Top Benefits of Membership

Resources
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Two ways to access NACM’s Knowledge Center

From the main page at www.nacm.org:

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- Wells Fargo Monthly Economic Outlook
- News & Updates from Credit Risk Insurers & Banks
- Free Accounting & Financial Statement Analysis Review Videos

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- The Virtual reality of treasury Global Treasury Benchmark Survey 2017
- Emerging Risks: Anticipating Threats & Opportunities
- Risk Sensing

What’s Your Elevator Speech?
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Counseling a Distressed Customer
Developing an Internal Credit Score for Businesses
Onboarding Credit Personnel
The Dynamic Duo: Credit and Sales
Components of a Sound Credit Policy
Going International
Implementing ERP Systems
Commercial Collections: An Overview
UCC Article 9 for Dummies
The Basics of Financial Statement Analysis
Beginner’s Guide to Bankruptcy

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Counseling a Distressed Customer

Case Study 1 - Financially Distressed Customer: A Successful Workout Plan
Case Study 2 - Financially Distressed Customer
Timeline

I. The strategy behind a credit professional’s decision on whether or not to continue the relationship from an informed position.

II. Persuading them to implement “your” plan

III. Developing and implementing “The Plan”

Case Study (1) – Financially Distressed Customer
A Successful Work-out Plan

Case Study (2) – Financially Distressed Customer
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Developing An Internal Credit Score For Businesses

Click links below for full detail.

- Introduction
- Internal Credit Scoring Models
- The Use of a Credit Scoring Model
- The Pros and Cons of Credit Scoring Models
- Developing an Internal Credit Score: A Judgmental Scoring Model
- Other Factors to Consider in the Credit Decision Process
- Legal Considerations
- Survey Results
- Conclusion
- Appendix A: Financial Ratios
- Appendix B: Survey Questions

The Pros And Cons Of Credit Scoring Models

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What is Onboarding?

It is important to properly onboard, orient and train new employees as it can pay huge dividends in the performance and overall success of the employee. Onboarding is a strategic process of bringing a new employee to the company/organization and providing information, training, mentoring and coaching throughout the transition. The process begins with the acceptance of an offer and throughout the first six to twelve months of employment.

This checklist will guide the Manager in effectively bringing a new employee on-board at the Company. This checklist will walk through the steps to successfully onboard a new employee. Please note: not all items may be applicable to your area.

Click here for printable checklist.
Introduction
CREDIT POLICY AND CREDIT PROCEDURES

A credit policy is a guiding principle used to establish direction for the credit function in an organization, in order to achieve the objectives of minimizing risk and maximizing profitability, while maintaining a competitive advantage in the marketplace.

There is no set procedure to a panacea that can be followed on a consistent basis for recurring credit situations, to accomplish the goals outlined in the company’s strategic planning framework and/or internal audit framework. Together, credit policy and credit procedures are used to empower people responsible for the credit process, by providing a direction and consistency that is vital for successful execution.

NACM webinars added when content is available.

Going International
Letters of Credit

An export letter of credit (LC) is one of the payment methods in international trade. Export LCs are useful when open terms are not granted and to reduce the risk of nonpayment. An LC is a demand instrument where an irrevocable legal document (the LC) is issued between the buyer (issuer) and the seller (beneficiary), dictating the terms in which the payment is to be made.

The most common type of letter of credit used in export is a documentary (sometimes called a sight LC). This letter of credit authorizes the seller’s bank to draw on the buyer’s bank upon presentation of the required documents. An export LC can also be set up on a time draft or a payment at a future date after documents have been accepted under the letter of credit. A letter of credit should be consistent with the terms and conditions stipulated in the commercial contract.

In some countries, LCs may be used to guarantee accounts receivable owned by the local location. When the balance becomes due, the customer has paid you, you can present the specified documents to the customer’s bank and get paid by the bank.

