

# Credit Collection

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## Objective and Scope

The purpose of this document is to have a detailed procedure on how to perform Credit Collection activities.

This procedure applies to customers worldwide.

## Roles and Responsibilities

The mission of the Credit Collection team is to contribute to reduce the the overdue amounts and the delay Days Sales Outstanding (DSO) through outbound communications to 3rd party Customers in their native language (if covered by the Collections team) based on the procedures for Dunning, Collections and Dispute management.

Credit Collection is responsible for following up all open items mentioned in the customer accounts until payment received, clearing or bad debt or loss.

The main actions are as follows:

- Perform pre-chasing to confirm that all requirements are fulfilled in order for the customer to pay on time (Pre-chasing);
- Obtain a commitment from the customer to honor his debts in the shortest time possible (Promise to pay)
- Detect the reason for payment delay and propose / coordinate action plan with relevant resolution owners to solve disputes to get payment on time (Dispute)
- Contribute in defining action plan in order to improve issues on their portfolio
- Coordinate the management of unallocated and unmatched payments in liaison with Accounts Receivable team.

The main objectives of the Credit Collection process are:

- To optimize the GBU's working capital in partnership with the Credit Managers and the businesses;
- To maximize process standardization despite local specificities
- To mitigate the credit risks that can be incurred by the businesses by closely exchange on customer payment behavior and detect current or potential cash issues
- Maximize efficiency and optimize resources

The Collection process includes the following 2 main actions:

- **Pre-chasing of undue items:** focuses on calling customers aiming at obtaining payment confirmation for items not yet due, detecting potential dispute, managing the payment discrepancies and sending copy of invoices to the customers;  
The objective of the pre-chasing is to take preventive actions on all customers with recurrent payment delays or prevent high risks before the item becomes overdue. It is essentially targeting to minimize the delay DSO.
- **Chasing of overdue items:** is the consequence of an unsuccessful pre-chasing, meaning no dispute or promise to pay were previously created. The level of severity increases according to the dunning level.

## Scope



## ERP



## References

## Attachments

It is expected that these Credit Collection principles support in anticipating collections activities and in bringing effective results in terms of Free Cash-Flow.

## Definitions

CM: Credit Manager

CSR: Customer Service Representative

GBU: Global Business Unit

## 1. Credit collection strategy

### 1.1 Credit Collection Strategy

Nine customer types and four scenarios of pre-chasing have been defined based on three criteria:

Criteria to define scenarios									
<b>Strategic customer</b>	Key				No key				New customer / no risk class or no PP
<b>Payment profile</b>	Bad payer		Good payer		Bad payer		Good payer		
<b>Risk class</b>	Risky	No risky	Risky	No risky	Risky	No risky	Risky	No risky	
<b>Customer types</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	<b>I</b>
=> 4 scenarios non NAFTA	1	1	2	3	2	3	3	4	1
=> 3 scenarios NAFTA	5	5	5	4	5	6	4	4	6

Dunning & collection methodology*								
<b>Pre chasing</b>	Maturity advice	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6	
	Call 1	Yes D-12	Yes D-8	Yes D-5	-	- D-8	Yes -	-
<b>Chasing</b>	<b>Due date</b>							
	1st dunning letter	D+2	D+2	D+2	D+2	D+2	D+2	
	Call level 1	D+4	D+4	D+4	D+4	D+4	D+4	
	2st dunning letter	D+7	D+7	D+7	D+7	D+7	D+7	
	Call level 2	D+9	D+9	D+9	D+9	D+9	D+9	
3st dunning letter	D+14	D+14	D+14	D+14	D+14	D+14	D+14	
Call level 3	D+16	D+16	D+16	D+16	D+16	D+16	D+16	
<b>Maturity Frequency</b>	8th of the month (fixed)	D21 to last day	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6
	18th of the month (fixed)	D1 to D10	Yes	Yes	Yes	-	-	-
	28th of the month (fixed)	D11 to D20	Yes	Yes	Yes	-	-	-
	15th of the month (fixed)	D16 to D15 M+1	-	-	-	-	-	Yes

Those scenarios aim at attributing a pre-chasing strategy to each customer and optimizing payment collection by clarifying and prioritizing Credit Collector daily action.

The riskier the customer is (here riskiest customer = risk class 4 or 5, bad payment behavior and key customer in terms of credit exposure) the earlier the customer is contacted in order to make sure that there is no problem with the upcoming payment.

This way of processing enables to detect potential problem early and move directly to "dispute step" before the due date. This anticipation mitigates the risk of invoices getting overdue.

The pre-chasing process systematically starts with a Maturity Advice sent to customers in scenarios 1, 2 and 3:

<b>Maturity Advises</b>	<b>Run</b>	<b>Selection on Due Date for Net Payment</b>
	8 of the month (fixed)	From 21 of the month (fixed) to last date of the month
	18 of the month (fixed)	From 1 of the month (fixed) to 10 of the month (fixed)
	28 of the month (fixed)	From 11 of the month (fixed) to 20 of the month (fixed)

### 1.2 Criteria to determine Collections scenario

Each customer is assigned a scenario based on the combination of the three following criteria:

- **Key customers :**

Key customers are automatically selected based on the Customer Credit limit registered in the system.

