Improving results by receivable management

Working Capital ties up valuable liquidity and solvency in receivables and inventories. It causes interest expenses and bad debt risks. In particular, accounts receivables carrying hugh potentials in liquidity, which are often not consequently managed with respect to keeping the customers. Efficiently managed receivables can free up funds and in the same time improve cusomer relationship.

Targets and benefits accomplished with Receivable Reduction Project:

> Reduction of funding requirements and interest expenses as cash flow increases

> Reduction of days receivable outstanding (DSO), bad debt and receivable write off

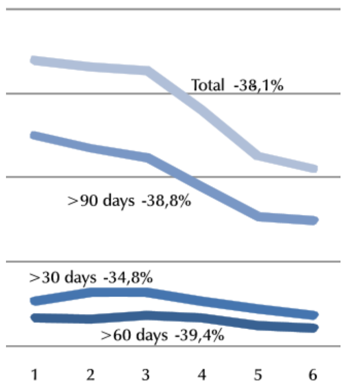
> Improvement of liquidity and free cash flow

> Improvement of the customer communication and the customer relationship

> Optimization in all elements of the accounts receivable processes

The Qonsult Receivable Reduction Project identifies the improvement potentials, line out efficient procedures, and supports the implementation of optimized processes. The project goals include permanent reporting of the target and actual figures.

Reduction of receivables by maturity



An example of our client shows a reduction of receivables by 38% within six months

An average of 30 days in receivables outstanding does not show hugh potentials at first glance. A system-based analysis of more than 3 million customer accounts brought up significant potential in receivables with high write-off risks. The following Qonsult Receivable Reduction Program achieved a reduction of receivables by more than 38% within six months. This resulted in an improvement of liquidity and free cash flow, and subsequently reduction of corresponding interest expenses and write-offs.

In the same time the communication with the costumers have been i improved.

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