

# fair pay

## Shop now, pay later

### 10

WAYS TO PROTECT YOUR COMPANY AGAINST GENERATION DEBT

#### ITALIAN MEDIA BUSINESS

Getting paid while retaining customers

#### TENNIS CHAMP STEFAN EDBERG

“It’s hard not being nice to people in trouble”





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## Personal debt: growing political issue

**Money plays a crucial part** in everyone's life. Yet in our competitive and fast moving environment there is huge pressure – on young people especially – to live the 'buy now, pay later' lifestyle.

As we report in our special feature in this issue of *Fair Pay Magazine* on the new debt generation emerging across Europe, there is mounting anxiety that an entire generation is perhaps unprepared for the financial pressures they will meet after leaving school. Yet, as Intrum Justitia's latest European Payment Index Survey reveals, few national or pan-European initiatives are in the pipeline to address credit management issues.

The United Kingdom is the one EU country to have most closely shadowed the US approach to borrowing and lending. One consequence is that consumer debt in the UK currently stands at over GBP 1.25 trillion and personal insolvencies and mortgage repossessions are at all time highs.

**The situation is** so serious in the UK that the government is changing the national school curriculum to encompass a new subject for 11 to 16-year-olds called 'economic well-being and financial capability'.

The credit management picture varies across Europe, but traditional approaches are fast changing to embrace the American credit model – even in risk averse nations like Germany and France. The UK has set the consumer debt pace in Europe, and other European nations need to act now if they want to avoid misery for millions struggling to pay mortgages and credit card bills.

*Meri Mäkkylä*

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**fair pay magazine** no. 3, August 2007 **Publisher** Intrum Justitia AB, ISSN 1652-5620 **Publisher** Anders Antonsson **Editor-in-chief** Meri Mäkkylä **Assistant editors** Leif Hallberg and Tidningskompaniet **Production** Tidningskompaniet **Printer** Trydells **Subscriptions** info@intrum.com **Change of address** Intrum Justitia shareholders should advise their account-operating institutes. Others should contact the editorial desk. **Editorial desk** Fair Pay Magazine, SE-105 24 Stockholm, Sweden, info@intrum.com **Phone** +46 8 546 10 200 **Fax** +46 8 546 10 211 **Cover:** Photo: Tron Ullberg. The next issue of Fair Pay Magazine will be published in November 2007. © Intrum Justitia AB 2007. All rights reserved. You are welcome to quote us, but please cite the source. The editorial staff is not responsible for any unsolicited material sent to Fair Pay Magazine. Fair Pay Magazine existe également en version française. Fair Pay Magazineist auch auf Deutsch erhältlich. Fair Pay Magazine finns även på svenska. Fair Pay Magazine hay en español también.

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## IN BRIEF

300

**THE NUMBER OF** people employed in Intrum Justitia's operations in Poland, the Czech Republic, Slovakia and Hungary. Intrum Justitia recently acquired all shares in the holding company Intrum Justitia Central Europe BV, with wholly owned subsidiaries in these countries.

## LOWER UNEMPLOYMENT

**EURO AREA** seasonally-adjusted unemployment stood at 7.0% in May 2007, compared with 7.1% in April 2007. It was 7.9% in May 2006. The EU27 unemployment rate was also 7.0% in May 2007, compared with 7.1% in April 2007. It was 8.0% in May 2006.

Source: Eurostat

## Enforcement against UK lenders

**THE FINANCIAL SERVICES AUTHORITY** in the UK has started enforcement action against five sub-prime intermediaries, according to the *Credit Today* online edition. It follows a review of intermediaries and 11 sub-prime lender firms that found weaknesses in responsible lending practices. While the research found no significant evidence of sub-prime mortgages being sold incorrectly to prime customers, it said there is inadequate assessment of customers' ability to afford the mortgage and their suitability for it.

Source: Credit Today

## US spending up

**BORROWING BY** Americans consumers increased at an annual rate of 6.4% in May as credit card use climbed sharply, the Federal Reserve Board reported. Total consumer borrowing rose by \$12.9 billion to a seasonally adjusted \$2.441 trillion, up 4.7% from May 2006.

