

Credit sense

We recently came across a company offering a credit checking and follow up system that we thought was so impressive that we wanted to pass it on as a service to the industry.

When it comes to running a small business one of the greatest challenges is cash flow. More young companies fail for this reason than any other. In the equipment industry, whether it be manufacturing or rental, it is perfectly possible to survive a year or two of losses, run out of cash however and you're quickly dead in the water. Many a successful company, from a Profit and Loss basis, has gone bankrupt because they ran out of cash.

More devastating even than slow payers are those who don't pay at all. Bad debts are the scourge of the Crane and Access rental business. All too often, well-run very service orientated, highly customer focused rental companies put cash collection on the back burner and are afraid to refuse to supply customers who are seriously delinquent with their payments. The problem then is that when these 'customers' go bankrupt the bad debt is far bigger than it would have been with sound cash collection and credit checking policies in place.

Pooling information

When times get tight, the situation quickly gets a great deal worse and it is typical in our industry for a user to move from one supplier to another as his credit finally runs out. The industry has often discussed the pooling of

information on these 'customers' in order to help cut down on this practice. In Australia the EWPA has been working on a system with an outside contractor and has reported some success.

Here in the UK we recently met up with a credit checking company, Top Service of Redditch, that is specifically focusing its efforts on the equipment rental industry. The company has some innovative ideas and services that could really develop into a first rate credit information exchange for the rental industry, building on the credit checking service it operates. For the past couple of months we have been testing the system in order to try and see how it works in the real world and have been impressed. Even more exciting is what it might become if the company continues to develop along current lines and if more industry members join up and contribute input as well as taking the output.

More than credit checking

The main product of the company is the online credit checking of new or existing customers. Nothing new here, the big challenge is of course that the information is always historical, and by its nature hard to keep up to date. However the big difference with Top Service is the level of interaction the company has with its customers/users - not to mention its modest pricing levels

- around £30 a month - and the additional services it offers.

The company actively encourages users to enter information onto its system regarding payment experiences and to provide tip-offs on any information they come across. So in addition to the posted accounts, financial analysis and county court judgements etc... you can see real life payment experiences of other companies in the industry. Along with warnings if all is not well.

as part of the standard monthly package, the collection process costs nothing if it is not successful while the fee is a small percentage of the money retrieved.

No need to be online

For those companies not online, Top Service provides a monthly CD containing all of the information available at the time it is sent out. Clearly this misses out on a number of the best features of service, but is certainly an alternative.



The company also routinely surveys its customers when reports of a bad experience or fraudulent activity is reported, asking if anyone has anything to add. Examples of this include fraudulent traders who pop up under a new guise to start all over again. An alert request can be entered on any or all checked companies to warn of any new information that comes in.

Free reminder letters

In addition to simply checking credit worthiness of prospective clients, you can ask Top Service to send a warning letter to slow payers or to follow up the collection process. A number of the 'reminder letters' are included

As you can probably guess we have been very impressed with this service and what it might become if everyone in the UK rental industry used it to 'pool' information on bad payers and fraudsters. We are happy to unreservedly recommend it and have arranged a discount for readers of Cranes & Access or Vertikal.Net. A free trial is also available.

If you contact them, and there is a link and banner on www.vertikal.net just ask for the Vertikal/Cranes&Access discount.



Top Service includes other members payment experiences.

