

NACM



Phoenix Chapter

Credit and Financial Development Division

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Networking is a Resource Toward Success: But Are You Effective?

Gwendolyn A. Stroops, CCE
 President, CFDD-Phoenix Chapter

The New Year is here and with it comes New challenges, but also great beginnings too! How we approach new challenges and beginnings differs from person to person? One positive way is through the Networking opportunities in your membership with NACM and CFDD, which can have a significant impact on your success.



Points of Interest:

- Membership in CFDD, Broadening Your Business Knowledge
- Negotiation Skills in the Credit Function
- Can Workers be Penalized for Unhealthy Lifestyles
- NACM & CFDD in the Southwest

We all attend networking events from time to time, and meet people who say “I don’t really know how to do this?” or “This hasn’t really worked for me yet and I don’t know why. We actually wonder how networking is supposed to be the best way to build a business or better my company.”

Fortunately there are ways to developing effective networking skills and it is a key to professional development, career growth and success. So if you feel uncomfortable networking, you’re not sure if you’re getting the most from your experience, then read on.

Some very good advisors offered the following:

- The people you network with can be your mentors, not your prospective clients. One of the most common misconceptions about networking is that the other person is interested in buying your product or service. That is not the case, it is about information sharing and gathering.
- You are there to find resources for you and others. Just remember the more you give to others, the more others will provide to you. There is value for our company or business in the connections you obtain. Strength in the Numbers is a perfect slogan when looking for that specific process or tool to help you perform faster and smarter or the new law just enacted which has an impact to your decision-making abilities.

Here are three steps that will guide you in your next networking event:

- The first step of networking is becoming known. When you are at a networking event you’re most likely meeting people for the first time mingle introduce yourself, ask questions to strike up the conversation. The real benefits come later when as you follow up and learn the backgrounds of others.





- The second step of networking is building trust. The principle behind networking is that most business improvements come from what works for others.
- The final step is giving/asking for/receiving information. After you have become known and built up trust with your networking partners over several future meetings, now it's time to make more connections.

One great source explained that Networking is more like farming where you plant seeds, take care of them and see what grows. It does not take much time. Be mindful, that not every seed will grow, and not every seedling is resourceful, however you seek and find what is in your best interest.

Whether you are looking for greater success in your career, relationship, business or for your company, the first step is joining in and then you will understand the significance of succeeding and growing with all the possibilities Networking has to offer.

Programs in CFDD, Broadening Your Business Knowledge

Sheila Roames, CCE

Vice President/Program Chair, CFDD-Phoenix Chapter

One of the BIG benefits of your membership in CFDD Phoenix Chapter is the opportunity to learn something new and experience a different perspective. As part of our monthly meetings we invite guest speakers to present on a variety of topics meaningful to our careers in the credit profession. The monthly meetings provide an edge in your day-to-day job performance. The added benefit is your employer will see your efforts as increasing your value to the company. A recent salary survey published by Credit Today clearly indicates those with more education earn more at every position level.

We want to continue providing you with subject matter that will sharpen your skills. To do that, we need your help. Please look over the following list of potential speaker program subjects and let me know which ones you are interested in. Also, please let me know other topics you would like to have presented. We are always looking for our "hidden talent" with in our own chapter so if you would like to be a presenter or if you know of anyone who would be a good program presenter, please let me know.

Some of the Suggested Topics are:

- Bankruptcy from the Debtor's Attorneys Prospective
- Collection Techniques
- Credit Management
- Leadership for Today
- Communications with Senior Management
- Analyzing Distressed Customers
- Business Entities



Please mark your calendars, our February Meeting will be "Credit & Sales The Love Story" presented by Jeri Joachim, CBA of Vulcan Materials. This will be a meeting you do not want to miss out on!

EDUCATION

Dee Polito

Education/Scholarship Chair, CFDD-Phoenix Chapter

We held our third Mentor Workshop in November. Congratulations to all those who have completed the course. Our new mentor chairperson, Rosa Apodaca, has sent forms to all attendees to complete, so that we can continue to grow the mentoring process. Please expedite your information to her so that we can schedule new up-coming events.

