

The Credit Control / Sales Relationship

There is a popular misconception that the credit control department is 'anti-sales' and will try to create barriers towards the sales effort wherever possible. This 'Sales v Credit' attitude is wrong and can only be removed by strong personal relationships and education.

This process begins with a full understanding of each other's roles (which are very similar in a lot of ways). You both want to:

- **develop new business**
- **ensure continuity of that business**
- **make a profit**
- **achieve success**

The education process begins with regular meetings between the two departments. Discussion points could include collection results, problem accounts, new prospects, unresolved queries or proposed customer visits.

The credit controller / manager should visit prospective and existing customers as regularly as possible with the sales team. This again will cement the relationship between the two departments and give the credit person a clearer understanding of the sales teams daily challenges.

In the same way each new sales person should be given an induction to the role of the credit department and their key objectives towards profitability.

Selling - bringing home the business - is a tough job and the sales team should be congratulated when any new business is received. The credit controller's part in this process is to seek to do business at every possible opportunity. If a customer is deemed un-creditworthy, you should look for alternative solutions e.g. cash-on-delivery or post dated cheques but never just say no without a reason.

The important point to note is **communication**. Always keep your sales person informed of any key changes to his / her account whether it be good or bad. Never forget it is their account as well as yours. The sales team are extremely valuable to many credit processes including collections, risk assessment and gathering information. The setting of customer terms and credit limits will also become an easier process when a good relationship exists between the credit and sales staff.

If the sales team is treated professionally and with confidence, you will gain their trust and respect in your opinions, and future dealings will become easier because you are working together. Sales people are generally positive, driven people – and credit professionals should be equal to this attitude. The stuffy, blue suited office bound individual is a thing of the past. The credit control department is the link between sales and finance and makes a real difference to corporate profits and liquidity. This should not be overlooked.

Use positive language when addressing your sales team. Don't talk negatively about "blacklists" or "stopping supply" (even though this may be your only course of action) use other phrases focusing on positive action and try to be pro-active, highlighting potential issues before they arise. Praise sales successes and focus on how their customer skills can help you to achieve your objectives.

Without sales, your company will not survive. Without cash, your company will not survive. Allowing credit to customers is an incentive to win business. This incentive comes at a cost, your job is to keep that cost to a minimum by collecting effectively, minimising bad debt and creating a customer environment that will ensure repeat orders for your sales team.