



More than six months ago (my, how time does fly when you're having a good time, eh) I asked a number of the most skilled, experienced and motivated International leaders in the fields of credit and collections two questions. The first was for a report on what was happening in their country due to COVID-19. The second, and perhaps most important was their recommendations as to what we should and sometimes should not do to survive and thrive.

You can hear what they had to say during the interview or download a transcript [here](#).

A lot of water has passed under the bridge since the COVID-19 virus has made its unwelcome visit, so after a half-year of experience, I asked them if they would be kind enough to share their current thoughts.

On the pages that follow, you'll find theirs as well as mine. Some of us have kept it short and a few were kind enough to share what could be an outline for chapters in a book. I thank them for taking the time to share, what I believe you will find valuable and thought-provoking.

As we move forward, far from out of the woods yet, Let us remember the words of Mary Tyler Moore: *"You can't be brave if you've only had wonderful things happen to you."*

Contents

Tim Paulsen – Canada	3
Hanif Patel - Pakistan	4
Eugene Joubert – South Africa.....	4
Raymond Anderson – South Africa	5
Borys Sadowski - Poland	5
Steve Coyle – Malaysia.....	6
Josef Busuttil - Malta	7
Darryl D’Souza – Canada – Middle East	8
Ayse Arslan – Turkey	9

Tim Paulsen – Canada

I am going to take what could be perceived as a selfish view here, and talk about training, the budget and safety.

Many of us on these few pages, make a business out of providing training, exceptionally good training I might add, to those responsible for handling the most liquid of assets after cash and the lifeblood of most organizations – accounts receivable.

In difficult economic times, travel and training are often the first up on the chopping block. They may have been dragged up the steps even quicker than normal due to the unique challenges presented by COVID-19.

Yet, organizations have never needed us more. None of them can afford to have a less than perfect collection call, email, letter or even past-due notice. COVID-19 has taught us just how small the world can be and if you thought competition was a challenge before, I suggest we ain't seen nothing yet.

1. You may not have the budget for the training you need, but get creative for the best return on your investment. Maybe a few hours of training for a couple of your people who will pass along to others.

Even with no budget, there are trainers out there (like me) who offer a free webinar session. Do we try to sell you other programs or products in the program of afterwards? Sure we do. But, you're big boys and girls who can say no if needed...or you may find some are very worthwhile.

2. We have learned in business, education, and other areas that virtual training is not as effective as a live session. It *may* be lacking, but it is way ahead of anything else. Don't just get webinar training – get an excellent and tailored workshop.
3. A book report worth its weight in gold: If you can't get any webinar training, there are books out there, like PAID IN FULL (It's mine, so you're right thinking I'm prejudiced) jam-packed with great ideas to improve collection techniques. If you don't have time to read it yourself, buy a copy (maybe two or three 😊) and assign to staff members. Ask them to come back with a report on two collection techniques that you should put into place.

Okay, that's about it from me. If you get the idea that I'm passionate about great training – all I can say is c'est moi!

Hanif Patel - Pakistan

I would say that its difficult teach an old dog new tricks. The only impact COVID 19 has made on people is a shortfall on the cash flow, may be temporary or a permanent. Essentially, the number CANTs have proportionally increased in the receivable management world globally.

The way to deal with the situation is to stay calm and collected. Work with people with EMPATHY, have some forbearance and let go some if we have to. We are in business of managing certain level of risk hence overcoming the scenario is part of the job.

Whereas Pakistan is concerned, the government has done a remarkable job of curtailing the impact and has contain the spread within the country. Life is becoming quite normal despite three major events like Ramadhan and Eid Festival, Eid-ul-Adha - Animal sacrifice festival and a three days Mourning rally between May through August that causes a large crowd gathering across Pakistan.

Eugene Joubert – South Africa

We, in South Africa, thought that when the hard lockdown would be lifted our sorrows would be a thing of the past, but alas, the lessons we need to learn is only starting now.

The little reserves we had, was used to see us through the first 160 days of COVID-19. Now that we have moved on we find out that that the real test is here.

BUT let me not sound negative, this Black Swan event (yes it IS undoubtedly a Black Swan event) has taught us all that you cannot relax for one day thinking “you know it all” so there are positives coming afore. Those surviving this pandemic are the true leaders, both in business and in teaching others.

