

Turning Debt to Cash Flow

We'd like to share a story about M-Company, a company we've been following since they started using our system in August 2015. M-Company has shown incredible improvements in their collection KPI's, cash flow levels and debt management, and has gone through dramatic changes by aligning and prioritizing their collection methodologies based on CRiskCo's reports and recommendations.

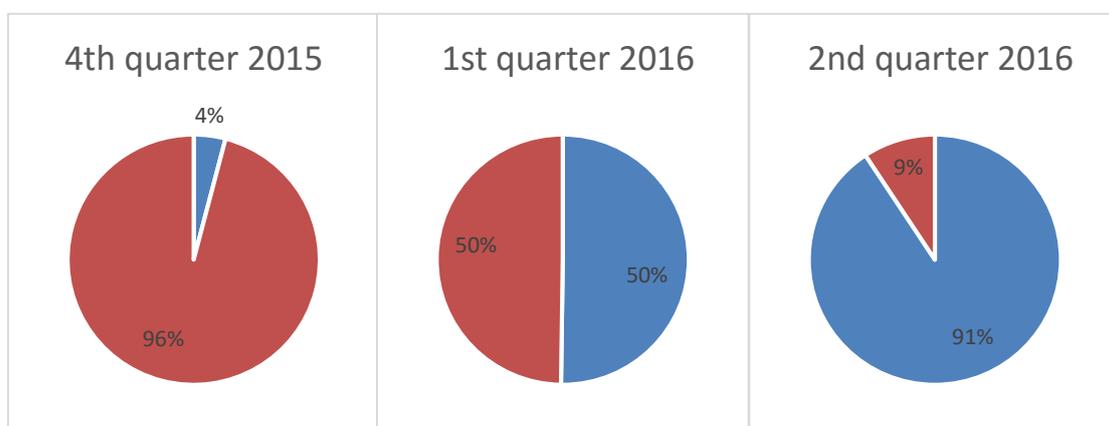
Background

Industry	Engraving and printing
No. of employees	50
No. of active customers	275
Year of establishment	2005
Last year revenue	\$8.8M
Joined CRiskCo	08/2015

Accounts Receivable - Due and Overdue Analysis

When M-Company started working with us, 96% of their Accounts Receivable was overdue, and their collection department was helplessly calling almost every customer on a daily basis, urging them to pay their debts. CRiskCo's assessment found several issues with M-Company's accounting records, causing overdue receivables to be higher than they should. With CRiskCo's guidance, M-Company was able to straighten out the records. Furthermore, CRiskCo analyzed M-Company's customers over time, and prioritized and directed the collection efforts, allowing the collection department to better communicate with customers and reduce overdue Accounts Receivable to just 9% (!) in a few months.

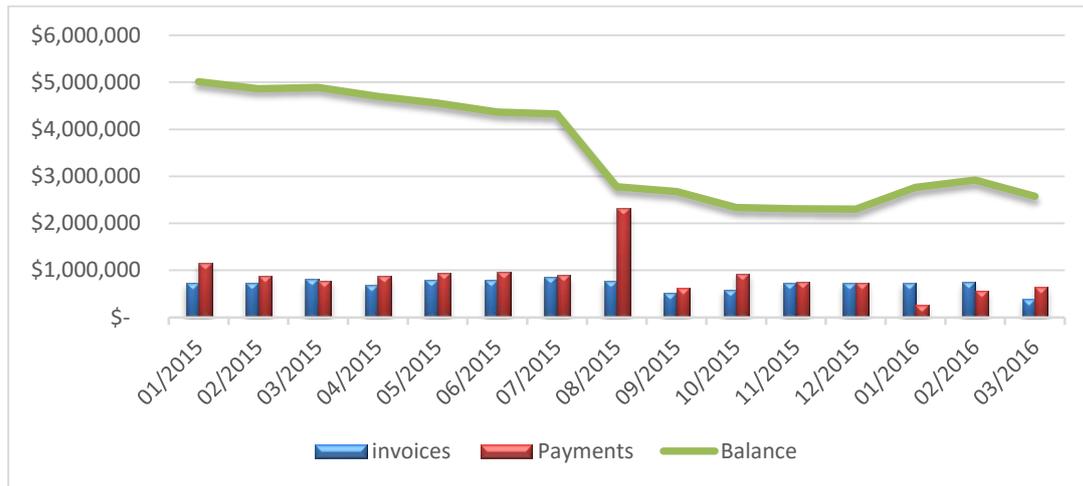
The pie charts below show how M-company improved their collection and Accounts Receivable management.



 Accounts Receivable Due
 Accounts Receivable Overdue

Credit Exposure

The following graph shows how M-Company dramatically lowered their credit exposure over the past year, at the same sales level. By reducing their \$5M exposure to less than \$3M, M-Company gained a huge positive boost to their cash flow.



ADD (Average Days Delinquent)

Average days delinquent (ADD) is the average time invoices are paid beyond their due date. The lower the better. This graph shows M-Company’s dramatic reduction of ADD – from an average of 102 days late to an outstanding 8 days. This is a great indication of M-Company’s positive change, which has stabilized their cash flows and reduced their delinquent receivables.