Benefits of Export LCs

- Avoids higher degree of risk and payment delay, incurring substantial costs or insolvency.
- Aids in the credit risk of the issuing bank and the political risk of the issuing bank’s country.
- Foreign credit instruments can be mitigated via confirmation of the letter of credit.
- Allows banks to put collections to work and work off export sales.
- Payment by supplying party can be predicated on presentation of complying documents.
- Terms of LCs of credit can be discussed upon receipt of drafts, thereby controlling cash flow.

Strengthening the Letter of Credit Process

The issuing bank should be a domestic bank you are familiar with and not a bank located in a foreign country that you may have limited recourse, so obtaining a confirmation from the domestic paying bank greatly reduces the risk of nonpayment by the foreign bank. If unable to find a domestic bank to confirm the letter of credit, you should ensure that the LC is opened at a larger international bank (as opposed to a small local bank).

Before accepting the LC, fully understand the documents required to be presented to the bank for payment as well as where and by whom they are to be paid. Also pay close attention to any expiration dates or other time limitations in the terms. The banks involved will rely and/or charge a fee to process payment if documents are not in full compliance with the terms of the LC.
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Implementing an ERP System

Questions to Ask Prior to Selecting an ERP Solution and During the Design Phase:

| Is the system designed for your industry? If not, can it be cost-effectively tailored to meet your needs? |
| If needed, can the system handle international activity (i.e., multiple currencies, additional documentation requirements for international shipments, etc.)? |
| What effect on future upgrades/updates will any alterations and customizations have? |

Specific Topics to Focus On:

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GSCFM Projects: Written by Members for Members

UCC Article 9 for Dummies
Graduate School of Credit and Financial Management
By: Christian Boman, Douglas Jacobsen, Arvian Rosa, Rocky Thomas, Susan Thomas, and Melvin Usedo

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Introduction

"Risk comes from not knowing what you're doing" - Warren Buffet

As a credit manager in the world of business to business (B2B) commerce, it is your job to facilitate sales while managing the risk associated with the extension of credit and protecting your company's investment in accounts receivable. Trade credit is essential to the accommodation of sales growth and, as we know, there is always some risk associated with the extension of credit. Unfortunately, as B2B creditors, we often don't have the luxury of requiring collateral to extend credit. The prudent and risk-free approach would be to require payment at the time of the transaction. However, the last we checked, our companies have sales growth, increased market share and profitability as their core goals. In a competitive environment, it is essential that we find ways to efficiently leverage the extension of credit to accommodate these goals."
Go To Useful Forms

Browse the list and use forms from NACM’s Manual of Credit & Commercial Laws

( Member login required )

Free Webinar each Calendar Quarter

Standardizing Credit Operations with Shared Services

View Free Webinar

( Member login required )
Speaking of webinars, watch for Twisted Tuesday offers - Webinars are priced at $59 rather than $95 each.

Members post jobs at no cost

Professional Development
- Search Industry Jobs
- Hone your Elevator Speech
- Find a Career Coach

The next person who asks you or your staff, “What do you do?” could be a potential customer or someone who can help take your business to the next level. Your reply could have a big impact on your future. So what will you say?
Keep Up to Date with Economic Trends in 6 minutes!

Video Links
- Wells Fargo Monthly Economic Outlook
- Atadius Economic Outlook
- The Marsh Channel

View Videos Now

Credit Risk Insurers & Bank News

News & Updates from Credit Risk Insurers & Banks
Atadius, Coface, Credendo Group, Euler Hermes, JPMorgan Chase, Wells Fargo

Annual Economic Outlooks

Country Risk Rating Maps

FCIB
Sign up for the Business Credit App
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Available on the App Store

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October 2019

Special DISCOUNT Offer!

Receive $25 off the full delegate registration fee for Credit Congress 2020 in Las Vegas, June 14-17.

When registering online, use Promotional Code: BCAPP19

*not valid on existing registrations; Promo code valid until November 1, 2019.

