



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. The list of core competencies given here is not meant to be exhaustive, but, rather, a document of “guidance” for those engaged in international trade credit and risk management, dealing with large multi-cultural credit teams across different regions of the world.

When choosing the most fundamental core competencies, the consultative group considered a variety of situations experienced during their respective careers and the subsequent key components which they’ve identified while establishing a professional career in international trade credit and risk management.

FCIB’s educational platform has been fundamental in helping Credit Managers broaden their range of skills over its long history of engagement with people in industry and commercial services. Its tailor-made educational suites aim to narrow the gap in knowledge and skill sets through providing a diverse number of subjects presented in a timely and organised manner.

Whilst attempting to grow your careers in the international arena of trade credit and risk management, you may want to examine your current skill set which will comprise both academic and “people” skills and give some thought as to how you can broaden your horizons through further education. 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/education 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 over the coming years.

Core Competencies

- Business acumen
- Continuous 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” to build professional relationships across the business spectrum (e.g. Sales, Operations, Marketing, Legal, etc)

Business acumen

Knowledge of the career you inhabit is one thing but you have to position this alongside your ability to make good judgment calls and quick decisions when and where they are needed. Knowledge on its own is not enough. Your judgment of a particular situation requires you to take a bird’s eye view to assist you in reaching a decision which will lead to a positive outcome.

Continuous improvement through professional development

Keeping abreast of issues within global trade credit & risk management is essential. You should also consider making specific changes in processes or work methods to improve performance and look to measure such improvements at a later point.

The way to secure up to the minute knowledge is to stay engaged and involved with fellow professionals. Seek out forums and add to the sum of your knowledge by making regular contributions to discussions on broad topics. Learn how to express your views and opinions amongst other professionals through the practice of engagement. Subject to timing and budget, aim to attend as many live conference events as possible. Live events enable you to listen to other opinions in real time, giving you a platform to ask questions and express your own opinion on a particular topic.

Education is easier to access in today’s tech savvy world and it’s important to demonstrate that you are abreast of all the latest developments to ensure your A/R portfolio is protected as far as possible.



Corporate Citizenship

In today's globally connected world, and with particular reference to large multi-national organisations, there is more of an emphasis on how business impacts society, the communities within which the business is situated, 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 on the environment and community (if at all). 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 it a team effort to find creative solutions. 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 organisation.

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

Customer Focused

At the root of every credit manager's career, comes 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, where disputes arise, aiding a speedy resolution. How many times have you seen large receivables held up for the want of a credit note for a small amount of dollars?

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 customers' 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 various key stages in the business cycle. You should aim to take action to identify any problems encountered and address the problem 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 own professional development is kept up to date, you will also 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 and this can be achieved by focusing on your own mechanism for drive at a fundamental level. If something is wrong with one team member this can impact on the overall 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 if results are to be achieved during any business cycle. The ability to set your own goals and that of your team becomes important if you want to see continued positive change. The goal setting exercises undertaken by managers can sometimes be unrealistic so the core competency of goal setting needs to be looked at in a realistic light and within the scope of both you and the team. Set challenging goals which are difficult but not unrealistic.

Impact and influence

This is defined as an ability to successfully influence senior management (Chairperson, CEO, COO, EVP, SVP, Director, etc.), within the company and at the customer or partner company, and their risk management decision(s) to achieve revenue growth goals. This particular core competency requires outstanding listening ability, attention to detail, combined with problem solving and collaboration skills. Demonstrating self-confidence and poise in communicating orally and in writing that cannot be misunderstood, requires an outstanding level of good judgment.

Integrity

Integrity is at the very core of all our 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 either internally or externally is vital.

Keeping your integrity in international trading is no easy task. You will need to examine *conflicts of interest* to mitigate any Compliance & Ethics issues as far as possible. 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 cater for any changes in conditions across the various regions of the world. Your own integrity amongst your team members will also matter and therefore, clear directions should be issued to avoid any confusion or as far as possible, miscommunication, which can lead to internal disruption amongst the team. It can also cause a lack of trust and the ability to be seen as someone reliable.

Leadership skills

Leadership at the outset 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 look to 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 would confidently challenge the way things are done and offer constructive suggestions on how to achieve it.

When required, a leader would aim to act promptly and positively to challenge inappropriate behaviour and demonstrate respect for people. It is also essential to be able to promote diversity both internally and externally.

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.

All leaders require a vision of where they want to be and what they want to achieve so having the vision in the first place, is a basic element in all good leaders.

Mentoring and training aptitude

The ability to “grow” your team is important. The strengths and weaknesses of each individual 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 the success of both you and your team. You should plan to deliver results on time and within budget avoiding over-promising or under-delivery.

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 midway through based on the particular situation in hand. You should act to fit the situation based on new information or evidence received.

Plan specific activities and available resources to ensure timely completion of tasks. You should look to prioritise tasks based on their importance and time requirements and monitor progress of work activities. If necessary, you would look to 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 that particular country – an example of this would be where a country’s government has declared a state of emergency and funds from your customers’ account are frozen. You may need to reroute the payment through another bank in a different country. Making contingency plans and adapting when and where necessary is a core competency.

Problem Solving

Complex issues can arise each day when trading in a global environment. A/R receivables are subject to issues such as disputes, compliance, foreign exchange, delivery, to name but a few! An ability and desire to understand a situation in its entirety (the “bird’s eye” view) will be required.

In some instances, the ability to react swiftly could save your company money so problem solving capabilities becomes a necessity. Keeping a cool head and thinking through the problem will be 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 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 own performance and the performance of your team over time.

Working across borders (different continents/different cultures)

In dealing with your global A/R receivables, you will require a degree of dexterity to work across borders and across 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 be different by varying degrees to other countries. Leveraging this understanding increases collaboration across borders.

Being culturally aware is a core competency if you want to succeed 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 of 3rd party agency agreements in this context and instil the KYC’s of credit (*know your customer*) within your team.



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



It's always important to engage with other departmental heads and their individual team members. Breaking down organizational or cultural barriers by valuing differences, is essential to create harmony. It will be 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 partnerships both internal and external. Proactively engage partners in developing services and joint delivery mechanisms. Consult and engage with stakeholders when required.

By acting as a “partner” to other departments, it 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 and 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 part and can share in the celebration of overall success. Take positive action to resolve conflicts / disputes in the team and between teams.

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