CAN THE CONTROLLER GET SOME CREDIT?

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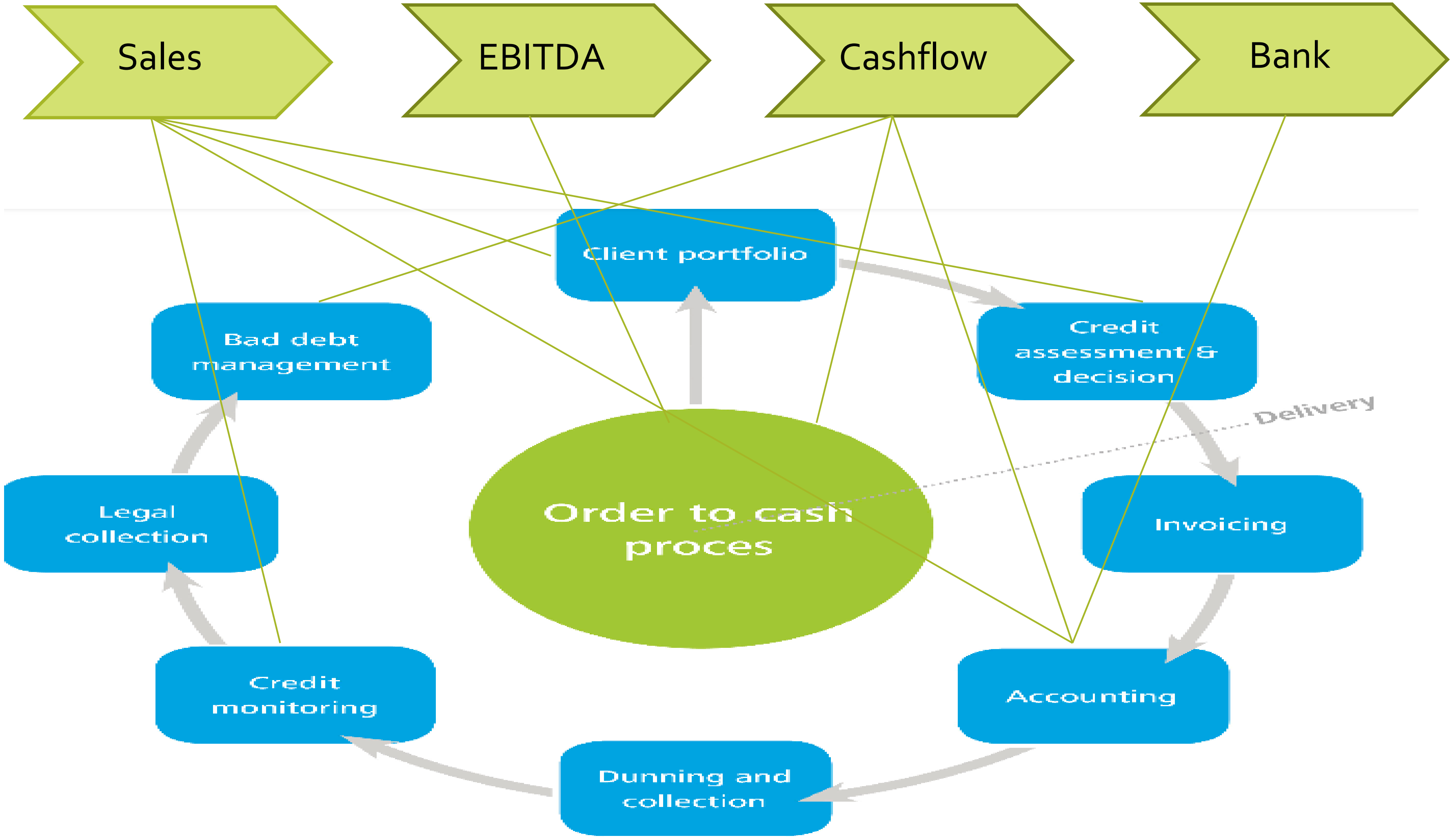
Bimac Controller Event 21 Maart 2016

