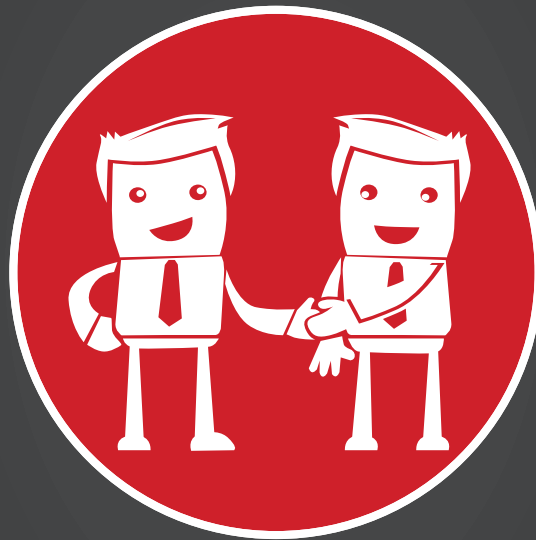




Credit Management Group UK
Experts in cash flow solutions

Outsourcing Credit Control



Is it right for your business?

A step by step guide to Outsourcing Credit Control



Hello

I have put together this simple guide to help you gain a clearer understanding of how outsourced credit control works and to be better positioned to decide whether it's right for your business.



The guide answers the most common questions people ask us regarding this service and some of these may well be questions you have asked yourself.

If you would like to know more about our services after reading this guide I will be more than happy to visit you at your premises for a meeting or have a discussion via telephone.

Helping you get paid in full and on time....

Kind Regards

Jenny Esau FICM

Director

Credit Management Group UK



Peace of mind through outsourced credit control from CMG UK...





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Q. So how does Credit Control Outsourcing actually work?



A: It's easy...just follow these simple steps

- 1. Getting Started:** To begin the process for a new client, we firstly require a detailed aged debt report in csv format and ideally copies of all outstanding invoices. You may not be aware of this but we don't have to take on your entire list of debtors and can instead manage a portion of your outstanding debts if so desired.
- 2. Technology helps:** Many of our clients give us restricted remote access to their accounts system where possible so we can obtain these details ourselves, saving you time and helping us provide an even swifter service
- 3. Regular Payment Updates:** As we begin working with you, we require regular updates of payments received so we can identify which clients have paid and focus our efforts on those who have not. Alternatively we can arrange to obtain a receipts report from your system once we know you have entered the receipts up to date.
- 4. Agreeing a strategy:** Having analysed the debt report, we would then agree collection strategies, often using our experience to employ different strategies for different customer types.
- 5. Making the Call:** We then contact your customer as YOUR credit control team and build up a relationship with your customers whilst influencing them to get you paid more quickly
- 6. Getting Results:** We also advise you on what leverage we can use if you wish us to encourage delinquent debtors to pay. This could be the use of a 'credit hold' process, late payment legislation or legal action.
- 7. Keeping you Informed:** We provide you with regular reports of all our collection activity, promised payments and disputed invoices. This means you can plan your cashflow more effectively and focus on running the business
- 8. Reducing Ongoing Risk:** We can also advise you about credit checking your customers and setting credit limits, credit application forms and terms & conditions of trade, which protects the future profitability of your business and improves your ability to get paid on time



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Q. Are you a factoring company?



A. No, we are completely different

- We work for you and not a third party and help develop the relationship with your customer, not detract from it.
- If you require invoice finance, we can help you obtain a confidential facility where we carry out credit control for you which is usually more cost effective than factoring.
- We can take over your credit control functions and provide a targeted, structured and consistent approach to credit control.
- We cover all aspects of UK B2B Credit Management. From account opening and credit assessment of new and existing customers, to dispute resolution management, advise on terms and conditions and the legal process of pursuing your debt through the courts.

Q. Does outsourcing credit control only really work in certain sectors or for types of business?



A. No. We have provided expert commercial credit management services for the last 11 years for B2B clients in a wide variety of sectors, always achieving excellent results

- The size of our clients range from micro SME businesses to £76m turnover private companies.
- Industries we work for include: National Utilities, Construction Industry, Manufacturing, Recruitment, Distributors, Architects, Accountants, Solicitors, Barristers, Marketing Companies, Web Site Designers and many more.
- We have a proven track record of consistently delivering beyond our client's expectations.