The threshold for a Key customer is defined at 500K EUR.

Only Credit Manager maintains / updates the field "Key customer" in the system.

- **Credit Collection payment Index :**

Credit Collection Payment index is based on Solvay Payment Index for each customer weighted by the last month payment experience (Collections Payment Index (payment delay of last 6 months (60%) combined with last month's delay (40%)).

The introduction of a customer rating Good / Bad enables to 'rate' customers with good payment experiences and penalize customers with bad payment experiences.

The limit between Good & Bad is set at 3 days (Good payer < 3 Bad payer).

- **Rating :**

The third criteria is "Rating" (FD33 rating). The rating levels are listed below:

- 1 = Group > Solvay & No Risk
- 2 = low risk
- 3 = medium risk
- 4 = high risk
- 5 = very high risk, dubious customers, payment in advance, LC

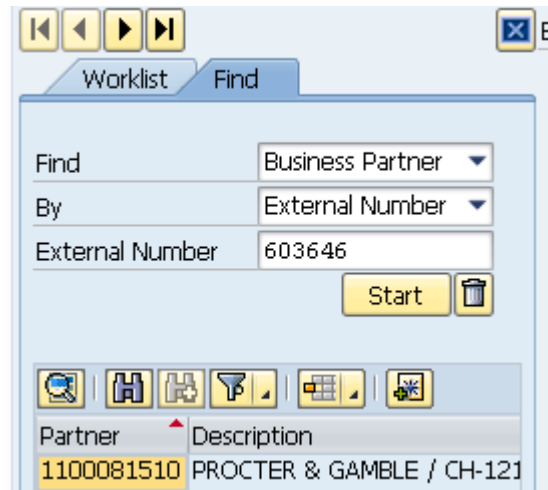
Risky customers have the following rating: 4 or 5

Not risky customers have the following rating: 1, 2 or 3

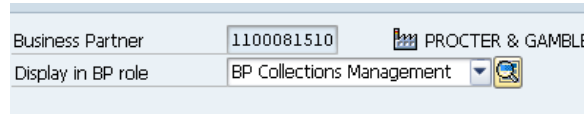
### 1.3 Automatic Collections scenario assignment

It is possible to manually force a specific scenario for each customer.

In order to adjust the scenario automatically defined by the SAP program, open transaction BP in PI1, enter the customer number in field "External Number" and click on "Start" to obtain the BP number:



Double-click on the Business Partner number, a new screen will appear on the right. In the option "Display in BP role", choose "BP Collections Management":



In the last tab "Collection Profile", change to Edit-mode, and modify field "Collection Group" to one of the following scenarios to force it:

- ZGROUP\_1\_Mscenario 1 - Forced Manual
- ZGROUP\_2\_Mscenario 2 - Forced Manual
- ZGROUP\_3\_Mscenario 3 - Forced Manual
- ZGROUP\_4\_Mscenario 4 - Forced Manual

All scenarios entered manually are not updated by the monthly automatic program.

### 1.4 Maturity Advices

A Maturity Advice is an automated letter sent to customers with open items on:

- Run on 8 of the month (fixed) => selection on Due Date for Net Payment: from 21 of the month (fixed) to last date of the month
- Run on 18 of the month (fixed) => selection on Due Date for Net Payment: from 1 of the month (fixed) to 10 of the month (fixed)
- Run on 28 of the month (fixed) => selection on Due Date for Net Payment: from 11 of the month (fixed) to 20 of the month (fixed)

The minimum amount for sending of a maturity advice is 20K EUR.

Some items are excluded: those with Promise to Pay, disputes and / or dunning blocks, items in doubtful status.

The objective of the document is to inform the customer that some of his items are due within X days, and to ask confirmation that payment will be executed at the due date.

The maturity advice is generated in the following languages: English, French, German, Italian, Spanish, and Portuguese. When the language of the customer is not available, English is selected by default.

Note: if no email or fax contacts are available in customer master data, no print is done.

## 1.5 Pre-chasing

The pre-chasing activity focuses on contacting customers and obtaining payment confirmation for invoices before their due date.

It is performed for customers under Collection scenarios 1, 2 or 3.

The minimum amount for a pre-chasing call is 20K EUR, according to the timings below:

	Scenario 1	Scenario 2	Scenario 3
<b>Maturity Advice</b>	Yes	Yes	Yes
<b>Pre-chasing call</b>	D-10	D-8	D-5

The objective is to take preventive actions on selected customers with recurrent payment delays or that present higher risks in order to avoid that the invoices become overdue.

The customer must be asked to:

- confirm the invoices were all received
- confirm that the approval process is completed
- confirm that the payment will be done in time to respect the net due date of the invoice

Once a firm commitment is received from customer to pay on a specific date, a promise to pay must be recorded in FSCM on the selected invoices.

