



### **“Prioritizing Your Overall Commercial Debt Burden – Your Top Priority Creditors”**

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To improve your overall commercial debt situation, you first need to understand it. To gain a good understanding of your overall commercial debt burden you first need to prioritize all of the individual creditors. Once you understand how each individual creditor fits into the overall picture, then you can make informed decisions about how to proceed with restructuring your commercial debt.

#### **The Priority 1 Creditors**

The priority number 1 accounts should be those that are of the utmost importance to your business, so critical to your operation that if you do not salvage the relationship, the fallout will likely cause the end of your business.

For example, suppose that your business is a delivery company, and that you have a creditor to which you incur some liability at least once per month and you pay them on a 30, 60, or 90-day timeline. This is a key creditor that should go near the top of the list. If you do not have a replacement, highlight them as well as put them at the top.

Since they are at the top of the list, you have to address them differently than if they were lower on the list. Those creditors on the lower section of the list are not a priority, so even if you don't pay them back, it is not going to kill your business.

So first you identify all those high priority creditors that can shut you down. You are not able to obtain their product or service anywhere else.

After you have identified all of these number 1s, make another pass through the number 1s on the list and highlight the most critical of



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those. So you prioritize the 1s within the 1s.

Once you have done the work to identify the top priority creditors, you can then make more informed judgments about how to address the overall obligations. You will certainly need to maintain your relationship with these top creditors.