On-Line Courses Begin in 2011

- Online Accounting Course
- Online Credit Law Course
- Online Business Law Course



Local Courses Begin January 2011.

Southwest Business Credit Services, NACM of Arizona, has proudly sponsored and offered classes for the CAP and ACAP programs.

Currently in session is the Accounting course, which will finalize in January. In January, the next class will be Financial Analysis I, Understanding Financial Statements, which is one of the three classes required for a CBA designation. For more information please contact Nancy Slaughter at (602) 252-8866.

Attention!!! CBA, CBF, and CCE testing information.

- Paperwork Deadline for the National Certification (CBA, CBF and CCE) Exams
- Certification Schedule



SCHOLARSHIP INFORMATION



CFDD is presently running a fund raiser for Scholarships. Please see any CFDD member if you would like to purchase a SUBWAY card. All proceeds go to future scholarships for members.

Should you need cards to sell, please contact Don Kruggel at donald.kruggel@grainger.com or (623) 374-3715.

- [NACM CFDD-Phoenix Subway Fundraiser Flyer](#)

In January we will begin finalizing plans for our next fund raising opportunity which will be a "Garage Sale".

Contact: Dee Polito, Ann Beam or Georgeann Weinhandl if you would like to participate.

Negotiation Skills in the Credit Function

Jacob J. Hanselman III, CCE

President, CFDD-Orlando Chapter

Many of us in the credit profession find ourselves in a position every day in which we must negotiate with customers or our sales force about a particular customer or situation. Yet, many of us still need to work on our negotiating skills. As we begin to look at negotiation, let's begin by asking, "Why do companies, groups and/or individuals negotiate?" The definition of negotiation is "Reaching an agreement which is amicable to all parties involved."



Our success in negotiation depends upon three factors. First, a compelling desire to win, second, understanding the basic concepts, and third, luck. At a recent leadership conference, I was told that "success or failure in negotiation is based more upon actions, inactions, habits, idiosyncrasies, blinders, insights, and clever strategic movements of the individual involved more than the terms of the agreement or other formal elements of the proposed transaction."

There are three different types of negotiation. The first is internal. This type of negotiation primarily involves managers and employees focusing on work and employee issues, such as job rolls, pay, goals, priorities, tasks, productivity and deadlines. The second type of negotiation is external. This type of negotiation occurs between an organization and an external party, such as a customer, a supplier or your insurance carrier. All of us in the credit profession are involved in external negotiation on a daily basis. Some examples of external negotiation are bid proposals, delivery schedules, quality, deadlines, financing and the approval to supply our customers on a credit basis. The third type of negotiation is legal, which involves an organization abiding by the legal requirements of the various governing agencies. After this brief look at the types of negotiation, we can then begin to look at the six different negotiation styles. They are:

- Forcing - A control oriented "win-lose" approach. "A" gets what he wants - "B" loses. This type of negotiation doesn't lead to any further negotiations.
- Smoothing - Covering up the conflict by "agreeing to disagree." "B" gets what he wants, "A" loses. This type of agreement leads to frustration as only "B's" needs are met.
- Avoiding - Aide-stepping or postponing the issue. Neither "A" or "B's" needs are met. This often leads to antagonism, animosity, arguing, etc.
- Bargaining - "Splitting the difference," "A" and "B" each gives a little and gets a little. With this approach, some needs are met, but not all those for either party.
- Impasse - Both parties present their position and cannot come to an agreement.
- Problem Solving - Win-Win - Aimed at finding the best solution that fully satisfies the needs of both sides.

Before we even begin to negotiate, there are a few "Steps of Preparation" we should take. We should:

- Define Goals & Objectives - Determine what you want from the negotiation process and prioritize them in order of importance. Answer Why - Why do I/we want this? Identify what you have to get to meet your needs. Think about what you're willing to accept & what you're willing to give up.
- Clarify the Issue - Think about yours & their stand in the negotiation process. Develop your proposal & think about what they will propose and why. Know your bottom-line before ever entering the meeting.