## 1.6 Dunning Letters

Dunning letters are automatically sent to the customer when invoice due date has been reached and remains unpaid. Each letter has an associated severity level according to its ageing:

1. Level 1: applied if item is due for the first time and if no items with higher dunning level
2. Level 2: applied if item remains due after 1<sup>st</sup> dunning letters were sent; includes the reference to the first dunning letter that was sent (date of dunning is included)
3. Level 3: applied if item remains due after 2<sup>nd</sup> dunning letters were sent; includes the reference to the first and second dunning letters that were sent.

One unique dunning procedure is available in ERP, with the following timings (D = due date + working days):

Action	Timing
1st dunning level	D+2 (exclusion: no dunning is sent on Mondays)
Call level1	D+4
2 <sup>nd</sup> dunning level	D+7
Call level2	D+7
3 <sup>rd</sup> dunning level	D+14
Call level3	D+14

The dunning letter is generated in the language of the customer available in the system: English, French, German, Italian, Spanish, and Portuguese.

If an e-mail/fax is available in the customer master data, the letter will be sent automatically. If not, the letter is printed and needs to be sent by post on a daily basis.

All maturity advices, statement of accounts and dunning letters are automatically archived in the customer master data as PDF documents.

## 1.7 Chasing

A global chasing scenario has been defined for customers with overdue invoices which have no dispute registered in the Dispute Management module or a promise to pay.

The chasing process systematically starts with a Dunning Level 1 sent to customers and is completed by a direct contact between the Credit Collector and the customer by phone or e-mail.

The dunning process (sending of formal written notice) is fully automated and assigned by default to all payers when the company view of the payer is created.

It is possible to exclude customers from dunning scope, by inserting a dunning block in Customer Master Data (Company Code view). The decision to exclude a customer must be agreed upon with the Credit Management.

The default company on the logo on each dunning letter sent to the customer is "Solway Group" and it regroups all items from all invoicing entities to the customer. The letter refers to the bank account to be used for encashment.

## 2. FSCM collections management

### 2.1 Worklist: Description and Purpose

FSCM Collections module generates a Worklist, which presents the customers that should be contacted by each Collections specialist.

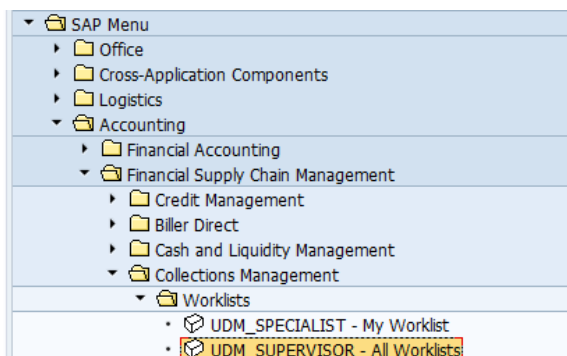
It is refreshed during the day, based on the information registered in PI1.

Each customer is assigned a priority level, based on the defined Collections Strategy.

