OnGuard

Oscar Visser,
Financial Director Grontmij
It's all about insight

Grontmij consulting engineers has a worldwide network in the growth markets of water, energy, infrastructure and sustainable planning and design and creates value for its clients and shareholders by designing and creating a sustainable living and working environment. OnGuard fits perfectly within the reorganisation to centralise all processes.

It's all about insight.

Results in brief....
- Simple and flexible to use
- Insight and overview
- Overdue balance from 50% to 30% (<1 year)
- Building up history
- Link between complaint management and quality control
- Professionalism with respect to the client

"The focus is now very clearly on efficiency." Financial Director Oscar Visser explains about the major restructuring within Grontmij, whereby geographical regions are being reduced to three business lines: Planning & Design, Infrastructure & Mobility and Water & Energy. By concentrating on core competencies Grontmij will be in a good starting position when striving for organic growth in the most profitable and fastest growing markets. This growth phase also involves investment in credit management. It is now a 'dedicated' part of a shared service centre with its own management team. OnGuard is the first process that will be running centrally. As well as systems and policy, employees' profiles are also being analysed and raised to the required level where necessary in order to achieve optimum results.

A mere two years ago the approach to credit management was still very much ad hoc: fortnightly Excel summaries, no workflow, no checks, no recording, every cluster working in its own way. There were too many options, which resulted in unnecessary time-wasting and was very labour-intensive.
"The professionalisation of credit management with OnGuard is safeguarding knowledge," says Visser. "A history is being

built up, and thus insight into payment behaviour. Monthly reports can therefore also be used pro-actively. There is now insight at both overall and client level."

More than one target achieved within a year

Once Grontmij started using OnGuard in 2008, spectacular results were achieved within a year. The total Overdue balance has fallen from 50% to 30%. According to Visser: "That represents 15 to 20 million euro. The target of 38% was adjusted halfway through to 30% and was then also achieved. I expect to reduce it even further."

Grontmij does a lot of work for public authorities, contractors and district water boards; the client portfolio is not particularly high risk, but there are substantial gains to be made on the large projects by applying credit management in a structured and professional way. Before Grontmij adopted OnGuard, credit management was not an everyday process. Now clients have been divided into high/ medium/low care profiles. The structure and the daily attention paid to reminding, calling, and contact with clients are already producing a good result. "The nice thing is that it has a knock-on effect. It projects professionalism to clients: it is clear to them that the payment process is organised in a structured and systematic way. This is beneficial for the client relationship and it means that our invoices go to the top of the pile," observes Visser.

Motivation is the driving force

According to Visser: "User-friendliness and thus employee-friendliness is an important pre-requisite. This was one of the criteria in the selection process. In that regard OnGuard is the best package ever. It is intuitive and easy to learn, very visual with colours and the OnGuard icons such as smileys. Working with OnGuard is a matter of just opening the database and zooming in to see information. There are tighter frameworks and much more insight. The team is satisfied and highly motivated, and payments are coming in faster - that's a proven fact."

Focus on clients

The 7 separate entities meant that overview was sometimes lacking. Central overview of outstanding sums and payment

behaviour will certainly benefit Grontmij. Visser says: "Things can only get better. Now we really can take an overall view of clients, identify payment behaviour and report to sales management. There is the possibility of taking payment behaviour into account when negotiating about price. That is the next step. Hence CM works in two directions: it brings in invoiced assignments, but also provides an optimum basis for excelling in sales."

Cultural change

"Asking for payment for what you've supplied remains a sensitive issue," says Visser. "Project leaders did not like to see reminders being sent out. We have now got to the point where the decision to send a reminder lies with credit management instead of with the project leader. Credit management now follows strict procedures. When an assignment has been carried out, it needs to be paid for - no more no less."

Reporting and complaints management

Visser has many more plans: "Reporting still needs to be improved. I want to develop reports further with the aim of producing cashflow forecasts. The goal is to use credit management in a more business-related way. Information and insight provide sales ammunition. We are not getting everything out that's there by a long way yet. The complaints module in OnGuard also still offers so many possibilities! I would like to see complaint management linked to quality control. The first manifestation of a complaint is often the failure to pay. That means it is not just relevant for credit management, but for the entire organisation."

Acceptance and monitoring

Visser also wants to start exploiting the possibility of linking OnGuard to an external database like D&B. "We are currently set up to carry out a check before client acceptance. In order to be able to anticipate risks optimally, it shouldn't stop there. We want to keep an eye on risk during ongoing assign-ments as well. By combining the information from OnGuard with other sources of information I expect to be able to generate optimum input."

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