

Credit Research Foundation

Benchmarking Report



**Credit
Research
Foundation**

Company Report for:
Sample Data Company

Report Prepared:
4/27/2008

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A passion for the business of accounting™

The Credit Research Foundation (CRF) appreciates Grant Thornton LLP's assistance and sponsorship of this benchmarking project. CRF holds the work that Grant Thornton LLP experts have lent to this effort in high regard, and is grateful for the funding that brought the project to completion.

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Credit Research Foundation's Statistical Benchmarking Report

Statistical Benchmarking is an important element of the quality process for improving performance. By comparing selected business results among a group of companies, an organization can:

- Determine its relative position within a peer group;
- Gather a baseline against which to measure its operations; and
- Identify the activities required to raise its organization's level of performance.

This CRF report analyzes your company's results alongside other company's data for ease of comparison. In addition, the report also displays the high, low and median result to give you an idea of the performance range.

The objective of the Credit Research Foundation in this initiative is three-fold:

- (1) Information Clearing House - As a third party organization, CRF's interest is to offer an opportunity for companies to exchange information, benchmark with each other on performance issues and, at the same time, ensure the confidentiality of data.
- (2) Communication Link - When data is obtained for a particular group (such as various divisions of a corporation or a special project of an industry group), participating companies are encouraged to discuss with each other the results and potential strategies for improvement. CRF can facilitate that communication.
- (3) Education - For those that are new to the benchmarking concept, it is hoped that this report will enhance your understanding of the role of benchmarking and its potential benefit to the credit, collection and accounts receivable functions.

The Role of the Credit Research Foundation

We believe this benchmarking study, started by CRF in 1990, is the most comprehensive work produced in this area. CRF has gained expertise in the area of credit, accounts receivable and related disciplines through its broad network of respected and top-level members who have given the Foundation an unrivaled reputation for carrying out research by contributing their time and talent for the benefit of the profession.

The purpose of our benchmarking is to help generate a hypothesis of why one organization's performance is better or worse than another's. This is the first step in improving practices, not the last step in judging them. To this end, our role is to not only to provide statistical information, but to give you information in useful, understandable ways so you can make your practices better.

CRF's benchmarking system deals with statistical information related to business performance. In order for us to be able to provide accurate benchmarks of business performance we need to gather information about individual businesses and aggregate it into a central database. This information may be commercially sensitive and as such we have taken a number of steps to ensure the information is handled appropriately. A key factor in the protection of individual business information is ensuring any statistical data provided for comparisons cannot be used to identify or find information on an individual business. Credit Research Foundation agrees not to disclose to any party (corporation, partnership, proprietorship or individual) the company name, individual name, address, city, state or zip code of any participant in Credit Research Foundation's Benchmarking Study.

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EXECUTIVE SUMMARY



AREA	PERFORMANCE MEASURE	YOUR FIRM'S DATA	ALL INDUSTRIES # Of companies = 287			Sample Group # Of companies = 40		
			Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile
FINANCIAL PERFORMANCE	DSO (Days Sales Outstanding)	63.11	30.93	41.82	53.85	24.42	38.25	43.08
	Best Possible DSO	49.96	24.91	32.43	43.59	16.73	28.49	32.82
	Percent Current	79.2%	72.7%	84.4%	93.5%	69.3%	77.6%	79.4%
	Percent AR Greater Than 60 Days	0.6%	0.4%	1.7%	5.0%	1.0%	1.4%	4.7%
	Gross Bad Debt as % of Sales	1.0396%	0.0172%	0.0602%	0.1373%	0.0649%	0.1077%	0.1574%
	Deductions as % of AR (\$)	0.039%	0.494%	1.853%	4.904%	0.014%	0.683%	9.605%
	Accounts Receivable Turnover	5.78	6.75	8.73	11.77	6.36	9.56	12.32
CUSTOMER METRICS	Avg # of invoices per customer	12	24	61	152	12	27	55
	Number of active customers	10,528	450	1,500	5,126	383	5,690	9,150
DEDUCTION METRICS	Deduction Turnover	1.92	4.18	7.21	13.21	2.13	4.98	6.70
	Deductions processing cost per deduction processed	\$0.42	\$5.76	\$14.62	\$57.16	\$0.61	\$28.33	\$88.38
BUSINESS PRACTICES	% of Late Payment Charges Collected	97%	21%	45%	72%		97%	
	Auto Write-off Per Check Invoice	\$25 N/A	\$10 \$10	\$25 \$50	\$75 \$100	\$20	\$25 \$50	\$55
	Auto-cash hit rate per check	N/A	46%	70%	84%	36%	80%	88%
	% of Customers in Highest Risk Category	2%	5%	10%	20%	1%	3%	3%

I. DATA DEMOGRAPHICS



Industry or Line of Business	YOUR FIRM'S DATA	ALL INDUSTRIES	Sample Group
Consumer Goods - (E.g.: apparel, footwear and textiles, cosmetics and personal products, food and beverage, household products, appliances and tools, autos, trucks and parts, consumer electronics, entertainment, furniture, office products, recreational products, toys)	X	37%	30%
Industrial - (E.g.: construction and materials (building and heavy), industrial equipment (electrical components, factory equipment, heavy machinery), industrial services, containers and packaging, industrial transportation (marine, rail, trucking and air freight))		21%	50%
Technology - (E.g.: computer peripherals, network devices, storage devices, hardware, communications equipment, electronic instruments and controls, scientific and technical instruments, software)		7%	10%
Services - (E.g.: advertising and media, business services, security, broadcasting and cable, personal and household, printing, publishing, retail, travel, waste management)		3%	0%
Basic Materials - (E.g.: chemicals, mining and metals, plastics, rubber, iron, steel, paper and paper products, fabricated products)		17%	10%
Distribution and Wholesale (non-manufacturing)		7%	0%
Healthcare - (E.g.: biotechnology and drugs, major drugs and pharmaceuticals, medical equipment and supplies, healthcare provider)		4%	0%
Energy - (E.g.: oil and gas (oil drilling, oil companies), pipelines)		1%	0%
Telecommunications (fixed line and wireless)		0%	0%
Conglomerate (Use if your company clearly crosses major business sectors)		2%	0%