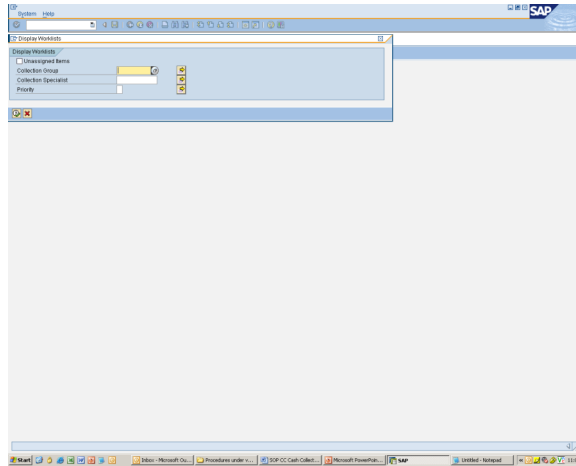
Worklist							
Open Items							
Segment	Customer	Created On	BusinessPartner	Short Name of Business Partner	Priority	Name of Priority	Specialist (Complete Name)
ZSEG000001	2114053	31.03.2015 16:14:23	1100217655	SABELO TRADING / MIAMI FL 33126	1	Disp: call req.	Gerson JUNIOR
ZSEG000001	2114085	31.03.2015 16:14:23	1100217656	ENVIROFOCUS TECHNOLOGIES LLC / EAGAN MN 55121	6	Prechasing Call	Richard LIEBHAUSER
ZSEG000004	3040439	31.03.2015 16:14:23	1100217676	FORTLEV IND. E COM. DE PLAST. LTDA / 89245-000 ARA	6	Prechasing Call	Stephanie OLIVEIRA
ZSEG000001	2114076	31.03.2015 16:14:22	1100217633	VALERUS SPECIALTY CHEMICALS / DALLAS TX 75211	1	Disp: call req.	Ana Carolina BORGES DE ALM...
ZSEG000001	2114065	31.03.2015 16:14:22	1100217611	THE CHEMOURS COMPANY FC, LLC / WILMINGTON DE 19805	6	Prechasing Call	Ana Carolina BORGES DE ALM...
ZSEG000001	2114030	31.03.2015 16:14:21	1100217454	MACK MOLDING CO INC / INMAN SC 29349	3	Call L3	Gerson JUNIOR
ZSEG000001	608192	31.03.2015 16:14:21	1100217555	FA. WOOOF / CH-5313 KLINGNAU	1	Disp: call req.	Paula Margarida RODRIGUES
ZSEG000001	2114003	31.03.2015 16:14:20	1100217371	ECO SERVICES OPERATIONS LLC / CRANBURY NJ 08512-36	1	Disp: call req.	Ana Carolina BORGES DE ALM...
ZSEG000001	2114026	31.03.2015 16:14:20	1100217415	ELECTRICAL COMPONENTS INTL / EL PASO TX 79928	3	Call L3	Ana Carolina BORGES DE ALM...
ZSEG000001	1036189	31.03.2015 16:14:20	1100217409	KURITA EUROPE APW GMBH / D-67065 LUDWIGSHAFEN	6	Prechasing Call	Paulo GARRIDO
ZSEG000001	343049	31.03.2015 16:14:19	1100217223	DANFOSS A/S / DK-6430 NORDBORG	6	Prechasing Call	Paulo GARRIDO
ZSEG000001	343054	31.03.2015 16:14:18	1100217183	CONTINENTAL MATADOR TRUCK / SK-020 01 PUCHOV	1	Disp: call req.	Sandra CRUZ
ZSEG000001	2113951	31.03.2015 16:14:17	1100216908	MULTI CHEM GROUP LLC / PORTLAND OR 97208-4960	1	Disp: call req.	ALESSANDRO BATTU
ZSEG000003	4007711	31.03.2015 16:14:17	1100216954	GUANGZHOU SU WEI TRADE CO., LTD. / 广东 GUANGZHOU	3	Call L3	Nirntana CHUTIWONGSATIT
ZSEG000001	608177	31.03.2015 16:14:17	1100216915	ECOLAB EUROPE GMBH / CH-8304 WALLISELLEN	3	Call L3	Paula Margarida RODRIGUES
ZSEG000001	2113940	31.03.2015 16:14:16	1100216873	TIMBERLINE CHEMICAL INC / KEENESBURG CO 80643	1	Disp: call req.	ALESSANDRO BATTU


### 2.2 Worklist: Entering the tool

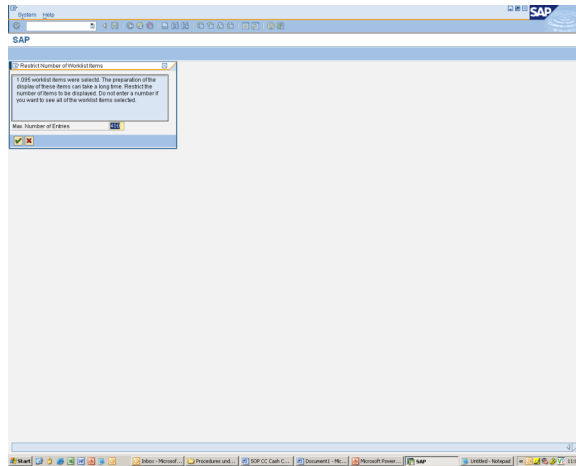
In PI1, open transaction "UDM\_SUPERVISOR - All Worklists".



On the pop-up window, click on the execute (F8) box without inserting any data:



Whenever the number of customers exceeds 400 entries, a pop-up asks to confirm how many customers should be displayed. Since it is necessary to display all customers, delete the number and click on  or press Enter:

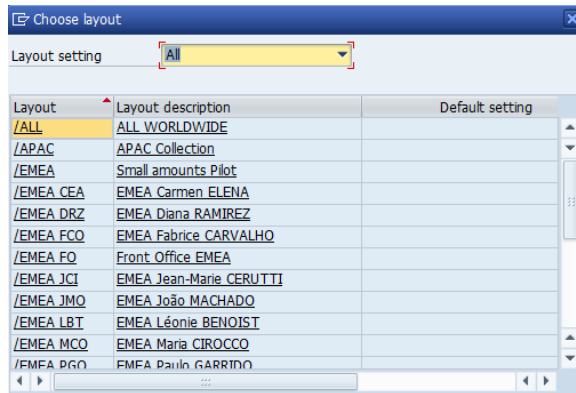


By default, the Worklist displays all customers, for all countries and all priorities.

