

Effective Overseas Credit Management

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Why Open Account Credit?

- Credit is a lubricant to business.
- Competitive Advantage.
- Risk versus Reward.

Getting Paid for Your Export Sales

- Accurate Assessment of Risk.
- Terms and Conditions.
- Getting it Right from the Outset.
- Prompt and Thorough Collection Practices.
- Sanctions Against Poor Paying Debtors.
- Credit Insurance.

Accurate Assessment of Risk

- Company Information Reports / Monitor.
- Visits.
- Company Accounts.
- Political Risk Analysis.
- Local Payment Cultures / Practices.
- Try to find a way to say “yes”, but don’t be afraid to say “no”.

Terms & Conditions

- Payment terms must be established at outset.
- Ensure that T&C's are up to date, and enforceable.
- Beware of tacit acceptance of customer terms.
- ROT Clause.

Get it Right From the Outset

- Make sure that paperwork is in order, and compliant with order instructions.
- Make sure that export documentation is correct.
- Make sure that invoice is accurate and sent out promptly.
- Make sure that problems are dealt with quickly.

Prompt & Thorough Collection

- Overseas debts should be treated no differently to UK debts. Except...
- Most collection contact should be made in writing.
- Be polite and respectful, but firm and professional.
- Be aware of local customs and practices, business etiquette & payment culture.

Sanctions Against Overdue Debtors.

- Suspension of supplies: powerful weapon.
- Legal action: Fraught with difficulty overseas. Seek expert local knowledge.
- Collection agencies.
- Keep on top of costs.

Credit Insurance

- Designed to protect against the unforeseen catastrophe.
- Expensive, but can be a saviour.
- Not a substitute for good credit management.
- Choose your underwriter with care.

In Conclusion

- Keep things as simple as possible, don't overcomplicate.