

The Credit Connection

May 2006



Message from the President



As I am writing this message to the members of Credit Professionals International, I realize that there is only a short time until our International Conference and this is my last message as your International President. I am hoping the local presidents are sharing this information with all of you. I want to

thank Charlotte Rancilio for her hard work this past year. I have enjoyed working with her on the day-to-day operation of CPI.

In This Issue

President's Message	1
WAT Funds Distribution	2
Membership Forum	3
The Worthwhile Performance Appraisal	4
Government Update	5
Corporate Identity Theft and Fraud Is Getting Easier	6
Credit Policy Review Is Worth the Effort	8
Living Memorials	9
Missing Children	12

The International Conference is going to be held at the Airport Hilton in Wichita, Kansas June 22-25. The program is an excellent one and I hope all of you sent your registration in by the early bird deadline of May 10. If you haven't mailed it, there is still time to make plans to attend.

I hope you also remembered the EXTRA STAR SPECIALS. Thursday's tour to visit Cosmosphere and Space Museum in Hutchinson and the Amish community in Yoder is \$50.00 and Friday's evening to Prairie Rose Chuckwagon Supper is \$35. Hotel reservations are \$82 and should be made with the hotel by June 5.

By now, all of you should have received your Pre-Conference Capsule. Remember to vote for elections of officers and the proposed bylaws changes before June 10. There are four ways to vote—by mail, fax, email or online. There will be no voting at conference. Please vote and have your voice heard.

As I mentioned in the Pre-Conference Capsule, Marlene Wilcox, CCCE/MPCE, Past International President, has been appointed to finish Kem Morales's year as Second Vice President. She is working on your next educational manual. If you can help either by getting an article or writing an article, please let her know. Her phone number is 907-333-0874 or email her at jillaj@gci.net c/o Jill Jaeckel.

Our membership as of April 19, 2006, is 454. Thanks for everyone's hard work in retaining the members we have besides getting new members. All of "You Make A Difference" in promoting CPI. You are the "star" of this organization. I want all of you to remember it.

You still have time to participate in our membership campaign. Remember the bylaw that we passed last year about new members paying ½ year dues after April 1. You can win cash rewards for your participation. There are individual, local and district awards. The campaign ends May 31. The winners will be

(Continued on page 2)

(Continued from page 1)

announced at the luncheon on June 24 at the International Conference.

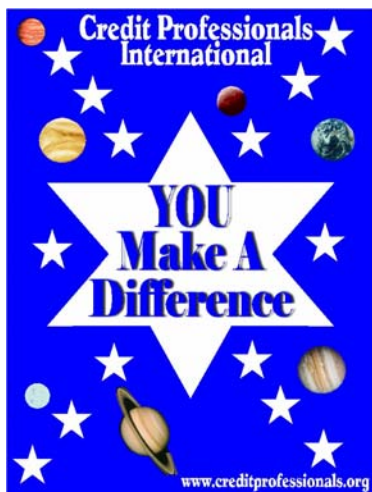
Most of you have been to your District Conferences and many thanks to all of the Districts who have made all the members of the Executive Committee welcome and helped with expenses when they came to visit your Districts.

I want to leave you with two quotes that are so true. The first one is from Anthony Robbins: *“The truth of the matter is that there’s nothing you can’t accomplish if: (1) You clearly decide what it is that you’re absolutely committed to achieving, (2) You’re willing to take massive action, (3) You notice what’s working or not, and (4) You continue to change your approach until you achieve what you want, using whatever life gives you along the way.”*

The second quote is by Carolyn Warner: *“I am convinced that attitude is the key to success or failure in almost any of life’s endeavors. Your attitude—your perspective, your outlook, how you feel about yourself, how you feel about other people—determines your priorities, your actions, your values. Your attitude determines how you interact with other people and how you interact with yourself.”*

Remember all of “You Make A Difference” in CPI.