- Once the Worklist is open, the correct view must be chosen according to the region(s) assigned to the Collections specialist. Click on the button



and select one among the several layouts:

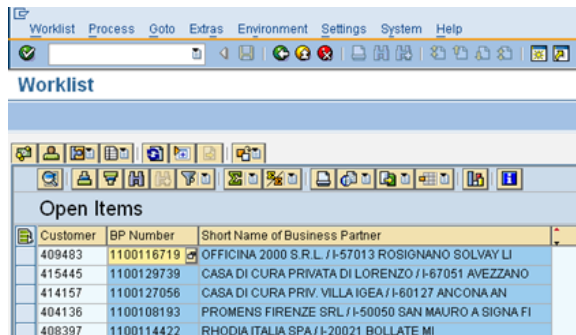


### 2.3 Worklist: Analysis of the columns

Several columns are displayed.

The **BP Number** (Business Partner) is a unique number assigned to each customer (payer) by FSCM. It identifies the customer the way the Customer Number is identified in SAP.

Each line displays information about a single customer:



### 2.4 Worklist: Priority

The "Priority" column designates the order of priority of the customer, based on the customer items valuation and the Collections strategy.

On	BusinessPartner	Short Name of Business Partner	Priority	Priority	Specialist (Complete Name)
43	1100086223	INDUSTRIAS QUIMICAS DE PARETS, S.A. / E-08150 PARE	1	Disp: call req.	Diana RAMIREZ
23	1100032275	HENKEL AG & CO. KGAA / D-40589 DUESSELDORF	1	Disp: call req.	Valérie BARILLET
44	1100002562	ECOLAB EUROPE GMBH / CH-8304 WALLISELLEN	1	Disp: call req.	Paulo GARRIDO
55	1100065551	RUSVINYL LLC / 607650 KSTOVO	1	Disp: call req.	Myriam DEKHNET
33	1100160242	AMERICAN ELECTRIC POWER / CHESHIRE OH 45620	1	Disp: call req.	Ana Carolina BORGES DE F
26	1100032659	VOLKSWAGEN AG / D-38436 WOLFSBURG	1	Disp: call req.	Valérie BARILLET
17	1100157988	DOW EUROPE GMBH / CH-8810 HORGEB	1	Disp: call req.	Claire PIROUX
36	1100160645	JR SIMPLOT AGRI BUSINESS / BOISE ID 83707-0113	1	Disp: call req.	Richard LIEBHAUSER
54	1100039887	BP EUROPE SE / PL-1170 MIECHOWICE ANSADZ	1	Disp: call req.	Paulo GARRIDO

### 2.5 Worklist: Specialist

The "Specialist" tab identifies the Collections specialist responsible for a specific customer.

On	BusinessPartner	Short Name of Business Partner	Priority	Priority	Specialist (Complete Name)
43	1100086223	INDUSTRIAS QUIMICAS DE PARETS, S.A. / E-08150 PARE	1	Disp: call req.	Diana RAMIREZ
23	1100032275	HENKEL AG & CO. KGAA / D-40589 DUESSELDORF	1	Disp: call req.	Valérie BARILLET
44	1100002562	ECOLAB EUROPE GMBH / CH-8304 WALLISELLEN	1	Disp: call req.	Paulo GARRIDO
55	1100065551	RUSVINYL LLC / 607650 KSTOVO	1	Disp: call req.	Myriam DEKHNET
33	1100160242	AMERICAN ELECTRIC POWER / CHESHIRE OH 45620	1	Disp: call req.	Ana Carolina BORGES DE F
26	1100032659	VOLKSWAGEN AG / D-38436 WOLFSBURG	1	Disp: call req.	Valérie BARILLET
17	1100157988	DOW EUROPE GMBH / CH-8810 HORGEB	1	Disp: call req.	Claire PIROUX
36	1100160645	JR SIMPLOT AGRI BUSINESS / BOISE ID 83707-0113	1	Disp: call req.	Richard LIEBHAUSER
54	1100039887	BP EUROPE SE / PL-1170 MIECHOWICE ANSADZ	1	Disp: call req.	Paulo GARRIDO

### 2.6 Worklist: Other relevant info

It is also possible to review the overall situation of the customer by checking the remaining columns:

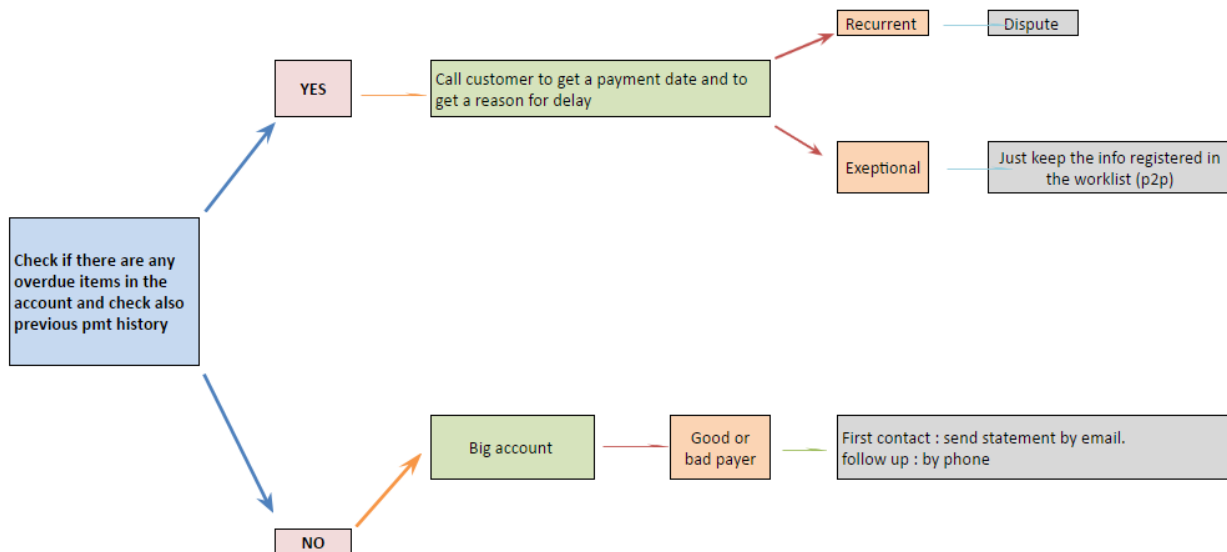
- **Amount overdue:** total amount due until today
- **Broken:** amount promised and not paid at the promised date
- **Amount Overdue End of Month:** total amount due by the customer until the last day of the current month
- **Disputed amount:** amount currently under disputes (positive or negative) and being followed in Dispute Management module
- **Last Contact:** date of last contact from Credit Collector

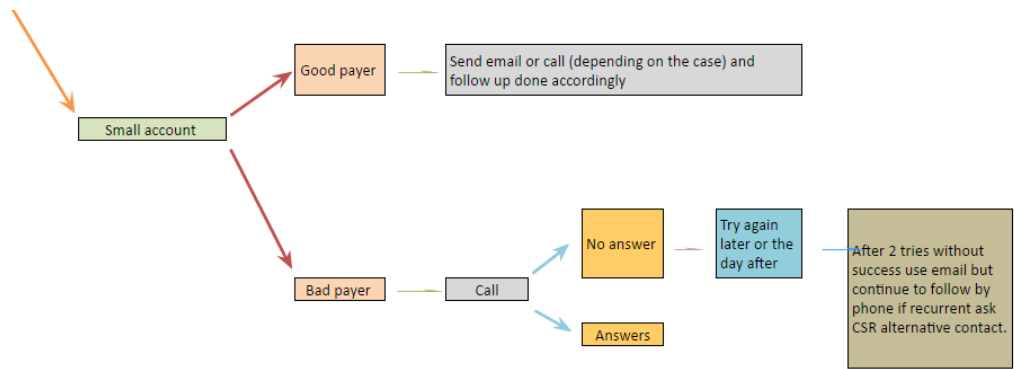
Note: all amounts are converted to EUR.

## 3. Preparing the customer contact

Before contacting a customer, it is necessary to check all relevant information.

Below some guidelines:





**Tips**

Assess the benefits of a call or email:

- Do you want a faster reply = Phone call
- Do you need a written confirmation = email

## 4. Recording actions and customer feedback

### 4.1 Resubmissions

A resubmission must be created every time it is not possible to reach the customer or it must only be contacted in another day for any reason such as:

- sending the customer a copy
- accountant out of office
- customer needs to investigate internally
- Etc.

The resubmission should be used whenever it is not possible to create either a promise or a dispute.

It is also important to provide an accurate description in the resubmission text in order to have all well documented. This will be the basis for the preparation of the next contact a few days later.

Customer: 410782 | ISADRO S.P.A. f-20153 MILANO MI  
 Segment: 75E6808801 | CICC Factoring (5783) - Collection se...

Customer Contact Person: Contab11114  
 Telephone No.: 0683982469811

Resubmission Attributes:

Resubmission Date: 10.02.2012  
 Resubmission Time: [empty]  
 Reason: [dropdown menu]

Reason codes:

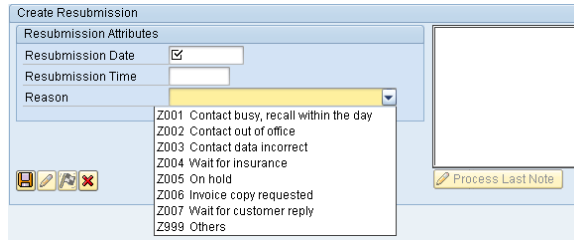
- 2001 Contact busy, recall within the day
- 2002 Contact out of office
- 2003 Contact data incorrect
- 2004 Visit for insurance
- 2005 On hold
- 2006 Invoice copy requested
- 2007 Visit for customer reply
- 2999 Others

To create a resubmission, go to the Resubmission tab and click on "Create Resubmission".

