable.

Tip Four:

Demonstrate how much bad debt you have saved the business

- By regularly monitoring trends you can see how your team's efforts have lowered outstanding debt, month on month. By seeing if you are being paid slower compared to other suppliers, you can renegotiate credit terms and bring down the average Days Beyond Terms (DBT).

Remember:

"A sale isn't a sale until the cash is in the till." Around 1,800 businesses become insolvent each month. Companies pay their bills an average 22 DBT. Recovering payment is vital to business success and only once the money is paid, is a sale complete. By reducing DBT, sales teams can acknowledge a sale faster. Attend sales team meetings and report on how much bad debt you have saved, and how many DBT you have lowered each month.

Tip Five:

Help your sales team provide exceptional customer service

- Always deal face-to-face where possible. Results can't be achieved without a good relationship between credit and sales at all levels. Credit team members should be seen as part of the sales team and Heads of Credit as part of the Sales Leadership Team.

Remember:

Creating and sustaining good working relationships between both teams is a win-win situation. Identify an internal champion who will focus their sales team efforts on working together with the credit team.



The Guides in this series:

- How to credit check new customers
- How to reduce payment delays
- How to improve relationships between credit and sales teams
- How to streamline credit management strategies whilst exceeding customer expectations
- How to review credit limits for existing business customers and improve your negotiation skills

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