Watch for special App Only Offers

Featured Article:
Construction’s Indefinite Possibilities
Contractor confidence continues to grow due to an improvement in new business and revenue
October 2019

Featured Article
Construction’s Indefinite Possibilities
Contractor confidence continues to grow due to 10/17/2019
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Global Roundup
October 14, 2019

"Thunder on Fire" as Turkey intensifies Syria campaign. Turkey stepped up its air and artillery strikes on Kurdish military in northeast Syria on Oct. 11, escalating an offensive that has drawn warnings of humanitarian catastrophe and turned Republican lawmakers against U.S. President Donald Trump. (Reuters)

China trade talks restart as White House explores escalation options. American and Chinese officials met for the 12th round of trade negotiations on Oct. 10 amid growing expectations of a limited deal that could ease tensions and address some of President Trump’s concerns about China’s economic practices, but also fears of a broader conflict. (CNBC)

Learners’ shift to online learning further straining supply chains. A growing number of schools are shuttering at second or third-minute prices to the coronavirus. As concern for the stability of a country where political tensions are never far from the surface, (The Economist)

China hit by EU tariffs as high as 50%. The European Union imposed tariffs as high as 65% on steel and aluminum from China, targeting many factories such as Thyssenkrupp AG and Sing Sing Intelligent Transportation Systems Co. (BBMG)

U.S. economy posts record 3.5% GDP growth. The U.S. economy grew at a pace of 3.5% last quarter, the Commerce Department said Thursday, the strongest showing since the mid-1990s and a sign that the world’s largest economy is healthy enough to withstand a possible trade war. (Bloomberg)

U.K. ties off shore from Brexit deal talks. U.K. Prime Minister Theresa May and European Union leaders are trying to work out a Brexit deal that satisfies the U.K. and the rest of the bloc as the U.K. prepares to leave the European Union in October. (Financial Times)

The U.S. administration is working on a new strategy to combat the opioid crisis, according to a senior U.S. official, as the country grapples with a deadly epidemic. (The New York Times)

The U.S. government is preparing to offer a new strategy to combat the opioid crisis, according to a senior U.S. official, as the country grapples with a deadly epidemic. (The New York Times)

Tag: Financial Blog

October Tariffs on Chinese Goods: Cancelled
Monday, 14 October 2019 - Outside Influence - NACM Blog

Trade talks between China and the U.S. continued, leading to the U.S. calling off the Oct. 15 tariff increases, according to the Associated Press. The tariffs would have increased from 25% to 20% on $250 billion worth of Chinese imports. The cancellation came with compromises and negotiations. In exchange for the tariff cancellations, China has a... (NACM Blog)

Tag: Financial Blog

Dodge Momentum Index Takes A Step Forward
Friday, 11 October 2019 - Michael Hidary - NACM Blog

The Dodge Momentum Index took a step forward in September mostly due to the commercial aspect. The index, published by Dodge Data & Analytics, measures the initial report of nonresidential building during the planning stage, which can lead to spending by a full year. The commercial component improved nearly 1% in September to push the overall... (NACM Blog)

Tag: Financial Blog

US-China Trade Negotiations Continue, US Tariffs Called Into Question
Wednesday, 09 October 2019 - Christia Citrano - NACM Blog

The U.S. and China continue to negotiate amid the trade war. According to a recent article in Bloomberg, China remains open to reaching a compromise and partial trade deal with the U.S. The main cause for concern stems from weakening growth potential, damage to the trade war will cause on the health of the global economy. Negotiations will meet in Washington... (NACM Blog)

Tag: Financial Blog
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- Weekly in Review
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- CMI Survey
- Blog
- Credit & Collections Survey

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10/17/2019

NACM’s eNews - October 10

NACM National <nacm_national@nacm.org>
To: Members/Subscriber(s)

In The News
October 10, 2019

Amendments to Washington Law Change Specifics for Performance and Payment Bonds
Senate Bill 5410 passed in Washington state recently, altering the maximum threshold to obtain a waiver for performance and payment bonds on public projects. The filing process will not change, but the threshold has increased.
Continue reading.