II. FINANCIAL PERFORMANCE



PERFORMANCE MEASURE	YOUR FIRM'S DATA	ALL INDUSTRIES			Sample Group		
		Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile
DSO (Days Sales Outstanding)	63.11	31.01	41.71	53.73	27.83	39.69	44.10
Best Possible DSO	49.96	24.86	32.08	43.56	19.08	28.50	33.79
ADD (Average Days Delinquent)	13.14	2.70	6.41	11.70	6.71	8.87	12.66
CEI (Collection Effectiveness Indicator)	81.93	69.80	82.58	91.92	52.88	77.94	81.18
Percent Current	79.2%	72.7%	84.3%	92.4%	69.3%	77.3%	79.4%
Percent AR Greater Than 60 Days	0.6%	0.4%	1.7%	5.0%	1.0%	2.1%	5.5%
Percent AR Greater Than 180 Days	0.0%	0.1%	0.5%	2.0%	-2.6%	0.5%	2.5%
Gross Bad Debt as % of Sales	1.0396%	0.0178%	0.0592%	0.1366%	0.0579%	0.1131%	0.1704%
Bad Debt Recovery as % of Sales	0.6824%	0.0028%	0.0104%	0.0326%	0.0041%	0.0165%	0.0649%
Net Bad Debt as a % of Sales	0.357%	0.013%	0.053%	0.144%	0.013%	0.089%	0.137%
Deductions as % of AR (\$)	0.039%	0.554%	1.925%	4.914%	0.014%	0.683%	9.605%
Deductions as % of AR (items)	5.95%	1.66%	4.20%	11.47%	2.25%	8.75%	15.97%
Accounts Receivable Turnover	5.78	6.78	8.75	11.76	6.36	9.20	9.98

III. CUSTOMER METRICS



PERFORMANCE MEASURE	YOUR FIRM'S DATA	ALL INDUSTRIES			Sample Group		
		Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile
Top 10 customers as % of sales	60%	30%	51%	70%	36%	52%	60%
Top 20 customers as % of sales	82%	40%	68%	82%	48%	70%	78%
Average invoice size	\$14,653	\$1,192	\$3,127	\$9,220	\$1,032	\$3,842	\$10,309
Average number of invoices per customer within 1 year	12	23	59	131	14	27	55
Number of active customers	10,528	487	1,719	5,452	383	2,685	8,655

PERCENT OF RESPONDENTS WHOSE CUSTOMERS ARE:	YOUR FIRM'S DATA	ALL INDUSTRIES	Sample Group
Retailers that sell to end consumers (such as dept. stores, chains, grocery, discount "clubs")	X	29%	30%
Distributors / Wholesalers / Resellers that are high unit value / low unit volume		14%	10%
Distributors / Wholesalers / Resellers that are low unit value / high unit volume		23%	10%
Contractors / Construction Companies		6%	10%
Manufacturers		22%	30%
Service Providers (telecom, health care, legal, personnel, etc)		6%	10%

IV. DEDUCTION METRICS



PERFORMANCE MEASURE	YOUR FIRM'S DATA	ALL INDUSTRIES			Sample Group		
		Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile
Number of Deductions processed per deduction processing employee	25,897	509	2,167	6,756	239	3,308	16,078
Deductions processing costs as % of sales	0.0066%	0.0086%	0.0200%	0.0540%	0.0069%	0.0265%	0.0469%
Deduction Turnover	1.92	4.29	7.27	14.13	2.13	4.98	6.70
Deductions processing cost per deduction processed	\$0.42	\$5.99	\$18.80	\$75.00	\$0.61	\$28.33	\$88.38
Deductions cost per Deductions personnel	\$10,800	\$35,106	\$42,884	\$58,000	\$11,683	\$35,000	\$41,108
Deductions as % of sales	0.007%	0.061%	0.227%	0.554%	0.002%	0.077%	0.930%
Deductions as % of AR (\$)	0.039%	0.554%	1.925%	4.914%	0.014%	0.683%	9.605%
Deductions as % of AR (items)	5.95%	1.66%	4.20%	11.47%	2.25%	8.75%	15.97%
Sales per Deductions personnel	\$164,851,268	\$82,298,448	\$193,936,544	\$537,596,264	\$53,225,000	\$145,171,360	\$164,851,268
Sales per Deductions personnel cost	\$15,264	\$1,666	\$5,010	\$11,017	\$1,437	\$3,773	\$8,954

PERFORMANCE MEASURE	YOUR FIRM'S DATA	YES RESPONSES ALL INDUSTRIES	YES RESPONSES Sample Group
Deduction balances included in AR portfolio	Yes	90%	90%

Personnel includes FTEs and outsourced workers

Cost is combined FTE salaries and outsourced fees

V. EFFICIENCY METRICS



CREDIT / RISK							
PERFORMANCE MEASURE	YOUR FIRM'S DATA	ALL INDUSTRIES			Sample Group		
		Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile
Sales per Credit / Risk personnel	\$48,202,125	\$103,374,346	\$254,352,832	\$674,433,024	\$62,561,994	\$493,012,064	\$555,986,792
Sales per Credit / Risk personnel cost	\$675	\$1,514	\$3,507	\$7,648	\$675	\$6,245	\$10,281
Number of customers per Credit / Risk personnel	277	352	1,000	2,685	219	1,146	2,675
Credit / Risk cost per Credit / Risk personnel	\$71,434	\$50,000	\$70,160	\$84,526	\$47,600	\$52,500	\$63,400
Credit / Risk cost per customer	\$258	\$25	\$58	\$196	\$10	\$50	\$58
Credit / Risk cost as % of Sales	0.148%	0.013%	0.029%	0.064%	0.007%	0.027%	0.052%

Personnel includes FTEs and outsourced workers

Cost is combined FTE salaries and outsourced fees

V. EFFICIENCY METRICS (Cont'd.)



CASH APPLICATION							
PERFORMANCE MEASURE	YOUR FIRM'S DATA	ALL INDUSTRIES			Sample Group		
		Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile
Checks processed per Cash Application personnel	3,639	5,820	13,000	26,100	3,481	8,275	13,082
Cash Application cost per check processed	\$8.52	\$1.47	\$3.30	\$7.07	\$2.03	\$4.10	\$8.52
Cash Applications cost per Cash Application personnel	\$31,000	\$34,326	\$40,289	\$51,803	\$31,000	\$34,175	\$40,000
Transactions per Cash Application personnel	23,781	31,898	92,876	219,577	27,836	60,000	75,611
Cash Application cost per Transaction	\$1.304	\$0.223	\$0.479	\$1.046	\$0.198	\$0.643	\$0.813
Sales per Cash Application personnel	\$87,222,893	\$93,983,949	\$236,119,808	\$596,929,500	\$95,990,728	\$265,714,288	\$516,517,617
Sales per Cash Application personnel cost	\$2,814	\$2,198	\$5,258	\$13,906	\$2,814	\$5,738	\$8,857
Cash Application cost as % of Sales	0.036%	0.007%	0.019%	0.043%	0.007%	0.020%	0.027%