*Linda Bridgeford, CCCE/MPCE
International President*



How the \$\$\$ Are Distributed From the Walk-A-Thons for Missing Children

By Nona Ellzey, MPCE

The Credit Education Resources Foundation has partnered with the National Center for Missing and Exploited Children (NCMEC) to raise awareness and allow our Walk-A-Thons to be advertised. Through the years since the first original Walks in 1988, local associations have created different types of Walks that have been successful.

The distribution of Walk-A-Thon money is 25% to the NCMEC, 35% back to the local association, and 40% remains with the Foundation for educational development. This distribution is in line with other national organizations. In fact, we have learned that some national walks only submit 10% back to the non-profit.

When a local has a fundraising event to support our assistance for the NCMEC, the local will receive a check from the Foundation for 35% of the total collected. What better way is there for your local association to raise money for your scholarships, education seminars and helping a child.

At our Walk at International Conference, the District Presidents are challenged to bring in a certain amount. This amount should not include the total monies gathered at a local Walk, as this should be submitted directly to the corporate office. District Presidents should seek funds from their District Treasurer, friends and co-workers. Several years ago, we challenged each local to submit \$3 per member. Should a member attending International Conference wish to give an additional donation and their local held a Walk, 35% of that donation would be sent back to the local if that member tells the Chairman of the local walk.

Visit the CPI website (www.creditprofessionals.org) NOW to download Walk-A-Thon forms—as well as an order form for additional materials—and let us make a difference in a child’s life.

Nona Ellzey, MPCE, is a Past International President and, in early May, was installed as District 3&4 President.

MEMBERSHIP FORUM

“Thoughts on Membership”

Keeping members after you have “brought them into the fold” can be a real job even when you work at it. Nothing worthwhile comes easy, or so I’ve been told. One thing that you need to remember is that when you were trying to sign them up, you made certain statements concerning what CPI had to offer. Not what CPI has to offer you or me, but what the new member is going to get out of their membership. Education, networking, self improvement, is that what you told them? How do you go about making sure that is what they get? Just receiving the manual in the mail and giving them the schedule of your meetings is not going to keep them involved.

I think it is well worth the expense to cover registration for the first Spring Meeting, State Meeting or Seminar, even the first District Conference they attend. If your local association does not have enough in the budget for those expenses, maybe you can hold a fundraiser for conference expenses for first time attendees. Attending a conference or seminar is a great way to keep the new member interested and informed. When they bring the education information back to their employer, it keeps the company as well as the member involved.

Another way to keep new members involved is to make sure they are included when assigning duties for a fundraiser or education event—selling tickets for a raffle, collecting merchandise for a yard sale, hostess duties when putting on a seminar—you get the picture.

If the new member is unable to go to a conference or seminar that they have been invited to attend even though their expenses may be covered, make sure they know they will be missed and ask if they have questions about any of the topics to be covered. When you come back from the event, make sure a report is given at your local meeting that covers what was

learned. If you can’t bring back an answer to their question, at least find out where the answer can be found.

Your new member or even your existing members need to know that being in CPI is great for networking. The website is a wonderful place to start. Our website has a listing for each district and there should be a list of officers for that district too. Of course all of the International Officers and Chairmen information is there and these people are really good resources as most of them have been in credit for years. If they don’t have an answer, they usually know where to go for the information. The directory of members can be printed from the website and can be valuable if you need to contact someone from another state or another part of the country. Going to meetings and education sessions at District and International Conferences gives all attendees the chance to meet members from other areas, and speakers at seminars and conferences are also resources that should not be ignored.

