



Financial Management: Customer Credit and Invoicing

There is a fee associated with participation in APQC's Open Standards Research. If you have any questions about the fee, please contact the APQC helpdesk for more information.

This document should be used as a guide in the offline collection of data. APQC cannot accept submissions using this file. Please contact the APQC helpdesk on helpdesk@apqc.org for more information about offline submission.

OSBC DATABASE PRIVACY AND PROTECTION OF PERSONAL INFORMATION

Please refer to APQC's [privacy statement](#) for disclosures relating to the collection and use of your personal information.

Instructions

Research project structure

APQC OSBC research projects are designed to collect a wide variety of information about your entire organization, with a specific emphasis on the particular business entity for which the research is being collected.

Each survey is divided into a number of sections, separated by a block of introductory text. Each section of the research project presents questions about specific processes and activities in your business entity. Each of these process-specific sections corresponds to APQC's [Process Classification Framework](#).

The last two sections contain questions about your organization as a whole and your particular business entity, respectively. Before each section containing process-specific questions, you are presented with a list of components of the PCF. This list identifies which components of the PCF are addressed by this particular section of the research project. The numbers in the list correspond to the PCF's unique numbering scheme. Questions within the section will address specific activities for the stated component of the PCF.

Navigation, Saving Results, and Submitting a Survey

The survey is presented in pages. Each page may have one to many questions on it. Each question on each page must be answered. Use the buttons at the bottom of each page to navigate throughout the survey. To avoid data loss, do not use the browser "back" and "forward" buttons to navigate through the survey. As you navigate through the survey using the "Previous" and "Next" buttons, your data are saved to APQC's secure servers.

The progress indicator at the bottom of each page displays a bar graph and a percentage which indicate your progress in navigating through the survey. The progress indicator does not account for completed questions, only for your relative position in the survey.

To exit the survey while you have not yet completed all questions, click the "Save" button at the bottom of the survey page, then close your browser. The system will present you a link to your particular instance of the survey. Use that link to return to the survey at any time.

Once you have completed the survey, click the "Submit" button on the last survey page. By submitting your survey results, you will notify APQC that your data are ready for validation. You will not be able to create, review, update or delete your answers after you have submitted the survey, so ensure that you have accurately documented your answers before you submit it.

Cookies, One Browser

The APQC OSBC survey tool uses a "cookie" to associate you to a particular survey instance. Your "cookie" is unique to the computer you used to start the survey, and is the only key that you have to access your data. Should you lose your "cookie", you will be unable to complete the survey and will need special assistance from APQC. Do not delete your APQC cookies until after you have submitted your survey data.

Because this "cookie" is unique to the computer you used to start the survey, other users will be unable to contribute results and data to the survey unless they have physical access to the browser which you used to start the survey.

Visit the [Browser Setup](#) page for more information about configuring your browser to use cookies.

JavaScript

The APQC survey application uses JavaScript for enhanced validation and usability features. In order to complete these surveys, you must use a browser that supports JavaScript, and you must have JavaScript enabled. Visit the [Browser Setup](#) page for more information.

Printing

To print a copy of the entire survey, you should use the "Preview" version of the survey. This view consolidates all of the questions associated with the particular survey onto a single printable browser page. No answers or personal data are contained on the "Preview" version of the survey.

As you navigate through the survey, you may print each page to record your answers. There is no facility to review all of your answers on one page.

Definitions

Each survey has a set of definitions associated with it that are unique to the process grouping covered by the survey. Throughout the

survey, questions may have links to survey definitions.

Accurate results depend on a common understanding of the terminology used across survey respondents, so take special care to review the definitions in the glossary thoroughly. Common terms may be defined differently than you expect. When in doubt, contact APQC for guidance.

Reasonable Numbers

The survey asks for a number of detailed pieces of information. If you do not have the exact information that a question asks for, please provide a reasonable approximation. If you cannot provide a reasonable approximation, please leave the answer blank. If you are not sure, contact APQC for guidance.