Resubmissions Table:

Status	Resubmission Date	Resubmission Time	Resubmission Reason	Resubmission Text
[icon]	10.02.2012		Wait for customer reply	Spoke with Accounting, they paid 2

A new box will appear below in order to be filled in with the resubmission details (date, time and reason). There are 8 reason codes that must be chosen according to the information provided by the customer.



Below the best.practices to be followed when creating a resubmission:

### Best Practices for Resubmission

- ➔ Keep the history if it is related to the same situation.
- ➔ Use clear comments. Do not forget that you are not the only one to check the resubmission.
- ➔ Respect the tolerance.
  - ↳ Out of office/Special request from customers – 1 day
  - ↳ Invoice copy sent – max 3 days (adjusted to the case)
  - ↳ Waiting for customer reply – 2 days (except EOM)
- ➔ Use: hold/Others – On exceptional cases (pending on other side)

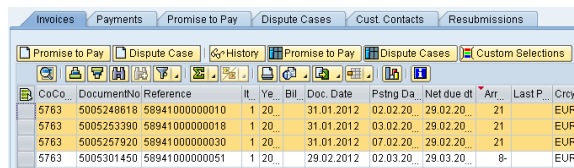
If no reply is received, an e-mail should be sent to the responsible Sales Manager and/or Customer Service in order to confirm if contact details are accurate and also to request their support to collect the payment.

## 4.2 Promise to pay

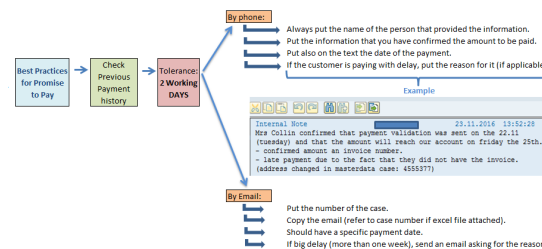
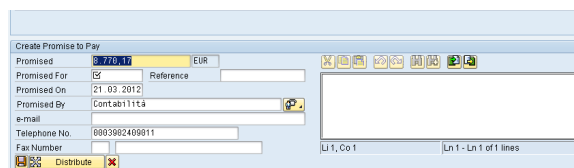
A Promise to Pay is created to register a customer's commitment to pay an invoice on a specific date (within the tolerances defined – see below).

It is necessary to have a clear confirmation from the customer before creating a promise in order to avoid any further delays.

To create a promise to pay select the invoice(s) and click on the **"Create Promise to Pay"** tab:



In the pop-up opening below, fill in the date on which payment is expected to arrive on Solvay's bank account ("Promised For"), the person who made the promise at customer's side and contact details.



The free-text box must be filled in with the details provided by the customer, following these best-practices:

In the "Promised for" field, the customer's payment date + a tolerance is inserted. The tolerance takes into account the bank processing time, payment reception delay and processing time by SBS-OtC-AR:

- 2 working days for bank transfers

After filling in the different tabs, click on



in order to save.

Items with an open promise to pay (i.e. with a "Promised For" date in the future) are not considered by the Worklist.

However, if the "Promised For" date is reached and the corresponding items are not cleared, the promise will be considered as "broken" and the customer will reappear in the Worklist for follow-up.

To display a promise:

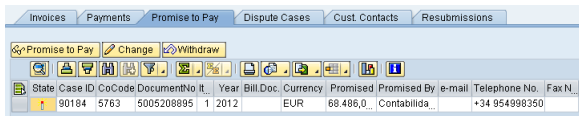
In order to check the status of a promise as well as the details entered, go to the "Promise to Pay" tab, select the line of promise and click on the "Promise to Pay" button:

### 4.3 Dispute

A dispute is created whenever the customer provides a clear reason for non-payment, partial payment or delay on paying outstanding invoices, and it requires an action from a third-party stakeholder.

The selection of the appropriate stakeholder is done automatically based on the dispute reason.

To create a dispute from the Worklist, select the corresponding invoice(s) and click on the "Dispute Case" button:



CoCo	DocumentNo	Reference	It.	Ye	Bill. Doc. Date	Pstng Da	Net due dt	Arr	Last P.	Cry
5763	5005208895	60708810000402	1	20	06.01.2012	07.01.20	07.03.20	14		EUR
5763	5005216737	60708810000419	1	20	13.01.2012	14.01.20	27.03.20	6-		EUR
5763	5005226139	60708810000433	1	20	20.01.2012	21.01.20	27.03.20	6-		EUR

Create Dispute Case

Attributes

Title: [Empty]

Reason: A003 CN: Expected

Category: Z001 CM Dpt

Priority: MEDIUM

Processor: WJ-35CC

Person Respons: ESBAAMP

Process. Deadline: [Empty]

External Ref.: 7360\_6070

Amount: 68.486,00 EUR

Coordinator: ESBAJU

Closing: 28.03.2012

Contact Person

Contact Person: Contab11dad (12h-14h ...)

e-mail: [Empty]

Fax number: [Empty]

Telephone no.: +34 954998350

Case Type: Z00A

Status: Open

Root Cause Code: Z001

Long Text

[Empty text area]

Ln 1, Co 1

Ln 1 - Ln 1 of 1 lines

Select the appropriate case type (Z00A – Collections Call Output) and the appropriate reason.

