



Collections & Receivables Management Services

credit solutions for business





We provide debt recovery solutions to tackle late payment, maximise cash flow, reduce debtor days and improve customer relations.

Whether you are a growing business with limited experience of collection activity or a multinational requiring collection of your overdue accounts both within and outside the UK, the choice to outsource your debt collection or credit control function is a decision that should be approached with care.

At Coface UK, we understand that customer satisfaction is a high priority for your business. We respect the fact that you need to preserve good client relationships for "that next order", and also get paid for it. We will handle your customers with the care and diligence with which we look after our own clients.

Please read on for information on our collections services. We also offer you some pointers and guidelines on outsourcing which we hope will ensure a successful and profitable relationship.

With this in mind, Coface UK offers a range of collections and receivables management services which simultaneously:

- targets the levels of credit control activity you may choose to outsource
- positively enhances your customer relationships whilst ensuring you get paid on time

Our customised solutions provide you with the level of outsourcing options your business requires and our collections specialists are on hand to guide you on how best to approach outsourcing all or part of your credit control operations.

Which Collections Solution is right for you?

YOU NEED											COLLECTIONS SOLUTION
Specific & One-off Account(s) Collection	Whole or Part Ledger Collection	Overseas Collection	UK Collection	Multi-Lingual Collection	Disclosed or Confidential Collection	Online Credit Checking Service	Legal Follow-up	Receivables Banking	24/7 Online Status Check	Final Demand Letters to Debtors	
✓		✓	✓	✓	Disclosed	*	✓		✓	✓	Flexi Collect
	✓	✓	✓	✓	Both	*	✓	✓	✓	*	Project Collect
	✓	✓	✓	✓	Both	*	✓	✓	✓	*	Ledger Collect
✓	✓	✓		✓	Both	*	✓	✓	✓	*	Export Collect

*optional

Our discreet and professional team collect the cash on your behalf. This can either be in Coface UK's name or in your own company's name – on a confidential basis. Defaulting accounts are handed over to experienced telephone collectors, under supervision of a dedicated Account Manager. We match workflow procedures to your business needs and provide full progress reports so that you remain in control of your ledger. You can outsource selected overdue accounts, post invoice debts or the management of part or entire sales ledgers.



Coface UK's 'Collect' portfolio of services

Flexi Collect

A highly flexible product ideal for start-ups and growing businesses who wish to source different levels of individual accounts for collection.

The service

- > Up to 750 accounts for collection
- > Final Demand letters in 5 languages
- > Free Better Payment Practice Guide
- > Access to our Helpline

The benefits

- > Choice and flexibility which matches your specific business needs
- > Simple budgeting with no additional or unexpected costs
- > Your very own virtual credit department with advice and guidance on better payment practices and outsourcing collection activity
- > You control which accounts you want us to chase or report on

Project Collect

A customised collection service to suit your specific business needs in terms of the type of accounts you need collecting e.g. high-volume, low-value non-strategic accounts.

The service

- > Tailor-made collection service on a project basis
- > Special assistance for peak or unusual workloads e.g. maternity/holiday cover, country specific accounts
- > Designed to solve particular on-going or one-off collections problems
- > Regular performance reporting

The benefits

- > Flexibility to help you target specific business accounts
- > Time and cost savings to provide you with the resources when you need them
- > Assistance in meeting project timescales
- > Peace of mind

Ledger Collect

Ideal for companies who wish to assist their credit management function by outsourcing.

The service

- > Cash collection of one or more complete ledgers
- > Tailored to assist with credit control procedures due to corporate restructuring e.g. mergers or acquisitions
- > Targeted methods for efficient collection
- > Regular performance reporting
- > Customer-oriented approach

The benefits

- > Fast and effective method of credit management
- > Excellent for "collect out" or pre/post-merger ledger "clean up"
- > Improved cash flow
- > Effective dispute resolution plus enhanced customer relations
- > Redeploy key credit staff to core tasks

Export Collect

Ideal for businesses which trade overseas and want to outsource the collection of their overdue accounts outside the UK.

The service

- > Overseas collection of export debts
- > Professional multi-lingual in-house team
- > Trained and experienced collectors with understanding of local cultural and market conditions
- > A network of Coface collection partners and agents across the world
- > Regular performance reporting

The benefits

- > Debt collection matched to overseas time zones
- > Cost-effective
- > Multi-lingual collectors familiar with local business customs
- > Better cash collection results
- > Promotes customer goodwill and cross-cultural ties



What level of outsourcing is right for you?

Whether it is appropriate to outsource all or part of the sales ledger collection function will depend on various factors. Every business is different, so advice should be taken that addresses the following questions:

- > What are the potential benefits to your particular business?
- > What are the critical success factors?
- > What are the possible risks and how can they be minimised?
- > At what stage or stages of the collection process should outsourcing occur, in order to provide the maximum benefit?

PROCESS	OUTSOURCING DECISION POINT	FUNCTION		
Invoicing	✓	> Invoice printing	> Invoice administration	
Customer calling	✓	> Check there are no problems with goods/services	> Reminder of payment date	
Dunning	✓	> Letter cycle	> Complaints handling	> Payment administration
Debt collection	✓	> Chasing payment	> Receivables banking	
Legal? Write off/Sell debt?	✓	> Start legal proceedings	> Write off or sell non-recoverable debts	

How can I best approach outsourcing?

