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Two New Books Keep Credit Pros on Leading Edge of Profession

The credit function as performed today is radically different than it was a decade ago. Nowhere is that demonstrated more than in recently published literature for the professionals who strive to make their departments world class. Two books, each focusing on very different aspects of credit, validate that evolution.

The first, *Global Credit Management*, written by Ron Wells and published by John Wiley & Sons, encompasses Wells' passionate views on the credit profession and the contribution it can make if given a chance. He believes that active credit management will increase the quality of sales, can improve the balance sheet structure, and enhance the risk profile of any business. Wells has the unique ability to present complicated issues in a light and lively manner, often through the use of theoretical discussions between the credit executive and the CFO, sales, or customers. The book covers topics from the intermediate to advanced level and can be purchased for \$95 on www.amazon.com, www.bn.com, or www.wiley.com. At least initially, Amazon and Barnes & Noble are discounting the book. Please refer to Exhibit 1 to see a short excerpt.

The second book, *The Credit Manager's Internet Handbook: Data to Decisions*, was written by credit Internet guru Dennis Gaulin and

published by Infolab Inc. Gaulin takes credit managers on an Internet journey starting at the very beginning. Thus, the more technically advanced credit pros will probably skim through some of the book—but they shouldn't flip those pages too

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Exhibit 1. Customer Risk Analysis Tools

The most important tools available to support a credit analysis process are:

- ☞ Financial information as to the condition and achievements of the customer or potential customer. This is usually in the form of a balance sheet, an income statement (or profit and loss account), a cash flow statement, an auditor's report, and explanatory notes.
- ☞ Information relating to the future plans and strategies of the customer. This may be available through executive announcements or media releases, and cash flow forecasts. Either accompany the publication of financial results or are published ad hoc.
- ☞ Payment and operational performance information gleaned from other suppliers (credit references), banks (bank references), your company's own records, credit reference agencies (credit information suppliers), the Internet, and public records, such as court files and newspapers.
- ☞ Generally available information regarding the customer's industry and market environment, together with information regarding the legal and tax environment in which the customer operates.
- ☞ Personal visits to the customer's premises and market.

(Source: Wells' *Global Credit Management*)

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quickly. He provides some interesting insights on even the most rudimentary topics. In Exhibit 2, Gaulin delves into the dark recesses of the Internet. The book costs \$97.95 plus shipping and can be ordered directly from www.primsthinking.com. Readers who want to see how Gaulin employs his theories should sign up for the June 21 audio conference produced by IOMA in cooperation with the Credit Research Foundation. Attendees at that session will have the opportunity to purchase his book at a reduced price.

Finally, if these books are perfect for you but your staff needs to brush up on the basics, try *The Essentials of Credit, Collections and Accounts Receivable*, written by this newsletter's editor and published by John Wiley & Sons. □

Exhibit 2. Digging Beneath the Internet's Surface: The Invisible Web

If search engines index only a fraction of what's available on the Web, what about the other good stuff? The "invisible Web," also referred to as the "hidden Internet" or the "deep Web," may help.

There are many reasons why search engine spiders or crawlers (the software that grabs and indexes Web pages) cannot index some sites.

Lots of text content available via a Web site is stored in databases that spiders cannot get at. Many sites have an internal search function. Look for a query box on the home page that allows you to search the internal content. This type of content is not really invisible because it is accessible on a specific site.

Luckily there are tools that can help locate these hidden resources. CompletePlanet, Invisible Web Director, and Profusion are examples of invisible Web tools.

A good starting point for researching on the invisible Web is Rider University Library's Those Dark Hiding Places—The Invisible Web, a comprehensive resource that includes a reviewed directory of 100,000 plus sites. The University of Albany Library's deep Web resource provides a list and description of invisible search tools.

Editor's Note: library.Albany.edu/internet/deepweb.html contains an excellent article that delves further into this topic.

(Source: Gaulin's *The Credit Manager's Internet Handbook: Data to Decisions*)