Reporting period

All questions in the survey, unless expressed otherwise, request data from the last complete fiscal year of your organization's or business entity's operations. Please be sure to provide the end-date of the fiscal year for which you are providing data. If you have any questions about the reporting period, please contact the OSBC help desk (contact information is provided below.)

Question numbers may skip

Occasional changes to the survey may result in the addition or removal of questions. Due to this activity, the question numbers in the survey may occasionally skip one or more numbers. Furthermore, some surveys will hide questions depending upon answers to previous questions. If you have any questions about the order of questions in the survey, please contact the OSBC help desk.

Contacting APQC with Questions

For any questions regarding the survey mechanics, the survey content, or general survey inquiries, please contact the OSBC helpdesk via telephone on +1.800.776.9676 (toll free, US only) or +1.713.681.4020, or via email on osbc@apqc.org.

This survey is designed to be modular in nature. Process modules in this survey include:

Process customer credit

- Establish credit policies
- Analyze/approve new account applications
- Review existing accounts
- Produce credit/collection reports
- Reinstate or suspend accounts based on credit policies

Invoice customer

- Maintain customer/product master file
- Generate customer billing data
- Transmit billing data to customers
- Post accounts receivable entries
- Resolve customer billing inquires

General Background Questions

Regarding this entire data collection effort

Questions on this page deal with specific details about **this data collection effort**.

*88.0010 Please indicate the currency (e.g. U.S. Dollar, Euro, Japanese Yen, etc.) used for monetary responses in this survey. *This question must be answered in order to proceed to the next page.*

Currency

US Dollar (USD)

88.0020 Provide the end date of the twelve-month period for which your [business entity](#) will be providing data. *(All questions in the survey, unless expressed otherwise, request data from the last complete fiscal year of your organization's or business entity's operations. Pro-rata data are not acceptable, only actual data should be submitted. Please be sure to provide the end-date of the fiscal year for which you are providing data. If you have any questions about the reporting period, please contact the OSBC help desk on osbc@apqc.org.)*

Period end date

| | |
|--------------|--------------|
| Year | Month |
| * Choose one | * Choose one |

Page Break

General Background Questions

Regarding your entire organization

The question on this page should be answered for the company's entire organization, including **all business entities** as well as the corporate headquarters.

Please provide your value responses with no currency marks, thousands separator, or other formatting. Also, a period should be used for a decimal mark, not a comma (e.g. **1325.23**, not \$1,325.23).

88.0030 What is your entire organization's [total annual revenue](#)? (Note that this question refers to the entire organization rather than the business entity defined for purposes of this survey effort. For example, the surveyed business entity could be a business unit of a publicly traded company, in which case this question should be answered as the corporate parent's total annual revenue.)

Total annual revenue

88.0040 What is the highest level of process ownership within your organization for the order-to-cash process? (Select only one.)

- Global
- Regional
- Business unit of some similar division such as product lines

General Background Questions

Regarding the specific business entity completing the survey

Questions in the remainder of this survey should be answered for the **business entity completing this survey**.

Please provide your value responses with no currency marks, thousands separator, or other formatting. Also, a period should be used for a decimal mark, not a comma (e.g. **1325.23** not \$1,325.23).

88.0050 What is your business entity's [total annual revenue](#)? If your business entity is a support unit such as a shared services center and therefore does not directly generate revenue, then provide the revenue amount for the units/business entities you support.

Total annual revenue

88.0060 What is your business entity's total annual selling, general, and administrative (SG&A) cost? Include all compensation and benefits (excluding incentive compensation), direct operating costs, supplies, maintenance time and expenses, subscriptions, publications, and related costs.

Total annual SG&A cost

88.0070 What is your business entity's total annual cost of continuing operations? (If your business entity is a support unit such as a shared services center, then include the costs for the units/business entities you support.)

Total annual cost of continuing operations

88.0080 What is the total number of employees ([temporary](#), [part-time](#), and [full-time](#)) at your business entity?

