

HOW NIMBLE BUSINESS SUPPORT SERVICES RESOLVED A COMPLEX DEBTORS BOOK AND R31 MILLION IN OUTSTANDING DEBT - IN JUST 24 MONTHS

BACKGROUND

Our Client (a provider of national fibre optic network to South African neighborhoods) possessed a unique Debtors Book, valued at nearly R40 million, comprising single invoices for services rendered over a three-year period.

Despite its significant worth, this asset had not been fully realized due to the rapid growth of the business and a lack of dedicated effort in debt recovery.

THE CHALLENGE

As a consequence, the Debtors asset was recorded at face value on the Client's balance sheet, and there were uncertainties about its true value, compounded by concerns regarding its IFRS 9 valuation.

Changes in Enterprise Resource Planning Systems had further obscured management information, with supporting documentation and administrative record-keeping found to be disorganized and insufficient.

THE GOAL

To effectively resolve a long outstanding Debtors Book made up of 24,000 individual installations.

AT A GLANCE

Challenges

- A Debtors Book of R40m in unrealized value
- Ineffective debt recovery
- Obscured management information
- Disorganized record keeping
- IFRS 9 valuation concerns

Benefits

- Expedited 60% resolution of outstanding balance
- Optimal treatment for Uncollectable Accounts
- A clearer management picture
- Resolved queries and rectified discrepancies



THE NIMBLE BUSINESS SUPPORT SERVICES SOLUTION

- **Credit Management Expertise Deployment:** Nimble deployed a team of skilled consultants to meticulously review and assess the systems, processes, and people involved in resolving the Debtors Book. The outcome of this evaluation led to a clear resolution plan that was presented to management.
- **Collaborative Partnership:** Collaborating closely with our Client, a purpose-built workflow was implemented to classify the collectable status of accounts. A dedicated Accounts Receivables manager was stationed at the Client's site, while a team of five proficient Accounts Receivables Management Controllers were deployed at Nimble's site, supported by seamless systems integration.
- **Accounts Receivables Optimisation:** Each account underwent a comprehensive assessment and stratification process, identifying collectable accounts that were then channeled into high-volume collections processes. Nimble's agile infrastructure, equipped with digital and call centre technologies, enabled the rapid and efficient handling of the substantial number of accounts.
- **Real-Time Reporting:** Through the application of Nimble's proprietary Collection Management System, its real-time reporting capability furthermore provided management with valuable insights to drive responsive strategic decision-making.



BUSINESS IMPACT

- **An Expedited 60% Resolution of Outstanding Balance:** Nimble's tailored solution facilitated the resolution of 60% of the outstanding balance in just 24 months. This equated to nearly R24 million in re-allocated revenue, showcasing the effectiveness of our strategic approach in helping Clients to quickly optimize the efficiency of their Accounts Receivables function.
- **Optimal Treatment for Uncollectable Accounts:** With our commitment to transparency and accuracy, Nimble's solution quickly identified accounts deemed 'uncollectable'. By applying the appropriate accounting treatment to these accounts, we helped our Client achieve a clear and accurate credit management position, enabling better decision-making and compliance.
- **A Clearer Management Picture:** Nimble's analytical approach enabled management to gain invaluable insight into the true value of the Debtors asset. Empowered by reliable data, they were able to confidently report this value to stakeholders, enhancing trust and credibility.
- **Resolved Queries and Rectified Discrepancies:** In addition to the significant debt recovery, our solution proved instrumental in resolving nearly 15% of accounts with queries. Nimble's expertise and attention to detail ensured that appropriate credit notes were promptly passed to address discrepancies, streamlining financial processes, and reinforcing positive customer relationships.



CONCLUSION

Through strategic thinking, dedicated expertise, and innovative technology, Nimble Business Support Services was able to effectively streamline the credit management process for our Client.

The notable outcomes showcased in this case study demonstrate how Nimble's turnkey outsourced solutions can deliver substantial and quick value, turning challenging situations into opportunities for immediate and sustainably positive outcomes.



“Nimble Group’s solution provided visibility of the portfolio on a daily basis. This was a gamechanger for Management, as it allowed us to make the right decisions.”