

THE NEW DISPUTE MANAGEMENT TREND TEST

IF YOU ARE NOT ON TOP OF HOW THE MARKET HAS CHANGED WITH REGARDS TO DISPUTE MANAGEMENT, YOU ARE PROBABLY LOSING 22% OF REPEAT BUSINESS EVERY YEAR

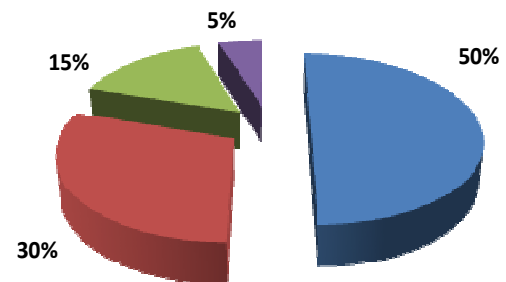
It is no surprise that the key concept to come out of the recession is change and, as Edward DeBono said in *Lateral Thinking and Parallel Thinking*, "you cannot dig a hole in a different place by digging the same hole deeper . . ."

Many companies are very resistant to change, particularly when it comes to how they tackle disputes and customer service. Perhaps it's due to their sheer size. Turning an ocean liner requires huge momentum, power and teamwork. It also takes time – time organisations often do not have in iceberg-laden waters. To ensure your organisation stays on course to its destination, manoeuvrability, awareness of the sea, responsiveness to weather changes and focus on the waters ahead is critical to staying afloat. The recession has levelled the playing field for many organisations who, if they close their eyes to the customer service changes, will face the same fate as the Titanic did on the 14th April 1912. The survivors of that disaster learnt these lessons the hard way.

WHAT HAS CHANGED?

The biggest change has been in customer behaviour. Spending and purchasing patterns have changed. Customer service demands have changed. Criteria for trusting companies have changed. Criteria for obtaining and keeping a happy customer have changed. Accounts Payable policies have changed. Customer loyalty has changed. Customers are not even letting suppliers proactively know they have a dispute. They simply short pay and leave it to the supplier to work out what happened. Even the excuses to not pay on time are becoming more colourful and creative. This means that trying harder with customer service in the same direction may not be as useful as changing direction. Effort in the same direction will not necessarily succeed. Overhauling the way organisations tackle dispute management is key to the success of companies who will thrive during the recession.

- **MOTOR YACHT:** 5% are setting the trends and are consequently guaranteeing their place amongst the choppy waters.



■ Oil Tankers ■ Ocean Liner ■ Ferry ■ Motor Yacht

THE TOUGH QUESTION

So when did you last review how your organisation is dealing with dispute management and customer service? Are you completely ahead of the trends affecting your organisation? Are you aware of the changes in processes, procedures and even software that is now out there to help you stay afloat, or are you still implementing your credit policies and procedures from 2008? 2007? 2006? Be honest. There is a clear divide between most of the organisations the Customer Value Group is talking to. Which category do you think your organisation fits into?

- **OIL TANKERS:** 50% are far behind the times and still hoping their ERP systems and spreadsheets are good enough to handle dispute management – they are stubborn and slow to change.
- **OCEAN LINER:** 30% are aware they need to change their approach to dispute management but spend months deliberating and having meetings to discuss options.
- **FERRY:** 15% are committed to changing and implementing dispute management programs within AR and customer service. They are actively seeking out solutions within a 3-6 month timeframe.

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

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THE TOP 10 DISPUTE MANAGEMENT TREND TEST

What should you be demanding from your IT departments, ERP systems and software vendors in terms of managing disputes in your company? Here is a checklist covering the latest trends in your industry. If your IT department, ERP system or software vendor cannot meet all of these criteria, they are just not on the money, and are moving too slowly for the changing needs of your market.

Most ERP systems - including SAP, Baan, Peoplesoft and JD Edwards - do not cover any of these items, so be forewarned!

My organisation has the ability to:

#	Question	Yes 5 pts	Partial 2 pts	No 0 pts
1	Identify disputes prior to an invoice being raised and associate those disputes with sales orders, delivery notes, returns or any other transaction type I have in my ERP system. Then, when an invoice is finally raised, my system helps match those transactions up together seamlessly.			
2	Create disputes on line items of any transaction and track customer service issues at all levels of transactions within my organisation.			
3	Illustrate, with the click of a button, the top 10 dispute types within my organisation, and what the root causes of all my customer service issues are, including which department they originated in.			
4	Automatically route disputes through to the person or department that needs to resolve and work on the customer service disputes whilst giving full transparency and visibility to relevant groups within the organisation.			
5	Notify key people if certain dispute criteria are reached - for example, if particular claim-values are exceeded.			
6	Send automated emails to a customer or account manager. Allow those people the ability to email back their responses with everything tracked and traced within the same system.			
7	Manage short payments. Whenever customers don't pay the full invoice amount, your systems should enable automatic processing of short payments by matching them with outstanding disputes or existing registered debit notes. Your should then be able to automatically process charge-backs as well.			
8	Raise bulk disputes - especially in situations where companies have more than one dispute needing to be recorded at the same time. The ability to simultaneously resolve several disputes with a single credit note or resolution.			
9	Have disputes - owners farm out pieces of work to people using an Accountability and Responsibility Matrix. Fields on disputes can be hidden depending on which role views the activity, as well as the ability to filter activity lists and portfolios depending on each user's unique requirements.			
10	Set Service Level Agreements for disputes by value, customer segment or type of disputes. The ability to escalate to managers if the disputes are not being resolved within a particular timeframe.			

POINTS EVALUATION

0-1 Point Your organisation has significant opportunity for improvement. The good news is you are part of 50% of businesses out there. The bad news is it's probably a good time to think about whether your company is serious about surviving the recession.

2-17 Points Your organisation is aware of a need to change its approach to dispute management but is probably spending too

much time deliberating and having meetings to discuss options.

18-39 Points Your organisation is actively seeking out solutions. This is a good effort but be weary of spending too much time deliberating and discussing options.

40-50 Points Your organisation is on the cutting edge, setting trends and embracing the changing society. Well done!