



Is Your Performance Recognition Deficit Hindering Credit Management Career Development

By the Management Recruiters at Smyyth LLC
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Self Promotion Vs. Reporting Just the Facts to Management

As a society we have a love/hate relationship with self-promoters. The boxing promoter Don King is a great example of over the top self-promotion, which has made him recognizable throughout the world and makes him millions. However, this is not to say he is trusted; this simply illustrates that self-promoters must walk a very fine line. You've got to get your message across and maintain your credibility at the same time.

Unless you are recognized for your work, a Credit Manager's perceived value and contribution (and promotion prospects) are reduced. If your astute customer judgments increase your company's sales by five percent, the chances are the sales department will be the only party to get the award. Is there a corresponding entry in your reports to show that the increase was a result of your creativity? Probably not, as most Credit Managers are not great self-promoters. Can you advance your department's corporate objectives or your personal career objectives without doing something to get positive recognition? The answer is "No".

Recognition > Credibility > Influence = Promotion

Recognized value brings credibility, which in turn brings influence. The trick is to do so without being seen as an aggrandizing self-promoter. There are some (not enough) credit professionals who we have watched over many years who are adept in gaining credible recognition based on their achievements.

The Credit Manager's "Value Statement"

Publicizing the goals of the credit department alerts management to the areas where the credit management brings value to the organization. Defining where you impart value will lay the foundation for later recognition when goals are achieved, to allow you to publicize achievement while avoiding the "Don King" syndrome. Your Value Statement" is the first step in the process of gaining recognition for a well-done job simply because it explains your and your departments mission.

Planting Seeds

The more people who understand the credit function, the more credibility the function will have. One of the best ways to spread the word is to use the credit department as a corporate-wide training resource. There should be strong encouragement to take people from credit and move them horizontally across the organization, and (especially) new sales people to intern in the credit department. Credit people have a close customer focus, which can be invaluable to sales management. Also, the commonalities between credit analysis and various corporate finance functions allow credit people to move easily into the finance discipline. The significant point is that as these "graduates" can move into positions where inter-departmental cooperation is called for they have an educated perspective on how credit management adds value to the business.

Management Reporting - Give them something they don't already know

If your monthly reports communicate just numbers, they are generally not worth your boss forwarding them up the CEO. They need to tell something that leadership does not already know; you can do this by communicating business / customer insights, industry knowledge, and success stories? Reports should provide value-added detail, industry changes, customer news, and focus on things that impact profitability.

Credit Portfolio Management

The information in credit department customer profiles represents "Hidden Wealth" which can be used for marketing and financial planning purposes. In the same way that consumer credit card lenders use statistical analysis of their

customer portfolio to identify new opportunities for growth, the more advanced commercial credit operations are now advancing along the same path, including automated credit decisioning.

Bill Balduino, Leader, Risk Management Practices for D&B states that “Organizational inertia is difficult to overcome and if the credit department has functioned at an unrecognized level for a long time, then it may be the case that the perceptions of its contributions may be low. At this point you may need to take the direct route and say “Hey, wake –up! Take a look at what we’ve accomplished.”

Coda - The Credit Management Recognition Deficit

Smyyth’s management recruiting professionals have long observed that there is often a “recognition deficit” when it comes to the perceived value of credit management. In some companies, Credit is a valued partner in the business. In others, it’s a transaction mill. We have observed where talented credit managers can positively change perceptions by becoming more creative and thoughtful at communicating to higher management. Increased responsibility, higher compensation, greater job satisfaction, reduced turnover, and career enhancement follow.

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