Checks Still Popular in Credit Departments, Despite Fraud
Despite advancements in payment technology, checks remain a popular payment method in the credit department. If credit managers wish to keep accepting checks as payment, experts offer a few tips on how to stay vigilant against fraud.
Continue reading.

UK’s FRC Updates Audit Standards Following Collapses
The U.K.’s Financial Reporting Council has updated an audit standard following the most recent collapse of a loan company. Thomas Cook. Under the new standard, transparency will improve as well as risk evaluation.
Continue reading.

The Raw Data Analytics LLC Case May Change the Unclaimed Property Landscape and Liability for the Holder Community
Many unclaimed property statutes allow states the ability to assess penalties, fines and/or interest for late unclaimed property filings. However, most states utilize a “best-practice” approach along with those programs to minimize the enforcement of penalties and interest.
Continue reading.

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Week in Review - October 7

FCIB <fcib_global@fcibglobal.com>
To: Robin Schmeidle

Global Roundup

Global trade to see weakest growth since Great Recession. Global trade is forecast to weaken this year to its slowest pace since the depths of the Great Recession due to the U.S.-China trade war, the World Trade Organization said Oct. 1.

WTO allows U.S. to hit EU exports with record tariffs over Airbus case. The World Trade Organization (WTO) authorized the United States to impose tariffs on EU goods worth up to $7.5 billion, as a response to illegal subsidies given by European governments to aerospace giant Airbus.

Peru’s Vizcarra swore in a new cabinet as rebellion in Congress fizzled out. Peru’s centrist President Martin Vizcarra unveiled a new cabinet on Oct. 3 as a dramatic challenge to his leadership by dozens of dismissed lawmakers appeared to fizzle out.

Also this week: What about the USMCA? The impact of U.S. sanctions on European goods: A closer look; China investors face increasing sanctions risk; U.S. manufacturing survey shows worst reading in a decade; Dozens killed as uprising sweeps across Iraq; Germany’s outsized export dependence; and more.
Continue reading.
NACM’s CMI
Accurate CMI Readings Show Worth of Credit Department Insight

DO YOU HAVE A MINUTE?

We need you to make the CMI as accurate as possible. Taking the survey is quick and easy! No math involved—just indicate if something is better, the same or worse than the month before.

Every time you participate in the CMI’s monthly survey, you are contributing to a leading economic indicator. Sign up today for our monthly email reminder to participate. Go to www.nacm.org and click on Credit Managers’ Index.

Help raise the status and respect of the credit profession. Your participation is the solution!

CMI Questions

1. Dollar amount of new orders are:
   - Higher than a month ago
   - Same as a month ago
   - Lower than a month ago

2. Sales dollars are:
   - Higher than a month ago
   - Same as a month ago
   - Lower than a month ago

3. Number of new credit applications is:
   - Higher than a month ago
   - Same as a month ago
   - Lower than a month ago

4. Number of rejections of credit applications is:
   - Higher than a month ago
   - Same as a month ago
   - Lower than a month ago

5. Dollar collections are:
   - Higher than a month ago
   - Same as a month ago
   - Lower than a month ago

6. Number of accounts placed for collections is:
   - Higher than a month ago
   - Same as a month ago
   - Lower than a month ago

7. Number of disputes is:
   - Higher than a month ago
   - Same as a month ago
   - Lower than a month ago

8. Dollar amount of receivables beyond terms is:
   - Higher than a month ago
   - Same as a month ago
   - Lower than a month ago

9. Dollar amount of customer deductions is:
   - Higher than a month ago
   - Same as a month ago
   - Lower than a month ago

10. Number of your customers filing for bankruptcy is:
    - Higher than a month ago
    - Same as a month ago
    - Lower than a month ago

11. Dollar amount of credit extended is:
    - Higher than a month ago
    - Same as a month ago
    - Lower than a month ago

12. If not involved in manufacturing, please ignore this question. If involved in manufacturing, production is:
    - Higher than a month ago
    - Same as a month ago
    - Lower than a month ago

