

## **MFB News – August 2007**

### **Receivables Management: Optimizing Cash Flow and Profitability**

Creating value by optimizing cash flow and profitability is a key challenge for every company. One of the significant, but often overlooked, levers to increase cash flow and profitability is a state-of-the-art accounts receivable department. Much more than a purely administrative desk, A/R functions extending from credit and collections to cash management are a strategic cornerstone that can deliver competitive advantage and greater profitability. On the other hand, inefficient working practices undermine both, profitability and customer service.

Credit management is a vital part of this process. The number of days that bills remain outstanding has a decisive impact on cash flow. Nearly one third of company failures are due to delays in payments and debtor insolvencies. The annual cost of late payments and debtor insolvencies to German businesses alone is estimated at a hundred billion Euros.

#### **Reflecting on conventional A/R policies**

In most cases, accounts receivable represent a company's most important asset. However, conventional collection techniques often have not kept pace with changing times. Various laws, debtor attitudes, the cost of money, liberal credit policies, and increased competition have created a new business environment that forces finance executives to place a greater emphasis on converting credit sales into bank deposits. As a consequence, more and more A/R departments start to redefine their credit collection policies.

#### **How MFB Resultants can help to optimize your receivables management**

A powerful and efficient receivables management needs both, the right tools and well-qualified personnel. The experienced experts of MFB Resultants will analyze your company's unique needs and will work with you to facilitate the best solution for your business. In workshops and on-the-job trainings our independent coaches will systematically teach your A/R staff all practical and regulatory knowledge, thus enabling your business to achieve excellence in your sales-to-cash cycle. Since we are well aware of the need to achieve high levels of customer service our expert teams will also accompany the implementation process to guarantee measurable and sustainable value.

Talk to us. We, the experts of MFB Resultants understand the steps needed to ensure the implementation of a self-funding optimized receivables management, helping you to manage the cost of collection and to optimize customer service.

Call us at #49 (0)611 / 3411712. Mrs. Monika Frick-Becker will be glad to answer your questions.

### **MFB Resultants – We Create Results**

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