

For Immediate Release

Industry Trade Groups Provide Value to Credit Managers

July 20, 2005: Columbia, Maryland—As competition for new business becomes more intense in our global economy, credit professionals need a means to get quick and accurate credit information on current and prospective customers. One of the ways the **National Association of Credit Management (NACM)** effectively addresses this need is through industry trade groups organized around various industry categories such as agricultural products, media, consumer electronics, etc.

Many NACM Affiliates sponsor industry trade groups as a way for NACM members to meet and share current and historical factual credit and trade information on common customers. The credit professionals who belong to these credit trade groups meet monthly, bi-monthly or quarterly, in local, regional or national groups, depending on the needs of the NACM member companies of that group.

NACM Affiliate credit groups cover a vast array of industries—one for virtually every industry—whether organized around product or service type, and/or regional location. One of the big advantages of belonging to an NACM industry trade group is that it allows members access to industry-specific databases that contain trade line data of group members' customers. This allows NACM trade groups members to learn, among other things, how their customers are paying their competitors. It is valuable information knowing whether one or more other NACM trade group members are experiencing difficulty in getting paid by a customer. This information can be shared online so that each trade group member is kept up-to-date between meetings.

Making information available online and at industry trade group meetings enables members to be alerted to negative financial or payment trends of existing or potential customers almost immediately. Bill Bayne, Credit Manager for Granite Building Products, Inc. noted that negative and verified information he received on a potential customer helped him avert a possible \$10,000 loss to a bad account. "In effect, the \$10,000 would be gone, had I not had access to the NACM credit group information," Bayne said.

Tom Collins, Midwest Division Credit Manager for Helena Chemical Co., noted that fellow industry trade group members receive e-mail alerts when any other member of his trade group reports a significant bad credit situation from a customer, such as a returned check due to non-sufficient funds (NSF). "If we get an NSF check, we report that to the industry credit group database and it is reported automatically to all other members of the group," Collins said.

Jodi Sells, Credit Administrator for Ivesco, LLC, said her company belongs to an NACM national industry trade group related to suppliers and distributors of animal health products. Sells said her group members electronically submit their trade line (payment) data, also called receivables, to the group's database for all group members to access. "It's a great resource for our company," she added. "I don't know what we'd do without it."

Sells made a point of stating there are strict rules under which industry trade group meetings are conducted. "We're limited as to what we can discuss," she said. "We can only state factual, current or historical information. We can't say what we're going to do with a customer's account; we can only say what happened." In addressing specific customer information, NACM groups adhere carefully to antitrust regulations. A trained NACM administrator is always present to monitor the interchange, and make sure that participants do not inadvertently cross boundaries. Before the meeting starts, the administrator reads the rules aloud, and members must sign an agreement to abide by federal antitrust guidelines. Trade group members always make professional and individual assessments on information presented.

Mike Oglesby, Credit Manager for UAP Distribution, Inc., a large domestic supplier of agricultural chemicals, seeds and other products, belongs to an agricultural industry NACM trade group. He said the ability to meet other credit professionals in his industry has been very beneficial to him. "It's a great way to gain new experiences and build your strength as a credit professional," Oglesby said. "NACM has done a lot for me. I've been active in it for a long time."

While they build trust and cement relationships, the credit professionals are afforded the opportunity to leverage off each other's knowledge at credit group meetings. During their discussions, they may address typical commercial credit-related problems many of them encounter on a daily or weekly basis.

Louann Hipps, Credit Manager for A-L Compressed Gases, Inc., is also a member of an NACM industry trade group. She appreciates the networking and knowledge-sharing that takes place at industry trade group meetings. "It helps to know other credit managers from other companies," Hipps said. "You feel more at ease calling somebody that you've been able to build a trusted relationship with. If you have a new customer, you can find out a little more information about them."

"I've been a credit manager for more than 20 years now, and I find it very beneficial to talk to other credit managers in person," added Debbie Morse, Area Credit Manager of L&W Supply. "I love going to the meetings—I wouldn't miss one!"

Judy Davis, Corporate Secretary – Treasurer for Water Front Lumber Co., Inc., said, "It's invaluable to me. If somebody's not paying his or her bills, you're going to know about it. If a customer is not paying your competition, you're going to know about that." She added, "For the 20-plus years that I've been a member, it has saved my company a lot of money and provided me the ability to stay on top of things."

Gordon Hawthorne, Area Credit Manager for T.C.S. Materials, Inc., pointed out that he often taps the trade group database to get trade reports on various companies. "We use NACM's trade group database two to three times a day for trade reports which we get via the Internet."

Davis summed it up: "The cost of belonging to an NACM industry trade group is well worth every bit of money we've spent! Membership pays for itself many times over."

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The National Association of Credit Management (NACM), headquartered in Columbia, Maryland supports more than 25,000 business credit and financial professionals worldwide with premier industry services, tools and information. NACM and its network of Affiliated Associations are the leading resource for credit and financial management information and education, delivering products and services which improve the management of business credit and accounts receivable. NACM's collective voice has influenced legislative results concerning commercial business and trade credit to our nation's policy makers for more than 100 years, and continues to play an active part in legislative issues pertaining to business credit and corporate bankruptcy. www.nacm.org

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