Personnel includes FTEs and outsourced workers

Cost is combined FTE salaries and outsourced fees

V. EFFICIENCY METRICS (Cont'd.)



COLLECTIONS							
PERFORMANCE MEASURE	YOUR FIRM'S DATA	ALL INDUSTRIES			Sample Group		
		Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile
Number of Invoices per Collection personnel	8,750	17,956	36,264	103,600	9,813	23,529	42,583
Least number of customers handled by a Collector	5	32	105	400	16	150	425
Most number of customers handled by a Collector	3,700	192	450	1,099	110	700	1,614
Number of customers handled per Collection personnel	737	239	667	1,500	139	681	927
Sales per Collection personnel	\$128,217,653	\$59,375,170	\$132,635,048	\$334,166,667	\$87,557,518	\$128,217,656	\$233,689,249
Sales per Collection personnel cost	\$3,330	\$1,271	\$2,679	\$6,000	\$2,188	\$2,875	\$4,563
Collection cost per Collection personnel	\$38,500	\$39,581	\$45,652	\$59,586	\$32,500	\$41,750	\$47,600
Collection cost per customer	\$52.24	\$27.80	\$67.00	\$179.05	\$12.53	\$43.17	\$99.88
Collection cost as % of Sales	0.030%	0.016%	0.037%	0.076%	0.008%	0.036%	0.045%

Personnel includes FTEs and outsourced workers

Cost is combined FTE salaries and outsourced fees

V. EFFICIENCY METRICS (Cont'd.)



MISCELLANEOUS							
PERFORMANCE MEASURE	YOUR FIRM'S DATA	ALL INDUSTRIES			Sample Group		
		Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile
Deductions cost per Deductions personnel	\$10,800	\$35,106	\$42,884	\$58,000	\$11,683	\$35,000	\$41,108
Sales per total personnel of all areas	\$20,489,327	\$20,595,429	\$40,442,484	\$97,662,449	\$21,742,151	\$34,941,208	\$54,950,541
Sales per total personnel cost of all areas	\$453	\$405	\$805	\$1,657	\$453	\$955	\$1,233
System and IT costs per customer	\$1.19	\$3.63	\$10.65	\$38.89	\$0.53	\$1.16	\$1.19
System and IT costs per check	\$0.16	\$0.56	\$1.33	\$2.59	\$0.08	\$0.24	\$0.31
System and IT costs per Invoice	\$0.10	\$0.13	\$0.37	\$0.85	\$0.02	\$0.08	\$0.10
Sales per Travel Dollars	\$61,056	\$27,943	\$54,000	\$105,374	\$29,604	\$57,141	\$70,101
Travel Dollars per customer	\$2.85	\$1.95	\$6.67	\$16.17	\$0.24	\$4.47	\$7.45

All areas includes Credit/Risk, Cash Application, Collections, Deduction Processing and All Other FTEs that support these functions

Personnel includes FTEs and outsourced workers

Cost is combined FTE salaries and outsourced fees

VI. OUTSOURCING METRICS



Percentage of Workload That is Outsourced					
	Credit Risk	Cash Application	Collections	Deduction Processing	Other
YOUR FIRM'S DATA	0%	0%	30%	10%	0%

Percentage of Workload that is Outsourced	ALL INDUSTRIES					Sample Group				
	Function that is Outsourced					Function that is Outsourced				
	Credit Risk	Cash Application	Collections	Deduction Processing	Other	Credit Risk	Cash Application	Collections	Deduction Processing	Other
0%	98%	92%	90%	97%	99%	100%	90%	90%	80%	100%
1 – 25%	1%	1%	4%	1%	1%	0%	10%	0%	10%	0%
26 – 50%	0%	1%	1%	1%	0%	0%	0%	10%	0%	0%
51 – 75%	0%	5%	3%	0%	0%	0%	0%	0%	0%	0%
76 – 99%	0%	1%	0%	0%	0%	0%	0%	0%	10%	0%
100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

How to read this chart: The % under the function is the % of respondents who, for the function indicated, outsource the amount of work designated by % in the left-hand column "Percentage of Workload that is Outsourced".

VII. COST ANALYSIS METRICS



YOUR FIRM'S DATA				
COST ELEMENT	% of Sales	% of Personnel Cost	Per Customer	Per Personnel
TOTAL COST	0.5105%	231.12%	\$888.11	\$104,590
Collection Expenses	0.0071%	3.21%	\$12.35	\$1,454
Outside Services	0.0004%	0.19%	\$0.71	\$84
Outsourcing	0.0082%	3.71%	\$14.25	\$1,678
Travel	0.0016%	0.74%	\$2.85	\$336
Occupancy or Rent	0.0027%	1.24%	\$4.75	\$559
IT System Depreciation / Amortization	0.0007%	0.31%	\$1.19	\$140

(Medians)	ALL INDUSTRIES				Sample Group			
COST ELEMENT	% of Sales	% of Personnel Cost	Per Customer	Per Personnel	% of Sales	% of Personnel Cost	Per Customer	Per Personnel
TOTAL COST	0.1691%	117.19%	\$279.71	\$63,590	0.1332%	112.50%	\$291.19	\$46,667
Collection Expenses	0.0040%	3.57%	\$7.12	\$1,667	0.0035%	2.27%	\$7.64	\$736
Outside Services	0.0090%	7.45%	\$21.16	\$3,750	0.0098%	12.50%	\$25.53	\$2,682
Outsourcing	0.0099%	5.43%	\$27.78	\$4,477	0.0117%	12.67%	\$95.85	\$6,250
Travel	0.0019%	1.82%	\$6.67	\$982	0.0018%	1.25%	\$4.47	\$501
Occupancy or Rent	0.0062%	5.67%	\$9.45	\$2,940	0.0027%	1.24%	\$4.75	\$559
IT System Depreciation / Amortization	0.0093%	7.14%	\$10.65	\$2,850	0.0015%	1.47%	\$1.16	\$606

TOTAL COST includes all above noted cost elements and all other operating expenses

