



**THE CREDIT DEPARTMENT, INC.**  
*SMART BUSINESS. STRATEGIC VALUE.*

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*“Improving cash flow and earnings through strategic credit management.”*

## Information Overload in your Credit Department

Now more than ever, Credit Departments are constantly bombarded with information to help manage the accounts receivable asset. This information can include news alerts, public filings, trade payment and credit report updates, press releases and industry news. The challenge is to prevent "information overload" where your mailbox is filled with unread materials and your inbox is flooded with email notifications.

While we need to receive ongoing data on our customers, prospects, and even competitors, this process can dilute the time that should be spent on portfolio analysis, cash-flow improvements and customer service issues affecting the receivable. So how, then, can credit departments best manage all of this information and still focus on maximizing the value of the accounts receivable?

**1) Automate receipt of information.** Most credit information can now be gathered online. The key is to keep the information in an electronic format to store the documents for easy retrieval. Also, credit departments should steer customers, brokers and their sales force away from sending paper documents to you. If they don't have the ability to send electronic documents, have them fax to a server so the information can become digitized. Fax servers are inexpensive and easy to use. You should also investigate the possibility of receiving electronic customer check information from your bank to prevent double scanning of documents.

**2) Filter out unimportant data.** By setting up "filters" designed only to allow information important to you, you can eliminate some of the overload. For example, many trade groups and on-line credit reporting agencies will allow you to only receive and pay for information on *your* credit risks--not on every company in their database. Also, you should eliminate the need to read about every VP hire or new store opening for the customers you're monitoring, especially when this has little effect on the way you service the account.

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*The Credit Department, Inc. can help you manage your credit needs through professional credit management outsourcing and consulting. For more information, contact us at 800.451.0164, email [info@TCD.com](mailto:info@TCD.com) or visit our web site at [www.TCD.com](http://www.TCD.com).*

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**3) Clarify the process for disseminating information.** We find that credit departments, by their very unique function that deals directly with customers, Sales, and Finance, become the "catch-all" for miscellaneous information received by the company. Make sure employees both *within* and *outside* of the credit department know who's responsible for monitoring and receiving certain types of information. Credit shouldn't be constantly re-routing tax exemptions or quality certificates when they have no direct responsibility for managing that function. Credit departments can't always prevent "information overload". However, we must learn to better manage the process for information flow so as to keep the focus on maximizing value of the accounts receivable.

***For more information on automating your Credit Department e-mail us at [info@tcd.com](mailto:info@tcd.com) or phone us at 800-451-0164.***

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