

BENCHMARKING SURVEY

** Denotes a required field*

* Contact Name: _____ (name to whom report will be mailed)

* Company: _____ * E-mail: _____

* Address: _____ Address 2: _____

* City: _____ * ST: _____ * Zip: _____

* Telephone Number: _____ FAX Number: _____

EIN # _____

Please respond to this Survey using US Domestic data only

*** Industry or Line of Business:**

Indicate the Business Sector that best describes your company or business unit you are reporting on. If you cross sectors, please pick the most dominant or indicate conglomerate if appropriate.

- Consumer Goods - (E.g.: apparel, footwear & textiles, cosmetics & personal products, food & beverage, household products, appliances & tools, autos, trucks & parts, consumer electronics, entertainment, furniture, office products, recreational products, toys.)
- Industrial - (E.g.: construction & materials (building and heavy), industrial equipment (electrical components, factory equipment, heavy machinery), industrial services, containers & packaging, industrial transportation (marine, rail, trucking & air freight))
- Technology - (E.g.: computer peripherals, network devices, storage devices, hardware, communications equipment, electronic instruments & controls, scientific & technical instruments, software)
- Services - (E.g.: advertising & media, business services, security, broadcasting & cable, personal & household, printing, publishing, retail, travel, waste management)
- Basic Materials - (E.g.: chemicals, mining & metals, plastics, rubber, iron, steel, paper & paper products, fabricated products)
- Distribution & Wholesale (non-manufacturing)
- Healthcare - (E.g.: biotechnology & drugs, major drugs & pharmaceuticals, medical equipment & supplies, healthcare provider)
- Energy - (E.g.: oil & gas (oil drilling, oil companies), pipelines)
- Telecommunications (fixed line & wireless)
- Conglomerate (Use if you company clearly crosses major business sectors)

* **SIC Number:** List the **Primary 4 digit** SIC number that reflects the principal activity for the company or business unit that is represented by this data:

If other SIC's apply to the numbers on this survey, indicate them here:

_____, _____, _____, _____, _____,

If your AR data is segregated by SIC, you can submit multiple sets of data for your company by submitting a survey for each SIC.

Group Code 1 _____ -- Leave Blank Unless Instructed By CRF
Group Code 2 _____ -- Leave Blank Unless Instructed By CRF
Group Code 3 _____ -- Leave Blank Unless Instructed By CRF

*** Security of Information & Follow-up to Survey** The data received by the Credit Research Foundation is kept completely confidential in the reporting process. From time to time, CRF members may want to discuss their results with other CRF members (only).

Using the Credit Research Foundation as an intermediary, would you be willing to discuss your results with other CRF members. Yes No

*** Your company's primary source of revenue comes from customers who are:**

- Retailers that sells to end consumers (such as dept. stores, chains, grocery, discount "clubs")
- Distributors / Wholesalers / Resellers that are high unit value / low unit volume
- Distributors / Wholesalers / Resellers that are low unit value / high unit volume
- Contractors / Construction Companies
- Manufacturers
- Service Providers (telecom, health care, legal, personnel, etc)

*** System Information:** Indicate if you are using one of the following systems that would be considered your primary system for managing the A/R cash application (not a supplementary credit scoring system or any other bolt-on, non-core credit information system).

- SAP
- Oracle
- PeopleSoft
- J D Edwards
- Lawson
- Great Plains
- Walker/Carms or CARMS
- NMC Technologies
- Legacy system (In-house designed/developed, Home Grown system, Proprietary System, etc.)
- Other

*** Where are the following functions primarily performed within your organization:**

Order Processing:

- Headquarters (Centralized)
- Shared Services (Consolidated)
- Business Unit (Decentralized)
- Regional Office
- Plant / Facility
- Outsourced
- Other

Billing:

- Headquarters (Centralized)
- Shared Services (Consolidated)
- Business Unit (Decentralized)
- Regional Office
- Plant / Facility
- Outsourced
- Other

Credit:

