

# It's an art to get paid while keeping customers

## After 18 years in credit business, consultant knows how to get money moving

BY BILL SASS, FREELANCE    JANUARY 19, 2009 8:31 AM



Lynn Brown launched her credit management business, DG Credit Management Consulting Ltd, in September.

**Photograph by:** Greg Southam, The Journal, Freelance

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The bottom line of any business is to get paid for the work you do, the service you provide or the goods you deliver.

It seems simple, but sometimes it doesn't happen and Lynn Brown, partner of DG Credit Management Consulting, wants to find out why.

Brown started her business in September and she has great confidence in her theories of increasing and maintaining a business's cash flow and managing risk. In fact, the "DG" stands for "Damned Good." She is a certified credit professional and has more than 18 years in the industry working on anything from international accounts to the vagaries of the books found in some mom-and-pop operations.

"A lot of people just automatically assume I'm a collection agency -- I'm not. I don't report people who don't pay their bills to a collection agency or credit bureau. I work with your customer to be able to still maintain that customer loyalty where you can still choose to continue business later on and get the bills paid -- negotiating any disputes."

She said she sees her job as one of finding out why you're not getting paid -- and then fixing the problem.

It could even be your fault, she said. Maybe the product that was sent was incorrect or you sent the bill to the wrong department or there was something wrong with the shipment.

"I'll collect your money, but if I find that there's a lot of erroneous invoicing going on, I'll come in and suggest ways to improve that."

"I'll make sure you eliminate all the excuses you possibly can not to get paid."

The other possible reason you're not getting your money is your customer might not be getting paid by their customers.

"It's the flow of funds, and it's being stalled out," Brown said.

This is where she puts on her detective hat and starts to investigate the situation at companies downstream.

And then she'll fix it so it doesn't happen again -- usually a matter of getting the paperwork sorted out.

To a lot of companies, especially small or intermediate-size ones, paperwork, setting up agreements and contracts in writing, is an unpleasant task that sometimes rarely -- or never -- gets done. That leads to miscommunication.

When business was good and the economy was great, nobody cared about the paperwork, she said.

"No problem, John Smith just gave me a phone call and I've got to go out and do work for him."

The only problem is, you've neglected to make payment arrangements for services rendered, Brown said.

Paperwork problems are very common, she said.

"Let's say John Smith is an operator and he's calling company ABC and he wants a job done. Then the job gets done, but the accounting people aren't sure for the most part, or it may not be the right place to invoice to or it might not be the right information, or the approval process may be incorrect. You have to ask the right questions of the right people to be able to submit your documentation properly."

Sometimes communication within a company is poor or non-existent.

"Operations and field people don't necessarily know exactly what corporate accounting needs are.

"It's my job to be the middle person and bring it all together and bring up a process that will enable you to take your paperwork, send it off timely and then you get paid on time."

Getting paid -- while keeping customers -- becomes even more important in tough economic times when credit is tight and bankers are impatient, she said.

"Eight times out of 10 it can be fixed before it gets to a point where the customer really suffers credit-wise."

She said her "biggest thing" is the small to intermediate business that can't afford to have somebody to look after their receivables full time.

"If I can come in and help them out on a part-time basis, account by account, then they get their money in and they have their cash flow and they can pay their bills and the banks are happy."

Risk management is another aspect of Brown's business -- an important consideration during a time when taking on new customers is a risk in itself.

"So we have to think of different ways to accept people or other companies as customers without taking undue risks."

That means having an understanding of where the new customer company stands and understanding what its ratios are for debt, understand how its payables function and its inventory, service and even the company culture.

"You have to have a really good understanding to mitigate risk from the beginning.

"I don't like to say no. I like to find ways to say, 'Yes, you can be my customer.' "

Brown says she applies the same principles when she accepts a new contract (DG Management Consulting works for percentages, by the hour or by the contract, depending on the job).

Brown says she and a silent partner now run the operation.

Eventually, she'd like five full-time employees. "That's about as big as I want to be."

For more information, call the company at 780-982-4379 or go online at [www.dgcreditmgt.ca](http://www.dgcreditmgt.ca)

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