Assess your Accounts Receivable

In this workbook, you'll find easy-to-follow checklists and scorecharts that highlight all the actions you need to take to create a consistent, reliable AR system.

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Overview

For years, we've helped businesses evaluate their Accounts Receivable processes and identify what's working, what's failing and what can be improved upon.

Assess Your Accounts Receivable is a step-by-step workbook that guides you through the process of evaluating your current Accounts Receivable System.
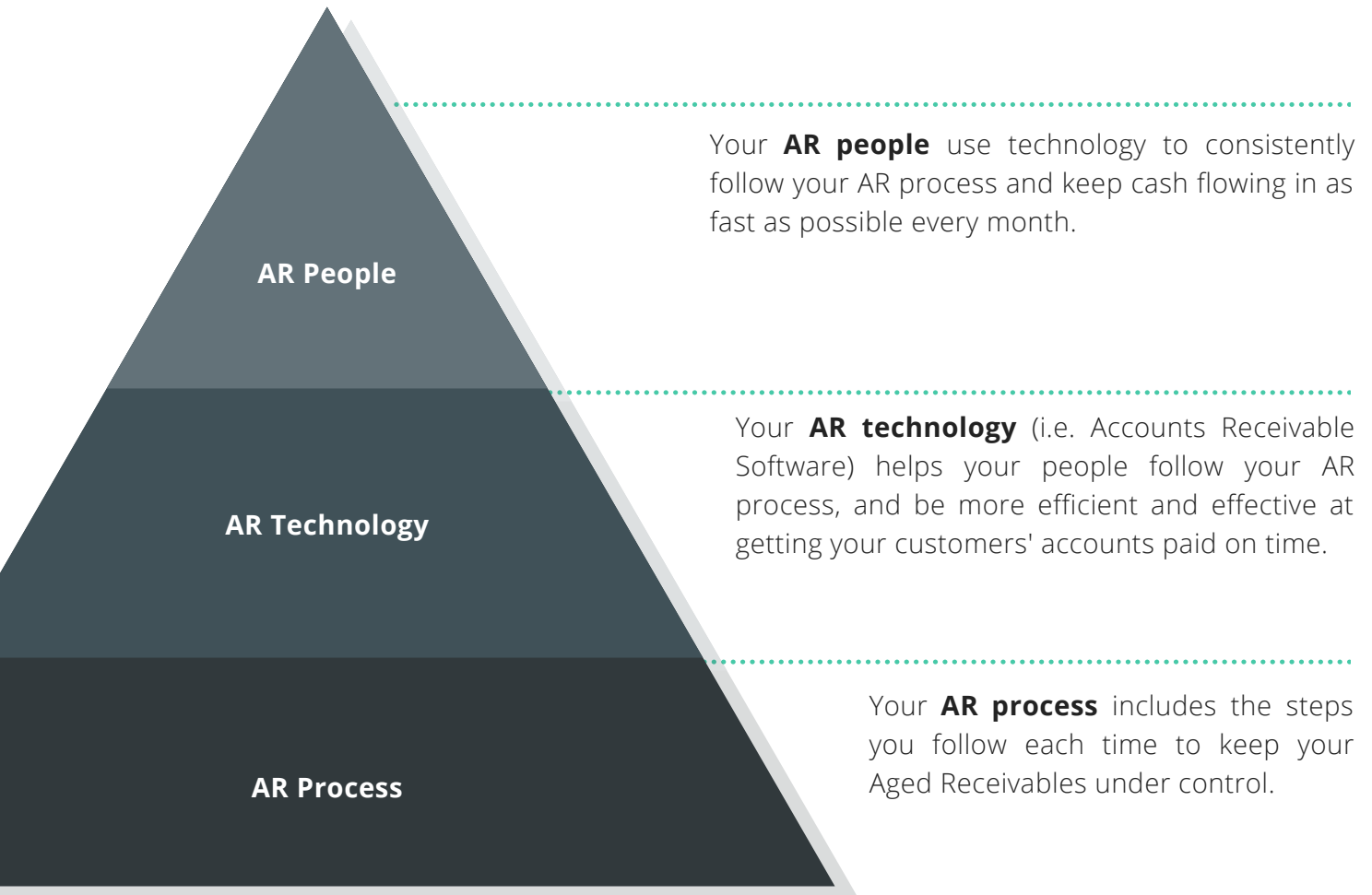
From this workbook, you'll learn:

» How to uncover major pain points in your current Accounts Receivable system.

» What actionable steps you can apply to instantly improve your Accounts Receivable system today.

» An example of a resilient and cost-effective Accounts Receivable system.

A Successful AR System

A successful Accounts Receivable (AR) System is one that consistently keeps cash flowing, whilst keeping customers happy. Without consistent cashflow, a business will fail.