Personnel includes FTEs and outsourced workers

Cost is combined FTE salaries and outsourced fees

VIII. PERSONNEL COSTS AND VOLUME METRICS SUMMARY



PERFORMANCE MEASURE	YOUR FIRM'S DATA	ALL INDUSTRIES			Sample Group		
		Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile
Sales per Credit / Risk personnel	\$48,202,125	\$103,374,346	\$254,352,832	\$674,433,024	\$62,561,994	\$493,012,064	\$555,986,792
Sales per Cash Application personnel	\$87,222,893	\$93,983,949	\$236,119,808	\$596,929,500	\$95,990,728	\$265,714,288	\$516,517,617
Sales per Collection personnel	\$128,217,653	\$59,375,170	\$132,635,048	\$334,166,667	\$87,557,518	\$128,217,656	\$233,689,249
Sales per Deductions personnel	\$164,851,268	\$82,298,448	\$193,936,544	\$537,596,264	\$53,225,000	\$145,171,360	\$164,851,268
Sales per total personnel of all areas	\$20,489,327	\$20,595,429	\$40,442,484	\$97,662,449	\$21,742,151	\$34,941,208	\$54,950,541
No. of customers per Credit / Risk personnel	277	352	1,000	2,685	219	1,146	2,675
Checks processed per Cash App personnel	3,639	5,820	13,000	26,100	3,481	8,275	13,082
Transactions per Cash Application personnel	23,781	31,898	92,876	219,577	27,836	60,000	75,611
Number of Invoices per Collection personnel	8,750	17,956	36,264	103,600	9,813	23,529	42,583
No. of customers per Collection personnel	737	239	667	1,500	139	681	927
Least no. of customers handled by a Collector	5	32	105	400	16	150	425
Most no. of customers handled by a Collector	3,700	192	450	1,099	110	700	1,614
No. of Deductions per deduction employee	25,897	509	2,167	6,756	239	3,308	16,078
Credit / Risk cost per Credit / Risk personnel	\$71,434	\$50,000	\$70,160	\$84,526	\$47,600	\$52,500	\$63,400
Cash App cost per Cash Application personnel	\$31,000	\$34,326	\$40,289	\$51,803	\$31,000	\$34,175	\$40,000
Collection cost per Collection personnel	\$38,500	\$39,581	\$45,652	\$59,586	\$32,500	\$41,750	\$47,600
Deductions cost per Deductions personnel	\$10,800	\$35,106	\$42,884	\$58,000	\$11,683	\$35,000	\$41,108
Total Personnel cost per total personnel	\$45,253	\$41,758	\$49,778	\$62,571	\$36,875	\$42,043	\$45,253

Personnel includes FTEs and outsourced workers

Cost is combined FTE salaries and outsourced fees

IX. BUSINESS PRACTICES METRICS



PERFORMANCE MEASURE	YOUR FIRM'S DATA	YES RESPONSES ALL INDUSTRIES	YES RESPONSES Sample Group
Percent of companies charging late payment fees	Yes	18%	10%
Percent that accept credit cards	Yes	57%	78%
Credit card sales included in credit sales	Yes	59%	78%
Percent of companies allowing anticipation payment discount	Yes	31%	33%

PERFORMANCE MEASURE	YOUR FIRM'S DATA	ALL INDUSTRIES			Sample Group		
		Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile
Percent of late payment charges ultimately collected	97%	34%	39%	64%		97%	
Annual dollars of credit card sales as a percent of sales	0.582%	0.124%	0.561%	2.298%	0.009%	0.386%	1.006%

IX. BUSINESS PRACTICES METRICS (Cont'd.)



YOUR FIRM'S DATA			
	Using	% Electronic versus paper	Volume has Increased in last 12 months
Electronic Invoicing	Yes	32%	Yes
Electronic Payments (Wire transfers, EFT)	Yes	20%	Yes

	ALL INDUSTRIES			Sample Group		
	Using	% Electronic versus paper	Volume has Increased in last 12 months	Using	% Electronic versus paper	Volume has Increased in last 12 months
Electronic Invoicing	81%	30%	73%	80%	32%	56%
Electronic Payments (Wire transfers, EFT)	99%	18%	68%	100%	25%	70%

Electronic Invoicing is any method of non-paper invoicing

IX. BUSINESS PRACTICES METRICS (Cont'd.)



YOUR FIRM'S DATA		
AUTO WRITE-OFF POLICIES	\$ Per Check	% of Check
Yes	\$25	N/A
	\$ Per Invoice	% of Invoice
	N/A	2%

ALL INDUSTRIES							Sample Group						
% WITH AUTO WRITE-OFF POLICIES	\$ Per Check			% of Check			% WITH AUTO WRITE-OFF POLICIES	\$ Per Check			% of Check		
	Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile		Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile
78%	\$10	\$38	\$100	0%	0%	1%	80%		\$38			10%	
	\$ Per Invoice			% of Invoice				\$ Per Invoice			% of Invoice		
	\$10	\$50	\$100	0%	1%	3%		\$50	\$50	\$55		2%	

IX. BUSINESS PRACTICES METRICS (Cont'd.)



PERFORMANCE MEASURE	YOUR FIRM'S DATA	YES RESPONSES ALL INDUSTRIES	YES RESPONSES Sample Group
% of Companies that use an auto-cash system	Yes	57%	70%

PERFORMANCE MEASURE	YOUR FIRM'S DATA	ALL INDUSTRIES			Sample Group		
		Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile
Auto-cash hit rate per check (closing an item 100%)	N/A	48%	68%	81%	36%	75%	83%
Auto-cash hit rate per invoice (closing an item 100%)	80%	60%	80%	90%		80%	

IX. BUSINESS PRACTICES METRICS (Cont'd.)



DOLLAR AMOUNT AUTOMATICALLY SHIPPED WITH NO CREDIT INVESTIGATION TO NEW ACCOUNTS							
DOLLARS	YOUR FIRM'S DATA	ALL INDUSTRIES	Sample Group	DOLLARS	YOUR FIRM'S DATA	ALL INDUSTRIES	Sample Group
None		53%	20%	\$5,001 to \$7,500		0%	0%
\$1 to \$500		9%	10%	\$7,501 to \$10,000		4%	10%
\$501 to \$1,000	X	8%	40%	Over \$10,000		7%	0%
\$1,001 to \$5,000		19%	20%				

IX. BUSINESS PRACTICES METRICS (Cont'd.)



ASSIGNMENT OF A RISK CODE OR CUSTOMER CLASSIFICATION	YOUR FIRM'S DATA	YES RESPONSES ALL INDUSTRIES	YES RESPONSES Sample Group
Risk Code	Yes	55%	50%

PERCENT OF CUSTOMERS IN THE HIGHEST (TOP THIRD) RISK CATEGORY	YOUR FIRM'S DATA	ALL INDUSTRIES			Sample Group		
		Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile
Highest Risk (Top Third)	2%	5%	10%	20%	1%	3%	3%

X. ORGANIZATIONAL STRUCTURE / RESPONSIBILITIES

YOUR FIRM'S DATA									
	REPORTING TO								
	Controller	Treasurer	Customer Service	VP Sales / Marketing	Chief AR Executive	VP Finance / CFO	Chief Credit Executive	Company President	Other
Chief Credit Executive						X			
Chief AR Executive							X		

ALL INDUSTRIES									
	REPORTING TO								
	Controller	Treasurer	Customer Service	VP Sales / Marketing	Chief AR Executive	VP Finance / CFO	Chief Credit Executive	Company President	Other
Chief Credit Executive	23%	19%	0%	0%	1%	39%		4%	12%
Chief AR Executive	28%	11%	2%	0%		28%	14%	2%	13%
Sample Group									
Chief Credit Executive	20%	20%	10%	0%	0%	20%		10%	20%
Chief AR Executive	30%	10%	10%	0%		20%	10%	0%	20%