Source: Wall Street Journal

# Lessons in money

**In July, the British government** announced sweeping changes in the United Kingdom's school curriculum designed to give teenagers formal lessons in how to manage their debts. Designed to help 11 to 16-year olds prepare for financial pressures after leaving school, a new subject called 'economic well-being and financial capability' is to be introduced.

According to *The Times*, the move comes with anxiety mounting that a generation is in danger of moving straight from their studies into long-term debt. Consumer debt in the UK stood at GBP 1.25 trillion at the end of 2006 with personal insolvencies climbing to a record 30,075 in the first quarter of this year.



Left to right in the left picture: Michael Wolf, CEO Intrum Justitia, Luis Salvaterra, General Manager of Portugal & Spain, Albina Nuñez, Commercial Director Portugal and Pascal Labrue, Managing Director South Europe.



## 10 good years in Portugal

**Intrum Justitia's operations** in Portugal marked ten years of successful growth with an equally successful celebratory customer, business prospect and media event in Lisbon, the Portuguese capital. Staged in the stunning Pestana Palace Hotel in the heart of Lisbon, almost 80 people attended the event, which consisted of a conference to launch the latest European Payment Index and a panel debate on credit risk management

problems and solutions in Portugal. In addition to customers and major business journalists, Intrum Justitia's directors and local sales teams also took part.

"We had a great response from everyone who participated with all saying how much they appreciated the subjects discussed during the morning conference and the panel debate," says Albina Nuñez, Intrum Justitia Commercial Director Portugal.





The European Union estimates the EU's consumer loans market is today worth around EUR 800 billion.

# Europe's new debt generation

*European consumers have* developed a huge appetite for credit as they adopt US attitudes to spending. Yet despite rising bankruptcy figures and warnings of financial meltdown there are plenty of lenders.

**Britons living in** Viking-occupied London hundreds of years ago had their noses split if they could not pay their ‘Dane geld’ tax debts. Hence the phrase, ‘paying through the nose’.

Whether or not you have to contribute your ‘pound of flesh’, it has never been cool to be in debt. Yet modern Europeans are fast shedding traditional debt aversion attitudes to buy into the American ‘buy now, pay later’ mindset.

According to Datamonitor, the independent business research firm, unsecured European lending, such as credit cards, was EUR 957 billion in 2005. Amazingly, the research showed Britain had become the debt capital of Europe, alone accounting for EUR 319 billion – over 33 percent of all new non-mortgage borrowing in Europe.

**Datamonitor figures** reveal the average Briton owing GBP 3,175 against the European average of GBP 1,558. But Britain's European cousins are fast catching up – tempted by both credit card lending promotions and an increase in the amount of general unsecured loans.

According to Datamonitor, in terms of new borrowing, the French came an easy second to the UK in 2005, while the Germans were second to the UK in terms of the total size of accumulated debt. Even smaller economies like Greece have witnessed sharp increases in non-mortgage borrowing.

The European Union estimates the EU's consumer loans market is today worth around EUR 800 billion. Consumer loans represent on average almost 18% of the gross income of retail ban-

king in the EU. But underneath the fragmented nature of the internal market, the cost of credit varies greatly across the EU from the lowest rate of 6% in Finland to above 12% in Portugal. In Ireland the average cost of

credit is 6.8%, in Italy and Spain 9.4%.

“Finland has seen a marked trend since 2000 towards the American lending and spending phenomenon with more people running up debts due to over consumption and taking too many loans,” says Minna Mattila, Communications Director at Finland's Guarantee Foundation, an organization dedicated to financing personal debt recovery

**Mattila told** *Fair Pay Magazine* that the main drivers of the trend include a new consumption culture and more aggressive marketing of both products and loans. But who is most at risk?

“People aged between 35 and 45 years are most in debt, but actually every age group is in the risk zone because of today's market pressures,” she says.

The debt mountain is worrying national governments and Euro parliamentarians alike. Reflecting the concerns, EU Consumer Protection Minister Meglena Kuneva has launched an initiative to help consumers across Europe make better informed choices when they take out consumer credit loans - paying for holidays, weddings or a new car.