Opportunities for enhancing personal growth abound in CPI. It has been said that speaking in front of a group is second in what people fear (fear of snakes is first). When you have a new member, you can start small and go from there. Keep the new person involved but at the same time expanding their role in your group by having them do as much as they are comfortable with. What is their area of expertise? Would they like to speak at your next seminar? How about at one of your District Conference education sessions? If that is too daunting a task, how about taking part in your local association meeting; doing invocation, leading our creed, reading minutes or giving a committee report. Everyone has to start

(Continued on page 5)



The Worthwhile Performance Appraisal

By Michael Murphy

The Charlotte Observer, Charlotte, NC

© used with permission

Article submitted by Josie Salazar, MPCE, Pueblo, CO



Even though I have been in a supervisory or management position for over 20 years, I still dread completing performance reviews. I agonize over being fair and accurate to my employees, as well as making sure I am using the process to better the operation instead of just being critical. Of course, finding the time to complete an accurate appraisal is always a challenge.

Why Supervisors/Managers and employees dislike performance appraisals

The major reason managers dislike appraisals is that it can appear only as a negative process of telling employees what they are doing wrong and the manager can feel he has failed in training or leading his department. In cases of substandard performance, the appraisal can become confrontational. Employees have told me over the years that they don't like appraisals because they have seen the process as negative reinforcement or too "warm and fuzzy". You must find a mix between the two extremes for the appraisal to work best.

Guidelines for conducting the appraisal

Over the years, I have learned helpful hints about creating and performing an effective beneficial performance appraisal. The following list I compiled from Knight Ridder training and guidelines I obtained while completing my Mini-MBA:

- 1) **Create a Proper Climate**—In communicating the appraisal it should be open and allow for questions at anytime. It should not be rushed; clear your calendar; there should be no interruptions.
- 2) **The Manager's attitude**—Always be positive and direct. You should always emphasize the positive the employee is performing, be

accurate and direct in the negative. Your staff will emulate your attitude, so the golden rule applies. Carl Jung said, "Everything that irritates us about others can lead us to an understanding of ourselves."

- 3) **Be prepared**—An appraisal is an investment in time that will pay off later with better performance. Be as detailed as possible when putting your thoughts on paper.
- 4) **Stress and make known the benchmarks**—Long before the appraisal, the employee should know what they are required to achieve as a benchmark of performance. Performance benchmarking is a year-round process. Remind the employee of what is required and how they performed against those benchmarks not just once a year.
- 5) **Focus on Performance and results**—The worst response to a performance question you can get is "...because we have always done it that way." Incorporate in your performance measures the end results you expect to be achieved and why they are important to the company. George S. Patton said, "Never tell people how to do things. Tell them what to do and they will surprise you with their ingenuity."
- 6) **Limit your criticisms**—When you must identify substandard performance, it shouldn't be a surprise during the appraisal. Discuss performance issues as they occur and document them, if they are serious enough to recount in the written appraisal.
- 7) **Involve the employees**—Days or weeks before the review, ask for feedback from the employee of what they believe their greatest achievements have been in the last year, as well as last year's goals and how they have been achieved. It also helps to get the

(Continued on page 11)

GOVERNMENT UPDATE

H&R Block Gets OK To Open Savings Bank

The Office of Thrift Supervision has given H&R Block the OK to open a federal savings bank in Kansas City, Missouri. The bank was scheduled to open in April and will offer traditional banking services. H&R Block plans to have only one physical bank location but, in addition, will offer internet banking services nationwide.

Wal-Mart May Be on Track for Industrial Bank Approval

Some analysts say there is no reason why the FDIC should deny Wal-Mart's bid for an industrial bank, since Target, General Electric and others have them. In testimony at April FDIC hearings, Wal-Mart said it has no plans to open bank branches in its stores and pointed to long-term contracts it has with existing banks that already have branches in Wal-Marts. In a move some think was made to improve its chances of getting FDIC approval, Wal-Mart pulled its proposed exemption from the Community Reinvestment Act, which requires banks to help meet the credit needs of low-income and moderate-income neighborhoods.