X. ORGANIZATIONAL STRUCTURE / RESPONSIBILITIES (Cont'd.)

WHERE THE FOLLOWING FUNCTIONS ARE PRIMARILY PERFORMED								
FUNCTION		Headquarters (Centralized)	Shared Services (Consolidated)	Business Unit (Decentralized)	Regional Office	Plant / Facility	Outsourced	Other
Order Processing	YOUR FIRM'S DATA		X					
	ALL INDUSTRIES	47%	7%	30%	5%	9%	0%	1%
	Sample Group	60%	10%	0%	20%	10%	0%	0%
Billing	YOUR FIRM'S DATA		X					
	ALL INDUSTRIES	60%	14%	16%	2%	7%	1%	0%
	Sample Group	60%	10%	10%	0%	20%	0%	0%
Credit	YOUR FIRM'S DATA	X						
	ALL INDUSTRIES	73%	16%	5%	3%	3%	0%	0%
	Sample Group	80%	10%	0%	0%	10%	0%	0%
Collections	YOUR FIRM'S DATA	X						
	ALL INDUSTRIES	67%	12%	13%	4%	3%	1%	0%
	Sample Group	70%	10%	0%	10%	10%	0%	0%

X. ORGANIZATIONAL STRUCTURE / RESPONSIBILITIES (Cont'd.)

WHERE THE FOLLOWING FUNCTIONS ARE PRIMARILY PERFORMED								
FUNCTION		Headquarters (Centralized)	Shared Services (Consolidated)	Business Unit (Decentralized)	Regional Office	Plant / Facility	Outsourced	Other
Customer Payments (Cash Applications)	YOUR FIRM'S DATA		X					
	ALL INDUSTRIES	68%	18%	7%	2%	3%	1%	1%
	Sample Group	70%	20%	0%	0%	10%	0%	0%
Dispute Resolution	YOUR FIRM'S DATA		X					
	ALL INDUSTRIES	55%	9%	23%	6%	5%	1%	0%
	Sample Group	50%	10%	10%	10%	10%	10%	0%
Customer Data Management	YOUR FIRM'S DATA	X						
	ALL INDUSTRIES	67%	12%	14%	3%	3%	0%	0%
	Sample Group	80%	10%	0%	0%	10%	0%	0%

X. ORGANIZATIONAL STRUCTURE / RESPONSIBILITIES (Cont'd.)

TASK	% Reporting Area Responsible								
	Credit, Accounting, AR, Finance, Treasury			Operations, Logistics			Sales, Marketing		
	YOUR FIRM'S DATA	ALL INDUSTRIES	Sample Group	YOUR FIRM'S DATA	ALL INDUSTRIES	Sample Group	YOUR FIRM'S DATA	ALL INDUSTRIES	Sample Group
Maintain Customer Master File (Database)		54%	44%		20%	11%	X	27%	44%
Customer Analysis and Investigation	X	95%	100%		2%	0%		3%	0%
Approval or establishment of credit lines	X	100%	100%		0%	0%		0%	0%
Enforcement of credit lines	X	99%	100%		1%	0%		0%	0%
Routine Collections	X	93%	89%		2%	0%		5%	11%
Cash Application	X	99%	89%		1%	11%		0%	0%
G/L Entries (if not automated)	X	97%	89%		2%	11%		0%	0%
Deduction research		63%	50%		16%	13%	X	21%	38%
Deduction collection	X	87%	88%		6%	0%		7%	13%

X. ORGANIZATIONAL STRUCTURE / RESPONSIBILITIES (Cont'd.)

TASK	% Reporting Area Responsible								
	Credit, Accounting, AR, Finance, Treasury			Operations, Logistics			Sales, Marketing		
	YOUR FIRM'S DATA	ALL INDUSTRIES	Sample Group	YOUR FIRM'S DATA	ALL INDUSTRIES	Sample Group	YOUR FIRM'S DATA	ALL INDUSTRIES	Sample Group
Develop Credit Policy	X	100%	100%		0%	0%		0%	0%
Deduction Resolution		63%	50%	X	16%	25%		21%	25%
Order Fulfillment		9%	10%		54%	60%	X	37%	30%
Vendor Compliance		36%	0%	X	40%	75%		24%	25%
Cash Management / Investment	X	99%	100%		1%	0%		0%	0%
Customer Bankruptcy and Workout	X	99%	100%		1%	0%		0%	0%
Customer Service		14%	10%		33%	20%	X	54%	70%
Bad Debt Reserves	X	99%	100%		0%	0%		0%	0%

XI. SYSTEMS INFORMATION



ACCOUNTS RECEIVABLE SYSTEM	YOUR FIRM'S DATA	ALL INDUSTRIES	Sample Group
SAP	X	24%	50%
Oracle		8%	0%
PeopleSoft		3%	10%
JD Edwards		11%	10%
Lawson		1%	0%
Great Plains		1%	0%
Walker/Carms		2%	0%
NMC Technologies		1%	0%
Legacy System		15%	10%
Other System		34%	20%

SYSTEM	YOUR FIRM'S DATA	YES RESPONSES ALL INDUSTRIES	YES RESPONSES Sample Group
Bolt-on Deduction Management System	Yes	14%	40%
Bolt-on Collection Management System	Yes	15%	10%

XI. SYSTEMS INFORMATION (Cont'd.)



CREDIT SCORING	ALL INDUSTRIES	Sample Group
Percentage that Utilizes Credit Scoring:	50%	40%

CREDIT SCORING SYSTEM	YOUR FIRM'S DATA	ALL INDUSTRIES	Sample Group
Package	X	47%	50%
Developed In-House		53%	50%

USE OF CREDIT SCORING SYSTEM FOR:	YOUR FIRM'S DATA	YES RESPONSES ALL INDUSTRIES	YES RESPONSES Sample Group
Credit Analysis	Yes	49%	40%
Failure Protection	N/A	26%	33%
Collection Prioritization	Yes	18%	20%
Predicting Timely Payment	N/A	18%	22%
Fraud Protection	N/A	4%	11%
Portfolio Management	Yes	25%	30%