- Headquarters (Centralized)
- Shared Services (Consolidated)
- Business Unit (Decentralized)
- Regional Office
- Plant / Facility
- Outsourced
- Other

Collections:

- Headquarters (Centralized)
- Shared Services (Consolidated)
- Business Unit (Decentralized)
- Regional Office
- Plant / Facility
- Outsourced
- Other

Customer Payments (Cash Applications):

- Headquarters (Centralized)
- Shared Services (Consolidated)
- Business Unit (Decentralized)
- Regional Office
- Plant / Facility
- Outsourced
- Other

Dispute Resolution:

- Headquarters (Centralized)
- Shared Services (Consolidated)
- Business Unit (Decentralized)
- Regional Office
- Plant / Facility
- Outsourced
- Other

Customer Data Management:

- Headquarters (Centralized)
- Shared Services (Consolidated)
- Business Unit (Decentralized)
- Regional Office
- Plant / Facility
- Outsourced
- Other

The following data should be based on your last fiscal year end information. See the definitions for clarification of any terminology used in this survey. (Definitions are at the end of the survey).

*** Month & Year of the reported data:** _____

(Round to the nearest whole dollar -- do not use abbreviations or symbols)

- * 1 Beginning Gross Receivables \$ _____, _____, _____, _____
- * 2 Annual Credit Sales \$ _____, _____, _____, _____
- * 3 Ending Gross Total Receivables \$ _____, _____, _____, _____
- * 4 Ending Total A/R of Deductions ONLY \$ _____, _____, _____, _____
- * 5 Ending Current Receivables \$ _____, _____, _____, _____
(Include Future & Deferred AR)
- * 6 Receivables Beyond 60 Days \$ _____, _____, _____, _____
- * 7 Receivables Beyond 180 Days \$ _____, _____, _____, _____
- * 8 Annual Bad Debt Write-offs \$ _____, _____, _____, _____
- * 9 Annual Bad Debt Recoveries \$ _____, _____, _____, _____
- * 10 Ending Number of A/R items _____, _____, _____
- * 11 Total # of Active Customers who have purchased in the last 12 months _____, _____, _____
- 12 Annual Number of **Payments** (checks or electronic) Processed _____, _____, _____
- 13 Annual Number of **Invoices** Processed _____, _____, _____
- 14 Annual Number of **Credit Memos** Processed _____, _____, _____
- 15 Number of **Deductions** at Beginning of Year _____, _____, _____
- 16 Number of **Deductions** at End of Year _____, _____, _____
- 17 Number of NEW Deductions Created in the Year _____, _____, _____
- 18 Number of Deductions REMOVED During the Year _____, _____, _____

Headcount and Cost

How many people work in the credit, collections, cash application and deduction resolution areas?
*If employees are cross-functional and perform several tasks, allocate them to equal one (1) person.
 E.g., if a person spends time doing credit analysis and collections, indicate .5 in credit and .5 in collections or whatever the appropriate allocation would be for that individual. Also **pro-rate the salary.***

	Credit / Risk	Cash Application (Include bank lock-box activities such as check entry, etc)	Collections (Consider only routine collection activities)	Deduction Processing	All other FTE's that Support Credit, Cash App., Collection & Deduction Functions
19	# Of Full Time Equivalent Employees that work for your organization				
20	Total Salary & Benefits for the FTE's that work for your organization (Pro-rate to match the FTE's in #19. E.g., .5 FTE = half that FTE's salary)	\$	\$	\$	\$
21	# Of Outsourced FTE's (if you do not know this number, see next line)				
22	% Of workload that is outsourced for these functions	%	%	%	%
23	Indicate the annual costs of outsourcing by function	\$	\$	\$	\$

What are your annual total costs for the combined areas of Credit, Collections, Cash Application, Deduction Management and Administration for the following expenses:

If you don't know a figure, leave it blank.