“At the moment trying to compare different credit offers across the European market is like trying to compare apples and pears. Creating standard, comparable information for all EU credit loans will make the market more transparent for business and consumers. This is good for business selling across borders and good for consumers who want to make informed choices,” Kuneva said.

**“Actually every age group is in the risk zone because of today's market pressures.”**

# How to protect your company

*European business* and official organizations lost around EUR 25 billion last year by financing unnecessary credits and a further EUR 27 billion by bad debt write-offs.

But there are ways to protect yourself.



## 1 CLEAR CREDIT POLICY

**Implement a clear** credit policy tailored to the individual risk orientation and financial strength of the company.

## 2 CREDIT LIMITS

**Observe credit limits** to follow the development of the receivables of individual regular customers. In practice, the provision of credit limits of credit for each (key account) customer has proven to be particularly effective.

## 3 CHECK BILLING ADDRESS

**Consistent checks** on the billing address to help prevent the use of invalid or out-of-date billing addresses.



## 4 UPDATE

**Update economic information** with consistent solvency checks before taking decisions on deliveries against invoices. If solvency is insufficient, deliveries should be made against an alternative form of payment.

## 5 ROUTINE CHECKS

**Routine solvency checks** on key clients.

## 6 FLEXIBILITY

**Offer flexible payment** terms on the basis of new customers being granted a shorter time period to settle than regular customers who pay by the agreed due date. At the same time, new customers are offered the benefit of a longer payment term to settle when they place repeat orders, provided that payment is made on or before the due date. On the other hand, regular customers can lose the privilege of a longer payment term should they fail to pay on time.

## “Debtors need personal help and advice”

**Do Europe’s heavily indebted consumers have anyone else to blame than themselves? Or do they need more help, advice and education – maybe even stronger legislative safeguards?**

**European authorities**, consumer protection agencies and business widely agree consumers need greater transparency about the real cost of credit. In fact, proposed new EU rules on consumer credit loans set out to ensure access to key facts when taking on a debt about interest rates, number and frequency of payments, the obligation to take out an insurance or the charges for defaulting.

Better education is also a key to tackling indebtedness. However, Minna Mattila, of the Finnish debtor aid Gua-

rantee Foundation, insists education is just one element of the bigger solution required.

“People who have gotten into debt need personal help and advice, especially when their money management skills are weak. Or when they have found themselves in a difficult time in their lives due to divorce, illness or unemployment. Education is also needed, but a great many people get into trouble because something unexpected happens.”

**Intrum Justitia’s** Director of Public Affairs, Leif Hallberg, based in Brussels, agrees. He believes the European Commission should instigate a pan-European initiative to sti-

# - 10 effective tips

## 7 REMINDERS

**Swift reminders** to be issued rapidly and regularly.

## 8 BILL LATE PAYERS

**Bill late payers** for interest defaults and the operating costs caused by the payment delay.

## 9 ALLOW EFFICIENT CREDIT MANAGEMENT

**Cooperate with professionals** such as Intrum Justitia and integrate them into the customer management process, thereby allowing efficient credit management tailored for rapid receipt of payments.

## 10 WIDEN HORIZONS

**Extend client structure** by reducing reliance on one, or a few, large customers.

Source: [www.europeanpayment.com](http://www.europeanpayment.com)



Don't forget to bill late payers!



mulate governments and consumer protection agencies to collectively address growing public indebtedness.

**“A broad EU initiative** should be designed to stimulate all stakeholders to tackle the problem – governments, institutions, schools, business and the public at large,” he says.

“Some countries, particularly in Scandinavia, have a good track record of creating special programs aimed at



Leif Hallberg.

educating the general public. But the level of government interest and commitment varies greatly across Europe.”

Hallberg says Intrum Justitia is currently working on collecting references from the company’s own experience and knowledge with a view to presenting some ideas for concrete initiatives to the European Union.

**“I believe Intrum Justitia’s** extensive practical experience of dealing with consumer credit issues can make a hugely positive contribution to educating and helping consumers across Europe – of all ages, but especially youngsters – about how to avoid falling into the credit trap.”

David Noble



# Mastering high risks

*Could booklets and cards* be a risky business? Yes. But the Italian media group De Agostini Editore knows how to get paid.

