

THE CORE COMPETENCIES OF AN INTERNATIONAL CREDIT MANAGER

This document is the result of consultation with a wide range of international credit managers from diverse corporate backgrounds. This list of core competencies is not meant to be exhaustive but, rather, a document of “guidance” for international trade credit and risk management professionals dealing with large, multi-cultural credit teams.

When choosing the most fundamental core competencies, the consultative group took into consideration their respective careers and the subsequent key components that they’ve identified while establishing themselves as international trade credit and risk management professionals.

FCIB’s educational platform has been fundamental in helping credit managers broaden their range of skills through its engagement with people in industry and commercial services. Its tailor-made educational suites aim to narrow the gap in knowledge and skill sets by providing diverse subject matter in a timely and organised manner.

While attempting to grow your career in international trade credit and risk management, you may want to examine your current skill set, including academic and “people” skills, and give thought to how further education can broaden your horizons. There are many ways in which to do this and, given the ease of access through advances in technology, it is not difficult to acquire new skills in today’s global business environment –

- Identify gaps in your knowledge
- Explore FCIB’s on-demand digital library, calendar of events, and educational offerings
- Draw up a timetable of study
- Search out relevant educational material
- Interact with fellow credit professionals
- Become the “Leaders” in today’s global business world and take international credit and risk management to a new level.

On behalf of FCIB, its Board of Advisors and European Advisory Council, we wish you a long and successful international career.

Core Competencies

- Business acumen
- Continued improvement through professional development
- Corporate Citizenship
- Customer-focused
- Drive performance at all levels
- Goal-oriented
- Impact and influence
- Integrity
- Leadership skills
- Mentoring and training aptitude
- Plan and adapt
- Problem-solving
- Result-oriented
- Working across borders (different continents/different cultures)
- Working across boundaries and the ability to “partner” in building professional relationships across the business spectrum (e.g. Sales, Operations, Marketing, Legal)

Business acumen

Knowledge of your career is one thing, but knowledge on its own is not enough. Knowledge must be paired with the ability to make good judgment calls and quick decisions. Your judgment of a situation requires you to take a bird’s eye view to reach a decision resulting in a positive outcome.

Continuous improvement through professional development

Keeping abreast of issues in international trade credit and risk management is essential. You should also make specific changes in processes or work methods to improve performance and measure these improvements once implemented.

You can secure up-to-the-minute knowledge through engagement and involvement with fellow professionals. Seek out forums and increase your knowledge through regular contributions to discussions. Learn how to share your views and opinions with other professionals through the practice of engagement. Subject to timing and budget, attend as many live conferences and events as possible. Live events enable you to learn face-to-face, and provide a platform to ask questions and express your own views and opinions.

With modern technology, education is easier to access and it’s important to be aware of developments in your field to ensure your A/R portfolio is protected.

Corporate Citizenship

In today’s globally-connected world, with particular reference to large multi-national organizations, there is greater emphasis on how business impacts society, the local community, and the environment.

You should be aware of environmental and social impacts in terms of decision-making, which goes beyond normal compliance and understand how your company's operations impact the environment and community. By being part of your company's Corporate Social Responsibility efforts, you may see opportunities to enhance the standing of your company within the community while also encouraging participation from your team, making creative solutions a team effort. You should look to enable others to have an environmental and community focus by providing information or support for related activities.

You may also want to come up with creative solutions to advance the whole Corporate Citizenship ethos within and outside your organization.

Creating value for society and the environment is an important asset in the role of good corporate citizenship and is, therefore, a core competency.

Customer-Focused

The basis of every credit manager's career is the need to facilitate the sale. This is the "enabler" competency. By focusing on the customer's needs, it enhances the relationship you build and will most likely help when it comes to the avoidance of a dispute or, when disputes arise, aiding a speedy resolution. How many times have you seen large receivables held up for the want of a credit note for some small amount?

By developing solutions to meet the customer's needs you will build a close relationship, which will enhance future business dealings and the reputation of your company through adapting a long-term approach. At the same time, you will need to effectively manage customer expectations when deadlines are not met and provide alternatives to help them meet their needs.

Credit managers, regardless of the industry in which they are engaged, should strive to be customer-centric. This applies to both internal and external customers and it is good to monitor customer satisfaction at key stages in the business cycle. You should identify and address problems to avoid such pitfalls in the future.

This core competency represents the credit manager's ability to facilitate the customer's needs and turn the sale into a receivable, enhancing turnover and improving the DSO ratio by getting paid on time.

Drive performance at all levels

Apart from ensuring your professional development is kept up-to-date, you will need to drive the team performance and motivate them to deliver a first-class performance. You will, therefore, need to be the "driver" of the tasks you have set, which can be achieved by focusing on your own mechanism for drive at a fundamental level. If something is wrong with one team member it can impact the entire team's performance. Juggling staff demands is difficult, but having the "drive" to ensure performance is not compromised is a core competency.

Goal-oriented

Having goals is essential to deliver results in a business cycle. The ability to set your own goals and those of your team is important for continued positive change. The goal setting exercises undertaken by managers can sometimes be unrealistic, so the core competency of goal setting needs to be realistic and within the scope of you and your team. Set challenging goals that are difficult, but not unrealistic.