- Gather Information - Research the company & the person(s) with whom you'll be negotiating. Know the status & authority level of the negotiating person(s). Identify your strengths and weaknesses in your proposal and negotiating style, as well as theirs.
- Set the Climate - Consider when & where the negotiation will take place - your turf, their turf, or a neutral zone. Also determine how you will establish rapport.
- Prepare for Conflict - Think about any factor(s) that may cause a deadlock. Also consider who will be most affected by an impasse.
- Resolution of the Issues - Be prepared for not getting what you want by researching other alternatives or options.
- Agreement & Confirmation - How formal must it be? What approval process is required? How long will it take? What implementation process is put into law?

In order to be an effective negotiator, we should have each of the following characteristics:

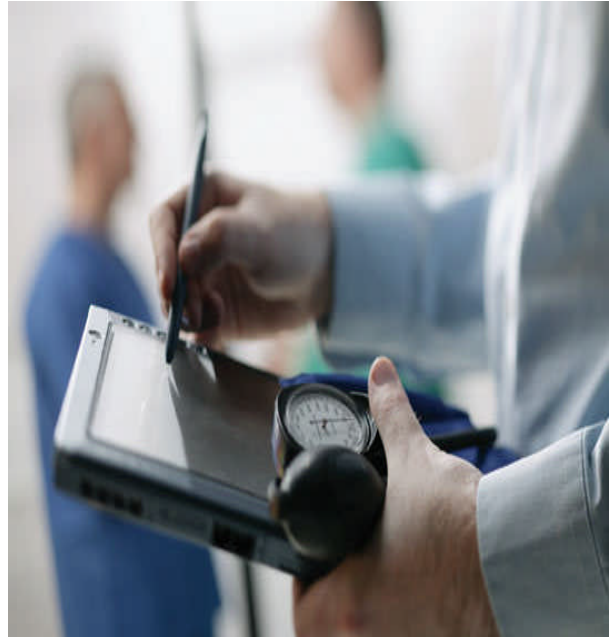
- We should be an excellent listener. When we have learned to listen, we'll be able to determine needs, uncover hidden agenda, gather information, and learn to listen, both verbally & non-verbally.
- We need to learn to be patient and stay focused on the discussion. We should be willing to remain silent until we've gotten a response from the other party. Usually, the person who speaks first is the loser.
- Approach the situation with a positive attitude. This helps provide more cooperation, better feed back, reduces the "us vs. them" syndrome and helps us make our own position more convincing.
- We should also ask open-ended questions, not those, which can be answered with only a yes or no. This helps us find the objection(s), their need(s) and usually, the bottom line.
- We should always give the customer positive feedback. By doing so, we're able to make the customer feel more comfortable, and as a result, the negotiation(s) is more positive and is usually resolved much quicker.
- We should use encouraging behaviors as we negotiate. When we acknowledge the other party throughout the negotiation, it helps them open up.
- We shouldn't react too quickly during any confrontation. When we over react to a situation, it allows the other person to over react. We should allow ourselves to think through the solution.
- When we enter the negotiating process prepared, we're more apt to be in control of the situation. We'll put forth a perception of confidence, which will allow us to have a much higher comfort level.

None of us enter a negotiation with the intention of destroying it. We need to realize that there are a number of things we can do, or have done, which destroy the negotiation process. Many times, we'll show our cards too early. The other party knows our bottom line before the negotiation has begun. Some loose their temper, which results in a damaged relationship with the customer. We should go in to any negotiation prepared with a proposal, which we have already thought out. Another of the things we shouldn't do is push the other party up against the wall. In doing so, the other person feels trapped and is unwilling to cooperate.

When entering the negotiation, we should establish rapport with the other party involved. This helps break the ice. It helps to take a few moments to get to know the other person. Call them by first name and keep the initial interaction friendly. Allow each of the parties to identify their goals and objectives. Once these are known, we're able to specify and discuss each of the issues. We should realize that this is where conflict usually begins. Once the issues have been discussed, you are able to make a proposal and offer. Usually, additional negotiation will take place as you work your way toward gaining an agreement. Once an agreement is gained, we should always summarize the agreement and the commitment that each of the parties has made. We should accentuate those items, which have had a positive impact on both of the parties involved.

Question: Can Workers be Penalized for Unhealthy Lifestyles?

