

EIGHT BARRIERS TO REDUCING ACCOUNTS RECEIVABLE

In 2010 the Customer Value Group (CVG) surveyed 2,000 leading global companies and asked them “What are the biggest barriers to reducing your AR?”

The answers were many and varied and were broken down into the following categories:

1) IT SYSTEMS

This includes:

- Efficiency gains through the automation of manual tasks and a daily automated worklist for collectors.
- Accessing the data in a user friendly way. There must be a single customer view across your customer, even though they may have entities in different locations.
- Monitoring performance in a single place, as opposed to a combination of ERP systems and spreadsheets.
- The ability for the Business to maintain the system, without needing to go to IT for changes.



- IT Systems
- Reporting/Dashboard/Audit/Forecasting
- Segmentation and Automated Communication
- Global Blueprint/Multicompany support
- Deductions Management
- Dispute Management
- Multilingual Communication

Top Areas of Improvement in AR

3) CUSTOMER SEGMENTATION & AUTOMATED COMMUNICATION

This includes:

- The automation of letters and emails.
- Managing inbound communication so that no inbound emails or letters are misplaced and they are all processed accordingly.
- A closer follow up of bad payers, especially ones who have broken payment promises.
- Segmentation that is in line with the collection methodology you want to use.
- Collections methodologies that would be followed by your collections staff.

2) REPORTING

Respondents said they would like:

- Dashboards with up-to-date information. This is required for managers, collectors and dispute resolvers.
- Consolidated data see how group companies are performing in comparison to each other as well as monitoring their clients' payment performance.
- Audit information by maintaining historical data. This includes showing payment histories, monitoring the outcome of tasks and building up a credit management facility from historical data.
- Forecasting to help understand the expected DSO at the end of the month.

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2010 SURVEY OF 2,000 LEADING GLOBAL COMPANIES

4) GLOBAL BLUEPRINT/MULTI-COMPANY SUPPORT

You asked for:

- Centralised processes and reporting while still maintaining different regional approaches to collections.
- Best practice to be rolled out across the group even if different regions have different ERP systems.
- A group wide, multi-country approach and the monitoring subsidiaries as well.

5) DEDUCTIONS MANAGEMENT

- This can vary from customers taking an early payment discount - when they don't pay early - to companies short paying for no reason.
- It needs to be linked into the collections process.
- This resource-heavy activity needs to be automated.

6) DISPUTE MANAGEMENT

- This needs to be seamlessly combined with collections so customers are all treated correctly by everyone in your company who has contact with them.
- It should be accessed by all relevant areas of the company so the correct person can rectify the dispute.

7) MULTILINGUAL COMMUNICATION

- This includes sending automated letters and emails in the customer's language.
- Internally, policy and processes should be communicated in the correct language as well.



8) RISK ASSESSMENT

You would like:

- Existing scorecards to be incorporated with processes and policies.
- The ability to change collection strategies according to credit limit methodology.
- To fully understand both local and global customer risk.

CVG provides best-of-breed software and services which focus on the automation of credit, collections and customer query/dispute management. CVG clients have delivered substantial reductions in AR and improvements query resolution through the deployment of CVG's best of breed software and approach. CVG has a passion to share its expertise with clients of all sizes, from small local players to the largest global corporate and has developed an implementation approach to address the array of needs across that spectrum.

ABOUT CVG VALUE+

CVG Value+ is industry-leading Accounts Receivable and Dispute Resolution automation software. CVG Value+ users enjoy the way they can:

- Reduce their DSO through AR automation
- Improve customer service through dispute resolution automation
- Automatically process deductions
- Streamline and gain efficiency in AR and customer service