**De Agostini Editore**, based in Novara (outside Milan), Italy, publishes booklets and cards which are sold with visual aids and for low prices at newsstands and through direct market mailings. Offering products to the general public for low prices without a pre-approval process means high credit risks. It means that every euro counts—every euro billed and every euro spent on collections. How they manage that risk is with a highly automated and well organized collection process, and with almost no direct interaction between personnel and clients.

The materials that De Agostini Editore sells include encyclopedias, children's books, language courses, and self-study programs in a wide variety of subjects. "We offer products that allow average people to pursue their passions," says Piergiorgio Pedron, Trade and Operations Director, Collezione Italia, "and we offer our products so that they are financially affordable to almost anyone." Typically, the cost per installment is under twenty euros. "We make

knowledge accessible," says Riccardo Gallone, Director of Operations for Direct Marketing Italia. "Our materials are well written and well presented so that our clients are easily able to satisfy their intellectual interests. Some even include materials for clients to be able to apply and experience what they are reading".

**A client gets extended** credit in that they are mailed merchandise with a bill that they are expected to pay, typically at the post office. A client can receive three to four installments before their account is closed for failure to pay. Considering the small amount charged for the merchandise, De Agostini Editore is only at risk for forty to sixty euros per customer. This may not seem like much, but the total can be significant given that they sell in several countries to a







Photo: Lara Perego

“The key is to encourage customers to pay without cancelling subscriptions”, says De Agostini Editore’s Riccardo Gallone.

client list of a few million. The large number of clients from the general public makes the stakes high for collections. However, the small amount owed by each delinquent account makes staff intervention unjustifiable.

On average, about twenty percent of De Agostini Editore clients will be late in making payments. For most, a simple reminder from internal collections is all that’s needed. They’ve prepared a series of reminders that are automatically generated and sent to slow payers. The only time someone from internal collections speaks with a customer is when a customer calls them to discuss a bill. “We’ve made several improvements to our systems: software, database

management, printing and mailing equipment. This has helped us to improve our collection process,” says Gallone.

**They also keep** track of clients and locations that have already reneged on debts. Currently, they are experimenting with demographic information to adjust the amount past due they’ll permit before closing an account. The results of their efforts has been that seventy-five percent of the accounts that are delinquent will be cleared on the bills and continue as clients. “We took care in wording our late notices so as to encourage clients to pay without canceling their subscriptions,” says Pedron.

# “We use Intrum Justitia because our clients are treated fairly and politely by them.”

The one-quarter of delinquent accounts that are unresolved internally are sent to Intrum Justitia. Through their efforts, about thirty percent are collected. For De Agostini Editore, “it’s important that they collect as much as they can, not just because of the money, but because otherwise, word will spread that you don’t have to pay us,” says Michele Caforio, Major Account representative at Intrum Justitia, based in Milan. “When selling to a mass market like they do, and with low profit margins, they don’t have room for collections to get out of hand. In essence, collection becomes part of educating the market.”

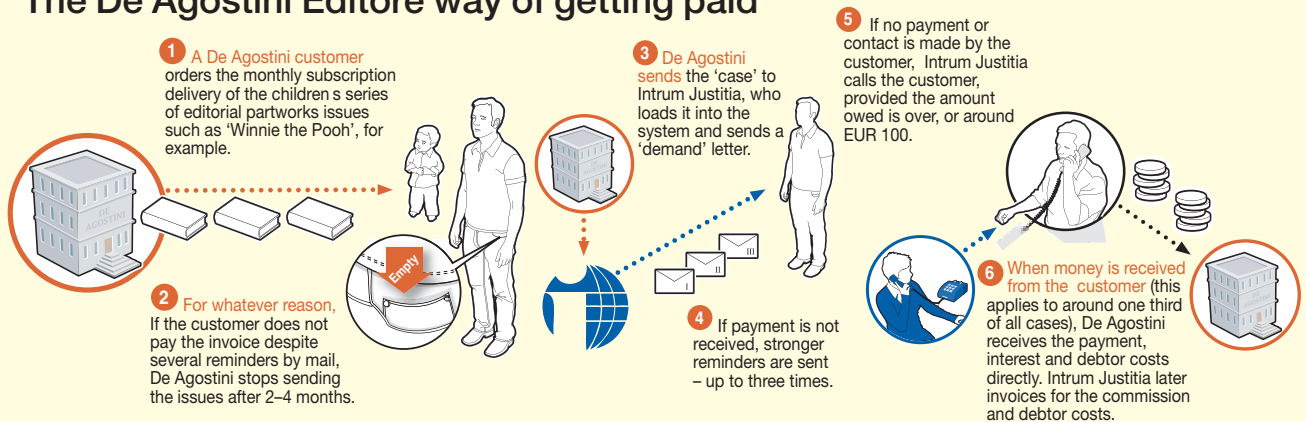
Pedron explains, “We use Intrum Justitia because our clients are treated fairly and politely by them.” Gallone adds, “While we don’t want clients to think that they don’t need to pay us, we also don’t want to give the perception that De Agostini Editore is a malicious company only looking to collect its forty euros. If the relationship with a client is to end, we want to end it in the best way possible.” In short, by minimizing costs and operating smartly, De Agostini Editore is able to keep their bad debt losses down to a small percentage of their revenue. At the same time, they succeed in preserving their reputation, business integrity and client base.

