



## Industry Review

David Carter is a software industry guru whose in depth knowledge of accounting solutions means that his reviews are well respected by software authors and end users alike. David regularly writes for Accounting Web ([www.accountingweb.co.uk](http://www.accountingweb.co.uk)) and in this review of the new Topaz credit control module, he discovers an unlikely golden nugget ....

In recent years Customer Relationship Management (CRM) systems have been a hot topic in the IT world, as organisations automate their "front office" activities with the customer. Most suppliers of accounting packages - very much a "back office" function - have taken the view that these customer-related activities are not really the province of the Accounts department and have left CRM to the specialist suppliers.

Topaz have taken a quite different view. Topaz have realised that there is one member of the accounts department who has just as much need of CRM functionality as any salesman or marketeer. That person is the credit controller. By applying the principles of CRM to the credit control process, Topaz have produced a credit control module that is far superior to their competitors.

The principle of CRM comes in many flavours, but at its centre it embodies a simple concept. This is that CRM should provide a comprehensive view of all your transactions with this customer – an all-round "360 degree view", in fact.

Accounting package suppliers tend to think mainly in terms of transactions that are quantitative and financial – invoices, payments, orders etc. But CRM recognises that there are many other "transactions" with a customer apart from purely financial ones. In fact any communication, any conversation, is a transaction just as much as an invoice or an order, and just as important in getting a complete overview of the customer.

This is the Topaz approach: Topaz aims to track every transaction that takes place between you and a customer - not just financial transactions like invoices and payments, but every single conversation, every promise, in short every "event" that takes place between you and them.

### A "pro-active" approach

Whenever a conversation with a customer takes place, some action will be agreed, some promise will be made. Topaz records the date of this next action. When this date comes round, Topaz will include it in the credit controllers diary, a list of all the tasks due to be done today. So Topaz is very much pro-active, with each day's events to be followed up setting the work plan for that day. By contrast, the traditional accounts package is passive, usually doing little more than printing out an Aged Debtors report and leaving the credit controller to work out what to do next.

A benefit of this pro-active approach is that the relationship between Credit Control and the customer becomes a positive one. Most credit controllers ring up only to complain – the account is overdue for payment. But by actively managing the account, it becomes possible to see any difficulties in advance and work them out with the customer before they turn into a problem.

### Improving the numbers

Apart from the intangible benefits of improved relationship with the customer, there are solid benefits as well. Better credit control immediately flows through in the form of improved cashflow. If the value of your monthly invoices is £1 million, even a single day's reduction in debtor days means a £30,000 improvement in your bank balance. And one day is modest: Topaz customers have achieved 5, 10 and in one case 25 days reduction in debtor days, easily justifying the original outlay to purchase the software.



## How it works

Really you need a demonstration to appreciate all the functionality Topaz has to offer. Some of the key features are:

### Define your own Events

In Topaz you can set up your own types of event in order to track a customer's account. This allows you to manage the account in the way you prefer. For example, for any new customer being entered onto the system, you might set up an event whereby a Welcome letter is automatically sent off to them setting out your terms of business. When the customer receives their first invoice, you might specify that this should trigger a phone call from your staff to make contact. And you might decide that you want to make sure the customer is rung once a month in the first 3 months just to check everything's OK. All these "events" can be set up within Topaz and the due dates automatically generated in the credit controllers diary.

### Event Escalation

If for any reason the credit controller does not make any of the calls on the daily schedule, Topaz can track this and notify the fact to their line manager. So no event is forgotten; it can become a shared responsibility between credit controller and their manager until it is resolved.

### Drilldown and email

If the customer is on the phone querying the details of an invoice, the operator can call up their account, then "drill down" on the transaction and see an image of the invoice on screen. If they say they haven't received the invoice, the credit controller can automatically email them a copy which will arrive on their screen within minutes.

### "DSO" and Cash Flow Forecasting

A limitation of the traditional Aged Debtors report is that it shows customer debt when it was originally due for payment, rather than when it is actually likely to be received. To get a realistic idea of likely cash inflows Topaz automatically calculates a "DSO" (Daily Sales Outstanding) value for each customer. By applying each customer's DSO value to their outstanding debt, you can extrapolate forward to project future cash inflows.

### Management "Dashboards"

Topaz Credit Control comes with a good series of printed reports. But to make management reporting more visual, Topaz have integrated the specialist reporting product XLCubed into their package. XLCubed takes summary totals from the database and presents them in eye-catching graphical reports. These are displayed on-screen in an Excel-like environment, with which most managers will already be familiar. And if they wish to check the numbers, they can simply drill down on them to see the underlying transactions rather than raise a query with the Accounts department. XLCubed also allows the accountant to bring together key data from disparate sources and to combine it into a summary management or credit controller "dashboard". As mentioned, you need to see this for yourself to understand the full effect.

### Conclusion

It is hard to believe that in the well-trodden world of accounting ledgers, anyone would still be able to come up with a truly original and innovative product, but with their Credit Control module Topaz have done just that. This is an outstanding piece of work.

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