24	Total Annual Cost This should be your total annual cost to run Credit, Collections, Cash Application and Deduction Management and Administration. Include FTE salaries, benefits and all other expenses charged to your operation.	\$
Indicate the costs of the specific areas below:		
25	Collection Expenses (collection agencies, lawyers fees, etc.)	\$
26	Outside Services (credit reporting services, association memberships, credit card fees, bank lock box fees, etc.)	\$
27	Outsourcing (Total costs of outsourcing including administration. This would include any direct costs and allocated costs) Must be equal to or greater than your answer for line 23 above.	\$
28	Travel	\$
29	Information Technology (include systems costs or allocation, hardware and depreciation and amortization)	\$
30	Occupancy or Rent	\$

CREDIT, COLLECTION AND ACCOUNTS RECEIVABLE PRACTICES

- 31 What is the least # of customers handled by a single collector? _____
- 32 What is the most # of customers handled by a single collector? _____
- 33 Does your organization charge a late payment fee? Yes No
- 34 Annual Dollars Billed of Late Payment Charges \$ _____, _____, _____, _____
- 35 Annual Dollars Collected of Late Payment Charges \$ _____, _____, _____, _____
- 36 Does your organization accept Credit Cards for payment at the time of a sale? Yes No
- 37 Are the Credit Card sales included in your credit sales? Yes No
- 38 Annual Dollars of Credit Card Transactions \$ _____, _____, _____, _____
- 39 Annual Number of Credit Card Transactions _____, _____, _____
- 40 Are deduction balances included in your accounts receivable portfolio? Yes No
- 41 Do you allow anticipation payments discounts? Yes No

Do you use a credit scoring system for:	
42 Credit analysis (setting credit lines)	<input type="checkbox"/> Yes <input type="checkbox"/> No
43 Failure prediction	<input type="checkbox"/> Yes <input type="checkbox"/> No
44 Collection prioritization	<input type="checkbox"/> Yes <input type="checkbox"/> No
45 Predicting the likelihood of timely payment	<input type="checkbox"/> Yes <input type="checkbox"/> No
46 Fraud detection	<input type="checkbox"/> Yes <input type="checkbox"/> No
47 Portfolio management	<input type="checkbox"/> Yes <input type="checkbox"/> No

- 48 Do you assign a Risk Code or Classification to your customers? Yes No
- 49 If Yes, assume you had 3 risk categories, what % of the number of customers do you consider to be in the highest (Top third) risk category _____%
- 50 How was your credit-scoring model developed?
 _____ Packaged model and program, _____ Custom model written in-house
- 51 Do you use a bolt-on Deduction Management system? Yes No
- 52 Do you use a bolt-on Collection Management system Yes No

53 To whom does your Chief Credit Executive report?

- | | | |
|---|---|--|
| <input type="checkbox"/> Controller | <input type="checkbox"/> Treasurer | <input type="checkbox"/> Company President |
| <input type="checkbox"/> VP-Finance/CFO | <input type="checkbox"/> VP-Sales & Marketing | <input type="checkbox"/> Chief A/R Executive |
| <input type="checkbox"/> Customer Service | <input type="checkbox"/> Other | |

54 To whom does your Chief Accounts Receivable Executive report?

- | | | |
|---|---|---|
| <input type="checkbox"/> Controller | <input type="checkbox"/> Treasurer | <input type="checkbox"/> Company President |
| <input type="checkbox"/> VP-Finance/CFO | <input type="checkbox"/> VP-Sales & Marketing | <input type="checkbox"/> Chief Credit Executive |
| <input type="checkbox"/> Customer Service | <input type="checkbox"/> Other | |

55 Do you utilize Electronic Invoicing (any method of non-paper invoicing): Yes No

56 What % of invoices are issued electronically _____%

57 Has the % increased in the last 12 months? Yes No

58 Do you receive Electronic Payments (wire transfers, EFT): Yes No

59 What % of payment items are received electronically _____%

60 Has the % increased in the last 12 months? Yes No

61 Our Top 10 customers represent _____% of sales

62 Our Top 20 customers represent _____% of sales

63 Do you have an auto write-off policy that stipulates, at cash application, customer deductions below a specified amount are automatically written off? Yes No

