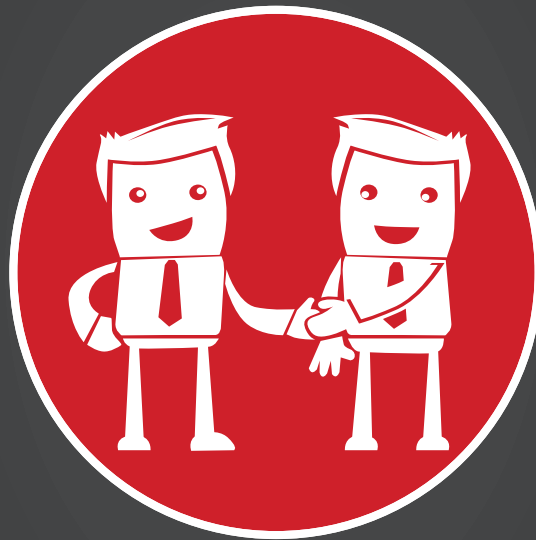




**Credit Management Group UK**  
Experts in cash flow solutions

# Credit Management Consultancy

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## Case Studies

**How have we helped businesses?**



## Supplier of skilled labour to the oil and gas industry

**Market: (Global) | Turnover: £150m | Invoice Finance**

### Issue

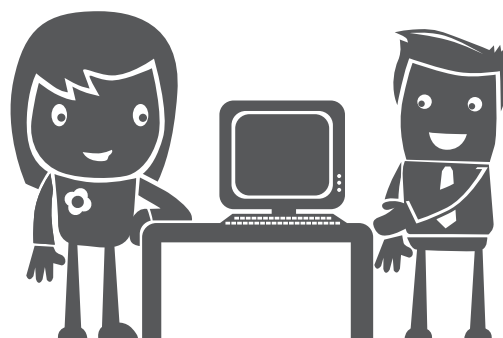
- > Considerable outstanding debt tied up in disputed invoices
- > Used invoice finance to fund their business, a condition of which was credit insurance

### Solution

- > Carried out a diagnostic report to cover the whole order to cash process
- > Compiled an in-depth credit policy that complied fully with the credit insurance policy and rolled out to all areas of the business to gain 'buy in' with sales force and account managers
- > Set up dispute resolution system along with meaningful management reporting
- > Set KPIs
- > Assisted with the recruitment of skilled and motivated credit control staff to ensure effective cash collection

### Result

- > Within three months our client was able to collect £2m that had been previously disputed
- > Gained improved working capital due to robust credit policy
- > Resulted in reduced costs with financiers





## Recruitment consultancy

**Market: (Accountancy, Sales, Admin) | Projected Turnover: £40k**

### Issue

- > Client was a new start-up company and wanted to protect themselves from bad debt, and know how to collect outstanding invoices effectively

### Solution

- > Delivered advice on terms and conditions of sale, and provided template letters and advice on how to incorporate the terms
- > Looked at credit risk assessments
- > Advised them how to be proactive in collecting any outstanding payments whilst complying with current legislation and improve their client relationship

### Result

- > Client now has a bespoke framework to work within for credit control issues that is directly relevant to their business
- > Peace of mind



## Building Services Consultants

**Turnover: £600k**

### Issue

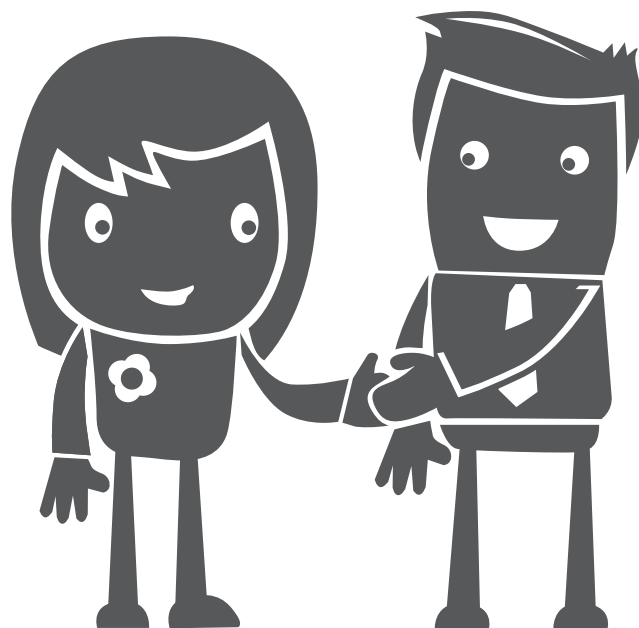
- > High debtor days

### Solution

- > Carried out a diagnostic review covering 'Order to Cash' process, identifying under-performing areas.
- > Designed & implemented an in-depth credit policy.
- > Coached existing staff to carry out credit control functions

