



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

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

Servicing Customers in a Seasonal Market

Servicing customers in a seasonal marketplace creates unique challenges within a business. The credit management area is no exception. It's extremely difficult to effectively utilize resources to manage receivables when resource needs vary greatly during the year.

The Challenge

Most credit departments include a manager and a number of support players including credit analysts, collectors, and deduction personnel. Sometimes, these department members are staffed with specialists (concentrating exclusively on credit *or* collections *or* deductions); sometimes they're generalists (perform some part of all the functions). Specialists tend to be more effective than generalists, but are expensive to keep at full capacity 365 days a year when needs vary throughout the season. Usually, it doesn't make sense for companies to fully-staff the department year-round with specialists. For most credit departments in a seasonal company, the department is overwhelmed during the busy season and then spends the rest of the year playing "catch-up". This can lead to unnecessary credit losses and delayed cash flow for the business. Even for businesses without seasonal variances, credit departments experience workload peaks at the ends of fiscal periods.

The Standard Solution

Some companies bring in temporary workers to make up the difference when service needs are heavy in the credit area, but training costs and acclimation time deflates the productivity of these workers. Other companies bring in personnel from other departments to help make collection calls and resolve disputes and deductions. This stop-gap measure can work if the skill set exists (especially in making collection calls), but few employees in other parts of the company dream of the chance to work in the credit department!

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 or visit our web site at www.TCD.com.

Creative Solutions

Companies with varying seasonal needs in their credit area need to think through the business needs of the credit department. If there is a steady workload in one area throughout the year, specialists could be employed to manage these particular areas and replace the generalists. In other areas, it may be best to outsource the function to leverage the investment spent to manage the area. Outsourcing partners typically have the flexibility to adjust resources to the needs of the business and to provide the specialists needed for consistent, high-performance results.

Seasonal businesses have special challenges not generally served well by traditional credit department structures. Finance executives need to be creative in order to meet these challenges successfully and to effectively manage the workload.

For more information on creative solutions for managing the cash-flow of a seasonal business e-mail us at info@tcd.com or phone us at 800-451-0164.

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