

THE CREDEBT TRAINING ACADEMY PRESENTS

GENERATING CASH IN A TURNAROUND



AGENDA

1. Introductions

2. Crisis Management

3. Taking Control

4. Generate cash

5. Process improvements

6. Summary

WHO ARE WE?

GLEN MORGAN

Managing Director

IFT Specialist member



GLENN HUTCHINSON

Client Director

IFT associate member



CREDEBT LTD

Established in 2009

National Receivables Risk Management experts

Working with Funders, IPs and Turnaround Specialists

On the panel of HSBC, Natwest, Bibby, Close, Cynergy and many more

Highly experienced and qualified team

Collected over £500 million

CRISIS MANAGEMENT

Debtor Collateral Review to find the root cause:

- * Order to Cash process

- * Aging profile of the ledger

- * Movements over the last months

- * DSO

- * Details of queries and issues

- * Invoices and backing paperwork

- * Staff & procedures followed

TAKING CONTROL

Verify outstanding balances

Monitor collections

Resolve queries

Eliminate bottlenecks in the order to cash process

Tidy up the ledger

Recoveries

GENERATE CASH

1. Take over Collections

2. Use a formal Collection Process

3. Transform the Aging Profile

4. Accelerate Accounts Receivable

5. Optimise Order to Cash Process

6. Negotiate better Terms

1. Take over collections by Credebt

We have highly Specialist Staff

Everyone has 20+ years' industry experience

Collecting is their only focus

They know what process to use

Stick to the time frames

Use the right letters

Have the right contacts

They have adequate resources

Continuous follow up

2. Use a Formal Collection Process

Always send letters (physical or emailed)

Use cause and effect chasing

Keep your promises

Stick to the dates

3. Transform the Aging Profile

Deal with queries

Write off old debt

Raise Credit Notes

Send supporting paperwork

4. Accelerate Accounts Receivable

Everything you chase is valid

Everything is due to be paid

Confidence that people will pay

Queries have been dealt with

5. Optimise the Order to Cash process

Credit check customers before offering credit

Invoice promptly and correctly

Send invoices to the right people

Include the right backing paperwork

Precise Order entry (PO number, POD, order acknowledgement)

Include the correct payment and delivery terms

6. Negotiate better terms

Stick to YOUR payment terms

Don't be dictated by customers (even the big ones)

The same payment terms for everyone

To maintain high service levels and good prices

Effectively managing your working capital

Do not offer extended payment terms

Chase more regularly

PROCESS IMPROVEMENTS

Write a robust Credit & Collections policy

Report on current and future position

Recruit the right staff

Provide staff training

Ongoing credit support

Organisational restructure

QUESTIONS?



SUMMARY

Early intervention is key

Assess the situation before taking action

Clarify the actual ledger value

Collect promptly

Get the experts in

Improve processes for long term success