64 What is your auto write-off tolerance?

Per Check? \$ _____ or _____% of Check

Per Invoice? \$ _____ or _____% of Invoice

65 Do you use an auto-cash system at the front-end of your cash application system? Yes No

66 What is your auto-cash hit rate (closing an item 100%)?

Per Check? _____% Per Invoice? _____%

67 Indicate the dollar amount that you will automatically ship with no credit investigation to new accounts?

- | | |
|------------------------|-------------------------|
| ___ None | ___ \$5,001 to \$7,500 |
| ___ \$1 to \$500 | ___ \$7,501 to \$10,000 |
| ___ \$501 to \$1,000 | ___ Over \$10,000 |
| ___ \$1,001 to \$5,000 | |

Place an X in the area of your company or business unit that is responsible for the following tasks:			
	Credit, Accounting, A/R, Finance, Treasury	Operations, Logistics	Sales, Marketing
Maintain Customer Master File (Database)			
Customer investigation and analysis			
Approval or establishment of credit lines			
Enforcement of credit lines			
Routine Collections			
Cash Application			
G/L Entries (if not automated)			
Deduction research			
Deduction collection			
Deduction resolution			
Vendor Compliance			
Cash management / Investment			
Customer Bankruptcy & workout			
Customer Service			
Bad Debt reserves			
Develop Credit Policy			
Order Fulfillment			

Beginning Gross Receivables

Receivables balance at beginning of 12-month period being reported. Consider all domestic open accounts and notes receivable, deferred billings or datings, past-due billings, suspense accounts, charge backs, invoice deductions, bankruptcies, claims, disputes, litigation and accounts placed for collections. (If items such as bankruptcies and claims have already been written off to bad debt, do not add them back into the AR for this data). Companies with leasing arrangements should report only the portion of those leases that have been billed.

2. Annual Credit Sales

Total invoiced receivable for the 12-month period reported. Include freight, taxes, and containers.

3. Ending Gross Total Receivables

Receivables balance at end of 12-month period being reported.

4. Ending Total A/R of Deductions ONLY

Receivables balance of customer deductions at end of 12-month period being reported.

5. Ending Current Receivables (Include Future and Deferred AR)

Portion of domestic open accounts and notes not yet due as of end of 12-month period according to terms, include datings and deferred items.

6. Receivables Beyond 60 Days

Receivables 61 days or more past due (aged on actual due date).

7. Receivables Beyond 180 Days

Receivables 181 days or more past due (aged on actual due date).

8. Annual Bad Debt Write-offs

Bankruptcies, out-of-court settlements, bulk transfers, third party collections and any uncollectible amounts due to inability to pay.

9. Annual Bad Debt Recoveries

Any money collected (recovered) from a previously written-off receivable for customers due to Bankruptcies, out-of-court settlements, bulk transfers, third party collections and any uncollectible amounts due to inability to pay.

10. Ending Number of A/R items

Include all invoices, credits, adjustments, deductions, overpayment, unapplied cash, checks, and all items in the accounts receivable.

11. Total # of Active Customers who have purchased in the last 12 months

The count of the number of customer paypoint locations who have purchased in the last 12 months. A paypoint location is the location that you deal with for your credit and collection activity. If a customer has multiple locations, but pays from one central point, that would be one customer. If they pay from two locations, then count as two.

12. Annual Number of Payments (checks or electronic) Processed

These are paper checks or electronic transactions that require manual posting by cash applicators.

13. Annual Number of Invoices Processed

The number of invoices created in the 12-month period.

14. Annual Number of Credit Memos Processed

The number of credits created in the 12-month period.

15. Number of Deductions at Beginning of Year

The number of deductions on the AR at the beginning of this 12-month period.

16. Number of Deductions at End of Year

The number of deductions on the AR at the end of this 12-month period.

17. Number of NEW Deductions Created in the Year

This is the total number of all deductions created for all reasons over the reported 12-month period.

18. Number of Deductions REMOVED During the Year

This is the total number of all deductions removed (written-off or paid) over the reported 12-month period.