



ACCOUNTS RECEIVABLE SOLUTIONS

Payment Outlook: Issue 1: 19 September, 2008
...Now you really do need to ask for money...



They've gone bust - and they owe us four months sales...

Dealing with a downturn

Accounts not receivable

Companies are taking longer to pay one another. CFO magazine shows that "days sales outstanding" (DSO) has topped 58 days, which is the number of days it takes firms to pay their bills. That means two months sales are outstanding when only 30 days, or less, should be.

Get paid before a customer goes bust, by employing a credit controller, or training a member of staff to ask for money. If that is too hard, then outsource your credit control because it could be more effective, cheaper and reduce bad debt risk.

Bank on it...



Source: The Australian & Citi Investment Services

The Australian says our banks need even more big write-downs (the current jargon for an old-fashioned bad debt provision) over and above those already made.

Because they borrow from overseas to fund local lending, and overseas credit is drying up, they will have less money to lend. This article from *The Australian* on 18 Sept shows how it will affect Australian businesses – and why your debtor management needs to be red hot.

The coming Olympics of debtor management



Small firms are most at risk, but larger outfits have problems too - and a lot are not paying their bills on time...

Legal and credit management specialists, Hattaway & Associates, say that cash flow is now so important that in some cases effective credit control will decide whether a business survives.

Getting paid is the debtor management Olympics when times get tough – even Kevin Rudd says we are now facing uncertain times. But we have not had tough times since the early 1990s, so almost a generation of business people have never experienced it – and right now most of us might have to handle it.

**Contact us now for a free assessment of your debtor systems
...and how to get paid by never asking customers for money ever again!**

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