

## TIPS ON GETTING A PAY RISE

Negotiating for a pay rise can be difficult at any time, even more so in the current economic climate when there are redundancies.

Asking for an increase in salary is not something people are trained to do, though I see it as no different to good, positive negotiation.

Some people just leap in under pressure, stressed and uncomfortable feeling under valued demanding a pay rise.

One very important role for Credit Professionals is negotiating with debtors for payment and in a collections environment we use influencing factors, things we may do or say to influence someone to pay rather than not pay, pay sooner rather than later and to pay an amount acceptable to us within terms agreed.

One very strong influencing factor a Credit Professional can have is the impact of improved collections on the profitability of the company; for example:

If you had £5,000,000 outstanding against every £30,000,000 worth of sales, it is taking you almost 61 days to collect your money (5,000,000 divided by 30,000,000 times 365). If you were to reduce the outstanding balance to £4,000,000 against every £30,000,000 invoiced, you would be taking almost 49 days to collect your money.

Assuming your company was operating on an overdraft facility and paying 5% per annum interest, getting your money in 12 days sooner for a whole year, will result in an additional profit of £50,000 for every £30,000,000 worth of sales over the same period! This is of course dependant on your company not paying suppliers any sooner!

Your appraisal will also show how you have performed against tasks and objectives set over a given period.

- What influencing factors can you see which have made an impact on your company as a whole and not just your department?
- Have you been praised for anything recently?
- Have you been commended for something you have done which has had a positive impact on your company?
- Have you had additional training and passed exams?
- Do you get involved with improving the performance of others?

The key is to adopt a constructive, mature and positive approach, pointing out areas upon which you have had maximum impact. Planning, timing and control will also be vital to your outcome.

*Steve Savva*