The following are some pointers and guidelines to ensure a successful and profitable relationship:

Take time in selecting a partner

Visit potential outsourcing partners and talk to the people who will be handling day-to-day collection. Ensure professionalism – check that there is appropriate quality certification such as membership of the Credit Services Association (CSA). Look at the collections system - ask to see a demonstration of the technology used. Look at the partner's credit rating and the resources at its disposal. Ask for references from other customers.

If you are outsourcing all or part of your collections, decide if your partner will collect in your name or theirs (this might change when accounts become overdue). If a client defaults, what steps will be taken to recover the money? Be aware that well-established contacts with the debtor will almost always yield better results than a simple demand letter.

Retain flexibility and control

Avoid restrictive long-term contracts which limit your room for manoeuvre in changing circumstances. For example, if an important customer is lost, you may wish to specify an alternative account for management.

The different stages of the Receivables Management Process

The diagram below summarises the post invoice receivables management process – it may help you decide at which stage it would be most beneficial to outsource the collection function. Review where your in-house receivables management function may require support and decide the point at which you hand over to external support:

As a general rule, be aware of what is in the detail of the contract and maintain regular contact with your partner to ensure they understand and agree with your requirements. Most of all, set project goals, measure success and be ready to adjust tactics with your partner to improve results.

Don't reduce in-house expertise too far

It is tempting to view outsourcing as an opportunity to reduce fixed costs such as existing credit management staff. However, it is important not to see employing an outside agency purely as an exercise in retrenchment. Retain your best staff to work on mission critical projects. Moreover, you'll create a better working relationship with your partner if you place an experienced manager, with knowledge of the subject, to oversee day-to-day contact.

Why should businesses consider outsourcing Receivables Management?

When an outsourcing partner is well-chosen to complement existing in-house credit procedures, the benefits are innumerable:

- > Real cash flow improvement
- > Reduced bad debt losses
- > Decreased average of days sales outstanding (DSO)
- > Reduced costs
- > More time & resources to focus on core business issues
- > Better customer care through specialist knowledge & expertise
- > Improved payment habits on the part of your customers



Discover the rewards of outsourcing all or part of your receivables management operations to Coface UK

With industry-specific strategies and services, our customised solutions have been tried and tested to deliver results that improve the bottom line and revitalise your business.

An international service with operations in over 90 countries worldwide

We have a multi-lingual in-house team who are well-trained and experienced in collecting debts. As part of the Coface Group, we also enjoy access to a global network of offices and partners who employ the same proactive and professional approach.

Protecting your customer relationships

Our policy is to ensure that debts are pursued by collectors who understand the local cultural and market conditions and who adopt a highly skilled approach so that your customer relationships are enhanced.

At Coface UK, we've learnt that companies which fare better in business relationships are often the ones which regard credit management as an integral part of the sales process and customer service. From experience, we understand that promoting goodwill, wherever possible, resolves a higher percentage of problem accounts and keeps your reputation intact, whilst allowing sales to grow.

All our collections and receivables management services incorporate the following features:

- > Disclosed or confidential collection
- > Can be adapted to your existing software and/or linked to our advanced in-house systems
- > Targeted results to meet financial goals
- > Performance-related fee structure
- > Special assistance for peak or unusual workloads
- > Global collection facilities
- > Legal follow-up if needed

Cofacollect

Coface's user-friendly online collections management tool

Coface offers a highly secure web-based debt collection system which enables businesses to manage their outstanding debts online, 24 hours a day, 7 days a week, in the most time-efficient way.

Our fully interactive online site is easy to use and navigate, providing facilities such as:

- > placing new debts to suit your individual collection needs
- > monitoring your current outstanding debts, so you are always in control
- > one-to-one interaction with a dedicated collector
- > gaining up-to-date information on the progress of existing debt recovery claims
- > viewing and downloading status reports



Coface UK

credit solutions for business

We are part of Coface, a world-leading business-to-business trade facilitator, so our clients are uniquely placed to take advantage of our unrivalled association of credit management partners in 93 countries which form the unique Coface CreditAlliance network.

Rated AA by Fitch Ratings, Aa3 by Moody's and AA- by Standard & Poor's, Coface is a subsidiary of Natexis Banques Populaires and the Banque Populaire Group, whose regulatory capital (tier 1) amounted to €14.6 billion at 31 December 2005.

Whether you are a major Plc or a small growing business, we provide a complete portfolio of solutions for trade credit:

- Credit insurance
- Business information
- Collections and receivables management services
- Receivables finance

We have the qualified staff and resources to help businesses with all aspects of credit management, both in the UK and internationally. Our experienced advisers will tailor a programme to match your company's specific needs, and a dedicated administrator will efficiently handle the running of your collections account and any credit management queries you may have.

Why not call us today on 0870 458 2246 to find out how Coface UK can help your business collect what it is owed.

Coface UK
and
Coface UK Services Limited

Egale 1, 80 St Albans Road, Watford, Hertfordshire WD17 1RP
Telephone: 01923 478100 Facsimile: 01923 478101

15 Appold Street, London EC2A 2DL
Telephone: 020 7325 7500 Facsimile: 020 7325 7699

Queens Gate, Suffolk Street, Queensway, Birmingham B1 1LX
Telephone: 0121 608 7800 Facsimile: 0121 608 7877

www.cofaceuk.com



www.cofacerating.com

Part of the Coface Group

Coface UK is authorised in France by the 'l'Autorité de Contrôle des Assurances et des Mutuelles' (ACAM) and regulated by the Financial Services Authority for the conduct of UK business

Coface UK is a branch of Compagnie Française d'Assurance pour le Commerce Extérieur (COFACE)


Credit Services Association