Number of employees (headcount)

88.0090 What is the total number of [full-time equivalents \(FTEs\)](#) at your business entity?

Number of FTEs

88.0100 Approximately in how many countries, including your own, does your business entity operate?

Number of countries

88.0110 Which of the following best describes the customer strategy for your business entity? (Select only one.)

- [Cost leadership](#)
- [Product/service differentiation](#)
- [Focus on the customer](#)

88.0120 Which of the following terms best describes the market conditions in which your business entity mainly operates? (Select only one.)

- Relatively new, emerging market
- Growth market

Mature market
Generally in decline

88.0130 Which of the following functions best describes the role your business entity performs in the corporate organization? (*Select only one.*)

Headquarters
Shared services center/centralized processing center
Manufacturing, operating, or business unit

88.0140 Does your organization use an [enterprise resource planning \(ERP\) system](#) to coordinate key business information, resources, and activities across the value chain?

Yes
No

88.0150 What is your assessment of your business entity's overall performance relative to industry peers?

Top Quartile
Middle Half
Bottom Quartile

88.0160 Which of the following best describes your organization's maturity with regards to information availability and analysis capabilities? (Options are listed in increasing order of maturity; select the option that best describes your organization's maturity.)

We don't have regular access to data beyond basic transactions. Data is stored in spreadsheets or system extracts. Analysis is not performed on a regular basis and decisions are based on instinct or anecdote.

Data is in department or line-of-business silos. Insight generation is only performed on an ad hoc or periodic basis. Decisions may be supported by data, but are primarily based on past experience.

Structured operational data is available and may include some basic external data. Insights are generated at department or line-of-business level. Decision making is focused on analyzing past actions and consequences.

Traditional and unstructured data is integrated and available from enterprise sources as well as some external data. While data is available to many people based on their roles and needs, using it might require some technical assistance. Decision making involves historic analysis and predictive algorithms.

Real-time, internal and external data is readily accessible across the enterprise based on need. Information is shared extensively across the enterprise. The data is integrated real-time and users can access, manipulate and visualize data on demand. Data-driven decision making is part of the organization's culture.

88.0170 Which of the following best describes your organization's maturity with regards to information availability and analysis capabilities, that you think your organization **SHOULD** have in order to be competitive / on par with peers? (Options are listed in increasing order of maturity. This question is intended as a subjective measure of the level of analytics maturity required to compete within the industry.)

We don't have regular access to data beyond basic transactions. Data is stored in spreadsheets or system extracts. Analysis is not performed on a regular basis and decisions are based on instinct or anecdote.

Data is in department or line-of-business silos. Insight generation is only performed on an ad hoc or periodic basis. Decisions may be supported by data, but are primarily based on past experience.

Structured operational data is available and may include some basic external data. Insights are generated at department or line-of-business level. Decision making is focused on analyzing past actions and consequences.

Traditional and unstructured data is integrated and available from enterprise sources as well as some external data. While data is available to many people based on their roles and needs, using it might require some technical assistance. Decision making involves historic analysis and predictive algorithms.

Real-time, internal and external data is readily accessible across the enterprise based on need. Information is shared extensively across the enterprise. The data is integrated real-time and users can access, manipulate and visualize data on demand. Data-driven decision making is part of the organization's culture.

88.0180 Which of the following best describes your business entity's compliance with currently accepted accounting standards? (Please contact your company's financial reporting department for guidance in answering this question if needed.) (Please select only one option.)

My business entity is currently compliant with the [International Financial Reporting Standards \(IFRS\)](#).

My business entity is currently compliant with [United States Generally Accepted Accounting Principles \(US GAAP\)](#).

My business entity is currently converting from United States or local Generally Accepted Accounting Principles (GAAP) to the International Financial Reporting Standards (IFRS).

My business entity is currently compliant with local Generally Accepted Accounting Principles (GAAP) other than US GAAP and IFRS.

