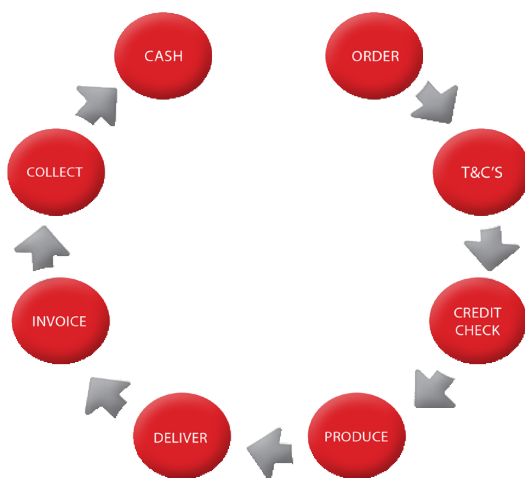
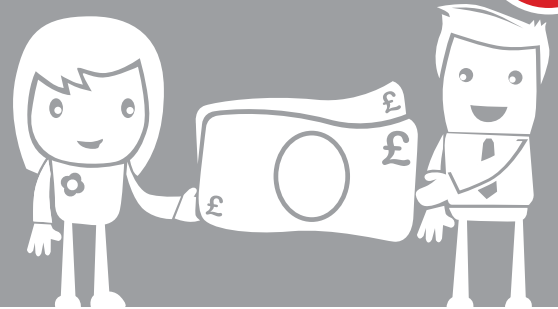


YOUR GUIDE WHAT IS THE PROCESS?

Most people think credit control is just about collecting payment of overdue invoices.

However, everything that goes before payment is received can affect a company's ability to get paid.

The process begins when you first start talking to a new prospect. This process is often referred to as the 'order to cash' process.

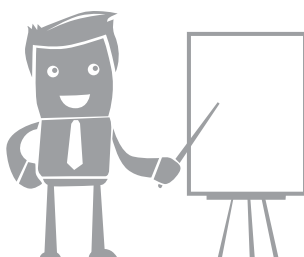


SO WHAT IS THE ORDER TO CASH PROCESS?

Here are some basic elements of the process, although they will change depending on the type of company:

> **ORDER** - Are there any requirements stipulated in your customers' order that may affect your ability to get paid? E.g. Date invoices must be received by? Consequential loss for late delivery?

> **CREDIT RISK ASSESSMENT** - Many businesses focus on sales and have little regard to whether their customer will be around to pay their invoices when they fall due. It is important to implement a credit risk procedure for potential customers and ongoing monitoring for existing customers.



> **TERMS AND CONDITIONS** - Are your contracts governed by your terms and conditions or your customer's?

Be aware you may have accepted your customer's terms and conditions by 'conduct' without realising.

> **MANUFACTURING GOODS** - Are your goods as specified on the order or are there quality issues?

> **DELIVERING GOODS OR SERVICE** - Do you have proof of delivery? Are the goods damaged on delivery? Are there financial implications to late delivery?

> **INVOICE PROCEDURES** - Have you sent the invoice to the correct address? Do you need a purchase order No? Is the discount correct?

> **DISPUTE RESOLUTION** - Do you measure value and volume of disputes and time taken to resolve disputes?

> **COLLECTIONS PROCEDURES** - Do you employ different collection strategies for different customer types? Are your collection procedures 'customer focused'? Most businesses rely on repeat business, make sure you get paid quickly and that your customers place future orders.

To improve cash flow and reduce bad debt, all businesses should monitor, manage, measure and constantly improve each aspect of the order to cash process

In the current economy, all companies need to remain customer focused whilst ensuring they get paid in full and on time.