Russell Dyer



Collecting books at competitive prices puts a smile on the face of both De Agostini Editore and its customers.

## The De Agostini Editore way of getting paid



SVENSKA GRAFIKBYRÅN

## QUICK FACTS

Intrum Justitia is Europe's leading Credit Management Services (CMS) group. Its objective is to measurably improve clients' cash flows and long-term profitability by offering effective services and high quality in relation to both clients and debtors in each local market. Intrum Justitia's services cover the entire CMS chain, from credit information via invoicing and reminder management to debt surveillance and collection of written-off receivables. The group has more than 90,000 clients, revenues of SEK 2.9 billion and around 2,900 employees in 24 markets. The company was founded in 1923 in Sweden and has been listed on Stockholmsbörsen, the Stockholm Exchange, since June 2002. The head office is located in Nacka, outside Stockholm, Sweden. President and CEO: Michael Wolf. For more information on the Intrum Justitia Group, visit [www.intrum.com](http://www.intrum.com).

Intrum Justitia Group	2006
Revenues, SEK M	2,939.6
Operating profit (EBITA), SEK M	156.7
Cash flow from operating activities, SEK M	463.7
Collection cases in stock, SEK M	15.4
Total collection value, SEK billion	89.4
Average number of employees	2,954

For definitions, see [www.intrum.com](http://www.intrum.com)

## Analysts who cover Intrum Justitia

ABG Sundal Collier – K Melhuus & J E Gjerland  
 Carnegie – Mikael Löfdahl  
 Cheuvreux – Joakim Ahlberg  
 Handelsbanken – Peter Grabe  
 Kaupthing – Nina Glifberg  
 SEB Enskilda – Stefan Andersson  
 Standard & Poor's – Joakim Ström

## Financial report dates 2007/2008

Interim Report (January–September)	8 November
Full-year report 2007	Beginning of February

**intrum**  **justitia**

## INTRUM JUSTITA'S NEW PARTNER

# Welcome elisa



Photo: Getty Images

*Elisa*, one of the two biggest providers of communications and ICT solutions in Finland and Estonia, has chosen Intrum Justitia as its full partner in overdue receivables.

**In the past**, Elisa has been using two separate service providers by splitting the assignments equally between these two companies. The results of this experience supported their decision to change their way of working. According to the full partnership agreement, all assignments were transferred to Intrum Justitia as of May 1, 2007.

**The agreement includes** the collection process attached closely to the Purchased Debts service, where Intrum Justitia buys receivables after a collection process of three months.

“This agreement was the result of a long testing and benchmarking process, and we are very confident with our

decision,” says Ari Kuusisto, Head of Department. “We felt Intrum Justitia has the best means of offering us consultancy services in credit management and the best ability to develop our cooperation into a real partnership,” he adds when highlighting the criteria for selecting Intrum Justitia.

## ELISA FACTS

**Elisa Corporation** is the leading Finnish communications and ICT solutions company founded in Helsinki in 1882. Its main market is Finland with international operations in Estonia. Elisa has been listed on the Helsinki Stock Exchange since 1997. In 2006, Elisa had 3,600 employees and revenue of EUR 1.52 billion.