If you selected other please specify with which standard your business entity is compliant:

This concludes the general background module.

Following is the **process customer credit** component of the survey. Activities included in this component of the survey include:

Process customer credit

- o Establish credit policies
- o Analyze/Approve new account applications
- o Review existing accounts
- o Produce credit/collections reports
- o Reinstate or suspend accounts based on credit policies

Please direct all survey related questions to the OSBC Helpdesk at (800) 776-9676 or Email [OSBC Helpdesk](#).

88.0190 For the process "process customer credit," which of the following best describes your business entity's role? *(Select only one.)*

- Self-supporting; performs most aspects of this process
- Relies on other business units for the process
- Relies on shared services center for the process
- Serves as a shared services center for the process
- [Outsourced](#) to third party

88.0200 Which of the following best describes the system your business entity uses for the process "process customer credit"? *(Select only one.)*

- Manual/Spreadsheet
- Internally developed technology
- SAP
- Oracle (incl. Peoplesoft, J.D. Edwards and other Oracle products)
- Infor (incl. GEAC and Baan)
- Other system to process customer credit
- Not applicable / no system used for this process
- Don't know

If you selected "Other," please specify.

Complete the FTE and cost tables below for each business process at your business entity.

| FTE table | Process customer credit |
|--|-------------------------|
| 88.0210 What is the number of full-time equivalents (FTEs) employed by your business entity during the year to perform the process "process customer credit"? <i>(Use up to two decimal places if needed.)</i> | |

88.0220 What is the total cost of the process "process customer credit" for your business entity for each cost category?

| Cost table <i>(If your business entity does not have costs in a category, use a zero; if you do not know the cost, leave blank.)</i> | Process customer credit |
|--|-------------------------|
| a. Annual personnel costs <i>(including compensation and benefits)</i> for those classified as FTEs in question 88.0210. | |
| b. Annual systems costs <i>(direct and/or allocated to the business entity)</i> | |
| c. Annual overhead costs <i>(direct and/or allocated to the business entity)</i> | |
| d. Annual other costs | |
| e. Annual outsourced costs | |
| f. Total cost of the process <i>process customer credit</i> (sum of a through e) | |

88.0230 Using the total number of FTEs from question 88.0210 for the process "process customer credit," please allocate those FTEs among the following activities for your business entity. *(Use decimal if needed and use a zero if no FTEs perform this activity.)*

| Activities for processing customer credit | FTE allocation |
|---|----------------|
| | |

| | |
|--|--|
| a. Perform management activities | |
| b. Establish credit policies | |
| c. Analyze/Approve new account applications | |
| d. Review existing accounts | |
| e. Produce credit/collection reports | |
| f. Total number of FTEs <i>(Must equal the answer to question 80.0210)</i> | |

88.0240 What is the average number of days sales outstanding in accounts receivable for your business entity?

Average number of days sales outstanding

88.0250 What is the total annual value of your business entity's uncollectable balances?

Total annual value

88.0260 Does your business entity consistently evaluate new accounts and orders for credit quality?

Yes

No

88.0270 Does your business entity enforce centralized credit limits and control for national/international accounts?

Yes - because we only have one credit function for the organization and/or we have centralized credit limits and controls (even though we have multiple credit functions)

No - no centralized credit limits and controls

88.0280 Of the total number of customers in your business entity's customer master file, how many are active customers?

Total number of active customers

88.0290 What is the total annual number of credit reviews performed at the account level by your business entity's credit staff? (Include only the account-level reviews performed to determine appropriate credit limits; exclude transactional credit lookups that may be associated with the ordering process.)

Total annual number of credit reviews

88.0300 Of the total annual number of invoices billed to customers by your business entity, how many have credit terms?

Number of invoices with credit terms

88.0310 What is the maximum value of credit that can be extended to new customers without approval? (A credit decision that requires anything other than a system generated review counts as an approval)

Maximum value of credit

88.0320 What is the maximum value of credit that can be extended to existing customers without approval? (A credit decision that requires anything other than a system generated review counts as an approval)

Maximum value of credit

88.0330 For your business entity, what is the average cycle time in calendar days (including weekends) for [credit approval](#)?