Like raw metal being put in a furnace and comes out shining gold - that is the lesson for all of us. Never rest and think we are great - there is always new lessons to be learnt and new horizons to challenge us. We learn as we go forward, this challenge made a lot of us stronger and wiser and we live to tell the tale and share the experiences. Hopefully those who come after us and read our history will benefit from our writings on this challenge.

Now may we start and re-build what was lost and may we be a stronger and wiser force in Credit Management going forward.

May the forcer of Credit be with you all.

Raymond Anderson – South Africa

My primary comment is that, in South Africa at least, the restrictions on movement have caused significant damage, that I do NOT believe is justified in terms of lives saved. We are currently standing at about 12,000 deaths in a population of almost 60,000,000. Yet, job losses run into the millions, and countless businesses have ceased to exist.

The initial restrictions were wise, to ensure that the hospitals were repaired. Thereafter, the logic behind certain decisions was highly questionable. In particular, restrictions on alcohol and tobacco, which very few other countries implemented, created a black market trade (we became criminals) and significant sin taxes were lost.

Further, when restrictions on alcohol were lifted, people drank to excess to make up for lost time.

Borys Sadowski - Poland

Old Darwin was right. It is not the strongest ones who survive,
but those who can adapt quickly to the new situation.

Today we already know that COVID-19 will be with us for many months.
Either the situation will stabilize or the economic crisis will hit hard.

Nobody knows what will happen.

But we can prepare ourselves for both scenarios.
Our primary responsibility is to adapt as quickly as possible.
Do not wait.

I think that as managers we should focus strongly on supporting our debt collectors.
Not only to provide solutions for calls but also to strengthen mental resilience.
This is especially important because of remote working.

We should also remember to prepare our systems and our employees for conversations
with people who have fallen into debt through COVID. Honest, hard-working
people who often paid all bills or invoices on time all their lives.
This wave is just coming.

(Note: Boldface and Italics are mine....Tim Paulsen)

Steve Coyle – Malaysia

Steve was kind enough to share the outline of a chapter of his latest book in development.

Chapter 7: Handling problems

You will still get the normal supervisory complaints and problems, but you will also get new complaints about remote working. Some of these complaints can't be solved as the work environment has changed, but you can show your team members empathy and understanding. And sometimes that's enough. The A.U.S.E. (Acknowledge-Understand-Solve + Empathy) model will help you. Your job's focus will change from people-management to process-improvement focus. Your role will become more backend. You must remove your team's roadblocks, get them any needed tools, highlight and resolve I.T. issues, and let them work uninterruptedly with the freedom to do it as they see fit (provided they achieve the results). In a sense, you are an IT manager, HR manager, and operational manager all rolled into one. One problem that will increase with a remote workforce is burnout. In the office they could probably chat with a friend at lunch or in the pantry to relieve their stress, but at their home they are constantly surrounded by their work and home pressures. Your team may feel dislocated from the office and infer negative meanings from any communications coming from H.Q. They may also work nearly 24 x 7 by always checking their emails and working outside working hours. For some star performers, you may have to make them disconnect from the office at a certain time each day to reduce the chance for burnout and overwork. Remind your overachievers that they are humans, not robots, and need to rest. They need to get a life.

Josef Busuttil - Malta

Lessons learnt:

1. Companies who lacked sound cash flow pre-Covid are now in the red, struggling to survive or went bankrupt – Cash Flow is the main ingredient for any organization to succeed. A company may well survive experiencing deficit for a year or two but having no cash flow, it will not last.
2. For some industries, Financial Statements have become obsolete if not irrelevant. A company that we may have deemed profitable to deal with in January 2020, may now be well struggling to survive.
3. Knowing our customers have become critical more than ever – Knowing the customers/markets/niches of our customer is important to anticipate our customer's future ability to pay and hence, honour our credit terms agreed.
4. 80/20 rule (Pareto) should be deployed by the credit practitioners to periodically visit our customers and physically analyze their business concern.
5. Negotiating with existing customers who are failing in honouring credit terms agreed pre-Covid is indeed important – acquiring negotiation skills should be on top of the credit practitioners' agenda. Negotiation Skills should be included in Credit Management Training Programs. This is important to secure sound cash flow, mitigate credit risks and minimize bad debts.
6. Industry Surveys should be encouraged to assist in the analysis of credit worthiness of customers. At MACM in Malta, we conducted a number of Industry Surveys in this regard.
7. More synergy between the credit department and other functions has become imperative. More frequent meetings should be set to understand each other's role and discuss how the departments can assist each other to achieve the corporate goals of the organization. Thus, everyone would pull the same rope in the same direction. I explained in detail how to do this effectively in one of my presentations in SA in March.
8. Good Customer Relationship is key to business success more than ever. A customer may well go down in a short period of time – it is the role of the credit and the sales teams to identify any changes in the market environment.
9. Although working from home is one of the new 'norms', people still need to interact and discuss credit / customers / markets matters and issues more frequently.
10. Business communication is the only way forward during these challenging times!
 - a. Communication with customers in order to learn about the changing needs of customers and to monitor customers closely has become paramount.
 - b. Industry Credit Group Meetings should also assist trade creditors understand the changing environment of their industries and possible strategies maybe discussed and evaluated.
 - c. Sharing of data through Credit Reference Agencies, such as MACM, is another helpful tool. Businesses get factual and daily credit information in order to monitor their customers closely.
11. Tasks, methods and process in Cash Collections may need to change. Identifying who is responsible of payments and the methods used has become essential. One should get hold of contact details including Online addresses in case one would require to meet customers virtually.
12. Above all: Turnover is Vanity, Profit is Sanity BUT CASH IS KING.
13. PROTECT YOUR CASH FLOW

Darryl D'Souza – Canada – Middle East

There are many lessons to learn from this pandemic:

1) **Strategies / Bad Debt:** In some markets (Middle Eastern countries) companies reduced salaries of their employees by 25% to 50%. Financial institutions being prudent and considerate with the help and funding from Central banks deferred payment of those customers that got a reduction in salaries by three months and then again another 3 months. Assuming this program started in April, the first 3 months would end in June and the second 3 months would end in September.

Giving customers a six-month payment holiday is a challenge for the Risk Management teams especially Collections because the customer has gotten used to not paying their installments. Starting October the Collectors will face a challenge in collecting and the accounts will flow from bucket to bucket thereby increasing bad debts by December.

A better method that could have been followed which is reducing the monthly installments by the percentage of reduction in salaries. This way the customer is treated fairly and banks continue to receive cash flow and the accounts do not age. At the same time there is no risk of bad debts hitting them at the end of the year.

2) **Customer Satisfaction:** Customers on the whole were more responsive to banks calls since they were working from home during the pandemic. This helped better contact rates for Collections. On the other hand work from home increased the disposable income of people who did not have a pay cut. Payments increased towards debts and collections increased as a whole. People did not have to spend on travelling to office (transportation costs), dressing up (personal grooming, clothes) and eating out (hence more disposable income)

3) **Collections:** Productivity of collectors increased while working from home since they were working from a relaxed environment and stress levels were less. Dollars collected also increased significantly.

4) **Technology:** From a Financial institutions perspective the adoption of digital channels by their customers increased significantly thus making the banks upgrade and invest in this channel. The adoption rate of the digital channel by customers increased by over 50% across the Middle Eastern countries.

5) **Employee Productivity:** Most Financial institutions are rethinking their strategies on brick and mortar operations to remote working (work from home) since this mode is cost effective and efficient. Productivity of employees increased by 75% and the time spent by employees on office work from home went up by at least 30%.

6) **Training:** Webex training is the new normal and large financial institutions have already started planning on future training to be delivered remotely. This reduces costs significantly.

Ayşe Arslan – Turkey

From a business perspective, I have witnessed the necessity of quick adaptation to technological changes. Before, it was harder for me allow our team-work from home but 'flexibility' will remain as an option in the near future.

By the way, I decided for our company to continue working from home until end of year. The numbers started increase in Turkey recently, so I am not willing to take the risk.

From a personal perspective, I learned to avoid to extremes in terms of closeness. It is not a solution to be totally distanced (physically I mean) from our friends and family (such as staying home for months) or to pretend as if this pandemic is nothing. So, finding the balance is the key. Since beginning of August, I have started to go out and even travel, but being careful not get close to our friends physically, or kissing or hugging and ALSO wearing masks whenever we go outside :)