New Credit Scoring Method Introduced

Equifax, Experian and TransUnion have introduced a new credit scoring method to simplify the credit process. Dubbed VantageScore, it uses score ranges from 501 to 990. Some in the mortgage industry think the new system will confuse consumers, who are just getting used to the current system. For example, a 740 credit score is considered high under the current system but would be marginal under the new system. Critics also voiced concern that the new system will be run by the three reporting bureaus rather than an independent third party such as FICO. Here's the new scoring:

901-990	A
801-900	B
701-800	C
601-700	D
501-600	F

Privacy Notices May Get New Look—A research report released by federal regulators in late March indicates that privacy notices provided in a tabular format would be easier for consumers to read, understand

(Continued on page 11)

(Continued from page 3)

somewhere and I know that many years ago (more than thirty) when I joined CPI in Seattle, I would never have guessed I would be where I am today and it is in large part due to CPI. I don't mean this to be a testimonial, but I am really serious about this. CPI can be a great tool for growing on a personal basis, and will give back to the new member much more than they expect if they take advantage of the resources available.

Increasing or even maintaining our membership is a real challenge. I know that we hear it over and over again, but I don't think that anyone would argue that it is something that must be worked at; it does not happen without a lot of hard work, and it is so satisfying when the newest member comments that they never realized what a wonderful organization we have. Part of CPI is sharing experiences. If you have something to share about membership, go to the website and post it; after all—that's what it's all about.

Joyce Jones, CCCE/MPCE
First Vice President
Credit Professionals International

STAR EVENT

Credit Professionals International

2006 International Conference

June 22-25

Wichita, Kansas

EDUCATION

NETWORKING

SPECIAL EVENTS

Don't Miss Out!

MAKE YOUR RESERVATION NOW

Corporate Identity Theft and Fraud Is Getting Easier

by Gary H. Bügge

used with permission

Article submitted by Josie Salazar, MPCE, Pueblo, CO



As a Credit Professional you are the guardian of your company's Accounts Receivable. That includes items that will be paid whether or not credit is extended. The ability to guard your company's assets is being tested by technology developments and the brazen use of those developments to attack your receivables.

Identity theft is the fastest growing scam for both business and individual. Much has been written about individual identity theft. Not as much about Corporate Identity theft. For the purposes of this article, the focus will be on Corporate Identity theft and Corporate Identity Fraud. First we need to define the terms.

Corporate Identity Theft is also known as *True Name Fraud*. It generally involves a scammer's wholesale takeover of another company's identity. Corporate Identity Fraud occurs when the scammer creates a new identity, either from scratch or by piecing together a corporate identity from various sources in order to evade detection and commit crimes against your company.

Corporate Identity Theft

Say you have not done business with a major corporation but all of a sudden, the sales department receives an unsolicited order. Your credit policy calls for certain steps to take place. It may be as easy as following a credit tree, checking the company out online, visiting its Web Site, running it by your third party credit checking services or using other criteria to establish a credit score. The company involved submits an order online, by phone, fax or by mail. The bottom line is that everything you see checks out. The company is large, well known and a quick credit investigation, even without a credit application, shows the company to be extremely credit worthy. The goods are shipped or the services your company provides are



performed. In due course an invoice is generated and mailed to the address provided.

When the major corporation receives the invoice, it responds and indicates it never ordered the goods or services from your company. The order is pulled and sent to the major corporation as proof. At this point you are confident you proved your case and wait for your payment. Instead you receive a response from the major corporation that not only did it not place the order, information as to where the order was to be sent is at an address or phone number that doesn't belong to the major corporation.

It is then that the realization sets in that you have been a victim of corporate identity theft. Those behind this scam have received your product or service, used it to their advantage and are long gone with no way to find them even by the best collection agency or skip tracer.

With today's technology, perfected logos, lifted from actual Web sites, are imprinted on stationary to lend legitimacy to the fraudulent order. The ease with which con artists can replicate this information is causing statistically small but in the aggregate massive losses for businesses across the spectrum. These are losses that need not happen.

