



### Introduction

You take very good care of your fixed assets, machineries and vehicles for example, to ensure that they are in good condition. But, what about your receivables? Do you take as much care of them to ensure that they remain viable assets of the company?

The profits of a company are made not just from sales. Profits come also from the ability to minimize costs and prevent unnecessary losses, such as bad debts written off. Ironically, it can happen that the more a company sells, the less it makes. This will happen, for example, when the salespeople become very lenient and too generous in extending credit to new buyers to increase sales so as to enhance their commission earnings. And the result? An abnormally high level of bad debts later on.

Preventing losses arising from bad debts begins with ensuring credit is extended only to those who deserve it. Doing just this is, however, not quite enough. Credit once extended must also be well managed to ensure that the accounts do not deteriorate in quality, and if they do, to take early remedial actions.

Prevention is always better than cure. Take action early to minimize losses arising from defaulting customers.

### Course Objectives

- Be able to supervise / monitor accounts of customers, to prevent them from becoming bad
- Be able to follow up on and recover problem accounts ore systematically

### Course Outline

- The Credit Management Process – what and where can it go wrong
- Supervision, monitoring and follow-up why? – what is involved
- Classifying problem accounts
- Causes of problem accounts
- Causes of business failures
- Recognizing problem accounts and their causes early
- Monitoring adverse environmental and market changes
- Taking action early
- Keeping in touch with customers - what to look out for
- Understanding your customer's behavior
- Some effective collection tools and techniques
- When to reorganize, recapitalize, refinance and restructure

# Credit Monitoring & Control

## By Peter Fong



- Considering the option
- Following up on problem accounts – drawing up an action plan

### Trainer Profile – Mr. Peter Fong

Peter has wide experience in credit control management. As Credit Manager and Loan Supervision Manager in the financial services industry, he is responsible for developing strategies, implementing collection systems and plans for the attainment of the overall credit performance of the companies.

Peter is currently very actively involved in assisting SMI operators resolve their credit and financial problems. He also conduct training for SMIs and multinational companies like Intel, Hewlett Packard, Teradyne, Halliburton Asia Energy Sdn Bhd and local financial institutions including quasi-government institutions. Peter is an Associate of the Chartered Institute of Bankers, London and an Associate Member of the Malaysian Institute of Management. He is the approved trainer by the Pembangunan Sumber Manusia Berhad (PSMB)