



ADVANCED COMMERCIAL CREDIT ANALYSIS & QUALIFYING PROSPECTS (Credit 201)



Target Audience:

Relatively experienced professionals in a credit department or in any area of commercial lending who have successfully completed Credit 101 or pass the Credit 101 Diagnostic.

Prerequisites:

Credit 101 or successful completion of Credit 201 Diagnostic.

Curriculum:

Credit 201 is comprised of the following courses:

ADVANCED COMMERCIAL CREDIT ANALYSIS

- Financial and Non-Financial Red Flags
- Profitability and Cash Flow
- Sales Growth and Borrowing Causes
- Operating Profit and Debt Capacity
- Management Assessment and the Credit Decision
- Qualifying Prospects

Time Commitment:

Approximately 4-5 months from start to completion. Depending upon participant's knowledge and experience, the average weekly time commitment is 5-8 hours of work (including preparation).

- Two classroom sessions. Each session is 1½ days.
- Eight online courses & 10 webinars.

Certifications:

- WIB Certified Commercial Lender upon successful completion of the entire Credit 201 requirements.

Mentor:

The bank should provide an experienced commercial lender or credit administrator to assist the student throughout the Institute.

Training Outcomes:

See reverse side.

WIB Member Cost:

\$2,400 for Credit 201 only \$4,500 for both Credit 101 and 201

Registration fees for Credit 101 and 201 together are approximately \$3,000 less than major competitors for a complete program. Hotel/travel costs are only required for four nights (one per classroom session) versus 24+ nights for other lender schools (e.g., four per month for a six-month program). Please see registration form for Institute prices & dates.

See wib.org for more information on dates, pricing & registration.

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Training Outcomes

Training Outcomes:

- Determine whether a business meets the two necessary conditions for business success, regardless of business organization and financial reporting format.
- Understand the cash impact of sales growth or decline which is necessary to determine the true borrowing cause(s). This course emphasizes identifying and calculating the cash impact from sales growth or decline, changes in fundamental profitability and changes in control of key operating balance sheet accounts - accounts receivable, inventory and accounts payable.
- Through introduction and use of a proprietary analytical methodology and algorithm, estimate the amount of short and long-term interest bearing debt that can be properly serviced by a company's operating profit and cash flow and stress test its ability to withstand market-driven events.
- Properly structure the credit facility to match the borrowing cause(s) and accommodate the source or sources of repayment.
- Understand the competitive forces at work in an industry and how they likely impact future performance on specific business drivers, e.g., on sales, receivables management, inventory control and their follow-through impact on proper debt service.
- Assess whether the management essentials are in place and working effectively, and, if not, identify the likely impact from deficiencies in management capabilities on future performance.
- Identify relevant risks to each source of repayment and structure covenants to mitigate identified risks, if possible.
- Appreciate specific personal qualities necessary for business success and understand the importance of competitive advantage to sustainable success in running a business.
- Understand the elements and sequence of events in shaping and internalizing a systematic approach to business development.
- Understand the dominant role of emotion in decision motivation, and apply the most effective means of interacting with others.
- Appreciate the importance in asking quality questions and understanding the cast of characters and their role in the decision-making process.
- Demonstrate underwriting mastery through application of all analytical tools and techniques in preparing a comprehensive credit write-up to support or decline a specific loan request.