After selecting the reason, a new window will appear:

The following fields must be filled in:

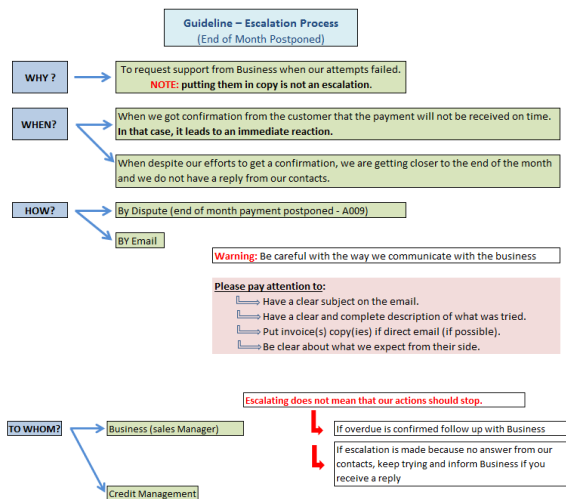
- Title: short summary of the issue detected
- Long Text: detailed description of the issue

In the "Long Text" field, it is the Collector's responsibility to provide all the information necessary for the resolution of the dispute, as it will be used by another stakeholder (CSR / Sales / CM) who will take the lead.

If the dispute claim was received by e-mail, it must be copy/pasted in the text area.

**EMEA specificity**

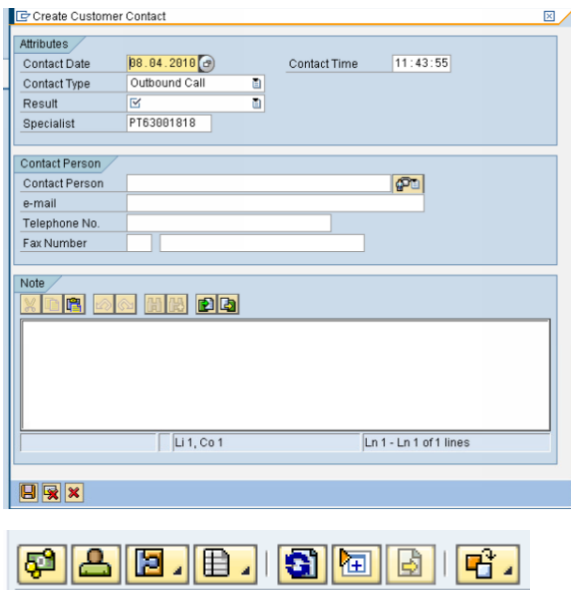
The recommended dispute scenarios, definition and guidelines can be found in the following document <https://docs.google.com/a/solvay.com/spreadsheets/d/1vTDyKYA84Chvf0zA8OkIGfYt-vTdTjAEvpC6xvtj0gg/edit?usp=sharing>



These best-practices should be used when creating disputes for "End of Month Payment Postponed", to ensure the issue is correctly escalated to the responsible stakeholders.

**4.4 Recording a Customer Contact**

After contacting a customer when clicking on "back" button, a pop-up window appears requesting the creation of a "customer contact".



It is mandatory to record a Customer Contact if an action has been taken. The customer will disappear from the Worklist and go to the Completed Items. These can be consulted from the Worklist by clicking on the "Display Completed Items" button:

## 5. Management of old overdues (> 180 days)

The management of overdues older than 180 days is managed in a separate procedure that can be consulted in the link below:

[Cash Collection Procedure for Overdues > 180 days](#)

## 6. Focus on main overdue risks (EMEA specificity)



This specificity applies only to EMEA

The GBU Cash Collection Coordinator is responsible to identify in advance, on a monthly basis, the main overdue risks to secure before end of month, which will be key to ensure each GBU's cash targets are met.

The main tasks/responsibilities of the GBU Cash Collector Coordinator are the following ones:

- Facilitate the communication between Collections and GBU;
- Report and explain the main overdues of the GBU after the month closure (Aged Balance);
- Report an overview of the main overdue issues that are still ongoing and for which the action of the GBU might be needed (Diagnosis Report);
- Select the main risky customers to be closely followed by Collections during the month;
- Prepare and send the Overdue Forecasts to the CM/GBU;
- Perform regular contacts with the Key Account Managers and CM to review urgent and critical overdues and define action-plans;
- Participate in meetings / conference calls with GBU (Sales Meetings, Credit Committees, etc) to report current situation and promote Collections activities.

The criteria and guidelines for the selection of main customers are documented in the following document:

<https://drive.google.com/file/d/1bNaOcaWLC56YVhBlr6jFjRm4MuJNkOzNuEvPEbQboA8/view>

Following this selection, the EMEA Cash Collection team focuses on securing payments from these customers before month-end.