



78% Overdue Balance Reduction in 4 Months for Wholesaler

Case Study Overview:

A wholesaler struggled with a large volume of aging accounts, with between 4-500 customers past due at any given time. Here's how we helped them reduce outstanding balances by 78% on over-30-days past-due accounts, reduce balances over 30-days to only 0.05% of total aging within one year, and shorten the DSO gap.

Client Pain Points

Some companies have one big fire to put out. This company had hundreds of small ones.

A mid-sized wholesaler working with mostly small, family-owned retailers, was facing a massive accounts receivable problem. They consistently had between 400-500 past-due invoices at any given time, and their cash flow problem put their company's success at risk.

The Status Quo Wasn't Cutting It

The sheer volume of overdue accounts kept their team from adequately managing follow-ups and distracted them from other necessary tasks. They lacked the time and resources to meet simple invoice and POD requests, let alone get ahead on past-due reminders.

The wholesaler's process relied solely on manual spreadsheets for their accounts receivables management, which buckled under the pressure. A previous attempt to outsource their accounts receivable failed, too. The company they had hired last relied purely on IT automation, ignoring their customers' non-tech behaviors and preferences for phone calls, and lacking compatibility with their accounting system.

When they contacted us, more than half of their total aging was over 30-days past due, accounting for \$193,000 in outstanding invoices.

The wholesaler's customers, mostly mom and pop stores, operate traditionally. They prefer phone calls, hard copies of checks and invoices, and relationships with their vendors. Neither automated tech or aggressive collections models were viable solutions.

Without a customer-compatible system in place, their accounts receivable problems were set to snowball.

Customized Solutions with a Customer-Service Focus

Axim's streamlined accounts receivable management system was an ideal match for the wholesaler's needs. Our process would enable them to collect receivables more timely and greatly reduce aging accounts while increasing customer satisfaction. Like many B2B companies, their company's health relies on rapport and rebuys. Our human-driven, technology-assisted approach matched their business model intuitively.

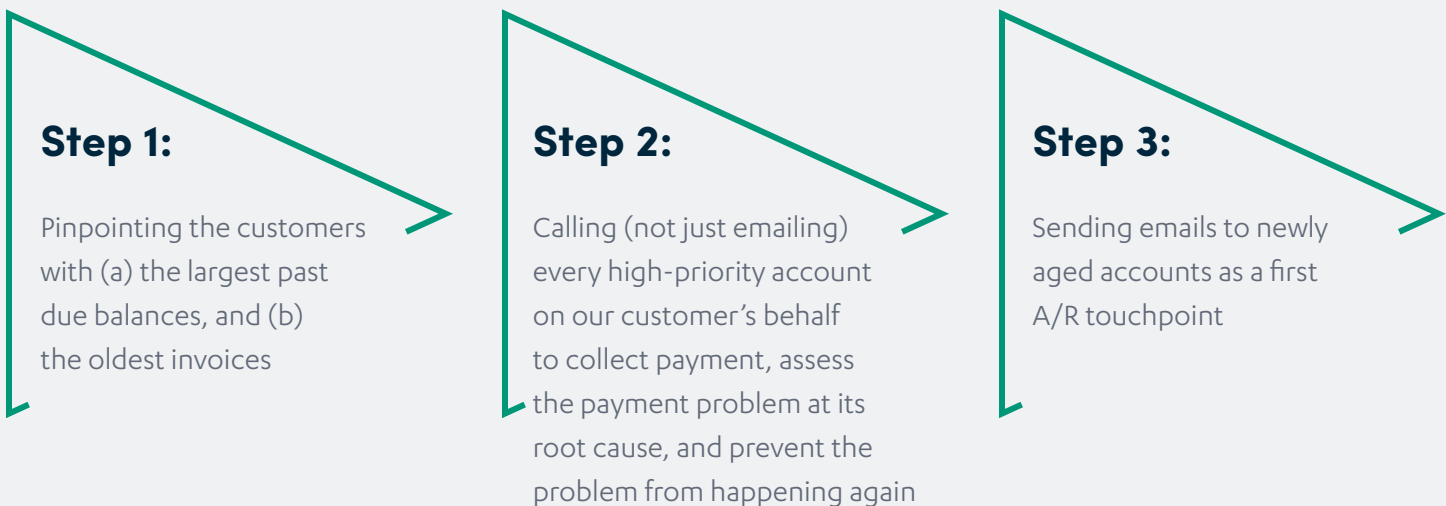
Still, they were skeptical. Would our results justify the cost? Other solutions had failed. Would we succeed? They were worried about alienating customers, but they were more worried about past dues continuing to spiral out of control.