AR People

Your **AR people** use technology to consistently follow your AR process and keep cash flowing in as fast as possible every month.

AR Technology

Your **AR technology** (i.e. Accounts Receivable Software) helps your people follow your AR process, and be more efficient and effective at getting your customers' accounts paid on time.

AR Process

Your **AR process** includes the steps you follow each time to keep your Aged Receivables under control.

How to tell if you AR System is performing:

- ✅ The agreed AR process is followed
- ✅ Resolves queries / disputes promptly
- ✅ Overdue (DSO) targets are met
- ✅ Cashflow objectives are met

- ✅ Repetitive tasks are automated
- ✅ AR people are productive
- ✅ AR people are motivated
- ✅ Bad debts are minimized

AR Process

Your AR process includes the steps you follow each time to keep your Aged Receivables under control and also how to deal with customers at each stage of the customer journey.

Pre-customer Stage	Customer Stage	Post-customer Stage

- Decides who can be a customer.
- Sets terms and credit terms.

- Proactive follow-up.
- Resolves queries and disputes.
- Escalates appropriately
- Moves to exit, if needed.

- Exits bad-payers or bad-fit customers.
- Initiates legal action.

How good is your AR Process?

☐ Is it easy for you to achieve a best practice process each month?

☐ Does your AR process keep running while you are focused on other priorities?

☐ How much thinking or manual effort is required to stay on top of AR? Could it be more automated?

☐ Do you feel worried about potential mistakes or errors creeping in?

☐ How easy would it be for someone else to follow the AR process when you are away?

AR Technology

Your AR Technology supports the consistent execution of your AR process, creating a professional customer experience at each touchpoint.

The right technology will help your AR People get more done, with better results, less effort and stress.It also makes it easy to scale the AR process as the business grows.

There are four areas to AR Technology:

- Workflows
- Communications
- Payments
- Finance

Communication

Good communication is critical to success in AR. It should be proactive, consistent and via an appropriate channel.

The most common communication methods in AR include: **email**, **phone calls** and **SMS messages**. Often it is the combination of methods that yields the best results

Workflows

Workflows are used everywhere in business to 'bake in' best practice, save time and ensure compliance.

Workflows are critical to a high performing AR System, supporting the **definition**, **execution** and **automation** of your AR Process.

Workflows ensure a consistent and appropriate customer experience according to:

- The age of an account
- Your customer relationship
- Our legal / compliance requirements

Workflows help to keep everyone in the business 'on the same page' regarding overdue account follow-up. It is also easier to achieve a 'best practice' process every month.

How good is your AR Technology?

Communication

☐ Do your communication methods match your customers' preferred methods?

☐ Are you communicating often enough to get attention?

☐ Will your communications cut through cluttered email inboxes, or are you adding to the noise?

☐ What additional communication methods could improve your results?

Payments

☐ Are your payment methods appropriate for the types of customers you serve?

☐ Have you tried to pay your own invoice? How easy is it? Can you add a 'pay now' button?

☐ Are your payment methods creating extra administration work? For example, matching payments to invoices.

☐ Are you paying an acceptable amount in payment process fees?

☐ How could you add more automatic payment processing and eliminate invoice follow-up?

☐ Are you offering credit to customers who should be paying upfront?

☐ Does your payment technology support weekly/monthly payment arrangements?

Want to learn how to use workflows to achieve a consistent AR process?

In our new guide, you'll learn how to create your own workflows so you can achieve a consistent AR process that meets your cash flow, customer-service and productivity objectives.

DOWNLOAD OUR NEW EBOOK

It includes **a free template** that you can use to design your ideal invoice follow-up process

AR People

In larger businesses, AR is a job usually done by a specialist due to the time and skills required plus impact on cashflow and customer experience.

In smaller businesses, the responsibility for AR typically falls to an Office Manager or administrator to do **only when they have time**.

The results of this approach include:

- Frustration and stress for the AR Person who feels they cannot do a good job within the time allocated.
- The need to work extra hours to get the job done.
- An inconsistent approach to AR, customers learn to pay slower over time.
- Delayed resolution of customer queries.
- Increased risk of bad debt.

How to tell if you AR Person is performing:

- ✅ Improve customer experience
- ✅ They can adapt to difficult situations
- ✅ Monitors and improves your AR process
- ✅ Notifies you of disputes or queries
- ✅ Customer details stay up-to-date
- ✅ Calls customers weekly or daily
- ✅ Responds to customer queries
- ✅ Bad debts are minimized

Lora Sewell
Receivables Specialist

How good is your AR Person?