13. Please provide any additional remarks in the space provided below. Your remarks are most helpful and are welcomed.
CMI Spreads the Word

DID YOU KNOW NACM’s CREDIT MANAGERS’ INDEX HAS BEEN PICKED UP BY:

- Bloomberg
- CollectionsRecon
- Money News
- THE WALL STREET JOURNAL
- Pacific Business News
- FB. and
- MarketWatch
- Small Business Trends
- BigFAI
- FinanceBlog
- The Kansas City Star
- CFO
- CPM Group
- Seeking Alpha
- realwire
- PRWeb
- Plastics News Europe

CMI Spreads the Word

According to the NACM, “higher dollar collections represent improved cash flow for the selling firm and the ability of buying firms to pay.” Are US businesses struggling with payables/receivables?

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<td>2018</td>
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The Daily Star
Listen to Chris Kuehl’s analysis of the Credit Managers’ Index

NACM Sets the Professional Standards

CAN YOU SPELL SUCCESS?

Salaries of those with one or more certifications average 8.7% more than those with no professional certifications.

Isn’t it about time to give YOUR career the same chance for success?

CREDENTIALED MATTER

*Credence Employee Association for NACM’s Business Credit Compensation Survey
Study Online for the CBA Designation

Business Credit Principles
Designed and written by fellow credit professionals, Business Credit Principles is essential for every credit professional. This comprehensive course covers all the vital elements of business credit, including the role of credit in financial management, the components of effective credit department systems, specific government regulations that pertain to business credit, credit policies and procedures, selling terms, negotiable instruments, the Uniform Commercial Code, credit investigations, finance and business insurance, business credit fraud, factors associated with credit limits, and international trade, as well as bankruptcy codes and alternatives to bankruptcy.

Financial Statement Analysis I
This is an introductory course in financial accounting statements and their analysis. It reviews the basic financial statements, key issues in using those statements, and the analysis of those statements for the purpose of making credit decisions.

This is an on-line self-paced course. You will study the text, review the lectures, and answer the questions which are posed. Course materials include the text and regular updates to the text. You are encouraged to ask questions of your instructor.

The purchase of this course includes a copy of the textbook Understanding Financial Statements, 9th edition, Financial Learning Solutions. The text will be mailed to you within 1 business day of the date of enrollment.

Supplement the Online Accounting Course

Free Accounting & Financial Statement Analysis Review Videos
- The Balance Sheet
- Income Statement
- Statement of Cash Flows
- Cash Basis Accounting vs. Accrual Basis Accounting

0 Part 1
0 Part 2
- Liquidity Ratios
- Activity Ratios
- Solvency Ratios
- Profitability Ratios
- Horizontal & Vertical Analysis
Study Online for the CBF Designation

Coming in 2020 to NACM’s Credit Learning Center
Take CBA and CBF Designation Practice Exams

Practice Exams

As an additional study tool for the CBA and CBF designation exams, NACM offers practice exams. The practice exams use sample questions on relevant topics to simulate the level and types of questions found on the actual exam. Please note that the practice exams are intended to provide a sampling of the CBA and CBF exams’ questions and scope. The questions on the practice exam are not necessarily the same questions that will appear on the actual exams. For more detail on the certification exams, please refer to the Exam Study Guides.

You will be required to log in before you can take a practice exam. You should plan at least one hour to take one practice exam. Should you leave the exam before it is complete and graded, you will be able to start where you left off at a later point if you wish.

Start taking a practice exam here.

Master International Credit

ARE YOU AN EXPERT IN MITIGATING THE RISK OF INTERNATIONAL TRADE?
FCIB’s ICRM GRADUATES ARE THE EXPERTS!

January - May - September
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Learn & Network

BE SURE TO BUDGET NOW FOR NACM’s 124TH CREDIT CONGRESS & EXPO AT CAESARS PALACE.