One way to stop this genre of crime is to tweak your credit policy when it comes to accepting new orders. If an order comes in *unsolicited* from a company that has not done business with you before verify the order by contacting the company directly from information found independent from the order provided.

Corporate Identity Fraud

In this scenario a company contacts your sales

(Continued on page 7)

(Continued from page 6)

department, *unsolicited*, to place an order. The sales department is of the opinion that the order is a slam-dunk because even though they may never have heard of the company before, pre-payment is provided in the form of a check, cashier's check, money order or credit card. The goods or services are provided. You can guess the rest. The payment was bogus and you have a bad debt to eat up your reserve.

In many corporate policies the Credit Department only becomes involved once the payment is charged back. In this scenario if the Credit Department knew about the order and pre-payment, the quickest of credit checks would have shown that no such company existed or something about the payment was not verifiable necessitating further investigation.

Lessons Learned

All departments, including Credit Departments, are being asked to do more with less. It is easy to allow the status quo to continue to eat up your profit by not getting involved in the most obvious of scams. The greatest protection from Corporate Identity Theft and Fraud is to use established credit investigative policies. Add *unsolicited* orders to the screening process employed by your company. Verify *unsolicited* payments. Involve and educate the sales department and ensure that the Credit Department is part of the sales process from the beginning of the sale through the successful end of the sale.

A good scammer will find a way to steal your goods or services. Most scammers are bush league. A well-implemented Credit Policy will thwart all average scammers and will limit your exposure from the best of scammers.

New Technology Makes Fraudulent Payments Easy

For the scammer, fraudulent payment methods continue to get easier.



Most companies accept credit card orders as “*Signature on File*” as opposed to “*Point of Sale*.” Credit cards should not be accepted if they are paying for a company bill but are issued in the name of an individual, especially if that individual appears to have no Nexus to the company offering it for payment. One method of payment to thwart the fraud is to have the company fax the front and back of the credit card being used as well as the driver’s license of the card holder. If the credit card is being used fraudulently then chances are that you will not hear from the scammers again. If you do receive what you requested and still your credit antennae twitch, call the credit card company and tell them you suspect the card is being used in a fraudulent manner and that you request they contact the card holder for verbal authorization. If it is a scam, the cardholder will likely not have any idea the card has been compromised.

Checks, including Cashier’s Checks and Money Orders are easily forged with today’s technology. Just because the bank says it is good doesn’t mean it will clear. One common scheme is to “*wash*” a legitimate check by using its real checking account number while changing the routing number. Often the bank will clear the check until it reconciles its monthly books. At that time the bank will realize its error and charge the amount back to your account. The scammer is long gone.

One point to remember about a Cashier’s Check—even if it is legitimate, it is not a guarantee of payment. A Stop payment order can be placed on a Cashier’s Check or Money Order. The most secure method of payment is wire transfer. Many companies are adopting a policy of allowing all checks, including “*secure*” instruments, to clear their bank account before shipping. The process may take a couple of weeks.

Recap

The ease with which

(Continued on page 10)

Credit Policy Review Is Worth the Effort

By Peter F. Szabo, Szabo Associates

used with permission

Article submitted by Josie Salazar, MPCE, Pueblo, CO



Every credit policy, regardless of how serviceable it has proven to be, needs periodic review. Changes in the dynamics of your industry, changes in your organizational culture and changes in the economic climate can have a profound impact on credit policy effectiveness. With the end of the first quarter here, there's no better time to cast a critical eye on your policy and consider changes appropriate to your organization.

A periodic review of credit policy is an integral part of the results-oriented MBO (managing by objective) philosophy, which requires clear alignment between policy and objectives as well as measurable specifics that indicate how well the objectives are being met.

An effective policy doesn't allow subjective interpretation; neither does it allow uneven performance evaluation.

