

CPC Core Competency Requirements

CERTIFIED PROFESSIONAL COLLECTOR

CPC 1 Becoming a More Successful Collector

- The do's and don'ts of debt collection
- Ideas for accelerating cash inflows
- Handling belligerent customers and antagonistic sales people
- Prioritizing the collection process to maximize your return on investment
- Tips on becoming a proactive rather than reactive debt collector

CPC 2 Managing Stress in the Workplace

- Tips on dealing with work related stress more successfully

CPC 3 Negotiation Techniques & the Collection Call

- Understanding the perceptions, the style of negotiation, and the interests of both parties
- Who uses it? Why use it? When to use it?
- Expectations of the negotiation
- What are the non-negotiable terms and what can be modified?
- What is the minimum that an agreement can reach one?
- The negotiation strategy
- Identifying the most important interests of your customer

CPC 4 Effectively Addressing Broken Payment Commitments

- Tools & techniques that will reduce the number of broken payment promises
- Confirming payment commitments
- Confirming promised payments in writing
- The most common (and most serious) mistake a collector can make when a customer breaks a payment commitment
- Effective collection techniques *after* a payment commitment has been made and broken
- Techniques to accelerate payment after the first promise of payment is broken

CPC 5 When and How to Hold Orders

- Setting the stage: Understanding your company's tolerance for risk and payment delinquencies
- Balancing your company's needs with the role and goals of the credit function
- Conditions under which a credit hold is almost the only appropriate course of action
- Who should have the authority to place accounts or orders on credit hold
- Using credit holds to your best advantage
- Steps to take immediately after placing an order or a customer on credit hold
- Common (and most serious) mistakes made after a customer on hold has paid their past-due balance

CPC 6 Deduction Resolution

- Putting it in perspective: recognizing how much time is spent on deductions and how little deductions are as a percent of total AR
- The goals of deduction management
- Keys to successful deduction management
- Senior management's role in reducing common customer deductions
- The hidden costs of customer deductions
- Writing off deductions
- Documenting deductions and what to do with that documentation
- Reducing deduction problems

CPC 7 Establishing Credit Limits

- Considerations for new customers
- Monitoring credit limits
- Indicators for reasons to reduce limits
- Delegating credit granting authority
- Managing existing customers' credit limits

CPC 8 Bankruptcy Essentials

- Types of bankruptcies you are most likely to see
- 10 things you should always do *immediately* after being notified of a bankruptcy filing
- Priority of claims in bankruptcy
- Rights and responsibility of pre-petition credits in a debtor bankruptcy
- Risks associated with selling to a customer after a Chapter 11 bankruptcy
- Reclamation rights
- Disputing a Preferential Transfer
- Proof of Claim
- Myths and conceptions about the US Bankruptcy Code

CPC 9 Account Analysis Tools

- Credit applications
- Establishing, reviewing, and changing credit limits
- Scoring
- Use of Financial Statements
- Other factors

CPC 10 Business Entities & Legal Structure

Before you make a credit decision, you need to know about how your customer has set up their business. This will help you understand how to proceed with the credit evaluation and ultimately who is responsible for paying the invoice.

- Creditor's interest in legal composition
- The importance of the legal form of organization in credit decisions
- Major features of sole proprietorships
- Partnerships and their liability to creditors
- The various forms of Corporations
- Limited Liability Companies (LLC's)
- Joint Ventures
- Managing subsidiaries of major corporations

CPC 11 Basic Credit Risk Management

Credit risk management is the process used to identify, assess and prioritize credit risk. Once these risks are identified, the credit manager must develop a plan to minimize the impact of unfavorable events. The most significant risks include payment default, serious payment delinquency and damage to customer goodwill. In this program, we will examine ways to identify and manage risk, and to mitigate or eliminate risk. This program includes:

- Tactics for understanding and documenting your company's tolerance for credit risk
- Strategies for managing risk
- Fundamental credit activities associated with risk mitigation
- Tools for measuring the effectiveness of the credit risk management process
- Techniques for ensuring your efforts are consistent with your company's objectives
- 20 tools to better manage credit risk

CPC 12 Foreign Debt Collections

This session would begin with the materials from the 10-Minute Tip segment already done and follow up with more material to create a 1-hour program. This would be a segment that would only need to be taken one time if the student was using it for the CCP and CPC. The core competency requirements are that both certifications have this training.