Impact and influence

This is the ability to successfully influence senior management (e.g. Chairperson, CEO, COO, EVP, SVP, Director), within your company and the customer or partner company and their risk management decisions to achieve revenue growth goals. This particular core competency requires outstanding listening ability, attention to detail, problem solving and collaboration skills. Demonstrating self-confidence, poise, and clarity in verbal and written communication requires an outstanding level of good judgment.

Integrity

Integrity is at the very core of all business dealings. Acting in a way that is consistent with what you say and believe is essential. Being honest and trustworthy in all your business dealings, whether internal or external, is vital.

Keeping your integrity in international trade is no easy task. You will need to examine *conflicts of interest* to mitigate any Compliance & Ethics issues. Speak up and ask questions of others even though it may strain a relationship. Examine your company's credit policy alongside the Compliance & Ethics policy and ensure that these documents are regularly updated to adjust for any changes in conditions across various regions. Your integrity among your team members matters and, therefore, clear directions should be issued to avoid confusion or miscommunication, which can lead to disruption within the team. Miscommunication can also cause a lack of trust and being seen as unreliable.

Leadership skills

At the outset, leadership will determine the overall success of your team's performance and there are certain elements required to lead. These can be summarized as the ability to create, motivate, inspire, manage and coach individuals to achieve successful shared-customer outcomes. You should act as an enthusiastic role model and inspire others to reach their goals, while demonstrating decisiveness in your day-to-day actions.

A good leader confidently challenges the way things are done and offers constructive suggestions on how to achieve successful outcomes.

A good leader aims to act promptly and positively to challenge inappropriate behavior and demonstrate respect for others. It is essential to be able to promote internal and external diversity.

It is important to be aware of how to adjust your own leadership style to suit different needs and circumstances, and to remain open, approachable and willing to provide support, advice and guidance to others.

Having a vision of where they want to be and what they want to achieve is a basic trait possessed by all good leaders.

Mentoring and training aptitude

The ability to “grow” your team is important. The strengths and weaknesses of each team member will need to be assessed and addressed. You will need to mentor team members to help drive performance. Training is essential, and an aptitude for training and mentoring is, therefore, a core competency.

Plan and adapt

This core competency is essential in mapping your and your team’s success. You should plan to deliver results on time and within budget avoiding over-promising or under-delivering.

It requires skill to alter normal procedures to fit a specific situation, to get a job done and meet company goals. You may also need to change course based on the particular situation at hand. You should adjust to the situation when new information or evidence is received.

Plan specific activities and use available resources to ensure timely completion of tasks. You should look to prioritize tasks based on their importance and time requirements and monitor the progress of work activities. If necessary, you should modify plans to address changing priorities and needs.

When trading across borders, companies need contingency plans when sovereign risk becomes an issue. Plan ahead and adapt to changes within a particular country. For example, when a country’s government has declared a state of emergency and funds from your customer’s account are frozen , you may need to reroute the payment through another bank in a different country. Making contingency plans and adapting when necessary is a core competency.

Problem-Solving

Complex issues can arise daily when trading in a global environment. Receivables are subject to disputes, compliance, foreign exchange, and delivery, to name but a few issues! The ability and desire to understand a situation in its entirety (i.e. the “bird’s eye” view) is required.

In some instances, the ability to react swiftly could save your company money, so problem solving capabilities are a necessity. Keeping a cool head and thinking through the problem is essential if you want to succeed. While getting to the root cause may be time consuming, inaction is not an option when substantial sums are tied up in your A/R Portfolio.

Problem-solving includes the analysis of data and information to achieve a new way of looking at a situation, which may result in innovative thinking, solutions and plans for action.

Result-oriented

Keeping an eye on performance to enable positive results is critical in today's business environment. Benchmarking tools are available for key performance indicators (KPI's). These are measured outcomes by which you can judge your and your team's performance over time.

Working across borders (different continents/different cultures)

In dealing with your global receivables, you will require a degree of dexterity to work across borders and different cultures. This involves understanding and respecting differences in values and belief systems of different groups of people. By embracing the power of diversity, you can use this to create an awareness of what is, and what is not, acceptable in other cultures.

The way in which business is conducted in your own country will vary in comparison to other countries. Leveraging this understanding increases collaboration across borders.

Being culturally aware is a core competency for success in a global business environment, particularly when disputes arise. Make sure you have a good compliance policy in place and that your team is fully conversant with the document. Be aware, in this context, of third party agency agreements and instill the KYC's of credit (*know your customer*) within your team.

Working across boundaries and the ability to “partner” in building professional relationships across the business spectrum (e.g. Sales, Operations, Marketing, Legal).

It's always important to engage with other departmental heads and their team members. Breaking down organizational or cultural barriers by valuing differences is essential to create harmony. It is necessary to understand the role of partnerships in improving customer service and to encourage partnership work.

Look to clarify expectations, objectives and working arrangements of internal and external partnerships. Proactively engage partners in developing services and joint delivery mechanisms. Consult and engage with stakeholders when required.

Acting as a “partner” to other departments, enables better collaboration and creates a positive working environment for all concerned. Working out problems together for the greater good of the organization leads to increased productivity. Failure to communicate leads to discord and disruption across departments and should be avoided at all costs.

There's an inherent relationship between the credit department and the sales team. By “partnering” from the outset this collaborative working practice will lead to increased sales and better DSO, as all parties can be relied upon to perform their role and share in the celebration of overall success. Take positive action to resolve conflicts/disputes in and between teams.

The ability to work across boundaries is, therefore, a core competency.