The Early Bird registration rate of $799 will be available till December 6.
Hotel rate will be $185 per night + taxes/fees.
Registration is Open!

Trusted Solutions: Collections

GET AN EXPERT WHO CARES
Unlike national collection agencies, our primary mission is to serve NACM members.
Trusted Solutions: Credit Reports

NOT ALL CREDIT REPORTS ARE CREATED EQUAL

NACM offers a variety of reports, and you get to choose the one that is right for you.

dun & bradstreet
experian.
EQUIFAX

Trusted Solutions: Credit Reports

NACM National Trade Credit Report and Tools
User Guide

BY NACM MEMBERS • FOR NACM MEMBERS

SHARING A/R DATA ALLOWS CREDIT PROFESSIONALS TO FORM A COMMUNITY: A GROUP OF LIKE-MINDED PROFESSIONALS THAT BANDS TOGETHER FOR THEIR, AND THE ENTIRE COUNTRY’S BENEFIT.
Visit with NTCR Partners at the Expo

NTCR Preferred Partners

From your platform:
- Access and purchase the NTCR
- Contribute your aging from your preferred partner platform

If you’re already using an NTCR Preferred Partners platform to facilitate your credit decisions, ask them how easy it is to contribute your accounts receivable aging to NACM’s National Trade Credit Report databases. Reporting your customers’ payment histories will help them not only build, but also individually maintain a strong credit history, instantly accessible to NACM members worldwide.

NACM members can also purchase NACM National Trade Credit Reports from within our Preferred Partners’ platforms; to learn more, ask one of our preferred software partners or your participating Affiliate today!

The NTCR Preferred Partners make it easier than ever to contribute data and access reports.

---

Trusted Solutions: Out of Court Services

Every business begins with a plan for the future, future sales, future growth. But what happens when those plans face an end? Most businesses believe that bankruptcy is the only option. The fact is there are better alternatives.
Trusted Solutions: Industry Credit Groups

FEEL THE POWER...THE POWER OF MANY
Join an NACM Industry Credit Group

Trusted Solutions: Construction Solutions

Secure Your Right to Payment on EVERY Job.

Notice to Owner Services
Mechanics’ Liens
Suit against Bonds
Foreclosures
UCC Filings
NACM is
the largest network for credit professionals, worldwide.

6. an association of individuals having a common interest and often providing mutual assistance, information, etc.

7. to engage in networking, so as to advance esp. one's career.
Before LinkedIn

Founded by Reid Hoffman, Allen Blue, Konstantin Guericke, Eric Ly, and Jean-Luc Vaillant on May 5, 2003, LinkedIn has gone on to become a company most startups dream about growing into, and has certainly played a big part in bringing professional lives online and making them more social.

Let’s face it, the existing way of finding a job and making connections is just not working anymore. There’s an adage that says “It’s not what you know, it’s who you know.” LinkedIn is proof of that. Simply finding an appealing job and submitting a resume isn’t enough — now companies are looking for personalized approaches and recommendations from networks.

By Ken Yeung, Sunday, May 13, 09:00am

Before Facebook

Facebook is the largest social network in the world today but how did it all begin? The original website was initially limited to Harvard students only, but quickly expanded to additional colleges in the Boston area, other Ivy League schools, then eventually just about every University in North America, up till now where 1 out of every 7 people on earth is on Facebook. It was founded by Mark Zuckerberg and some of fellow college roommates at Harvard University including Eduardo Saverin, Dustin Moskovitz, Andrew McCollum and Chris Hughes.

Facemash

Facebook however, actually started out in theory on October 23, 2003 when Zuckerberg launched Facemash.com. Facemash allowed visitors (basically his Harvard classmates) to compare two student pictures side-by-side to let them decide who was “hot” and who was “not.” Mark was able to populate the site with student pictures by hacking into Harvard’s database. However, days later outraged students demanded Zuckerberg shut down the site.

http://socialmediatoday.com/daniel-zeedi/1251026/ultimate-history-facebook-infographic