

# ACCOUNTS RECEIVABLE TEAM MANAGEMENT

MINIMISE ARREARS, MAXIMISE RECOVERIES AND REDUCE COSTS, THROUGH THE EFFECTIVE AND EFFICIENT MANAGEMENT OF RESOURCES.

## COLLECTIONS MANAGEMENT

### WHERE IS MY TIME BEST SPENT?

This is an apparently clear objective. However, in the current financial market, with increasing competition for resources, it can be challenging to understand where time is best spent.



Credit and Collections Managers play an integral part in a business's success today. They are responsible for overseeing the collection of Accounts Receivable across multiple portfolios, multiple sites and often with intense scrutiny from senior management. To be successful in this increasingly business-critical role, a Manager needs more than just a working knowledge of the Consumer Credit Act 1974, an in-depth knowledge of collections and credit policies and a keen eye for numbers. In fact, this is where most Credit and Collections Managers can be misled. Understanding, monitoring, reacting to and delivering the numbers is essential. However, it is often how this is achieved that is most important. And for this, resources are the key.

A collections and recoveries operation needs to be built on a solid foundation including strong and reliable credit policies, efficient business processes and clearly-defined business goals and objectives. Supporting this should be a comprehensive reporting and monitoring process that ensures quick, accurate and timely feedback on how the business and how each individual is tracking.

Too often, Managers are so busy trying to extract critical information that they overlook where they are actually needed. This is with their key resources - their people. Communication, coaching, mentoring, training and developing staff is where a Credit and Collections Manager's focus should be. Understanding the need to build an engaged and motivated workforce enables results to be obtained more effectively as you demonstrate how you value your most important assets.

This can seem difficult when you are trying to focus on the numbers. This is where the support of appropriate tools such as easy to use, Accounts Receivable software can be critical. Sitting in an office, mulling over Excel spreadsheets should be a thing of the past. The required information should be accessible through visual dashboards and reports at the touch of a button. This shouldn't just apply to management either. It is equally important for individuals to be clear on their targets and how they are tracked against them daily. Collectors' time should be placed where it is most effective, speaking with customers.

A portfolio of accounts at the ready with up to date, reliable and easy-to-obtain information and clearly defined actions is a must. This will reduce and/or eliminate the need for manual administrative tasks.



The importance of mentoring your team

### WHERE SHOULD A MANAGER'S TIME BE SPENT?

1. Connecting with their staff, having the ability to motivate, coach and discipline them where appropriate.
2. Working with them to deliver the results, demonstrating good management skills, project management skills and helping to solve problems
3. Ensuring they, and you, have the appropriate tool in place to support this

## ACCOUNTS RECEIVABLE TEAM MANAGEMENT

### AUTOMATION IS THE KEY TO GREAT CREDIT AND COLLECTION MANAGEMENT

Credit and Collections Managers should not be spending time behind computer screens designing reports or trying to analyse data. The tools should already be in place to present this data automatically.

Below are the Credit and Collections Team Management "Big 5" that should be provided to you automatically.

- 1) Reporting. With a Management Dashboards and reporting suite, you can control your team's performance simply with the click of a button. Key points of the Management Dashboard include:

- a) Breadth and depth of reporting across any given period or currency by division, region or business unit and across receivables, payables and inventory

- b) Ease of use - an intuitive graphics-based system that can quickly switch from company-wide overview to in-depth investigation

- c) This Dashboard gives you exactly the information you need through quick and simple customisation by the individual user

- 2) Performance Targeting and Tracking. This allows you to set targets for your teams, such as cash targets, DBO, DSO, % Overdue or % activities resolved within SLA.

- 3) Segmentation of the customer base by key criteria such as customer type, size, payment performance, risk level or payment methods. Many of these segmentation models are provided as out-of-the-box preconfigured templates. You can take these templates and customize them for your business or scenario. It's for this reason that our implementation timeframe is rapid compared to other software vendors.

- 4) Credit Management. Understand the following credit Metrics:

- a) Expected Loss
- b) Probability of Default
- c) Expected Exposure
- d) Loss given Default

- 5) Applying workflows and policies according to your segments:

- a) Application of credit, collection and dispute policies to each segment

- b) Automatic generation of prioritised tasks such as reminder letters and telephone calls

- c) Ability to escalate tasks which are not completed within the required SLA

- d) Diarised call lists – customer call lists are automatically generated

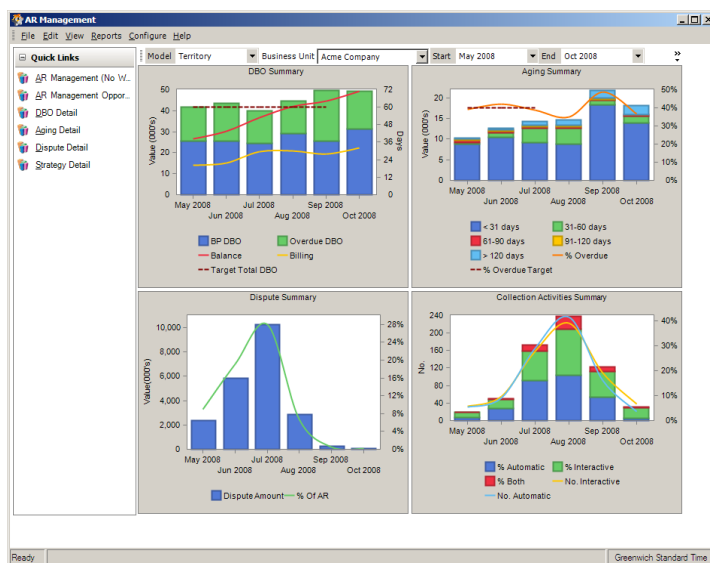
- e) Chase paths – configure an unlimited number of collection procedures for chasing debt

- f) Call back actions – reminders for call backs trigger automatically

- g) Promise actions and payment plan management

- h) Inbound and Outbound Email, SMS, Fax, Letter and other e-communication integration

- i) Collector and team performance workload



**AR Management Dashboard**

## 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