

The new credit professional

Terry Morrell

Do you have the skills to stay relevant in an industry that is changing shape rapidly?

Bring your skills out from the shadows

Consumer debt levels are expected to grow by over 60% in the coming decade against a background of an increasingly unpredictable economic cycle and a plethora of consumer protection initiatives. These changes are shaping the future landscape of credit in the UK.

The current position with consumer credit is unprecedented, leading to a future scenario of unknown quantity. When faced with change of such an order we expect a hyper competitive industry providing flexible and affordable credit products to innovate and develop sophistication to meet these challenges.

Credit professionals have the opportunity to contribute to the shape of the industry by developing their skill set and business relevance.

Today's credit professionals have seen their role develop substantially in recent years from a focus on the technical skills of credit management to possession of a range of flexible business skills. This business 'aware' aspect to the role has never been more important to ensuring high performance credit management and continued business relevancy in an era of outsourcing non core business activity and leveraging technology wherever possible.

So, what skills should today's credit professionals add to their CV's?

We call these the 7 keys to the future: -

Ability to influence events outside your direct control across the business

Credit has become a major part of the business value chain and can provide essential insight into the state of the business, customer perceptions and ability of the organisation to nurture the customer relationship. Key factors are the business events that drive processes and credit management operational measures deployed.

The ability to model the impact of business events further upstream or downstream from credit management is crucial. This allows credit professionals to take a lead role in evolving the business model to address emerging trends before they hinder business performance or slow business development opportunities.

Simulation technology can help you take a wider perspective and release value from credit management previously hidden or lost.

Utilise the power of external information

The UK consumer has access to the most sophisticated credit market in the world with a vast array of credit suppliers with different products. All these organisations are trying to develop value propositions that encourage the right consumers to "buy, stay & buy again".

A key tool to enhance the level of intelligence is external consumer data. Availability, value and deployability of external data is growing fast. Integrating data with business processes is where real value is released. Knowledge of your customer profile is essential to positioning the right processes around the customer life-cycle to develop responses to customer events that you may have been unaware of.

Leverage technology to drive key processes

Technology has been delivering benefit into the credit industry successfully for nearly a generation. However, many organisations are constrained by legacy systems once considered a valuable business asset. Legacy systems do provide essential operational support to the business, but changing or developing them can be expensive, disruptive and defocus key people from the day job.

You do not need to be locked into lower performance. Internet commerce has matured, offering a viable method to bring extra value to existing system capabilities. This enables you to deploy new facilities quickly, provide back up or overflow support or begin a low risk roadmap to move the business forward without a huge technology footprint.

Making connections that matter across and outside the business

Your discrete business processes that impact the customer are the elements that provide you with competitive advantage that drive profitability. A fairly obvious statement, but how much knowledge, awareness and dynamism exists in your business to deliver better customer experience and business performance?

Key to extracting value through processes is the ability to make connections between processes that offer insight to customers that can be used to develop or deal smarter with customers.

Conceiving and deploying new processes into your business is now possible through business process support technologies. These will enhance the performance or customer experience across business 'silos' without huge operational or technical commitment

Focus on what makes the business different

As discussed above it is your processes that interact with customers that make you different and valued by customers. However this has to be supported by clarity of brand messages and customer service at every step of the lifecycle.

Business processes all have exceptions. These should not be viewed as a cost to the business – rather an opportunity to develop your business capability and value.

Manageability is key to offer flexibility, whilst remaining in full control of the customer experience. Business process support tools, supported by dynamic data intelligence can bring new capabilities previously unavailable within a legacy or multiple package systems environment.

Adapt to new futures as matter of course

The ability to respond and adapt to a changing internal and external environment has always been on the agenda. The reality is that cost, timescales and business disturbance are high which may well translate to “the business case (or business impact of the change process) could not be justified”

Incremental change that is ubiquitous where it is needed across business processes yet innocuous in terms of disruptive business change has developed from a theoretical framework to an industry of business support technologies.

Understanding business processes and building capability to enhance and retire processes as the environment changes requires the ability to change the shape of business processes as the business changes. It also requires skill to identify changes that can extend capability or break out of system limiting situations.

Spend time thinking and developing capability to meet challenges of market

So, how can you expect to take your business forward considering all the challenges we face? Time to reflect can be seen as an expensive luxury many of us never seem to get until well after the event we would have liked to have influenced or changed.

However an investment in careful consideration of what business drivers make real differences to business performance can reveal important information that at the right place and time, delivered in the right way to the right person or process can transform performance.

Technology that is alive and can present this information where it is needed *is* available, but often requires thinking differently in terms of what information would make a difference at what point and how this information should be turned into value.

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Issues to consider today

Where do you position yourself in the organisation today and tomorrow?

How will your organisation deal with the near future issues around consumer credit?

What will your credit management capability look like in three years time?

When do you expect to start making a difference?