Number of days

88.0340 Does your business entity use credit holds as collection leverage for customers who violate payment conditions (e.g., late or skipped payments)?

Yes

No

88.0350 Does your business entity use financial incentives and performance goals to support collaboration between the sales and credit functions?

Yes

No

88.0360 To what extent is the performance of the credit function assessed based on customer adherence to payment terms? (Select only one)

Not at all

To a limited extent

Key indicator of credit function's performance

88.0370 Thinking about your entire **process customer credit** operation, what do you see as the key operational practices or management techniques that contribute to your organization's success, if any? Please list the top three.

Following is the **invoice customer** component of the survey. Activities included in this component of the survey include:

Invoice customer

- Maintain customer/product master files
- Generate customer billing data
- Transmit billing data to customers
- Post receivable entries
- Resolve customer billing inquiries

Please direct all survey related questions to the OSBC Helpdesk at (800) 776-9676 or Email [OSBC Helpdesk](#).

88.0380 For the process "invoice customer", which of the following best describes your business entity's role? (*Select only one.*)

Self-supporting; performs most aspects of this process

Relies on other business units for the process

Relies on shared services center for the process

Serves as a shared services center for the process

Outsourced to third party

88.0390 For your business entity, which of the following best describes the system used in the process "invoice customers"? (*Select only one.*)

Manual/Spreadsheet

Internally developed technology

SAP

Oracle (incl. Peoplesoft, J.D. Edwards and other Oracle products)

Infor (incl. GEAC and Baan)

Other system to invoice customers

Not applicable / no system used for this process

Don't know

If you selected "Other," please specify.

Complete the FTE and cost tables below for each business process at your business entity.

| FTE table | Invoice customers |
|---|--------------------------|
| 88.0400 What is the total number of full-time equivalents (FTEs) employed by your business entity during the year to perform the process "invoice customers"? (Use up to two decimal places if needed.) | |

88.0410 What is the total cost of the process "invoice customers" for your business entity for each cost category?

| Cost table (If your business entity does not have costs in a category, use a zero; if you do not know the cost, leave blank.) | Invoice customer |
|---|-------------------------|
| a. Annual personnel costs (including compensation and benefits) for those classified as FTEs in question 88.0400. | |
| b. Annual systems costs (direct and/or allocated to the business entity) | |
| c. Annual overhead costs (direct and/or allocated to the business entity) | |
| d. Annual other costs | |
| e. Annual outsourced costs | |
| f. Total cost of the process <i>invoice customers</i> (sum of a through e) | |

88.0420 Using the total number of FTEs for the business entity from question 88.0400 for the "invoice customers" process, please allocate those FTEs among the following activities. (Use decimal if needed and use a zero if no FTEs perform this activity.)

| Activities for invoice customers | FTE allocation |
|---|-----------------------|
| a. Perform management activities | |
| b. Maintain customer/product master files | |
| c. Generate customer billing data | |
| d. Transmit billing data to customers | |
| e. Post accounts receivable entries | |
| f. Resolve customer billing inquiries | |
| g. Total number of FTEs (Must equal the answer to question 88.0400) | |

88.0430 What is the total number of invoices billed to customers annually by your business entity?

Number of invoices

88.0440 Of the total number of invoices billed to customers annually by your business entity, what percentage is automatically generated based on event triggers (e.g. shipment, delivery, installation)?

Percentage of invoices automatically generated

88.0450 Is invoice customization (e.g., non-standard print and delivery formats) offered to all customers, or limited to only key customers? (Select only one.)

- Offered only to key customers
- Offered to all customers
- Not offered to any customers

88.0460 What is the total number of line items billed/invoiced annually by your business entity? If your business entity's system does

not track line items billed/invoiced then please approximate the annual number based on an average month.

