



Frank Jonker,
Vopak
'OnGuard lifts VSS to a superior level of service'

The introduction of Vopak Shared Services (VSS) introduced more structure to the tank storage company's credit management. VSS singled out OnGuard's credit management software as the right product to take the professionalisation and optimisation of the credit management process a step further.

Results

- The DBO decreased substantially from 178 to 38 days
- The average age of the receivables went down
- Decrease in average age of outstanding invoices (>365 days from 12% to 2%)
- Correct information available for each account and each invoice
- Highly qualified and motivated personnel
- Use of the correct profiles
- Standardisation of procedures and work processes
- A profile for each account group

Frank Jonker, Credit Manager Vopak

- 'OnGuard was the obvious choice to professionalise our service.'
- 'The DBO decreased substantially, the average age of the receivables went down and so did the number of active accounts – despite the increase in turnover.'
- 'Vopak achieved more turnover with fewer clients and got its bills paid more quickly.'
- 'Our powers of persuasion, backed up by the results achieved with OnGuard, prompted a lost client to return.'
- 'OnGuard made it possible to introduce a profile for each account group.'

Frank Jonker:
'Vopak is all about providing a superior level of service.'



Global market leader

With a history going back almost four centuries Vopak is the global market leader in the independent storage and handling of liquid oil products, chemicals, vegetable oils and liquefied gases. Vopak has terminals in the world's most strategic ports with specialised facilities including storage tanks, jetties, tanker loading stations, pipelines and road and rail connections. Products are stored for customers for some time at the terminals under what are often highly specific conditions; at certain temperatures, for instance. Vopak's terminals play a key role in transit operations: products are transported from the terminal to end-users by ship, tanker or pipeline. Vopak has 75 storage terminals in 30 countries with a storage capacity in excess of 21 million cubic meters.

Start of Vopak Shared Services

From 2000 Vopak Shared Services (VSS) is providing services including IT, HRM, procurement, engineering and finance. In the finance discipline, credit manager Frank Jonker has been in charge of the accounts receivable department since the inception of VSS. He has personally experienced the complexity of giving shape to a concentration of activities. VSS hit the ground running by implementing a new ERP package (JD Edwards). But that was not enough to immediately clear the large backlogs and the unstructured workload. The division drew up and sent out reminders, processed payments and began the process of sorting out the large numbers of (old) files. Jonker: 'It took a good few years to reconcile all of the long-term files. We also worked hard on standardising procedures and work processes and making clear agreements with VSS's clients.'

Orde in de chaos

VSS's management knew that this situation could not be allowed to continue. Jonker was instructed to select a credit management software package that was in line with the new

accounts receivables process with a view to optimising and professionalising the service. Jonker: 'The selection process yielded a clear winner, and that was OnGuard.' At that time there were around seven hundred active accounts and some 50 unapplied cash items. The average days billing outstanding (DBO) at that time was 130 days. OnGuard made it possible to introduce a profile for each account group, based on the oldest outstanding item. Jonker: 'It wasn't long before the initial results presented themselves. The DBO decreased substantially, the average age of the receivables went down and so did the number of active accounts – despite the increase in turnover. Put differently: Vopak achieved more turnover with fewer clients and got its bills paid more quickly.'

Results

In four years time the DBO has fallen to 38 days and the accounts receivable balance has risen slightly to 34 million euros. The number of active accounts has decreased to around 320 and turnover continues to rise. Jonker: 'Because there was such a large backlog when we started, one of our internal clients had withdrawn his receivables portfolio. Our powers of persuasion, backed up by the results achieved with OnGuard, prompted that client to return. OnGuard made it possible for us to reduce the age of the outstanding invoices and the days billing outstanding from 121 days to 30.'

Future

VSS is planning to take things a step further with OnGuard's latest software solutions. Jonker: 'We are always looking for the next step in professionalising our service. We at Vopak Shared Services are all about providing a superior level of service.'