XII. YOUR FIRM'S DATA



YOUR FIRM'S DATA			
Industry or Line of Business	Consumer Goods	Where is the Credit function primarily performed within your organization	Headquarters
Primary SIC			
SIC Code 2		Where is the Collections function primarily performed within your organization	Headquarters
SIC Code 3			
SIC Code 4		Where is the Customer Payments function primarily performed within your organization	Shared Services
SIC Code 5			
SIC Code 6		Where is the Dispute Resolution function primarily performed within your organization	Shared Services
Are you willing to discuss your results with other CRF members	Yes		
Your company's primary source of revenue comes from customers who are:	Retailers that sells to end consumers	Where is the Customer Data Management function primarily performed within your organization	Headquarters
Your primary system for managing the A/R cash application:	SAP	Month and Year of the reported data	1 2004
Where is the Order Processing function primarily performed within your organization	Shared Services	Beginning Gross Receivables	463,240,009
		Annual Credit Sales	1,831,680,752
Where is the Billing function primarily performed within your organization	Shared Services	Ending Gross Total Receivables	316,700,650
		Ending Total A/R of Deductions ONLY	125,000

XII. YOUR FIRM'S DATA (Cont'd.)



YOUR FIRM'S DATA			
Ending Current Receivables	250,737,612	Number of Credit / Risk FTEs that work for your organization	38.00
Receivables Beyond 60 Days	2,039,034	Number of Cash Application FTEs that work for your organization	21.00
Receivables Beyond 180 Days	90,000	Number of Collections FTEs that work for your organization	10.00
Annual Bad Debt Write-offs	19,041,300	Number of Deduction Processing FTEs that work for your organization	10.00
Annual Bad Debt Recoveries	12,500,000	Number of All Other FTEs that work for your organization	5.00
Ending Number of A/R items	5,103,508	Total Salary and Benefits for the Credit / Risk FTEs that work for your organization	2,714,494
Total # of Active Customers who have purchased in the last 12 months	10,528	Total Salary and Benefits for the Cash Application FTEs that work for your organization	651,000
Annual Number of Checks Processed	76,415	Total Salary and Benefits for the Collections FTEs that work for your organization	500,000
Annual Number of Invoices Processed	125,000	Total Salary and Benefits for the Deduction Processing FTEs that work for your organization	20,000
Annual Number of Credit Memos Processed	10,250	Total Salary and Benefits for All Other FTEs that work for your organization	10,000
Number of Deductions at Beginning of Year	341,194	Number of outsourced Credit / Risk FTEs	
Number of Deductions at End of Year	303,547	Number of outsourced Cash Application FTEs	
Number of NEW Deductions Created in the Year	241,194	Number of outsourced Collections FTEs	
Number of Deductions REMOVED During the Year	287,743	Number of outsourced Deduction Processing FTEs	

XII. YOUR FIRM'S DATA (Cont'd.)



YOUR FIRM'S DATA			
Number of outsourced All Other FTEs		Travel	30,000
Percent of Credit / Risk workload that is outsourced	0	Information Technology	12,500
Percent of Cash Application workload that is outsourced	0	Occupancy or Rent	50,000
Percent of Collections workload that is outsourced	30	Least # of customers handled by a single collector	5
Percent of Deduction Processing workload that is outsourced	10	Most # of customers handled by a single collector	3,700
Percent of All Other workload that is outsourced	0	Does your organization charge a late payment fee?	Yes
Annual costs of Credit / Risk outsourcing		Annual Dollars Billed of Late Payment Charges	789,350
Annual costs of Cash Application outsourcing		Annual Dollars Collected of Late Payment Charges	763,000
Annual costs of Collections outsourcing	50,000	Does your organization accept Credit Cards for payment at the time of a sale?	Yes
Annual costs of Deduction Processing outsourcing	100,000	Are the Credit Card sales included in your credit sales?	Yes
Annual costs of All Other outsourcing		Annual Dollars of Credit Card Transactions	10,654,987
Total annual cost to run Credit, Collections, Cash Application and Deduction Management and Administration	9,350,000	Annual Number of Credit Card Transactions	5,000
Collection Expenses	130,000	Are deduction balances included in your accounts receivable portfolio?	Yes
Outside Services	7,500	Do you allow anticipation payments discounts?	Yes
Outsourcing	150,000	Do you use a credit scoring system for Credit analysis (setting credit lines)?	Yes

XII. YOUR FIRM'S DATA (Cont'd.)



YOUR FIRM'S DATA			
Do you use a credit scoring system for Failure prediction?		Has the percentage of Electronic Invoicing increased in the last 12 months?	Yes
Do you use a credit scoring system for Collection prioritization?	Yes	Do you receive Electronic Payments (wire transfers, EFT)?	Yes
Do you use a credit scoring system for Predicting the likelihood of timely payment?		What percent of payment items are received electronically?	20
Do you use a credit scoring system for Fraud detection?		Has the percentage of Electronic Payments increased in the last 12 months?	Yes
Do you use a credit scoring system for Portfolio management?	Yes	What percentage of sales do the Top 10 customers represent?	60
Do you assign a Risk Code or Classification to your customers?	Yes	What percentage of sales do the Top 20 customers represent?	82
What % of the number of customers do you consider to be in the highest (Top third) risk category?	2	Do you have an auto write-off policy that stipulates, at cash application, customer deductions below a specified amount are automatically written off?	Yes
How was your credit-scoring model developed?	Packaged Model	What is your auto write-off tolerance dollars per check?	25
Do you use a bolt-on Deduction Management system?	Yes	What is your auto write-off tolerance percent of check?	
Do you use a bolt-on Collection Management system?	Yes	What is your auto write-off tolerance dollars per invoice?	
To whom does your Chief Credit Executive report?	VP Finance/CFO	What is your auto write-off tolerance percent of invoice?	2
To whom does your Chief Accounts Receivable Executive report?	Chief Credit Executive	Do you use an auto-cash system at the front-end of your cash application system?	Yes
Do you utilize Electronic Invoicing (any method of non-paper invoicing)?	Yes	What is your auto-cash hit rate (closing an item 100%) per check?	
What percentage of invoices are issued electronically?	32		

