

Accounting & Technical Support For Petroleum Marketers!

The purpose of the A/R Watch List (1,13,16,10) is to create an A/R monitoring system that spots problem accounts as they develop and provides a to-do list for prompt intervention. Or stated from your customers' point of view, it provides a mechanism such that if an invoice is allowed to go X number of days late, your staff always catches it and makes a courtesy call about it.

The key is to analyze A/R daily and to issue, via email, a list of "violations" that are crossing the "triggers" that very day. This daily focus ensures not only that nothing is missed, but also that nothing is repeated from day to day, which helps your staff stay alert --- what shows up each day is small and unpredictable. It forces one to see things with fresh eyes, every day.

Here's how it works:

- The jobber first determines where to set a pair of "triggers", stated in days overdue. Typically these will be at 16 and 31 days, or at 11 and 25 days, or wherever one wants to "get concerned" and "get serious".
- We then determine who is to get the reports. One person can get it all. Or, we can divvy up the load by warehouse, statement type, or sales rep such that several staff members receive alerts focused on a subset of the whole.
- Then the system takes over, automatically creating an A/R Watch List report overnight and emailing the appropriate report to the designated person on your staff.

The report has 4 sections and 11 columns. The columns: Customer code, name, warehouse, salesman, credit status, contact name/phone, invoice number becoming late, due date, amount, total late A/R and total A/R balance.

The sections:

- 1) Invoices that will trip the first trigger today, but only from accounts where this is the worst we have. This is the important section because it's your first hint of trouble.
- 2) Invoices tripping the first trigger today, but from accounts that have worse and are thus not a fresh face here.
- 3) Invoices from accounts tripping the second trigger today for the first time.
- 4) Invoices tripping the second trigger, but from accounts with worse A/R than this.

Install cost: 1.5 hours.