

# Southern Entrepreneurs

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- Defining credit control
- Recognising credit control problems
- Credit control solutions
- What my company can do



# What is credit control?

- Credit control is the process of control over payments coming into and going out of the firm.
- A strategy employed by manufacturers and retailers to promote good credit among the creditworthy and deny it to delinquent borrowers

or...

A way of increasing sales and decreasing bad debts, improving your company's cash-flow and profitability.

# Recognising credit control problems

# Signs and symptoms



- Existing customers:
  - Change in payment patterns
    - Late payments
    - No payment
  - Contact avoidance
- New customers
  - Urgent orders

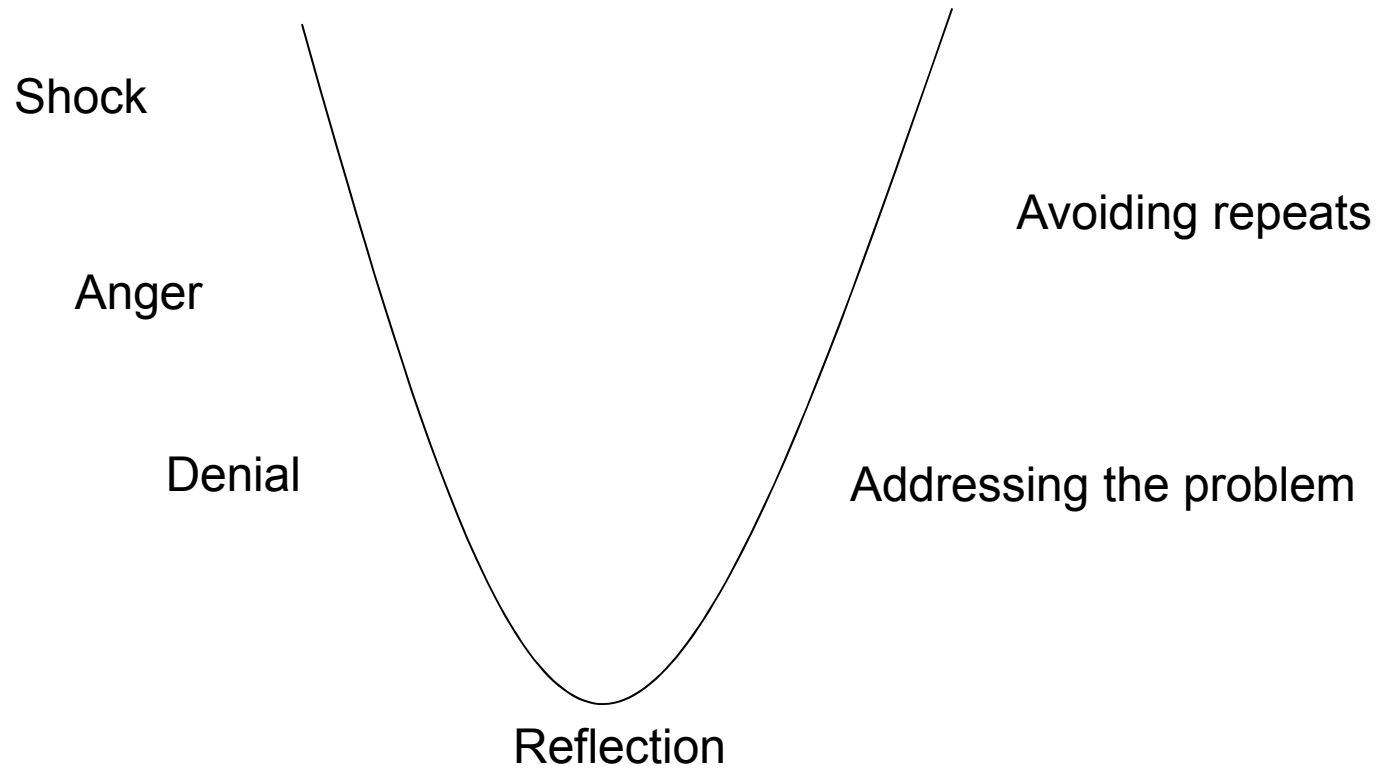
# The effect on your business



- Lengthening 'cash gap'
- Stalling cash-flow
- Order rich, cash poor
- Loss of productivity



# The credit management curve





# Credit control solutions

# Existing customers



- Procedures
  - T&Cs
  - Escalation
  - Adherence and enforcement

# New customers



- Adherence to procedures
  - Credit checks
  - References
- Be sceptical



# What my company can do



- Credit control health check
  - Procedures
  - T&Cs
- Training
- One off debt recovery
- Outsourced credit control service



**Any questions?**



# Final thoughts







**sarah.lowe@slcm.co.uk**

**www.slcm.co.uk**

**023 8069 4179**