If review of your policy indicates a failure to reach an objective, then management must determine why the failure occurred. Was the objective unreasonable? Did the measures effectively drive the organization to meet the objectives? Were organizational restrictions overlooked or ignored? Did personnel lack the necessary tools or resources?

Such scrutiny demands, of course, that a credit policy be written or formalized. While virtually every media company has a credit policy, it's surprising how many policies continue to exist only as unwritten "guidelines," communicated by word of mouth to advertisers. If your organization's credit policy falls into this category, the first consideration in your review process should be formalizing the policy.

Consistency Matters

The primary problem with unwritten credit policies is their lack of consistency in application, which makes it impossible to accurately measure the policy's

success. The advertiser may be given conflicting information from the same company, or advertisers may be treated differently from one another when no differences in credit qualifications exist.

A well-written, formalized credit and collection policy helps to minimize the risk of unfair credit decisions (and subsequent discrimination lawsuits), helps to establish a positive reputation within the advertising community, helps your company avoid costly payment delays that result from sloppy credit and collections procedures, and allows you to accurately monitor its effectiveness.

Because credit policy should benefit both your company's accounts receivable department and the sales department, both departments should be involved in the development of the written credit policy as well as subsequent reviews.

The credit manager should begin the process by developing a general outline of credit policy requirements and procedures. The business manager/operations manager should then become involved in developing more detailed points of policy that represent both departments' interests.

Because credit and collection policy involves both credit extension and collection operations, policy development can become a challenging balancing act. The first part of the credit policy, the overall objectives, should indicate how credit and collections operations are to be balanced.

One company might choose to balance a rather liberal credit extension policy with conservative collection operations. Another may choose a tighter credit extension policy, which lessens the need for strict collection

(Continued on page 10)

LIVING MEMORIALS AND CONTRIBUTIONS

MEMORIAL—A lasting tribute to the memory of a deceased relative, friend or CPI member.

SALUTE—A thoughtful way to remember achievements, special occasions, birthdays, anniversaries, to say “Thank You” or to give recognition for an event that is special to you.

CONTRIBUTION—A monetary donation given by an individual or group to support the activities of Credit Professionals International or the Credit Education Resources Foundation.

All donations are entered into our permanent memorial record. An acknowledgement, without reference to the amount of the gift, is sent to the person you designate.

The memorials and contributions listed below are those received since the last issue of *The Credit Connection*.

Walk-A-Thon News

The Central Kansas Business Connection aka Hutchinson CPI held a “deliver-a-thon” on February 14. Members raised \$370.00 by delivering flowers for a local floral shop. It was a unique and fun way to raise money for the Credit Education Resources Foundation’s Walk-A-Thon.

CPI of Eastern North Carolina held a traditional Walk-A-Thon at their Spring Board Meeting in March. As of this writing, \$285.00 has been collected and more is expected.

CPI of Atlanta sponsored a Wellness Festival during Credit Education Month in March in lieu of a Walk-A-Thon. As of this writing, \$455.00 has been raised and more is expected.

CPI of Cabarrus County (NC) raised \$125.00 through their recent Walk-A-Thon.

LIVING MEMORIALS

Enclosed is my contribution to:

____ Credit Professionals International
____ Credit Education Resources Foundation

____ Memorial ____ Salute ____ Contribution

Salute:

Name of honoree _____

Occasion _____

Address of honoree _____

Memorial:

Name of Deceased _____

Please notify:

Name _____

Address _____

Relationship _____

Contribution from:

Name _____

Address _____

Send donations to: 525-B N. Laclede Station Road, St. Louis, MO 63119.

LIVING MEMORIALS

In Memory Of:

Given By:

Nellie Smith
Mother of
Virginia Tew, CCCE,
of CPI of Eastern NC

CPI of North Carolina
Gail Ottinger, CCCE/MPCE
Nona Ellzey, MPCE

Lois Hall
Past President of
Jacksonville CPI and
District 3&4

CPI of Jacksonville, Florida

(Continued from page 8)

procedures. Yet another may strive to achieve an equal balance between the two. In any case, it should be determined at the outset on which side, if either, the emphasis will be placed. Subsequent reviews may indicate a need to adjust this balance to accommodate changes in the marketplace or organization.