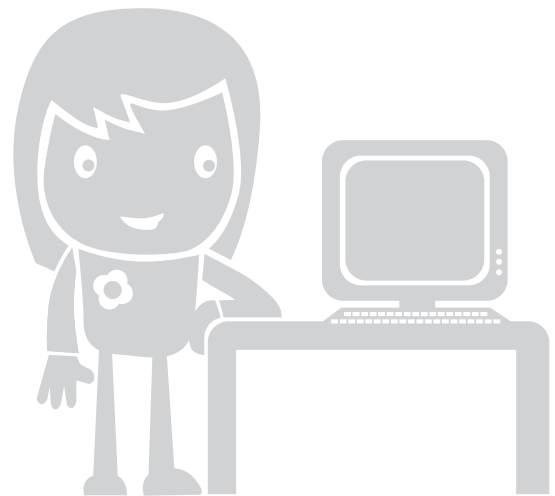
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Q. Will my customers know we outsource our credit control department?



A. All communications are carried out seamlessly in your company's name. Clients need never know CMG UK are involved.

- You have the option to designate your geographical telephone number to come through to our office which will be answered in your name.
- We request our clients set up remote access to their email system so any emails from us have your domain on them, not ours.



Credit control was one of my least favourite tasks. As a result our customers were taking an average of over 70 days to pay our invoices. We couldn't justify the cost of a full time credit controller.

Since using Credit Management Group UK, our debtors now take less than 40 days to pay. They run the credit control with very little input from me which means I have one less thing to worry about. They provide a great service and I wouldn't hesitate to recommend them to any business.

Paul Donson, Finance Manager - Match Recruitment





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Case Study One

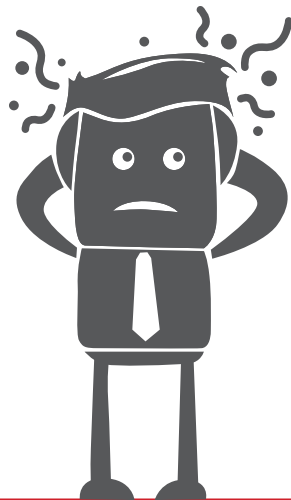
Downstream Access Company

(Turnover: £78m, High growth, Invoice discounting)

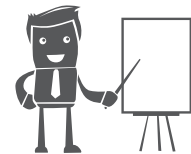


Issue

- Debtor days 97
- No terms & conditions of sale
- Manual invoicing using excel



Solution



- Provide outsourced credit management service
- Work with solicitors, directors and sales to produce new terms and conditions appropriate for the industry
- Set up process to role out new terms and conditions to existing customers ensuring acceptance by conduct can be demonstrated if required
- Identify and integrate billing software customised to suit business needs.
- Designed and implemented dispute resolution process ensuring buy in from all departments

Result

- Debtor days reduced to 35
- Significant reduction in time for producing invoices and improved error rate
- Protection from consequential loss claims





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Case Study Two

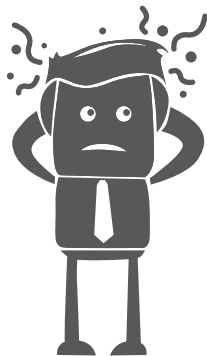
Recruitment Company

(Turnover £2.5m / Invoice Discounting / 50 Live Accounts)



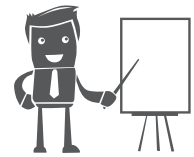
Issue

- Debtor days 76
- Disputed invoices
- No credit limits set for customers



Solution

- Provided full outsourced credit control service
- Designed and implemented dispute resolution process ensuring buy in from all departments
- Implemented process to take legal action against delinquent Debtors



Result

Debtor days reduced to 43 days in 6 months



We are delighted with CMG UK's level of service both from a customer service perspective and the fact that we have seen a significant reduction in our debtor days. Our invoices have never before been paid so quickly. We recommend CMG UK to our contacts regularly.

Jason Stephanides, MD, OnSite Computer Solutions



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Q. Will outsourcing affect my relationship with my customers?