CPC 13 Credit Law

Overview discussion of: The Bankruptcy Code, Automatic Stay, Credit Applications, Law Suits, Personal and Corporate Guarantees, Promissory Notes, Credit Agreements, Choice of Law, ECOA, FDCPA, Escheatment, Embargos, and Mechanics' Liens.

Core Competency Requirements - CCP CERTIFIED CREDIT PROFESSIONAL

CCP 1 Organizing the Credit Department for Optimum Performance

- Ideas for accelerating credit review of new and active accounts
- Reducing payment delinquencies and bad debt losses
- Tips for improving DSO, cash forecasting
- Receivables monitoring and reporting
- Accelerating the decision making process relating to orders pending
- Getting other departments to be more responsive to the credit
- Setting appropriate goals for each member of the credit team
- Measuring performance and tips on addressing substandard performance
- Cross-training advantages, mentoring and motivating subordinates

CCP 2 Using Your Credit Application to Reduce Risk & Accelerate Collections

- How to create an effective online credit application (with examples)
- What terms and conditions your application should include
- Issues to consider when evaluating the enforceability of applications
- Benefits to applicants and credit companies of online credit applications
- Risks associated with creditors accepting online credit applications
- The most common problems with applications and how to avoid them
- Turning your credit application into an effective collection tool
- Ways to use the credit application more effectively to manage credit risk
- How to use your application to reduce the number of deductions taken...and resolve deductions more quickly.

CCP 3 Formulating, Implementing and Monitoring a Credit Policy

We will examine the process of formulating, implementing and monitoring policies and procedures that relate to the credit department. In general, a policy is a course of action developed for recurring situation, designed to achieve established objectives and outcomes. In business, policies may exist at several levels. Credit policies apply to the credit department's activities. Although there is no such thing as a risk-free transaction, credit policies establish a guide for consistent credit decisions directed toward attaining the goals established by the company for the credit department. Credit policies also act as a training tool for your employees. A procedure describes the actual working steps that should be followed in the appropriate order to accomplish the desired credit result or decision. We will offer many suggestions during this program that you may want to use in formulating your own credit policy and procedures manual. A sample credit policy will be included as a supplement.

CCP 4 Establishing & Managing Credit Limits

- How to establish a credit limit for a new customer
- Tools to monitor customers' credit limit
- Indicators that a credit limit should be reduced
- Reducing credit risk without reducing credit limits
- How the business structure affects your credit evaluation and decision (corporation, LLC, joint venture, sole proprietorships, etc) and managing subsidiaries of major corporations

CCP 5 People Management

- Hiring and retaining the best
- Training and coaching
- Teams and cross training
- Setting goals and acknowledging performance
- Termination

CCP 6 Advanced Bankruptcy Issues

- An overview of business bankruptcies
- What creditors must know before considering offering a bankrupt customer open account terms
- Options and alternatives to open account terms
- Myths and misconceptions about debtors' duties and responsibilities post bankruptcy
- Collateral, security and bank guarantees
- What to do when a debtor in possession does not or will not or cannot pay post-petition debts
- Your rights and claim priority if a Chapter 11 liquidates or converts to a Chapter 7 bankruptcy

CCP 7 Trade Credit Insurance

- Reasons to consider or refuse to buy credit insurance
- Advantages and disadvantages of the coverage
- What is covered, what is not
- A thorough description of coverage and policy intent

CCP 8 Effective Communications

- Interactions with customers
- Interactions with salespeople
- Interactions with co-workers
- Interactions with management, and
- Interactions with vendors and suppliers

CCP 9 Conflict Management

- Identify and reduce the harmful affects in the workplace
- Resolving conflict with customers
- Methods that work and that do not work
- Cost of conflicts
- Resolution strategies and skills

CCP 10 Laws Governing Credit Department Activities

- Learn about the laws governing the credit department's actions
- There are many rules governing collectors that interact with consumers
 - There are very few rules governing business debt collection
 - The rules covering B2B debt collection will be explored in depth in this presentation
- This basic information about bankruptcy will be examined in this presentation
- The activities of the credit department are affected by various antitrust laws to be examined in this lesson

