

# 1 – DAY EFFECTIVELY MANAGE ACCOUNTS RECEIVABLE



## Introduction

As a small business owner, improving your accounts receivable turnover should be a priority as cash flow is one of the most cited reasons that small businesses fail. The money you earn selling your product or service on credit cannot truly be counted as revenue until it's been collected from clients!

The better you are at managing your accounts receivable and collecting the payments from your customers, the more cash your business will have available to pay its expenses and service its debts. And having a healthy cash flow is one of the best indicators of long-term business success.

It can be difficult for small businesses to manage accounts receivable, especially when dealing with larger companies. Some big retailers take as long as 90 or even 120 days to pay their vendors. Understandably, this can place small businesses in a precarious cash flow position.

Thus, it's vital to implement a process to monitor and collect your receivables as soon as possible. The accounts receivable management is critical for running a company and will go a long way in securing long-term success.

In this workshop, the facilitator hopes to share his 38 years of practical experience in credit management i.e. credit assessment and recovery, the 2 important components that would outline how to carry out the roles, functions and responsibilities appropriately to cope with the pressures, within or outside your organization, in handling professionally issues related to debt collection and ensure the company stays on course to achieving its goals.

## Course Objectives

By the end of this course, you will be able to:

- Appreciate the important of accounts receivable management to run a small business and its precarious cash flow position which will go a long way in securing long-term success.
- Realize how vital to implement a process to monitor and collect your receivables as soon as possible to ensure a healthy cash flow.
- Establish policies around accounts receivable to have a large impact on your ability to make sales as well as getting paid for those sales.
- Highlight diligent accounts receivable management is critical for converting its accounts
- receivable into cash in the bank.

## Methodology

The emphasis throughout is on detailed presentations followed by group work and interactive discussions.

## Who Should Attend?

- Credit Assistants, Executives & Managers
- Finance, Accounts & Admin. Executives & Managers
- Executives to Senior Managers
- Marketing Professionals in-charge of collection



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## Course Outline

### MODULE 1: INTRODUCTION

### MODULE 2: SETTING EXPECTATIONS

- What do you expect to learn from this course?

### MODULE 3: ACCOUNTS RECEIVABLE MANAGEMENT

- Important of Accounts Receivable management
- Effect of delays in collecting AR

### MODULE 4: CONSIDER A CREDIT POLICY

- Set up a structure around your approach to accounts receivable management where risks can be measured

### MODULE 5: MIND TEASER

- What are the common problems in Accounts Receivable?

### MODULE 6: INVOICE ACCURATELY & ON TIME

- You risk setting a precedent for late payments if you invoiced late for services or products provided

### MODULE 7: ESTABLISH A DSO GOAL

- DSO should be set carefully as it will significantly impact your business' cash flow.

### MODULE 8: A BETTER WAY TO TRACK AR

- Use accounts receivable aging and analysis reports to track and measure the customers' payment status

### MODULE 9: TIGHTEN MONITORING OF AR

- To ensure timely payments, follow up with customers closely after the invoice is sent out

### MODULE 10: BE PROACTIVE ON COLLECTION

- To encourage timely payments, proactively call or email soon after the invoice is sent out

### MODULE 11: OFFER INCENTIVE FOR EARLY PAYMENTS

- A useful strategy to procure early payments from customers

#### DISCUSSION 1

- How to reduce the risk of bad debt occurring

### MODULE 12: BUILD STRONG CUSTOMER RELATIONSHIPS

- Happy customers are more likely to pay their invoices on time

#### DISCUSSION 2

- Who are the difficult customers?
  - How to help them?

### MODULE 13: MAKE PAYMENTS EASY

- Customers more likely to pay your invoices on time!

### MODULE 14: RECONCILE ACCOUNTS RECEIVABLE FREQUENTLY

- Payment records will be updated

### MODULE 15: TYPICAL ACCOUNTS RECEIVABLE PITFALLS

- The mistakes effect touches virtually every aspect of running a company

### MODULE 16: CASE STUDY

- What are the ways to improve accounts receivable?

### MODULE 17: Q&A

