

PCS Group Forum August 17, 2022

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August 17 Agenda

- First session-Use of Payment info
- Second session-How to reduce cost of prescription drugs?

What is Payment data

- Information on how quickly your customers pay their invoices to you or their suppliers
- Information on how vendors are paid
- Where does payment data come from?
- Where does the analysis come from?
- How can this help you as CFO and help your company?

Analyze your data

Calculate quarterly % Profile of your receivables for several years

current, 30-60,61-90,91-120 and reserve writeoffs

Analyze your experience/ findings?

Risk concentration drivers

Root cause analyses of:

collection efforts

write offs

Findings and actions

What did you learn?

Certain customers? Certain regions?

Certain sales people high risk?

Certain types of contracts?

Certain products or services?

Poor risk assessment?

Sloppy contract admin=sloppy invoices

Sales tax issues/ exemptions...process!

Process-invoicing, collection, escalation

Are liens and suits effective?

What did you learn?

Change contracts?

Change credit evaluation or start doing them?

Do you know how?

Monitor new accounts and set the expectations!

OR/AND:

Proactively-evaluate prospects before they are customers

Customers change suppliers when incumbent supplier demands payments or cuts them off!

How to evaluate prospects?

Credit application by prospects-they lie!

Third party report-frequently tough to get UNLESS you get creative.

Credit report provider-D&B, Creditsafe and others

You can get reports on your customers!

How? Report your prospects as customers and get their report. Create a trigger code so you can pull a credit report.

Do the work before Sales invests any time.

Would you want to know if

- What if a supplier is not paying their bills on time and fails to deliver to you?
- What if a competitor is paying bills slower? What does that tell you?
- What if an potential acquisition target's credit score plummets?

Best practice summary

- Analyze your own data

Cash is critical so measure, monitor and manage

- Analyze the root causes and act
- Analyze your customers and prospects
- Separate key customers from at risk customers
- Separate new customers

Suggestions

- Use a third party
- We have a preferred partner to provide the data

Excellent reporting

Excellent international data-timely and broader

Customized reporting/ dashboard?

Pays for itself

More info?

- Visit the website www.thecfosolution.org
- Enter via PCS portal
- Working on eliminating the password.
- Go to table of contents and find related topics –PCS topics and the other 75
- Call me at 215.421.8291
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