XII. YOUR FIRM'S DATA (Cont'd.)



YOUR FIRM'S DATA			
What is your auto-cash hit rate (closing an item 100%) per invoice?	80	The area of your company or business unit that has the ultimate accountability for Deduction resolution	Operations, Logistics
Indicate the dollar amount that you will automatically ship with no credit investigation to new accounts?	\$501 to \$1,000	The area of your company or business unit that has the ultimate accountability for Vendor Compliance	Operations, Logistics
The area of your company or business unit that has the ultimate accountability for Maintain Customer Master File (Database)	Sales, Marketing	The area of your company or business unit that has the ultimate accountability for Cash management / Investment	Credit, Accounting, AR, Finance, Treasury
The area of your company or business unit that has the ultimate accountability for Customer investigation and analysis	Credit, Accounting, AR, Finance, Treasury	The area of your company or business unit that has the ultimate accountability for Customer Bankruptcy and workout	Credit, Accounting, AR, Finance, Treasury
The area of your company or business unit that has the ultimate accountability for Approval or establishment of credit lines	Credit, Accounting, AR, Finance, Treasury	The area of your company or business unit that has the ultimate accountability for Customer Service	Sales, Marketing
The area of your company or business unit that has the ultimate accountability for Enforcement of credit lines	Credit, Accounting, AR, Finance, Treasury	The area of your company or business unit that has the ultimate accountability for Bad Debt reserves	Credit, Accounting, AR, Finance, Treasury
The area of your company or business unit that has the ultimate accountability for Routine Collections	Credit, Accounting, AR, Finance, Treasury	The area of your company or business unit that has the ultimate accountability for Develop Credit Policy	Credit, Accounting, AR, Finance, Treasury
The area of your company or business unit that has the ultimate accountability for Cash Application	Credit, Accounting, AR, Finance, Treasury	The area of your company or business unit that has the ultimate accountability for Order Fulfillment	Sales, Marketing
The area of your company or business unit that has the ultimate accountability for G/L Entries (if not automated)	Credit, Accounting, AR, Finance, Treasury		
The area of your company or business unit that has the ultimate accountability for Deduction research	Sales, Marketing		
The area of your company or business unit that has the ultimate accountability for Deduction collection	Credit, Accounting, AR, Finance, Treasury		

XIII. BENCHMARKING DEFINITIONS



TERM	DEFINITION
Accounts Receivable Turnover	An activity metric measured by the ratio of credit sales to accounts receivable. Annual Credit Sales / Ending Total Receivables
ADD (Average Days Delinquent)	DSO - Best Possible DSO
All Other Cost	The total Salary and Benefits for the FTE's that work for your organization and the annual costs of outsourcing. This field is calculated utilizing the Total Salary and Benefits for the FTE's that work for your organization plus the annual costs of outsourcing or the percentage of workload that is outsourced. These costs reflect All other Full Time Employees that Support the Credit, Cash App, Collection and Deduction Functions.
All Other Personnel	The total of Full Time Equivalent Employees and Outsourced FTE's. This field is calculated utilizing the number of Full Time Equivalent Employees that work for your organization plus the number of Outsourced FTE's or percentage of workload that is outsourced. This figure represents All other Full Time Employees that Support the Credit, Cash App, Collection and Deduction Functions.
Auto cash hit rate	Checks: Of those checks received and applied through auto cash, it is the percent of checks completely applied without manual intervention. Invoices: Of those checks received and applied through auto cash, it is the percent of invoices shown on the remittance advice that are completely applied without manual intervention.
Auto write-off tolerance	A tolerance built into a cash application routine which will absorb (allow) payment differences without further review.
Average invoice size	Annual Credit Sales / Annual Number of Invoices Processed
Average number of invoices per customer	Annual Number of Invoices Processed / Total # of Active Customers
Bad Debt Recovery as % of Sales	Annual Bad Debt Recoveries / Annual Credit Sales
Best Possible DSO	(Ending Current Receivables * 365) / Annual Credit Sales
Cash Application Cost	The total Salary and Benefits for the FTE's that work for your organization and the annual costs of outsourcing. This field is calculated utilizing the Total Salary and Benefits for the FTE's that work for your organization plus the annual costs of outsourcing or the percentage of workload that is outsourced. These costs include bank lock-box activities such as check entry, etc.

XIII. BENCHMARKING DEFINITIONS (Cont'd.)



TERM	DEFINITION
Cash Application cost as % of sales	Cash Application costs as indicated by survey / Annual Credit Sales
Cash Application cost per check processed	Cash Application costs as indicated by survey / Annual Number of Checks Processed
Cash Application cost per Transaction	Cash Application costs as indicated by survey / (Annual Number of Checks Processed + Annual Number of Invoices Processed + Annual Number of Credit Memos Processed + Number of Deductions REMOVED During the Year)
Cash Applications cost per Cash Application personnel	Cash Application costs as indicated by survey / Cash Application personnel as indicated by survey
Cash Application Personnel	The total of Full Time Equivalent Employees and Outsourced FTE's. This field is calculated utilizing the number of Full Time Equivalent Employees that work for your organization plus the number of Outsourced FTE's or percentage of workload that is outsourced. This figure includes FTE's that perform bank lock-box activities such as check entry, etc.
CEI (Collection Effectiveness Indicator)	$(\text{Beginning Receivables} + (\text{Annual Credit Sales}/12) - \text{Ending Total Receivables}) / (\text{Beginning Receivables} + (\text{Annual Credit Sales}/12) - \text{Ending Current Receivables})$
Checks processed per Cash Application personnel	Annual Number of Checks Processed / Cash Application personnel as indicated by survey
Collection cost as % of sales	Collection costs as indicated by survey / Annual Credit Sales
Collection cost per Collection personnel	Collection costs as indicated by survey / Collection personnel as indicated by survey
Collection cost per customer	Collection costs as indicated by survey / Total # of Active Customers
Collection Expenses	Collection agencies, lawyers fees, etc.
Collections Cost	The total Salary and Benefits for the FTE's that work for your organization and the annual costs of outsourcing. This field is calculated utilizing the Total Salary and Benefits for the FTE's that work for your organization plus the annual costs of outsourcing or the percentage of workload that is outsourced. These costs reflect only routine collection activities.
Collections Personnel	The total of Full Time Equivalent Employees and Outsourced FTE's. This field is calculated utilizing the number of Full Time Equivalent Employees that work for your organization plus the number of Outsourced FTE's or percentage of workload that is outsourced. These FTE's only perform routine collection activities.

XIII. BENCHMARKING DEFINITIONS (Cont'd.)



TERM	DEFINITION
Credit Risk Cost	The total Salary and Benefits for the FTE's that work for your organization and the annual costs of outsourcing. This field is calculated utilizing the Total Salary and Benefits for the FTE's that work for your organization plus the annual costs of outsourcing or the percentage of workload that is outsourced.
Credit / Risk cost as % of sales	Credit Risk costs as indicated by survey / Annual Credit Sales
Credit / Risk cost per Credit / Risk personnel	Credit Risk costs as indicated by survey / Credit Risk personnel as indicated by survey
Credit / Risk cost per customer	Credit Risk costs as indicated by survey / Total # of Active Customers
Credit Risk Personnel	The total of Full Time Equivalent Employees and Outsourced FTE's. This field is calculated utilizing the number of Full Time Equivalent Employees that work for your organization plus the number of Outsourced FTE's or percentage of workload that is outsourced.
Deduction Cost	The total Salary and Benefits for the FTE's that work for your organization and the annual costs of outsourcing. This field is calculated utilizing the Total Salary and Benefits for the FTE's that work for your organization plus the annual costs of outsourcing or the percentage of workload that is outsourced.
Deduction Personnel	The total of Full Time Equivalent Employees and Outsourced FTE's. This field is calculated utilizing the number of Full Time Equivalent Employees that work for your organization plus the number of Outsourced FTE's or percentage of workload that is outsourced.
Deduction Turnover	$(\text{Number of Deductions at Beginning of Year} + \text{Number of NEW Deductions Created in the Year}) / \text{Number of Deductions at End of Year}$
Deductions as % of AR (\$)	Ending Total A/R of Deductions ONLY / Ending Total Receivables
Deductions as % of AR (items)	Number of Deductions at End of Year / Ending Number of A/R items
Deductions as % of sales	Ending Total A/R of Deductions ONLY / Annual Credit Sales
Deductions cost per Deductions personnel	Deduction costs as indicated by survey / Deductions personnel as indicated by survey
Deductions processing cost per deduction processed	Deduction costs as indicated by survey / Number of Deductions REMOVED During the Year