Because overall objectives provide the framework for the detailed operations and procedures that form the center of the credit and collection policy, there should be an enthusiastic consensus of opinion by both credit and sales departments on what the policy objectives should be. Credit managers' objectives usually involve minimizing bad debt and maximizing cash flow, while advertising departments favor objectives that will broaden, or at least won't restrict, their sales efforts. A delicate balancing act, indeed!

Additional objectives might address customer relations as they relate to credit and collections. An effective policy should embrace the principles of fairness, firmness, courtesy, and consistency in its relations with customers.

A statement explaining who has responsibility for administering the credit policy should follow the statement of objectives. This should include descriptions of the functions and objectives of the credit department.

The next section should describe payment terms and collection procedures in detail: invoice dates; mailing

dates; the number of days allowed for payment; resolution of disputes and discrepancies; when to send letters and make telephone calls on overdue accounts; when to send accounts to third-party collection agencies; and when accounts are to be written off. Samples of collection letters should also be included. Upon completion, the credit and collection policy should be distributed to the general manager, sales manager, account executives, and credit manager for administration.

The fundamental principles of credit and collections, as reflected in a sound formal credit policy, are the foundation of your credit and collections department. By periodically reviewing your policy—making sure that your objectives are reasonable and are supported by well-defined metrics, evaluating your results, and amending the policy as necessary to improve its effectiveness—you help ensure that your organization continues to honor those principles and thrive in the years ahead.

Pete Szabo Founded Szabo Associates in 1971. He has received several media awards including the Jack Zwaska Career Achievement Award from BCFM, where he also served on the Board of Directors from 1988-1991. In addition to speaking at more than 60 industry events, he has co-authored books for the BCFM, BCCA and National Association of Broadcasters. Most recently, he was selected to author five of the 13 chapters in the 2004 Broadcast Cable Credit Association Credit Handbook. He can be reached at 222.szabo.com and 404-266-2464.

(Continued from page 7)

technology allows scammers to perpetrate Corporate Identity Theft and Fraud indicates that it is a growth industry. Measures to prevent or limit this type of write-off to bad debt can be taken without additional expense and with little shift in personnel time and focus. If you don't believe that Corporate Identity Theft and Fraud affects your operation, take a moment and review last year's write-offs. You may be surprised at the dollar amount written off for reasons related to Corporate Identity Theft and Fraud. Then think about how you could

have tightened your reserve by not having accepted the bogus business to begin with.

*Gary H. Bügge is President of **Screening For Profit**, Fort Wayne, Indiana. He can be reached at 260-492-4489. **Screening For Profit** is a credit and fraud investigative agency. It publishes the weekly **Screening For Profit Digest**.*

(Continued from page 4)

employee's recommendations on peers the manager can contact to get input on how they perform their duties. In contacting the peers offer to keep their comments confidential, if necessary.

- 8) **Make every effort for understanding**—Be very clear about good and bad performance. Make sure the subordinate understands what needs to be changed, why it is important and when the change must be completed. Ask a lot of open-ended statements to validate the understanding.
- 9) **Listen and Observe**—Sometimes employees say one thing but mean another during an appraisal. The employee might tell you they understand, when in reality they just want the session to end. Oliver Wendell Holmes said, "It is the province of knowledge to speak and it is the privilege of wisdom to listen".
- 10) **Challenges**—Ask the employee to identify the most difficult challenges in their work environment. Ask them to list the challenges preventing the best quality work. The answer might surprise you.
- 11) **Future Goals**—The best evaluations spend a lot of time on the future. List realistic goals that align with your goals as a manager, your

division and your company. Share all the goals and how the employee's individual goal helps meet your goals and the overall company goals. It is essential to create the employee's personal goals collectively as well as create realistic time lines for completion. Of course, a copy of the evaluation and goals must be provided to the employee.