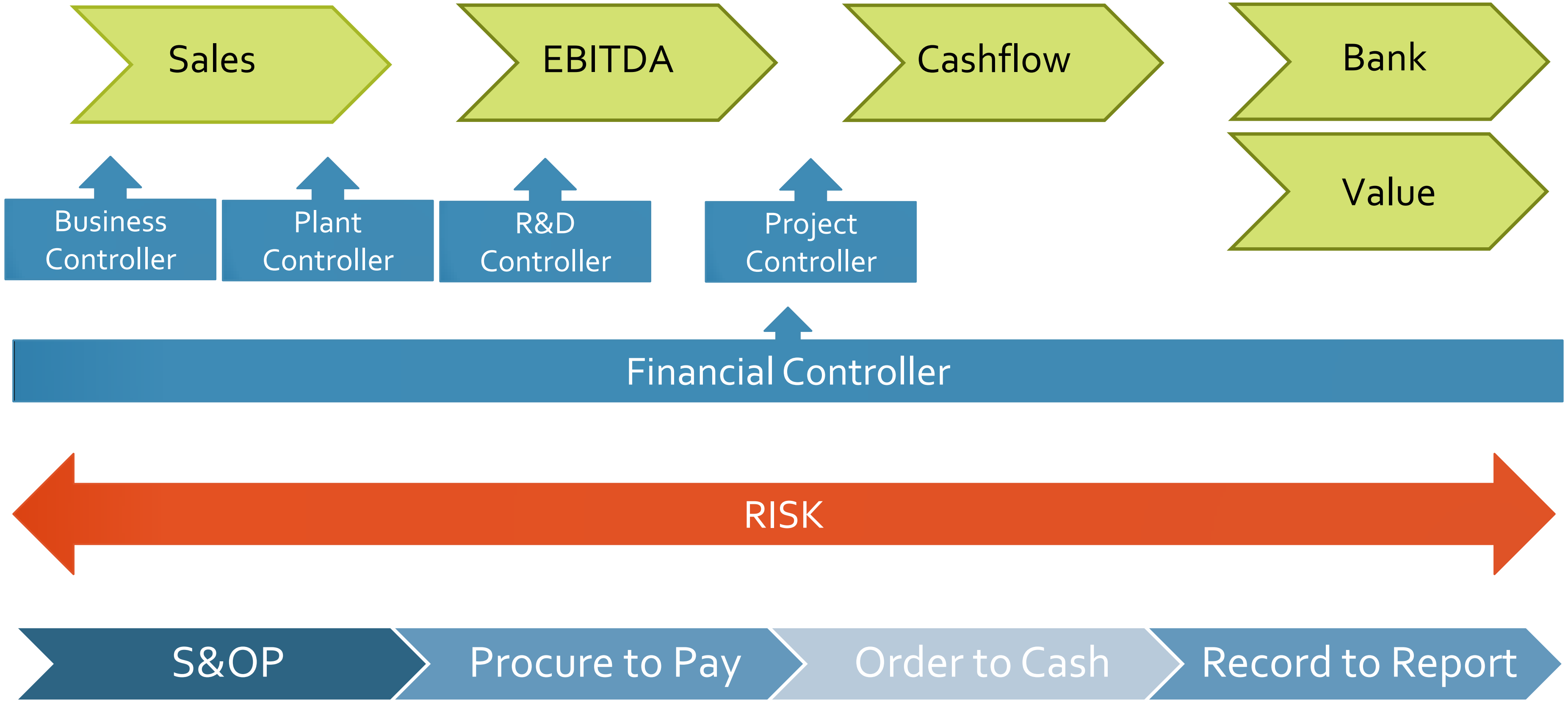
Agenda

- Controlling & Credit Management: flow and common ground
- Risk Management: the common theme throughout the process
- Provisions: Fisc vs. Audit
- Teaser and debate

Where does the credit management intervene?



Where does the controller intervene?



Risk Mitigation : the common theme throughout the process

- Maximum sales and no credit checking or selective sales and credit checking?
- Risico assessment upfront?
- Sector differences?
- Alternative mitigation tools
- Best practices

Provisions:

- Credit managers typically look at provisies from two sides:

- Typical “bad debt” provision policies
- Disputed debt (typically fiscally rejected)

Discussion teasers

- it is the controller's responsibility to keep an extensive list of upsides/downsides (and risks/opportunities) to potentially offset the impact of provision changes
- sales commissions may only get paid when the money is in the bank
- payment terms need to be agreed upfront with new customers
- sales folks need to get a compulsary training on working capital
- sales bonusses need to get adjusted for DSO increases (one way)
- in case of make to order, no raw or intermediate materials may be sourced for production as long as there is no credit approval
- can you gain market share by differentiating payment terms
- …