### Result

- > Skilled and motivated credit control staff
- > Reduction in debtor days from 92 to 45





## IT Support Company

### Franchised

#### Issue

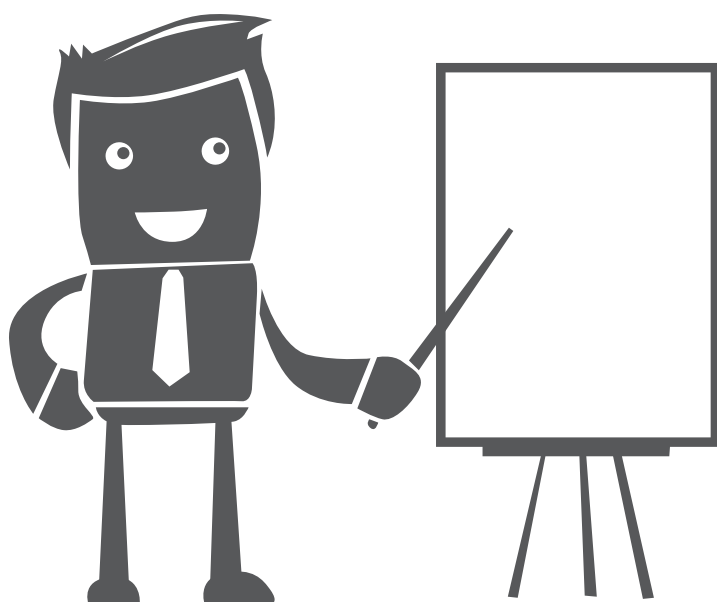
- > Credit policy and procedures required to roll out to all franchisees
- > Policy to include general advice to franchise holders to help them implement the policy

#### Solution

- > Designed & implemented an in-depth credit policy together with training notes
- > Ran classroom style training course for franchise holders

#### Result

- > Consistent and proactive approach to credit management across the brand





## Marketing Company

**Market: Local Government, Health Authorities, Corporate**

### Issue

- > Client typically agreed to their customer's terms and conditions
- > Lack of understanding the commercial aspects of accepting their Client's terms without negotiation
- > Client lost money on several contracts as the scope of their quote was not specific enough

### Solution

CMG UK provided advice on:

- > What to be aware of in customer's terms and conditions and what points to negotiate on
- > Ensuring there are consequences for late payment in all contract terms or they can rely on Late Payment Legislation
- > Ensuring the scope of work was very specific and how any works outside the original scope would be charged
- > Being aware of their contract obligations to ensure they deliver as per the contract and cannot be held in breach of contract.

### Result

- > Client now has reduced exposure to risk
- > T&Cs can now be used as a form of leverage to receive payment from late paying customers.



## Provider of Security Systems and Man-Guarding

**Turnover: £3.7m**

### Issue

- > Client wanted to improve cash flow by invoice financing but their current credit management process was not compliant to underwriter's requirements

### Solution

- > Refined all aspects of credit management
- > Set up management reports and set collection targets based on debtor days
- > Addressed the viability of invoice financing for the business and made them aware of the restrictions it would place on the business
- > Liaised with provider to find most suitable deal for client
- > Recruitment of credit control staff

### Result

- > Collection performance has improved dramatically, significantly improving over all cash flow of business and therefore the business has not needed to use invoice finance
- > Morale of staff has greatly improved through significantly increased confidence in the work they carry out



## Provider of Monitoring Service to Vulnerable & Elderly

**Turnover: £800k | Approximately 5500 Live Accounts**

### Issue

- > Client has large volume of customers and invoice types that made allocation of receipts very time consuming with a high error rate
- > Outstanding debt was considerable due to the volume of customers

### Solution

- > Identified and implemented a software package that could be amended to suit the client's needs that would deliver the following:
  - > Automatic allocation of standing orders
  - > Workflow steps to allow credit control calls and letters to be more efficiently managed
  - > Coached staff in credit control techniques, general sales ledger management and reconciliations
  - > Set up management reporting to chart improvements in collection performance and to aid strategic management decisions
  - > Set up process to reconcile the operations system to the finance system for revenue protection

### Result

- > Significantly improved cash flow
- > Reduction in accounts not billed in error
- > Accounts staff trained and motivated
- > Reduction in number of staff hours spent in accounts due to efficiencies