*On June 16 and 17*, for the second year running in a row, Intrum Justitia paired up with a team of unequalled fair play ethos in the world of sport, Team Luc Alphan and Aventures. This sports sponsorship deal is based on the values shared between Intrum Justitia and the Team Luc Alphan and Aventures : performance, speed and strategy.



# Bad weather but an

**The weather was not** on the side of the competitors in the 2007 Le Mans 24-Hour race in France. But in spite of the difficult conditions surrounding the race, and a number of spectacular accidents, the Chevrolet Corvette C6R bearing Intrum Justitia's colours – blue and yellow – and driven alternately by Luc Alphan, Jérôme Policand and Patrice Goueslard, reached the finish line for the 7th year in a row!

The Corvette C6R finished in 7th place among GT1 entries, 2nd among private teams and in 12th place overall. The drivers' confidence never faltered and their determination enabled them to overcome the sundry obstacles that were thrown up in their path throughout the race.

**"I would like to thank** everyone who was involved." said Luc Alphan after crossing the finish line under driving rain. "This year the Le Mans 24-Hour race was particularly difficult because of the harsh weather conditions.

"However, we were confident of finishing and we went

all the way without ever losing hope. We ended up having an excellent race, even though a bit of sunshine would have been more pleasant for the guests and spectators. Unfortunately, we cannot control the weather! I would like to congratulate the entire technical team for their excellent work and our sponsors for backing us in our adventures."

**Spain, Portugal,** Italy, France, Finland, Belgium, the Netherlands, Ireland, England, Scotland and service line Purchased Debt were closely involved this year in this legendary race. Intrum Justitia's employees joined in the spirit of the race through performance challenges and suggestions. Several dozen employees attended the trials or witnessed the race live at the circuit.

In spite of the poor weather conditions, the event allowed us to share some exceptional moments with our clients and employees:

*"I would like to say thank you and bravo. It was great and*



The team surrounded by happy Intrum Justitia employees after a good day of racing fun.

# excellent race

*our clients were delighted even if the return was somewhat chaotic...* – Quote from an Italian (client).

*“Once again I would like to thank Intrum Justitia for inviting us to this exceptional event... by the time the cars crossed*



Making sure the car is in perfect working condition before the race is extremely important.

*the finish line, the amazing hours I had spent watching the race had turned me into an ardent racing fan!”*

*“The parenthesis has closed, life goes on, but the memories remain! And what memories! I would like to thank you for everything: your welcome, your helpfulness, the tremendous program you put on, the professionalism of your employees, the amazing surroundings, the weather...!”*

*“Thank you for inviting me on this weekend. It was truly a worthy experience!”* – Quotes from French clients.

**“The feedback we got from all attendees was very positive!”**

*“I very much enjoyed the Le Mans experience and thank you both for your time and generosity over the past 4 days in making the VIP weekend a memorable and very enjoyable time. I will start work on my next cost saving ideas already for next year.”* – quotes from employees working in the Netherlands.

*“Thank you very much for your company over the weekend. I had a great time despite the delays. The race experience was amazing”* – Quote from a UK visitor.

# Payment risks fall, trend unsustainable

*First some good news.* The Spring 2007 Intrum Justitia European Payment Index (EPI) Survey reveals that economic growth across much of Europe has led to a decrease in payment risks.

**The bad news is** that the positive trend is unlikely to be sustained as no fundamental changes have been implemented to combat the problems of late payment. As a result, payment risks can be expected to increase once again in the near future.

Of the ten largest European countries, seven (Germany, the United Kingdom, France, Spain, the Netherlands, Belgium and Poland) show lower payment risks, one the same (Greece) and two show higher risks (Italy and Denmark).

The worst payers in Europe remain the public author-

ities. On a pan-European level (the average of all European countries) payment duration in the consumer market reduced from 42.5 days in Spring 2006 to 42.0 days; in the business customer market from 59.9 days to 58.6 days; and in the public sector from 69.8 days to 68.9 days.

