



Case Studies

Property Maintenance Company

A Property maintenance company outsourced their credit control to us a week ago. They were at their wits end and found us on the web. They called us in a desperate state saying they had previously outsourced their credit control to one of our competitors, but they simply did not understand their business and were as much use "a chocolate tea pot"

The Managing Director went to great pains to explain how their business worked - they do maintenance work for large property management companies. This is how it works; the property management companies collect rent and service charges from their customer's typically residential or commercial blocks. An element of the money they collect from their tenants goes towards property maintenance. The property management company raises a works order and instructs our client to do the work.

Our client does the work and raises an invoice to the property management company, quoting the works order number, the property address etc. The property management company then fails to pay them. So much so that 80% of their aged debt was owed for longer than 90 days – a pretty poor state of affairs and no wonder that cash flow was a major problem to them.

It was only after we had imported all of their aged debt data into our own credit management software that we realised there were more problems to overcome...!

In the normal course of events when creating a sales ledger account, you would create one account per debtor, but our customer has created one account for each property that they did work on.

E.G, let's say that our client was appointed by Joe Bloggs Property Management to do some maintenance work on the following 4 properties:

1. Alderley Rd, Beddington
2. Chatsworth Rd, Debyshire
3. Ladywell Rd, Lewisham
4. Congruit Rd, York

Once the work had been completed, what they should do is raise 4 separate invoices on the account of Joe Bloggs Property Management. What they are actually doing is creating 4 separate sales ledger accounts in the names of the properties – Alderley Rd, Chatsworth Rd, etc and then putting the name of the

actual company that instructed them to do the work (Joe Bloggs Property Management) in the contact name field within Sage

On the face of it, I can partly understand why they are doing it this way (so they can break down how much money they are owed on a “per property” basis), but it is the wrong way of doing it and is one of the major reasons for their credit control nightmare...! You could quite easily achieve the same thing in Sage by creating one debtor account in the name of Joe Bloggs Property Management and then setting up separate departments for each property that you do work on. When you raise an invoice, you select the relevant department (property). This enables you to report on monies owed by debtor and by property if you choose.

In the normal course of events when telephoning a debtor and chasing for payment, you click into their account, make your call and then reel off a list of invoices that you are chasing. Due to the way in which our clients’ sales ledger is structured, it is impossible to do this. There is no way that you can see “at a glance” what is owed. We would quite literally have to click in and out of 100 individual accounts in order to reel off a list of invoices owed by the debtor. Firstly, we do not have the time to do this (and it is not a smart way of working in any event) and secondly, I doubt the debtor would be impressed with our taking up several hours of their time on the phone either.

We have designed and tailored a report within Sage Line 50 that groups all of the individual properties by Debtor. Once the report has been run, we export it into Excel and email it to the debtor. The report contains all of the information that they require enabling them, to put their comments on the spreadsheet and

email it back to us. We worked in a very similar way with a large physiotherapy practice a couple of years ago in order to manage their entire individual debtor claims with Health Insurance Companies.

We are both happy because it saves lots of time and does the job in a less intrusive way than phoning them up wasting hours of their time on the phone. Our client is happy, because there is now some structure to their credit control and they can plainly see that their cash flow nightmare will disappear very quickly.

Case Studies

IT / Technology Company

A well known IT / Technology company based in Sussex approached us with a view to outsourcing their credit control. They already outsourced most of their accounting work to their accountants and originally approached them to also do their credit control. Their accountants quite rightly said that credit control was a specialist area and it ought to be outsourced to a specialist credit control provider.

This company is typical of smaller businesses, with the lion's share of the credit control and sales ledger work being undertaken by The Managing Director. Being an MD of a smaller business usually means that you have to be "a jack of all trades"

The Company was going through a period of growth and this meant that the MD was spending a lot of his time meeting new prospects and doing deals. The amount of time he had to focus on things like raising invoices, chasing customers for payment, allocating and banking monies had all but disappeared. As a result of the constraints on his time, the company adopted a policy of not chasing customers for payment, failing to raise invoices on time and not allocating monies to customer accounts. This inevitably led to poor cash flow and unhappy customers.

The MD decided that the situation could not continue and that he needed to focus his time on expansion of his business. The company found us through our website and initially asked if we could help them out with our outsourced credit control service. We met with them and discovered that their needs and requirements were far greater than just providing them with an outsourced credit control service.

Through a series of discussions, we were tasked with putting together solutions for the following areas of their business:

- Credit Control
- Query Management
- Sales Ledger
- complete management of their Direct Debit facility
- Complete management of their Credit Card Processing

Providing this unique blend of services was no problem for us, as, we are fully experienced in all of these areas

We designed and agreed processes and started working with them several months ago.

We achieved all of this by setting up a virtual private network (VPN) connection with their server, meaning that we have remote access to his accounts software enabling us to update his system in real-time.

We also set up export routines enabling us to upload all of his sales ledger data into our own credit control software

The result of all of this is; The MD no longer has to worry about admin related matters and can focus 100% of his time on expanding his business. We keep him in touch with what is happening by providing him with a series of reports weekly and monthly reports.

As with all of our customers, they are ecstatic with the unique blend of services that we provide them with.

Case Studies

Publishing Company

The management had very strong growth plans for their company and needed to hit the floor running. We put in place a full outsourced accounts department solution for them using a partner company to run the accounts department function, whilst we took care of their:

- Credit Control
- Sales Ledger
- Query Management
- Invoice Discounting, monthly reconciliation and reporting requirements

Through discussion and through analysing the needs and requirements of the customer, we developed a credit control and query management process. As a

result of their decision to outsource, they can focus on running their business knowing that their cash flow was and is still under control.

Percentage of debt over 60 days remains at a very low level compared to industry averages. As a result of good cash flow, the company has gone from strength to strength and continues to enjoy year on year growth.

Without cash-flow control, they could not have grown their business.

For more information contact:

Credit Control Solutions (Int'l) Ltd

Tel: 01233 220 800

Fax: 08700 940 858

Address: PO Box 54, Ashford, Kent. TN25 6WD

E-mail: getpaid@ccsolutions.co.uk

Website: www.ccsolutions.co.uk

Blog: www.makingyourcashflow.co.uk

Linked In: www.linkedin.com/in/jamieccsi

Twitter: www.twitter.com/JamieCCSI

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Company Reg No: 06126757