A. We have a customer focused approach to invoice collection. We add to your business relationship, we don't detract from it.

- We agree collection strategy with you at the outset and can vary it on a customer by customer basis.
- We have a proactive and consistent approach to credit control.
- We have considerable experience building up relationship with customers whilst closing calls effectively, reducing 'wriggle room' to delay payment.
- We recommend what leverage can be used on delinquent customers as part of the negotiation process.
- We can administer a 'customer on credit hold' process if it is appropriate for your business.
- Over a period of time we educate your customers to pay more quickly, but in a friendly way.

Q. How do I know what contact you have had with my customers?



A. We provide regular update reports to you

- Full details of all contacts with your customers and outcomes of contact.
- Promised payment list with amount and firm commitment to pay days so you can manage your cash flow.
- Any disputed invoices that have been passed back to you for resolution.
- Any accounts of concern and recommendations for escalation.



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**Q. OK I'm sold...But how much does this all cost...
it sounds expensive?**



A. No, not at all

We provide you with regular updates of time spent to date for each month as we work, so you can maintain control of the costs.

Costs obviously vary from client to client dependant on value, volume, disputes etc. We find the fairest way to charge for our services is by time spent on your customer's accounts, however when related to collected value our charges are between 0.1% - 2% of collected value.



Based on the results we bring in and the targeted efficient approach by our experienced professional team, we are able to demonstrate that our service more than pays for itself, and in any event is certainly less than the cost of recruiting and retaining the equivalent staff member of the required calibre and experience to perform as we do.



Autoelectronix outsourced their credit control to CMG UK around 18 months ago, as our debtor days were continue to increase. CMG UK offer a fantastic service they are very knowledgeable and offer advise on how to manage customers.

Our customers have been responsive to CMG UK and the service they provide to us and our debtor days have decreased. If you dont want the hassle of recruiting someone internally to do the role of credit control or even doing it yourself then I would recommend using CMG.

Marissa Hankinson, Director Autoelectronics





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So what have we learned?

Here is a summary of how outsourcing your credit control to CMG UK can help improve your company's cash-flow, reduce costs and protect profits, making for an altogether more stable & healthy business moving forward.

- We have a proven track record of consistently reducing debtor days over a short period
- We employ high calibre collection staff who are experienced and regularly trained
- Our collections staff are either qualified or working towards the Chartered Institute of Credit Management qualifications
- More accurate financial forecasting
- Reduced banking & overdraft charges now that clients pay on time
- Customers make payments your company directly so you stay in control
- Reduced overheads compared to salaries for additional employees
- All communications are carried out seamlessly in your company name, maintaining a professional image
- Collections are managed in a customer focused, which means your clients pay more quickly without taking their business elsewhere



Next Steps...?

Feel free to call me personally on **0845 054 0504** or email j.esau@cmgroupuk.com

I will be happy to set up a meeting to learn more about your specific business and how we can help.

Kind Regards

Jenny Esau FCICM

Director

Credit Management Group UK

Credit Management Group UK

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Manchester Office: Portland Tower. 53 Portland Street, Manchester M1 3LF

Call **0845 054 0504** or
email info@cmgroupuk.com



Credit Management Group UK
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Credit Management Group UK provides a **complete solution** for your commercial credit management issues



Training Services

Wide range of courses to enhance yours or your staff's credit management knowledge & skills, instantly improving collection performance.



Outsourcing Services

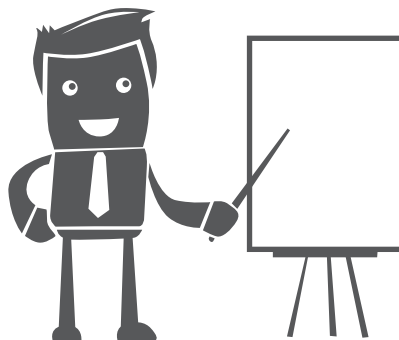
Extremely cost effective and very popular, we seamlessly integrate with your business to act as your "virtual" credit control department.



Consultancy Service

CMG UK have a proven track record in delivering and implementing Credit Management solutions to both large corporate and SME clients.

Want to know more?



Call: **0845 054 0504** or
Email: info@cmgroupuk.com

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