CCP 11 Financial Statement Analysis Part 1

- Overview
- Myths and misconceptions about financial statement analysis
- Limitations of financial statement analysis
- Mistakes to avoid in analysis
- What to ignore in financial statement analysis
- How to obtain statements
- Thorough discussion of commonly used ratios in analysis

CCP 12 Financial Statement Analysis Part 2

- This is not intended to teach you how to do the work of an accountant
- The program is about how to interpret customer financial information, the income statement, balance sheet, statement of cash flows, basic accounting rules, and challenges
- This presentation includes a high level overview of financial statements and financial analysis
 - It is offered from the perspective of what credit pros need to know about creating and evaluating customer financial statements
- GAAP
- This program also helps the credit analyst to understand more about the work done by accounting professionals

CCP 13 Financial Statement Analysis Part 3

- More in-depth discussion of the statements and samples for interpretation
- Auditors' opinions and types of reports
- International Financial Reporting Standards and statement review under IFRS
- More in-depth review of ratios; use of and samples for review

CCP 14 Financial Statement Analysis Part 4

So far, we have examined the balance sheet, income statement and statement of cash flows along with:

- Assets, liabilities and equity
- Sales, costs, expenses and profits or losses
- How to get financial information from customers
- Financial ratio analysis
- Trend analysis
- Use and abuse of industry norms
- How to identify a customer's financial strengths and weaknesses

We have examined:

- The statement of cash flows
- GAAP
- IFRS
- Foreign financial statements

The goal of this session is to put everything we have discussed previously, together

- We will examine how creditors use financial statement analysis to make better informed credit decisions

CCP 15 Credit Risk Management

Credit risk management involves activities that are intended to minimize costs and determine the optimum level of credit risk to accept. This program presents ideas, tips, suggestions and recommendations that you can implement immediately. My goal is to examine both how and why the typical B2B credit department manages risk:

- Along with the ways the credit department could manage credit risk more effectively
- Along with how to draw useful lessons from past experience
- Credit risk mitigation techniques and tools

CCP 16 How to do Business With Different Types of Entities

This presentation examines different types of business forms your customers can take including corporations, partnerships and proprietorships. The credit department needs to know how the customer has set up their business. Why? Because it matters to us in the context of understanding and evaluating the risk of doing business with the customer.

- For example, the type of business entity will influence:
 - What type of credit reports to request
 - What type of security or collateral to request
 - What type of financial statements to request
 - Who should be required to sign the credit application form
 - The risk of doing business with the customer

CCP 17 Improving Interactions With Sales

Credit is sometimes seen as being at odds with sales. Disagreements are unavoidable. The credit department needs to make it clear our goal is to manage risk, not eliminate risk. During this program, we will discuss:

- The need to understand your company's tolerance for risk so that sales understands your reasons for the decisions made
- What causes and how to improve damaged relationships with sales
- Developing mechanisms for appeals by sales
- You will be given ideas for better relationships with sales
- Advantages for consistent credit decisions, quick and appropriate responses about credit decisions made
- Dispute resolution, and what to say and what not to say to salespeople

CCP 18 Advanced Negotiation Skills

- In this program, we will examine various techniques to make collectors better negotiators with customers and with other parties
- Learn to negotiate every time a customer does not offer immediate payment in full of the past due balance
- Understand how to negotiate
- Examine ideas improve the outcome of payment negotiations
- Create a strategy for successful negotiation
- Understand the principle of 'win-win' negotiations
- Examine if and when and how and why to make concessions in negotiations with delinquent debtors

CCP 19 Dispute Deduction Management

- Involvement of others in the company in deduction resolution, including sales
- Different perspective on deduction management
- Use of software
- Write-off considerations
- Tracking and measuring deductions
- Interactions with customers

It is recommended that candidates for certification (CCP & CPC) obtain additional experience in the following areas. Check the published minimum training units required in each of these additional activities:

1. Customer visitations
2. Professional and community service
3. Board of Director's service, community and advisory board appointments
4. Industry credit group participation
5. Supplemental training seminars and programs
6. Accounting, Credit, Collection, Distributor and Sales Rep Agreements, Contract and Credit Law Courses