Answer: Employers Can Impose Penalties or Rewards of up to Thirty Percent of the Cost of Group Health Insurance Upon Workers Who Don't Comply With Programs Promoting Healthier Behaviors



Mike King, Esq.

Gammage & Burnham, P.L.C.

Total healthcare costs per employee were \$4,793.00 in 2001. By 2010, average total healthcare costs per employee more than doubled to \$11,058.00. Who thinks that cost is going down in the foreseeable future?

Already, the Patient Protection and Affordable Care Act is driving up the cost of health insurance for businesses. What can an employer do to contain the cost of group medical insurance? How about penalizing workers who don't do things to stay healthy?

The Health Insurance Portability and Accounting Act (HIPAA) already permits wellness incentives of up to twenty percent of total medical insurance premiums under certain conditions. The Patient Protection and Affordable Care Act allows those penalties or rewards to increase to thirty percent of the medical insurance premium under certain circumstances. Federal agencies may increase the amount of that penalty or reward to fifty percent of the total healthcare insurance premium in the future.

So how does this apparent discrimination work? Most of the penalties are assessed through higher benefit premiums to the offending employees. The penalties for unhealthy lifestyles could also be imposed through increased deductibles and out-of-pocket expenses under medical insurance plans.

What types of behaviors are being targeted for improvement by these penalties? Businesses are imposing penalties for unhealthy behaviors and refusal to participate in wellness programs for behaviors such as:

- continuing to smoke tobacco
- refusal to participate in disease management or lifestyle behavior programs
- refusal to participate in biometric screening programs provided by the employee
- failure to improve biometric measures, such as lowering blood pressure or losing weight
- refusing to participate in specific health improvement plans, such as working with health coaches
- other health status factors set by federal agencies

What health status factors can't be penalized in providing medical insurance for employees? Group health plans cannot prevent enrollment or alter the terms of plans or coverage based upon individual factors such as:

- health status
- medical condition, either physical or mental
- claims experience
- receipt of healthcare
- medical history
- genetic information
- evidence of insurability
- disability

With these restrictions and limitations, will such wellness programs be able to change behaviors enough to lower the costs of healthcare? Safeway CEO, Steven Burd, was quoted in the *Wall Street Journal* in June 2009:

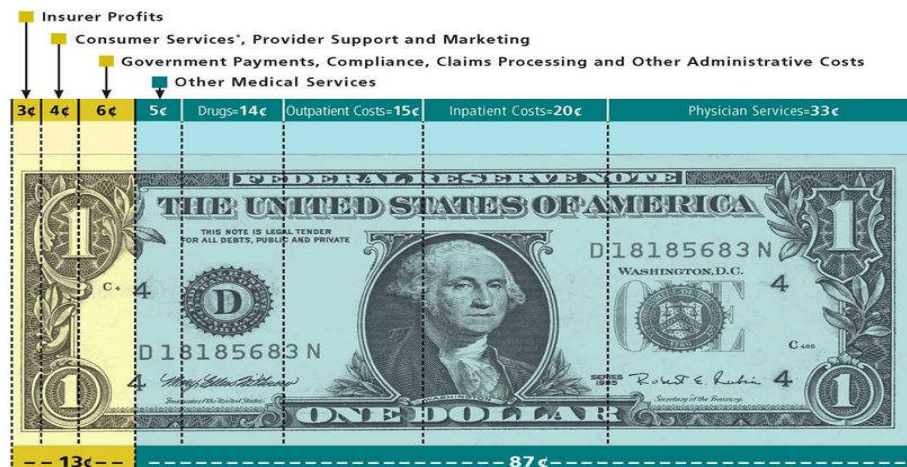
We reward plan members \$312.00 per year for not using tobacco, yet the annual cost of insuring a tobacco user is \$1,400.00. Reform legislation needs to raise the federal legal limits so that incentives can better match the true incremental benefit of not engaging in these unhealthy behaviors.

The Patient Protection and Affordable Care Act raised those limits for penalties and rewards. The federal government has the discretion to raise them further, up to fifty percent.

