Monitoring and Collection of Receivables

The process of monitoring and collection of receivables can be defined as the leading/most important process within the Accounts Receivable/C2C process.

In the timeline from invoice creation to payment several instances can occur which can block the natural "flow to payment". Easier said: When an invoice has been created and the receivable is booked into the system is it expected to be paid within the standard payment terms of a company. Thus when standard payment terms are "30 days nett", ideally invoices will be paid 30 days after the invoice date. However, this is in most cases far from reality.... There are several "challenges" to overcome, which block the "flow to payment":

**Fig 1 - C2C Challenges**

Main goal of monitoring and collection is to get a firm grip on these challenges. This can be reached by implementing effective tools and collection methods, plus having the skilled A/R personnel who are able to handle collection cases almost as a "second nature".

**Collections**

There are 3 main subprocesses defined within monitoring & collections:
Below we will go into more details of the 3 sub-processes:

- Open Item Management
- Dunning
- Dispute Management