**The companies surveyed** are modestly pessimistic regarding payment risk development during 2007. Companies in the Baltic states are most optimistic whilst the companies in the German-speaking and Greek-speaking areas are

## EU itself grapples with late payments

**DESPITE ITS LATE PAYMENT DIRECTIVE** and its strong focus on improving conditions for SMEs, the EU Commission is also at times surprisingly guilty of dragging their own feet when it comes to paying their contractors on time. The Commission's practice of paying late came to light in connection with the EU's Ombudsman's launch of an information campaign in June targeted at, among others, companies about their right to complain to the Ombudsman.

**ACCORDING TO** P. Nikiforos Diamandouros, the EU Ombudsman, thousands of businesses, associations and other organizations are involved in EU projects such as tenders or contracts signed with the EU institutions and bodies. Some of them encounter serious problems with the EU administration which is why the Ombudsman now wants to raise awareness about his services.

**OF ALL COMPLAINTS** the Ombudsman receives, 95 percent come from citizens. Although companies usually do not turn to the EU Ombudsman when being paid late, there is now a significant number of companies, associations and other organisations that experience late payment problems when dealing with EU institutions.



P. Nikiforos  
Diamandouros,  
the EU Ombudsman.

Photo: European Parliament

**A RECENT EXAMPLE** concerned a small company, which turned to the Ombudsman after it had sent the Commission seven reminders. The Commission explained that the delay was due to 'technical changes in budgetary procedures' and gave reassurances that matters had now been reviewed. After the Ombudsman pointed out that SMEs are particularly vulnerable to the effects of delays in payment, the Commission also agreed to pay interest.

Pia Skaerbak



Companies in Greece are among the most pessimistic...



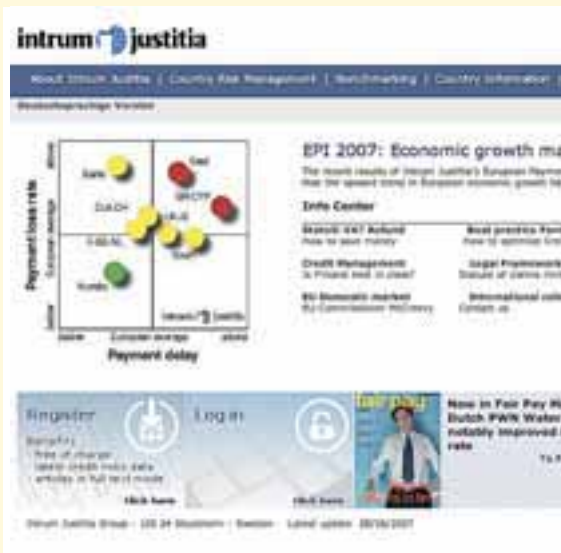
...and corporations in the Baltic states are the most optimistic.



most pessimistic. Hungary, the only country in the Central Eastern European and Baltic region suffering from increasing payment risks, was the most pessimistic of all 25 countries surveyed, whilst Latvia followed by Slovakia and the Czech Republic had the most optimistic forecasts.

David Noble

Source: European Payment Index Spring 2007, www.europeanpayment.com



## New online webtool

**INTRUM JUSTITIA HAS LAUNCHED** a new online tool to simplify and speed up the placement of unpaid international receivables. Designed to ensure that placing international debts due with an International Credit Management specialist is as simple and efficient as possible, Intrum Justitia has added a unique feature to its www.europeanpayment.com website. Just click on the 'Make money move' banner under the 'Service' heading and start filling in the information field.

**INTRUM JUSTITIA'S** online tool could not be simpler to fill in. The information encompasses creditor and debtor information, description of goods delivered and responses from debtors to demands

**ONCE YOU HAVE** submitted your claim, press the confirmation button and the claim will be sent to us at Intrum Justitia. We acknowledge receipt and then swing into action. First, we review the claim before contacting you to sign a collection contract – at which point a client is allocated a personal contact person at Intrum Justitia.

Collecting payment could not be easier!

# “It’s hard not being nice”

On the tennis court he rarely gives away a point unnecessarily. Tennis champ Stefan Edberg is aiming to be as tough in his new career.

As a businessman he has learnt the importance of getting paid on time. “I am probably a little too kind, which is a problem,” he says.

