



Harry Schaeffer, Den Hartogh Logistics 'Credit management is now clearly on the map'

Den Hartogh is one of the top logistics service providers in Europe in the petrochemical industry. Consideration for the wishes of the customer and continuous innovation in organisation, material and processes are essential for this success. OnGuard ensures structure in the credit management process and a considerable reduction in outstanding items.

Results

- Structure in the accounts policy
- Sharp drop in outstanding items
- Outstanding items Cleaning more than halved
- Customer-oriented approach
- Customer registration and history ensures understanding
- Motivating and controlling staff
- Integrating credit management into the organisation

Harry Schaeffer, Financial Manager Den Hartogh Logistics

- 'OnGuard helps us to keep right up-to-date with the history enabling us to keep a sharper eye on things.'
- 'The benefit of the OnGuard profiles is that it takes over a great deal of sorting out. Poorly organised lists are a thing of the past.'
- 'The structure is the most important result from OnGuard.'
- 'OnGuard is a source of information in which everything is stored.'

Harry Schaeffer:
'It's all about structure. Customers meanwhile anticipate our strict accounts demand phase.'



Double waiting

Financial Manager Harry Schaeffer: "Keeping up with the transactions of at least 800 accounts with a staff of three is a challenge. If 10% of the 1,000 journeys per week lead to a dispute, this means 100 per week. Extra costs are a very common cause for dispute in the transport world, a well-known example being "waiting time", which is the time that a driver has to wait for his truck to be loaded or offloaded. The extra time must be charged for if this is not completed within the agreed time. If the consignment note (CMR) does not contain the correct details and signatures, there is no proof that the agreed waiting times have been exceeded and these times will not be remunerated.

Structure

Den Hartogh started working with OnGuard in 2006 because it was not structurally feasible to call all the customers. Where do you start if half of all 800 accounts are overdue? Those with the highest outstanding amounts were often selected for contacting with the result that the same people would be contacted every week with the others never being approached. These "trifling sums" together do however add up to an enormous amount.

Specific profiles

Credit management is now clearly on the map. The change came after OnGuard provided an insight into how much time has been invested in this. Schaeffer: "After starting to work with OnGuard, the organisation has become aware of the total amount that was outstanding in the 90 days + category: five million euros. Den Hartogh has now mapped out all the accounts and divided them into profiles. We assign a specific profile to our most important customers. We do not commence collection procedures in this case as this does not fit in with our relations. The benefit of the OnGuard profiles is that it takes over a great deal of sorting out. Poorly organised lists are a thing of the past."

Integration of sales

Reports are retrieved from OnGuard each week and placed on the intranet. The commercial staff are given the task of keeping

an eye on the payments as well as handling the sales. "If the request from credit management is disregarded, the issue will be escalated to the respective manager. If he does not solve the matter, it will be dealt with by the Board of Directors.

I would state at this point that debit management certainly has a certain degree of importance within Den Hartogh."

Results

Schaeffer: "The term of payment gets longer the further south you go: 120 days in Italy or Spain is not unusual. We cannot therefore say what an average term of payment is. We administer our outstanding accounts based on the settlement date. Our turnover has risen from EUR 170 to 200 million, but the outstanding amount has remained the same. We have achieved results particularly in Cleaning where the risk profile is higher. Outstanding items here have been more than halved. This has been an eye opener for us which is why we are setting our commercial staff to work on stricter control regarding Liquid. The module Display Administrations has been introduced in order to do justice to the Den Hartogh customer-oriented procedure. The module combines information from various sources. This means that we do not write three times to a company with which we work in various countries; instead all outstanding items are included in one summary.

Practice

The structure is the most important result from OnGuard. Standard letters alternated with telephone initiatives. This pattern motivates staff to take action. OnGuard is a source of information in which everything is stored. This is often the case in practice. Schaeffer: "We will ask a customer why it hasn't paid. The answer will be: the invoice wasn't received. OnGuard then however mentions that the same excuse was already used three weeks ago. We can confront the customer with this as everything has been recorded. Innovation remains a constant agenda point; as regards OnGuard, we see a lot more possibilities for the future where reporting is concerned"