Number of line items billed/invoiced

88.0470 What is the total value of the line items billed/invoiced annually (from question 88.0460) by your business entity?

Value of line items billed/invoiced

88.0480 What is the total annual number of updates to the customer master file? (Include all customer master file updates such as address or name changes, account preference updates, new account additions and dormant account removals.)

Total annual number of updates

88.0490 Of the total number of line items billed/invoiced from question 88.0460, what percentage is invoiced to the customer using electronic or automatic methods, e.g. internet, wireless application protocol (WAP), EDI, Direct upload or interface?

Please note this question refers to how invoices are delivered to customers, e.g. mail, fax or EDI, etc. Do not include invoices that are generated electronically or automatically and then mailed or faxed to a customer.

Percentage invoiced electronically or automatically

88.0500 Using the total number of line items billed/invoiced from question 88.0460, what percentage is entered into the system through an automated method (such as EDI, direct upload or interface, or scanning)?

Percentage entered via automated method

88.0510 Of the total annual number of line items billed/invoiced by your business entity (question 88.0460), how many are denominated in a [foreign currency](#)? (i.e., a currency other than your local reporting currency)?

Number of line items in foreign currency

88.0520 Of the total annual number of line items billed/invoiced by your business entity (question 88.0460), how many offer a [discount](#)?

Number of line items offering discount

88.0530 For your business entity, what percentage of billed/invoiced line items offering a discount is taken?

Percentage of line items with discount taken

%

88.0540 Of your business entity's total annual number of line items billed/invoiced (question 88.0460), what percentage is processed [first time error free](#)?

Percentage of line items processed first time error free

%

88.0550 For your business entity, of the total annual number of line items billed/invoiced by your business entity (question 88.0460), how many were [paid on time](#)?

Number of line items paid on time

88.0560 After an invoice/bill is transmitted to the customer, what is the average elapsed time in calendar days (including weekends) before goods/services are shipped/performed for your business entity? *(For purposes of this cycle time, "time zero" is when the billing happens. If you bill first and then ship, use a positive number. If you ship first and then bill, use a negative number.)*

Number of days

88.0570 What is the average cycle time in calendar days (including weekends) to generate complete and correct billing data at your business entity? *(Exclude actual transmission time of billing data.)*

Number of days

88.0580 Considering all of your manual interventions for sales orders, allocate the percentage among the following causes. (Allocate to 100%.)

| Causes of manual intervention | Percentage allocation |
|---|-----------------------|
| a. Contract issues | |
| b. Pricing issues | |
| c. Invoicing issues (cancel and rebills) | |
| d. Incorrect customer master data (e.g., name or address) | |
| e. Other | |
| f. Total (Must equal 100%) | |

If you selected "Other," please specify.

88.0590 Does your organization use tools for automated assessments and cleansing of customer and product master data (such as those provided by ERPs or vendors like Trillium)? (Select only one.)

- Yes
- No

88.0600 Thinking about your entire **invoice customer** operation, what do you see as the key operational practices or management techniques that contribute to your organization's success, if any? Please list the top three.

88.0610 What additional measures would you like to see included in future reports?

88.0620 Please indicate whether your organization would like to discuss the benchmarking results to learn more about reasons for possible performance gaps.

- Yes
- No

You have reached the end of the survey. You can use the **previous** button to review your answers for accuracy and reasonableness. After pressing the **submit** button, you will no longer be able to directly edit your data in this survey form.

The next step will be review and validation of your responses. APQC will contact you to conduct a final review of your responses and verify that your responses were as you intended.

Please click the **Submit** button to complete the survey and transmit your data.

In order to obtain a printed version of your completed survey, you will need to print each page **before** submitting your responses. After you select "submit," you will be unable to print your completed survey.

Please direct all survey related questions to the OSBC Helpdesk at (800) 776-9676 or Email the OSBC Helpdesk at [OSBC Helpdesk](#).

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