Success Factors:	Rate your AR person	AR Specialist
Accountability Do they have too many responsibilities, competing priorities or vague KPI's? How well can you hold them accountable to results?	Low | Ok | High	Low | Ok | (High)
Desire Do they enjoy doing the job? Does it fall outside their passions or skills?	Low | Ok | High	Low | Ok | (High)
Skill-level Are they proficient in the necessary skills? What training and support do they receive? Can they keep their cool in difficult situations?	Low | Ok | High	Low | Ok | (High)
Tech-savvy Are they comfortable using technology to make their work more efficient and effective?	Low | Ok | High	Low | Ok | (High)
Consistency Are they working enough hours each week to do the job justice? Or do other things keep getting in the way?	Low | Ok | High	Low | Ok | (High)
Continuity What happens to AR if they go on leave or quit? Does follow-up also take a holiday?	Low | Ok | High	Low | Ok | (High)
Creativity Can they find solutions to customers' problems and queries? Can they improve the AR process over time?	Low | Ok | High	Low | Ok | (High)
Resilience Can they persevere through difficult conversations and negotiations? Can they maintain a consistent approach day in, day out?	Low | Ok | High	Low | Ok | (High)

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Debtor Daddy is the on-demand, scalable Accounts Receivable solution for growing businesses everywhere. Our purpose-built AR Software and dedicated AR Specialists will help you keep AR solved, for good.

LEVEL 1
AR SOFTWARE

Use our software to save time and automate your AR process. We're just a click away if you need assistance with set up, configuration, debt collection or even the odd phone call every now and then when you're too busy or on holiday.

LEVEL 2
## AR ASSISTANT

You remain in the driver's seat. Your AR Specialist assists you each week or month with calls you don't have time for (or would rather not do). You might choose to focus on larger accounts while your specialist focuses on smaller accounts – there's plenty of ways to divide and conquer your aged receivables!

LEVEL 3
AR DEPARTMENT

Your Debtor Daddy AR Specialist takes care of everything AR-related (excluding bank reconciliation and invoicing) so you can get back to the other tasks on your list. Use our online AR Software to stay in the loop every week.
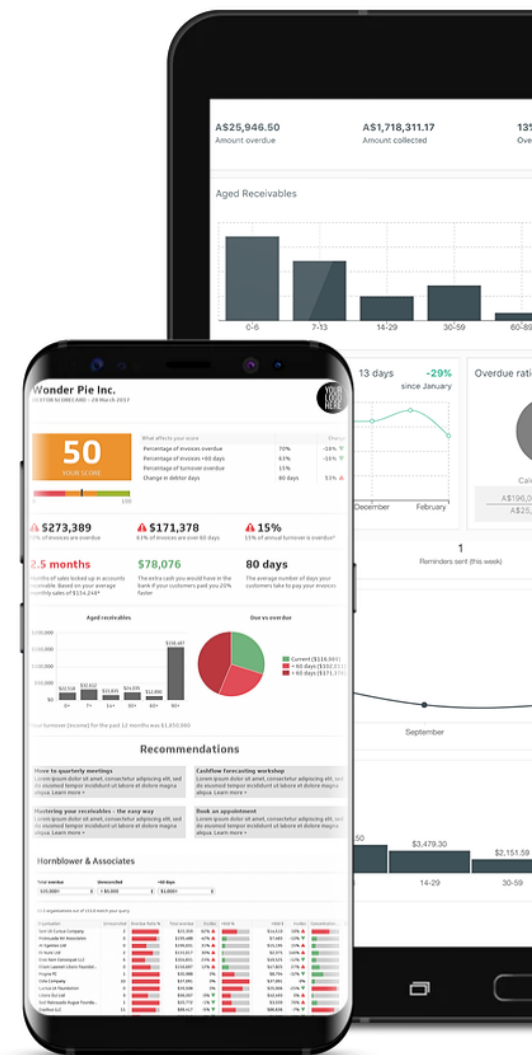
Benefits of hiring an AR Specialist:

- ✅ Cheaper than hiring a part-timer
- ✅ Focused solely on keeping AR under control
- ✅ Always on, no sick days or sick leave to pay

- ✅ Experienced, professional & tech-savvy
- ✅ Highly trained, receives regular coaching
- ✅ Works remotely, as one of your team

Our clients say...

"Reminder calls and emails happen automatically every month like clockwork. We get paid faster, our customers are happy, and I can spend my time on other things."

Chantel Peacock, Office Manager / Director – SolarQuotes

"Debtor Daddy has systemised AR in a very professional way. It is more effective than our own efforts and costs less."

Warwick Schaffer, CEO – Circle Software

"Debtor Daddy keeps payments top-of-mind for our clients. It's their entire focus and they have a process that is followed through with consistency and diligence."

Liz Eveleigh, Practice Manager – Kendons Accountants

"We've saved 8-10 hours a month, but more than that though it's efficient and consistent being focused solely on getting paid."

Marcus Robbie, Owner – KiwiCloudIT

Next steps

Visit debtordaddy.com to:

» Book a call with a specialist

» Sign up for a free 14 day trial

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