These concerns drove their decision to partner with Axim. Here's how we helped them erase virtually all of their A/R woes.

The last A/R company they hired relied purely on IT automation, with a one-size-fits-all solution that clashed with their specific A/R needs.

A Tailored, Strategic Process

With hundreds of aging invoices and minimal time, it was critical to put a system in place that quickly produced results. Our proprietary software enabled us to strategically target their biggest problems by:



Building Bridges, Not Barriers

We developed a fantastic relationship with this wholesaler, delivering tangible results within the first month. Much of this success was due to our efforts to meet their customers where they were at. You see, in the industrial supplies wholesale business, tech automation runs cold, requiring human hospitality to get things done.

Their assigned A/R specialist won the wholesaler over with an affable customer service approach -- and she won over their customers, too. The account specialist is dedicated to outreach on our customer's behalf that builds trust and rapport, helping the company significantly reduce past dues while preserving their relationships.

Collecting payment never means waging war on customers. Our approach is not only about fixing yesterday's problems, it's about ensuring tomorrow's success. We prioritized honest communication and simple solutions from the start. Communicating directly with our wholesaler's customers in the wholesaler's name, we asked questions first to eliminate administrative barriers to payment, and then offered helpful support to alleviate other payment issues.

Simple Questions That Get Results:

- ▶▶▶ **Do you have the invoice copy? (Many customers are simply unaware or absentminded)**
- ▶▶▶ **Can you pay today? If not, why? (If we know why, we can work out a solution)**
- ▶▶▶ **Can we set up a payment plan? (We'll find a way to make it work without hurting your customers)**
- ▶▶▶ **What can we do to help you pay this invoice timely? (We work with your customers, not against them)**

When a company's situation wasn't compatible with our client's success, we worked as the wholesaler's first line of defense to protect them from making harmful, profit-eating decisions. For example, when we discovered that an account was facing severe cash flow issues, we informed our client and cautioned against continuing to ship product until all invoices were paid in full.



Using Technology to Support Customer Goals

In addition to tackling high-priority accounts head-on and solving root problems with a human touch, we immediately implemented our proprietary technology to keep the wholesaler's accounts receivables running smoothly.

Our sophisticated A/R software helps:

- ▶▶ **Make it easier to address simple requests like invoice copies and proofs of delivery**
- ▶▶ **Identify and track high-priority accounts**
- ▶▶ **Maintain up-to-date status of all past due invoices for at-a-glance monitoring (in the mail, payment processing, disputed, etc.)**
- ▶▶ **Gain the insight and oversight needed to avoid root problems**
- ▶▶ **Send statements, reminders, and other key communications**
- ▶▶ **Deliver custom reporting to solve unique customer problems in real time**

For example, when a major event disrupted this company's entire market, the owner was very concerned about its effects on his freshly-restored accounts receivable program.

So we custom built additional on-demand, real-time reporting that allowed them to compare their A/R results pre- and post-disruption. Through crystal-clear visibility, we helped the company plan ahead and develop solutions while easing anxieties.

What's measured is managed.



Results

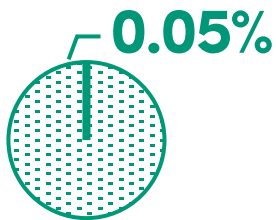
Delivering Peace of Mind with Real Results

Our wholesaler client's results were impressive. We helped them greatly reduce their total outstanding balance, virtually eliminate aging invoices past 30 days, and get paid faster.

Results that Speak for Themselves



**78% reduction in outstanding balances over 30 days—
achieved in four months (from \$193k to \$42k)**



**After one year with Axim, only \$1,309.70 is over 30
days past due, less than 0.05% of total aging**



35.4 days

**Shortened their days sales outstanding
(DSO) from 42.8 to 35.4 days**

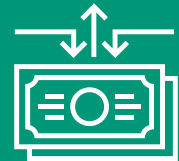


Our proactive customer service approach appealed to both our wholesaler client and their customers. With Axim as their reliable outsourced A/R partner, the company has transformed an albatross of hundreds of aging invoices into a stable, responsive, and satisfied customer base that rebuys and pays on time.

We Do Accounts Receivable Right

At Axim, we're proud to be disruptors in the A/R industry. We stand apart from aggressive collections and automation-only models because we understand that a personal, human approach is what really gets things done.

As a customer service-powered, outsourced accounts receivable management partner, our sole focus is keeping your accounts healthy to strengthen your customer relationships and support your business growth.



With our customers' combined 30-day past due percentage under 2%, we believe we're doing a pretty good job.



**Do you want to transform your company's
accounts receivable management while
improving customer relationships?**

Schedule a call with Axim today 661.254.3007

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