XIII. BENCHMARKING DEFINITIONS (Cont'd.)



TERM	DEFINITION
Deductions processing costs as % of sales	Deduction costs as indicated by survey / Annual Credit Sales
DSO (Days Sales Outstanding)	$(\text{Ending Total Receivables} * 365) / \text{Annual Credit Sales}$
Gross Bad Debt as % of Sales	Annual Bad Debt Write-offs / Annual Credit Sales
Highest Value	The largest value (maximum) in the data set.
Information Technology	Includes systems costs or allocation, hardware and depreciation and amortization
Least number of customers handled by a Collector	As indicated by survey
Lower Quartile	The first quartile. Cuts off at lowest 25% of data. The value between the first and second quartiles.
Lowest Value	The smallest value (minimum) in the data set.
Median	The number that appears midway between the highest and lowest numbers in the array. In the example array: 2, 7, 10, 25, 50 -- 10 is the median
Most number of customers handled by a Collector	As indicated by survey
Net bad debt as a % of Sales	$(\text{Annual Bad Debt Write-offs} - \text{Annual Bad Debt Recoveries}) / \text{Annual Credit Sales}$
Number of active customers	As indicated by survey
Number of customers handled per Collection personnel	Total # of Active Customers / Collection personnel as indicated by survey
Number of customers per Credit / Risk personnel	Total # of Active Customers / Credit Risk personnel as indicated by survey
Number of Deductions processed per deduction processing employee	Number of Deductions REMOVED During the Year / Deductions personnel as indicated by survey
Number of Invoices per Collection personnel	Annual Number of Invoices Processed / Collection personnel as indicated by survey

XIII. BENCHMARKING DEFINITIONS (Cont'd.)



TERM	DEFINITION
Occupancy or Rent	Actual or allocated occupancy or rent expense
Outside Services	Credit reporting services, association memberships, credit card fees, bank lock box fees, etc.
Outsourcing	Total costs of outsourcing including administration. This would include any direct costs and allocated costs
Percent AR Greater Than 60 Days	Receivables Beyond 60 Days / Ending Total Receivables
Percent AR Greater Than 180 Days	Receivables Beyond 180 Days / Ending Total Receivables
Percent Current	Ending Current Receivables / Ending Total Receivables
Quartile	<p>In descriptive statistics, a quartile is any of the three values which divide the sorted data into four equal parts, so that each part represents 1/4th of the sample or population.</p> <p>Thus:</p> <p>first quartile = lower quartile = cuts off lowest 25% of data = 25th percentile second quartile = median = cuts data set in half = 50th percentile third quartile = upper quartile = cuts off highest 25% of data, or lowest 75% = 75th percentile</p>
Sales per Cash Application personnel	Annual Credit Sales / Cash Application personnel as indicated by survey
Sales per Cash Application personnel cost	Annual Credit Sales / Cash Application personnel costs as indicated by survey
Sales per Collection personnel	Annual Credit Sales / Collection personnel as indicated by survey
Sales per Collection personnel cost	Annual Credit Sales / Collection personnel costs as indicated by survey
Sales per Credit / Risk personnel	Annual Credit Sales / Credit Risk personnel as indicated by survey
Sales per Credit / Risk personnel cost	Annual Credit Sales / Credit Risk personnel costs as indicated by survey
Sales per Deductions personnel	Annual Credit Sales / Deductions personnel as indicated by survey

XIII. BENCHMARKING DEFINITIONS (Cont'd.)



TERM	DEFINITION
Sales per Deductions personnel cost	Annual Credit Sales / Deductions personnel costs as indicated by survey
Sales per total personnel cost of all areas	Annual Credit Sales / (Credit Risk costs as indicated by survey + Cash Application costs as indicated by survey + Collection costs as indicated by survey + Deductions costs as indicated by survey + All Other costs as indicated by survey)
Sales per total personnel of all areas	Annual Credit Sales / (Credit Risk personnel as indicated by survey + Cash Application personnel as indicated by survey + Collection personnel as indicated by survey + Deductions personnel as indicated by survey + All Other personnel as indicated by survey)
Sales per Travel Dollars	Annual Credit Sales / Travel costs
System and IT costs per check	Information Technology costs / Annual Number of Checks Processed
System and IT costs per customer	Information Technology costs / Total # of Active Customers
System and IT costs per Invoice	Information Technology costs / Annual Number of Invoices Processed
Top 10 customers as % of sales	As indicated by survey
Top 20 customers as % of sales	As indicated by survey
Total Annual Cost	Total annual cost to run Credit, Collections, Cash Application and Deduction Management and Administration. Includes FTE salaries, benefits and all other expenses charged to your operation.
Total Personnel cost per total personnel	(Credit Risk costs as indicated by survey + Cash Application costs as indicated by survey + Collection costs as indicated by survey + Deductions costs as indicated by survey + All Other costs as indicated by survey) / (Credit Risk personnel as indicated by survey + Cash Application personnel as indicated by survey + Collection personnel as indicated by survey + Deductions personnel as indicated by survey + All Other personnel as indicated by survey)
Transactions	Annual Number of Checks Processed + Annual Number of Invoices Processed + Annual Number of Credit Memos Processed + Number of Deductions REMOVED During the Year

XIII. BENCHMARKING DEFINITIONS (Cont'd.)



TERM	DEFINITION
Transactions per Cash Application personnel	(Annual Number of Checks Processed + Annual Number of Invoices Processed + Annual Number of Credit Memos Processed + Number of Deductions REMOVED During the Year) / Cash Application personnel as indicated by survey
Travel	Annual travel expense
Travel Dollars per customer	Travel costs / Total # of Active Customers
Upper Quartile	The third quartile, cuts off highest 25% of data. The value between the third and fourth quartiles.