

8.6 Case study Jeddah Royal Beach Resort

 2:73

Frederick: Good evening, Riaz!

Riaz: Oh, hello Frederick. Everything OK?

F: Yes, fine, thanks. I just wanted to give you these applications, if you've got a moment?

R: Yes, of course. Have a seat.

F: Thanks.

R: OK, so what have we got here?

F: Well, first of all, there's Ms Koeppe in room 406. She's with Cool Breeze. It's a record label based in Buenos Aires. Now, I know you don't like record companies, but ...

R: Yes, Frederick, and you know very well why I don't like record companies and those vulgar rock groups they send us, always causing damage and disturbing the other guests. Argentina, you say?

F: Yes. But Ms Koeppe says they want to organize a big conference for their executives. There won't be any rock groups or that kind of thing, just corporate executives. So, they're applying for our credit card.

R: Well, it's true we need to develop in the conference market. It's good business, and it often brings in more business by word of mouth. But Argentina ... OK, leave it with me and I'll look into it. How big is Ms Koeppe's bill?

F: Well, she's been here for four nights. Leaving on Saturday. She's spending a lot of money – maybe six thousand dollars so far. But she's very nice, very friendly. I'm sure she won't leave without paying.

R: Hmm ... she's applying for a credit limit of twenty thousand. Let's keep an eye on her, anyway. Let me know if her account goes over ten thousand dollars, OK?

F: Sure.

R: What else have you got there?

F: The next one is Mr Kobayashi from Tokyo. Remember him?

R: Oh, yes. The second-hand car salesman?

F: Yes. He's a really difficult customer. We've had to move him to a different room three times this week because he didn't like the view, or it was too far from the restaurant ...

R: Well, he may be difficult but his credit's good. He seems to have built himself quite an empire over there. Kobayashi Auto Sales is doing very well. We've never had any problem with his people.

F: Well, I wouldn't buy a car from him. He never looks you in the eye, never smiles, never says 'thank you'. He wants us to raise his credit limit, but I don't trust him.

R: Let me see. From fifty up to a hundred thousand, eh? All right, I'll think about it.

F: Right. And this last one is our old friend Mrs Saman and her team from Egypt.

R: Oh, no. Are they still coming here? I thought we stopped their credit last year.

F: No, the company paid up in the end, remember?

R: Yes, I do now. Charming lady, of course, but that company – what's it called? Black Nile, that's it. They invented the concept of the slow payer! I think it took 18 months to get them to pay their last invoice. What does she want now?

F: Well, she wants us to raise their credit limit to a hundred thousand, too.

R: Oh, no way!

F: But there are ten of them this time, and she's such a wonderful little old lady!

R: I should really suspend their credit and insist on cash in advance. They're on, let's see ... thirty thousand dollars. It's just too big a risk. Have you seen the latest cash-flow figures? Our customers are taking longer and longer to pay, and uncollectibles have gone over 3%! I'm getting a lot of pressure from management to take firm action.

F: Well, be careful; Mrs Saman told me yesterday that her brother is a very senior government official. And remember, we have a lot of guests from Egypt now. We don't want to upset them.

R: Yes, that's true. You never know who Mrs Saman might talk to. She's a very influential old lady. All right, leave it with me, Frederick. I'll let you know what I decide tomorrow.