**Almost eleven years** have passed since his last volley as tennis pro. The former Wimbledon winner was not attracted by the idea of becoming a trainer or joining the veteran tour, although Stefan Edberg has always retained close contact with the sport. He is involved in the ATP tour’s If Stockholm Open, where Intrum Justitia is one of the main sponsors.

He also sees a further link to tennis in his investment firm’s results-based activities:

“If you do a great job you get paid well, if you do a bad job you don’t get paid well. I think that is a good basic philosophy.”

**But the most basic demand** is to just get paid, he says. Over the years he has amassed substantial experience in this area.

“In tennis everything functioned pretty well, even if there was occasional problems. But I was pretty spoiled because I had agents who took care of everything. After a tennis career it is almost as if you grow up when you start having to suddenly lead a normal life. You have to take responsibility for things yourself and sometimes tackle these types of problems.”

## Edberg’s strategy to get paid on time:

■ **ACT FAST.** “If someone does not pay on time I tackle the problem pretty quickly. You send a nice reminder. But experience is that most people renting want to pay, they really do not want any black marks.”

■ **BE CLEAR-CUT.** “You must be consistent, tell people what the rules are. And if the customer does not behave then you have to get tough.”

■ **DARE TO BE TOUGH.** “A business relationship has other rules than a private one. Sometimes you have to put your foot down.”

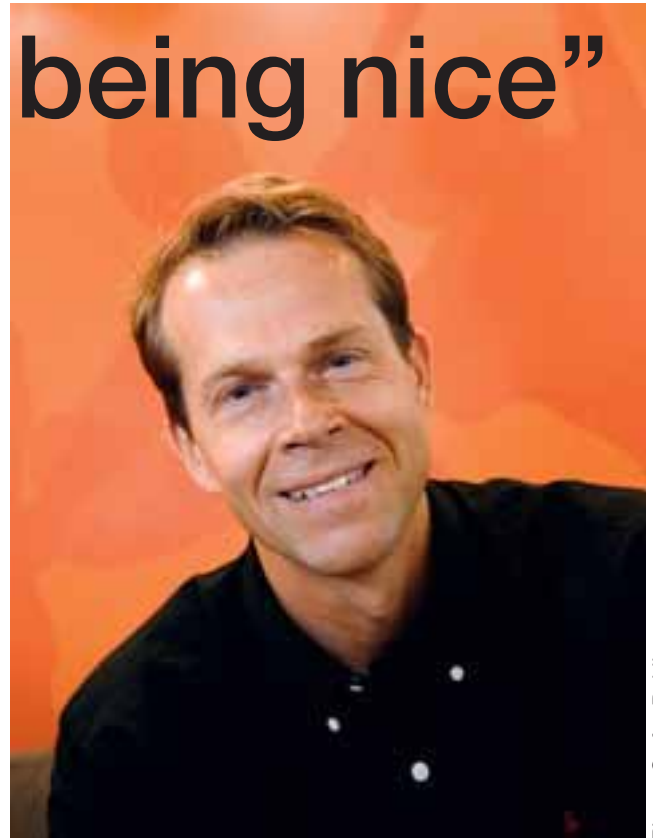


Photo: Stefan Bohlin

This became most concrete for Edberg in his other role – as a landlord in his hometown of Växjö in central Sweden. Cash flow is vital, especially during certain periods when major payments have to be made.

“Most of the time it works really well, but sometimes people forget to pay the rent. My philosophy is to deal with the problem immediately.”

### Have you any special way to ensure getting paid on time?

“It is important to make it clear from the start: paying on time is what counts and if you don’t then I will get tough. You must be business-minded and not think ‘I will be nice’ or ‘I have money, I can manage anyway’. Business relationships must be clear-cut.”

### Is it hard not being nice?

“I find it really hard work. You act in one way privately, and in another way in a business. I am probably a little too nice, which can sometimes become a problem. I think you have to be pretty tough in business.”

### Have you ever found yourself in a business relationship where you have been cheated out of money?

“I have perhaps been swindled a couple of times, but you have to swallow the pill and keep moving forward. I have had many propositions over the years, but reject most of them. I try to avoid danger and choose the safer option.”

Christofer Brask