



Credit Risk Management

Learn how to manage credit risk effectively in your organisation

For the full details about this workshop and for online bookings go to www.ees.co.za



INTRODUCTION

Today's business environment is subject to continuous change – on legislative, technological, environmental (internal and external) and other levels. This influences risk within the business environment, including credit risk. The effective management of credit risk is dependant on, inter-alia, the skills levels and competencies of the people that are assigned this responsibility within an organisation.

The delegates bring a wide variety of experience and resources to the course. The facilitator will help delegates learn for themselves and assist them as they make sense of new ideas and techniques that can be practically applied within their working environments. The course will use a range of learning styles, but the principal approach that will be taken is experiential learning, i.e. learning things through practical application within a workshop-type environment.

Practical sessions will be used to ensure maximisation of skills development to provide delegates with the opportunity to experiment and try out new skills and understanding, before finally deciding how to apply and integrate the learning into their workplace activities.

OBJECTIVES OF THE COURSE

- ◆ Analysing financial statements to support credit risk assessments
- ◆ Assessing credit risk using non-financial information
- ◆ Understanding the credit assessment process within the specific business environment
- ◆ Utilising programs, principles and tools to evaluate credit risk and enhance debt collection
- ◆ Using securities to minimise exposure to credit risk
- ◆ Managing credit control performance using systems and measurements
- ◆ Formulating an organisationally supported credit management policy
- ◆ Credit management within a broader strategic context
- ◆ Formulating credit management strategies that support organisational objectives

QUOTES FROM OUR FINANCIAL WORKSHOPS

"The workshop was most insightful and informative." *Lwazi Kunene, Royal Swaziland Sugar Corporation*

"I appreciated the real-life scenarios adaptable to the department!" *Jack Mithilini, Department of Education*

"I liked the way the presenters presented - fun, not boring!" *Malcolm Clingham, Brinks Southern Africa*

"Good lecturers who know their subject very well. Answered questions well." *Marius Smit, Robor Tube*

"Brilliant intro to finance fro non-financial managers. Interactive session. Great interpersonal skills by facilitators." *Attendee*

"The open discussion was positive. The workshop unpacked the new ideas and terminology used in accounting. It provided me with an improved understanding of the numbers that so often land on my desk." *Sipho Nkambule, Ubombo Sugar*

"The interaction was fantastic, making a wonderful relationship to our current businesses. The knowledge imparted was enormous. Very excited to apply my knowledge to our own business." *Jo-Anne Porter, Emperor Foods*

"Good/excellent presenters." *Dirk Smit, Davies Diagnostics*

"Presentations and material were excellent, as well as the lectures." *Lukani Thenga, UNISA Foundation & Alumni*

THE USE OF FINANCIAL STATEMENTS IN THE ASSESSMENT OF CREDIT RISK

- ◆ Establishing familiarity with financial statements – the Balance Sheet, Income Statement and Cash Flow Statement
- ◆ Use ratio analysis to review past or future financial performance in assessing credit risk
- ◆ Capitalise on the use of failure prediction modeling in credit risk assessment

THE USE OF NON-FINANCIAL INFORMATION IN THE ASSESSMENT OF CREDIT RISK

- ◆ Macro-environmental impacts
- ◆ Global influences
- ◆ Business growth and the economic business cycle
- ◆ The product life cycle
- ◆ Using strategic management tools in managing credit risk

LEGISLATIVE COMPLIANCE

- ◆ The National Credit Act
- ◆ The Promotion of Access to Information Act
- ◆ The Insolvency Act

CREDIT EVALUATION

- ◆ Conducting credit evaluations
- ◆ Using scoring systems in evaluating credit
- ◆ Using matrix systems to ensure consistency in credit evaluations

MANAGING RISK EXPOSURE

- ◆ Using securities in credit evaluation
- ◆ Understanding procedures associated with securities evaluation
- ◆ Using matrix systems to evaluate securities

INTERNAL CONTROL AND AUDIT SYSTEMS

- ◆ The need for internal controls
- ◆ Key systems to avoid fraud
- ◆ Document retention procedure and policy

FORMULATING CREDIT MANAGEMENT POLICIES

- ◆ Guidelines for granting and regulating client credit
- ◆ Key aspects to consider in drafting a credit management policy

FORMULATING CREDIT MANAGEMENT STRATEGIES

- ◆ Integrating client risk profiles in the marketing/sales strategy
- ◆ Supporting the effectiveness of the sales department

MEASURING THE EFFECTIVENESS OF YOUR CREDIT ENVIRONMENT

- ◆ Using established indices to evaluate individual performance
- ◆ Measuring the performance of the credit control environment