It takes a lot of time to complete an effective appraisal, if you follow the items I listed above. It is essential to look at the completed appraisal quarterly and to review the goals you and the employee agreed upon. Following up and asking for updates on these goals is the key to eliminate any surprises and to make sure you are setting the employee up to succeed.

Lastly, objectivity is the key to the fairest appraisals. Stick to the facts on positive and negative performance. Beware of the dreaded "halo effect" and "pitch-fork effect". As the terms suggest, it is either attributing overall positive or negative ratings on an appraisal based on one well done or poorly done project or task. You owe it to the employee, employer and yourself, to be objective and look at the employees overall performance.

(Continued from page 5)

and use. The report, based on focus groups and in-depth individual interviews with consumers, says consumers are overwhelmed by the complex information in current reports. By simplifying the format of privacy notices, consumers would be better able to understand the information and make informed choices about the use of their personal information. The research was undertaken by the Board of Governors of the Federal Reserve System, the FDIC, the FTC, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the Securities and Exchange Commission, all of whom are responsible for implementing the financial privacy provisions of the Gramm-Leach-Bliley Act. It was initiated because survey data indicate that many consumers neither read nor understand the notices financial institutions provide under current regulations. The six agencies will fund a second phase of the research project to test prototype notices.

National Missing Children's Day

May 25, 2006

**First Proclaimed in 1983 by
President Ronald Reagan**

**Sponsored by
National Center
For
Missing & Exploited Children**

**Remember, everyone has a role to
play in keeping children safer.**

www.missingkids.com

**CPI members: This is a good day
For a Walk-A-Thon**



International Walk-A-Thon

Wichita, Kansas

June 24, 2006



Sponsored by:
 Credit Professionals International
 Credit Education Resources Foundation
 National Center for Missing and Exploited Children

We Walk For the Children



Jessica Groves
 Endangered Runaway

DOB: 8/24/1989
 Missing: 11/14/2005
 Race: W Sex: Female
 Hair: Brown
 Eyes: Brown
 Ht. 5'09" Wt. 170 lbs.
 Missing from:
 Evansville, IN

Has her nose, navel and tongue pierced. May be in the company of an adult male. Nicknames are Jess and Jessie.



Rodrigo Rios
 Family Abduction

DOB: 12/05/1994
 Missing: 6/13/2003
 Race: White/Hisp Sex: Male
 Hair: Black
 Eyes: Brown
 Ht.: 3'08" ...Wt. 40 lbs.
 Missing from:
 Carpinteria, CA

Abducted by non-custodial mother, Gricelda Lopez. They may be traveling in the company of an adult male. A felony warrant was issued for the abductor.



Gricelda Lopez
 Family Abduction

DOB: 8/7/1973
 Missing: 6/13/2003
 Race: White/Hisp Sex: Female
 Hair: Brown Eyes: Brown
 Height: 5'03"
 Weight: 145 lbs.
 Missing from:
 Carpinteria, CA

Is wanted, under felony warrant in abduction of son Rodrigo Rios. Has a scar on her left shoulder. May be in the company of an adult male.



Drucecilla Thomas
 Endangered Runaway

DOB: 5/23/1990
 Missing: 10/14/2005
 Race: White Sex: Female
 Hair: Brown Eyes: Brown
 Height: 5'04"
 Weight: 118 lbs
 Missing from:
 Woodbury, TN

Ears are double pierced. Has moles on upper lip and chest; birthmark on upper right arm; scar on right eyebrow. May go by name Chelsie or Anna Grace..

ANYONE HAVING INFORMATION SHOULD CONTACT:
 The National Center For Missing and Exploited Children
 1-800-843-5678 (1-800-THE-LOST)

Child Find Canada
 1-800-513-3463