



AR Best Practices—Trade Credit management solution ADDRESSING THE PAYMENT NEEDS OF COMMERCIAL CLIENTS

Successful companies are using AR Best Practices to effectively manage their trade credit to increase cash flow and efficiency. Give your staff the tools they need to succeed.

Using Accounts Receivable Best Practices to enhance your trade credit administration is a smart strategic decision.

If your company is like most, much of your cash is tied up because you've been lending it to your customers through trade credit, providing free, short-term loans to your buyers.

AR departments nationwide are now being viewed strategically to deliver competitive advantage and greater profitability. Yet most small and mid sized enterprises are NOT following AR best practices, they don't have the resources and tools they need for their AR staff to transform from a purely admin role, to a credit, collections and cash management role.

Do more with less.

A common mantra today, where to stay competitive or to just stay in business, we've all had to learn to do more with less. AR Best Practices is about making your existing staff more efficient. It's about eliminating the need to add a new person as business picks back up. It's about using the right technology to automate manual processes and freeing up time for your employees to focus on high level AR activities like dispute resolution and asset management.

For example, lockbox services were once only available and cost effective for the largest of companies. Today, lockbox service is included in the suite of AR Best Practices tools available to small and mid-sized business. Lockbox services are superior to both manual check deposits and remote capture scanners and gives your business a competitive advantage, saving time and speeding cash flow.

The best collection call is the one you don't have to make.

AR Best Practices is also about preventing collections. It starts with making the most appropriate credit decision with the best available information. Setting payment acceptance policies of when to offer trade credit and to whom is key in reducing collections. And once these decisions are made, they shouldn't be set in stone, but constantly evaluated. Ongoing credit monitoring will alert you to buyers that are experiencing financial trouble and allow you to adjust your credit offering accordingly.

Extending credit only to credit worthy buyers, coupled with implementing systematic routine admin procedures like placing invoice verification calls and sending monthly opening balance statements, will effectively reduce your 'days-sales-outstanding' and write-offs.



AR Best Practices:

Reduce credit risk

- ▶ Manage credit risk with better credit decisions
- ▶ Credit Scoring service helps you decide when to extend trade credit
- ▶ Monitoring of your buyer's credit standing and status alerts
- ▶ Piece of mind your buyers can pay

Automate manual paper-driven processes

- ▶ Increased productivity with lower operational expenses, freeing more time to focus on high level activities
- ▶ Lockbox services for faster mail delivery and rapid deposit funding to your bank along with payment matching and reconciliation reports
- ▶ Optimize cash flow for increased capital availability with faster payment cycles on invoices

Provide Skilled Invoice follow up Support

- ▶ Invoice verification calls and monthly statement recap of outstanding invoices
- ▶ Non-invasive pre-collection best practices saves Principals time and focuses effort on key issues

Are Easy to Implement

- ▶ Securely submit all data online, no software to install
- ▶ Provide on-demand, up-to-the-minute AR reporting
- ▶ Unlimited training and ongoing support

Try AR Best Practices for a Fixed Monthly Fee. *Call today to learn more!*