

## Information Kit

### Learn more about what you should expect from a Credit Service

Are you considering investing in a Credit Service but unsure what makes one different from another? The information below will help you determine which service makes the most sense for your operation.

Your accounts receivable is your company's most important asset. Taking some time to investigate each credit service to determine which one produces reliable credit reports and displays the qualities you trust will pay dividends for years to come.

**Eliminating most losses, shortening the overall time for invoices to be paid and increasing your base of good customers are all possible with the right credit service provider .** The right credit service will create consistency and stability **so you can work on minimizing the affects of the uncontrollable factors such as fuel prices, insurance costs, driver shortages and personnel changes.**

#### Evaluating Credit Services:

Choosing a credit service may seem like a relatively easy thing to do because the reports all look about the same. It would seem that you could just make calls to each company, see which has the best price, and pick that one. However, as with most things, there is a significant difference in credit services, and the credit reports they produce. **Opting for the least priced service will end up costing you thousands of dollars in the long run.**

Below is an outline you may use to evaluate each credit service. There is also a **checklist** attached to compare credit reports and a **worksheet** to calculate the true costs of not being paid for one load.

#### Evaluation Process:

Contact each credit service to begin your investigation. Websites may provide some general information but it is necessary to get "specifics" from each company. Speaking directly to individuals within the company will give you better insight into the organization, the level of customer service they can deliver and the overall satisfaction you can expect as a customer.

From your phone call, evaluate the following:

- How long did it take to answer the call?
- Was the call handled pleasantly?
- Were you able to speak to someone immediately?
  - If not, did the representative try to find an alternate individual for you to speak with?

- When requested, did you receive a return phone call in a timely manner?

Once you speak to a sales representative, you should be given the opportunity to receive several complimentary credit reports of your choosing. It would be best to request credit reports on two new accounts, two existing accounts and two accounts that were either very slow in paying or did not pay. In addition to testing the depth of the database, this will give you the chance to determine the accuracy of the reports by comparing them to what you already know through your experience of existing & problem accounts.

*If you are reviewing a credit report on an account that was slow or didn't pay, it is important it has enough data to determine how the company was (or was not) paying at the time you moved the load. It is of no value if the report indicates problems after the fact. **What would it have indicated at the time you decided to extend credit?** If you cannot determine this, the report is missing basic data to test its reliability and accuracy.*

## Learn About Their Business

You should be able to receive and review at least one of the reports while you are on the phone with the representative. After you have reviewed the report, ask follow up questions to understand the process used to develop the reports, the validity of the information, and the knowledge the individual(s) has regarding the trucking industry.

Questions to ask before, during or after the credit report has been received and reviewed -

- How do you get your credit references?
- What does it mean specifically when a credit report is updated?
- What information is updated?
- Do they call the company and verify officers, phone numbers, etc. to determine if anything has changed?
- Do they call the references and/or develop new references?
- Where are the references coming from?
- How frequently are the reports updated?
- Who updates the report?
- How many people are in that department and, how many reports can they update each day?
- How many reports are in their database?

By obtaining answers to the following questions, you can determine if what the credit service claims they can do is actually possible -

- How do you cross-reference credit reports to inform your customers of possible problems other carriers have had with that particular company but under different names?
- How can I tell if the credit references you provide are actually from trucking companies?

- What specific information is on your credit report so I can contact the reference if I have a question?
- How do I know when that specific reference was last updated?
- If there is a score on the credit report, specifically how is it determined?
- How can I determine how long it will take to be paid using the score?
- What is the process that your company has in place if a credit reference is disputed?
- What department handles that problem?
- How quickly are the disputes resolved?
- How many customers do you have?
- What processes are in place to help me collect on unpaid freight bills?
- Is there a charge for this service?
- Can you file on a bond for me?
- What do you charge for filing?
- Do you have a notification process if a change occurs on a credit report I have purchased?
- Do you have a list of companies reported for nonpayment?
- How are they reported and verified?
- How many different companies are reported on your monthly list?
- What happens if a credit report I request is not available?
- If I need a report that is not in your database, can you develop one? How long will it take?
- What are the different ways I can get reports?
- Are there additional charges for any of these methods?

These questions can help determine their overall knowledge of the industry -

- What is Section 7 and how does it affect my ability to collect on past due freight charges?
- What are exempt commodities?
- Are there any concerns and/or should I take any precautions before moving freight?
- When should I file on a bond?
- How do I file on a bond?
- What is important about dealing with an agent?
- What is a rules circular or rules tariff?