

Business Process Improvement Case Study - As time is money and speed matters our expert team of practitioners integrate with your teams to achieve unprecedented results, fast. Our unique approach can make that happen for your business

CASE STUDY

Credit Management Project

This small renewable energy company was having difficulties with their cash flow. The billing process was consistent, however customers were often underpaying or unresponsive to the process. The collection process was a series of manual letters, with DD managed on paper mandate. The business had grown and now had around 100K customers, but needed 280 people to manage the large volume of manual processes that were involved in operations. The current cash collection and payment performance was not sustainable for the firm.



The Challenge

Review the end to end debt management processes; develop processes and policies; look for opportunities to automate, streamline and 'outsource' and create and implement solutions.



Get to know the team and the processes and find out what was working and what wasn't.



Analyse the process map to understand the opportunities and create a plan.



Coach and develop the team in industry leading collections techniques and behaviours.



Priorities

- Understand the intricacies of the process.
- Streamline and increase efficiency in the collections process.
- To allow for processes that are sustainable for the increasing customer base

Process innovation was key to success.



The Activity

Over the course of 16 weeks we developed new and improved debt reporting providing clarity on overdue debt and the challenge at hand.

We wrote collections strategies, reminder letter and guide call scripts to support the credit controllers in their new proactive approach. We coached the team in collections strategies and conversation skills – improving the effectiveness of the calls and how to use the data they had to tailor the conversation i.e. promoting payment by DD

We created visual management boards recognising what gets measured, gets managed, and developed a weekly and monthly KPI pack with clear goals and targets to share with the leadership team.

We worked closely with the transformation team to make quick changes to the billing systems to ensure we could have some basic dunning within the system- removing hours of daily effort from the collections team and develop digital payment solutions (a big step away from the single standalone PDQ machine!)

Finally, we facilitated the selection of 3rd parties that could help reduce and then maintain an improved debt performance through live site visit and final debt recovery.



<div style="background-color: #e91e63; border-radius: 50%; width: 60px; height: 60px; margin: 0 auto; display: flex; align-items: center; justify-content: center; color: white; font-size: 24px; font-weight: bold;">01</div> <p style="text-align: center;"><u>Data and Reporting</u></p> <p>Exploration to gather information to be able to have a clear picture of the debt book; age, category, etc</p>	<div style="background-color: #e91e63; border-radius: 50%; width: 60px; height: 60px; margin: 0 auto; display: flex; align-items: center; justify-content: center; color: white; font-size: 24px; font-weight: bold;">02</div> <p style="text-align: center;"><u>Process Effectiveness</u></p> <p>Review what was happening and what where the key inputs / output and interactions between teams.</p>	<div style="background-color: #e91e63; border-radius: 50%; width: 60px; height: 60px; margin: 0 auto; display: flex; align-items: center; justify-content: center; color: white; font-size: 24px; font-weight: bold;">03</div> <p style="text-align: center;"><u>KPI's</u></p> <p>Payment performance review establishing today's DSO and month on month trend</p>	<div style="background-color: #e91e63; border-radius: 50%; width: 60px; height: 60px; margin: 0 auto; display: flex; align-items: center; justify-content: center; color: white; font-size: 24px; font-weight: bold;">04</div> <p style="text-align: center;"><u>System Capability</u></p> <p>What was there but not being used. What could be adopted, adapted, improved or bought.</p>	<div style="background-color: #e91e63; border-radius: 50%; width: 60px; height: 60px; margin: 0 auto; display: flex; align-items: center; justify-content: center; color: white; font-size: 24px; font-weight: bold;">05</div> <p style="text-align: center;"><u>Team Performance</u></p> <p>What knowledge and skills did they have and how were applying this?</p>
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

The Outcome

After our solutions were implemented, the company saw significant improvements in a number of areas.

 <p>51%</p> <p>Cash Collection per FTE</p>	 <p>1550%</p> <p>Calls/Contact Increased</p>	 <p>Team ESAT</p>	 <p>18%</p> <p>DD Penetration</p>	 <p>120%</p> <p>DSO Improvement of 13 Days</p>
--------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------