As one might imagine, there are numerous restrictions, conditions, and details which must be followed scrupulously in imposing such incentive-based wellness programs in the workforce. One can imagine the complaints and the charges of discrimination once such significant financial penalties are imposed upon smokers, obese people, or people with high blood pressure. Nevertheless, all companies should begin to prepare policies and procedures to deal with these issues if they provide employee health insurance. The trend to allow such discrimination in healthcare coverage will probably continue.

We want to help our business clients meet changing conditions and regulations. If you have any questions, or if we can be of assistance with regard to employment and healthcare issues, please call me.

Where Does Your Health Insurance Dollar Go?



*Includes prevention, disease management, care coordination, investments in health information technology and health support.
Based on a PricewaterhouseCoopers' analysis, *Factors Fueling Rising Healthcare Costs* 2008. © 2008 America's Health Insurance Plans



Membership Corner



Ellen Wodiuk

Membership Chair, CFDD-Phoenix Chapter



PLEASE HELP ME TO WELCOME THE FOLLOWING MEMBERS:

CINDY MORTENSON, Customer Care Manager for TD INDUSTRIES, INC. in Tempe. Cindy has been doing collections for the Service group for almost 6 years. She is ready to learn more about corporate collections as more of the responsibility will now be done in house at her location. She is look forward to the mentoring and networking she will receive while attending our meetings. Please make her feel welcome.

DANIEL HARVICK, District Credit Manager for FERGUSON ENTERPRISES, INC, in the PHOENIX office. Daniel has 5 years of management experience and is involved with the HVAC and Plumbing NACM industry groups. It is great to see Ferguson Enterprises becoming as involved with CFDD as they have many different of-fices that service Arizona.

DAN LEHMAN, Western Regional Credit Manager for ROOFING SUPPLY GROUP, LLC. Dan has been a member of CFDD for 10 years joining originally in 2010; however he is now with a new company so has brought that Company into our group. I know Dan will bring a wealth of knowledge and experience to our group, please welcome Dan when you see him.

MARSHA SPARKS, Credit Assistant for LaFARGE NORTH AMERICA. Marsha is also looking to network with other credit professional and add to her credit knowledge. She would like to develop her skills to become more effective in all aspects of her current position. She is challenged by working with a Credit Manager who is located in a different State so let's mentor Marsha and assister her in any way we can!

MEMBERSHIP DRIVE UPDATE: 64

KEEP THOSE PROSPECTS COMING AND EARN YOUR \$25.00 GIFT CERTIFICATE TODAY!

SWBCS 83rd Annual Meeting and Awards Luncheon



By clicking on the NACM I-Link you'll be able to review a multitude of pictures from the 83rd Annual Southwest Business Credit Services (SWBCS) meeting and awards luncheon that was held in December.



Happy Birthday



Member	Month	Birth Date
JANUARY		
Dan Lehman		11
Gwen Stroops		21
Sheila Roames		26
Alice Garcia		29
Kathy McCabe		31
FEBRUARY		
Michael Nawrocki		7
Rich Adams		17
Amy Leyva		25
Candace Price		26
MARCH		
Patty Chandler		5
Brenda Habben		15
Rosa Apodaca		15
Kim Kemper		22
Lynnette Francis		26

OUR MISSION *and vision*



OUR MISSION: The mission of the National Association of Credit Management's

Credit and Financial Development Division shall be to promote active interest in the credit and financial profession, to develop and market educational programs that are vital to the development of the effective professional, and to be a viable force within the NACM network.

OUR VISION: To dynamically impact the National Association of Credit Management's global vision by being the leader in educational programming and direction, thereby setting industry standards for professional excellence.

PHOENIX CHAPTER OFFICERS AND BOARD 2009—2011



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A Word From The Editor

The CFDD Credit Newsletter is published quarterly by CFDD-Phoenix Chapter for its members, potential members, and other interested credit professionals.

Original articles for publication are encouraged. Previously published and copyrighted articles of interest to the credit community will be reprinted if permissions are given.

All information intended for publication should be sent to:

Don Kruggel at donald.kruggel@grainger.com

All articles submitted are subject to editing due to space limitations and editorial style, but represent the opinions of the individual authors, not that of CFDD-Phoenix Chapter.

