



01

QUARTERLY BUSINESS REVIEW

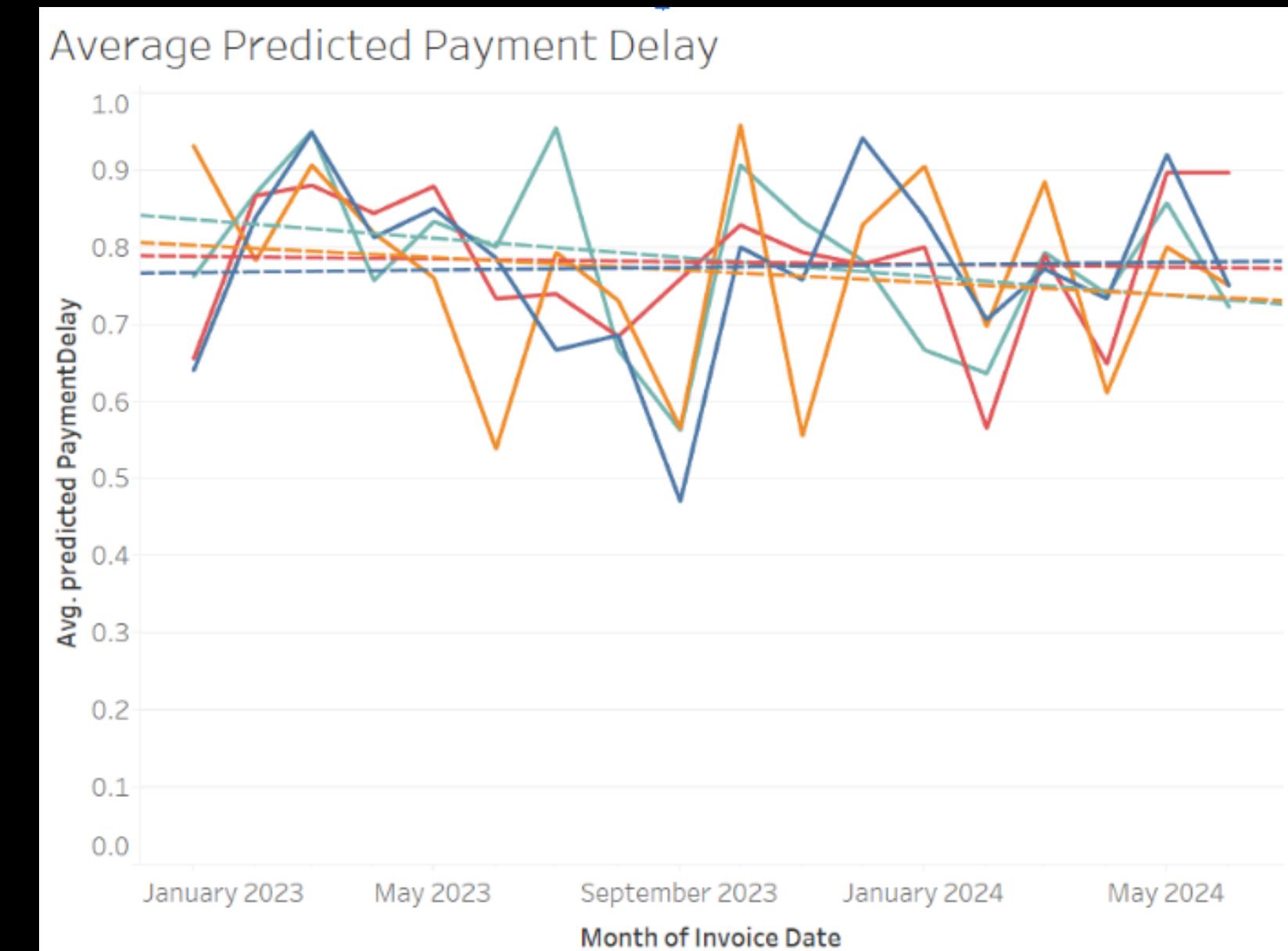
DATA ANALYSIS

02

VISUALIZING COMPANY'S WORKING

Payment Delay for Respective Product/Service

Product Service	Amount	Count of predicted PaymentDelay
Product A	1,448,532	532
Product B	1,341,345	479
Service A	1,511,071	536
Service B	1,235,843	453



Market Penetration

Stable invoice issuance with over 32% of invoices paid on time out of the monthly totals, spotlighting the need for enhanced payment tracking mechanisms.

Focused Recovery from Key Accounts

Targeting recovery efforts on key accounts such as Customer 1161, who alone owes \$13,651, demonstrating significant leverage points for improving cash flow.

Predictive Analytics and Payment Behavior

The average payment duration of 45 days exceeds standard terms by 15 days, suggesting that predictive analytics could help in identifying at-risk accounts earlier.

Customer Retention and Payment Delays

Late payments are systemic, with Q4 showing higher Days Sales Outstanding (DSO); this could influence customer satisfaction and retention if not addressed.

Seasonal Impact on Revenue

Seasonal trends show the highest payment delays in Q3 at 33 days, affecting liquidity and necessitating seasonal financial planning.

Enhancing Collection

Success in predictive analytics for collections illustrates the potential for data-driven strategies to mitigate payment risks and enhance cash flow.

KEY PERFORMANCE INDICATORS

Collections

Our analysis shows that most invoices are cleared promptly within the first 30 days, indicating efficient initial billing and collections processes.

Days Sales Outstanding

A stable Days Sales Outstanding (DSO) of 15-16 days in the first half of 2024 highlights effective accounts receivable management relative to industry standards.

High Average Days Delinquent

Data reveals an increase in outstanding balances as receivables age beyond 60 days, which may indicate potential inefficiencies in long-term debt collection or customer follow-up strategies. Average ADD of 30 days points to delays in payment collection, impacting cash flow and financial planning.

Strategy

- Objective: Enhance cash flow and reduce financial risk by improving receivables management.
- Approach: Implement data-driven strategies to identify late payment trends and adjust collection policies accordingly.

Tactics

- Data Analysis: Regularly analyze payment data to identify which customer segments are more prone to late payments and understand seasonal impacts on payment behaviors.
- Customer Engagement: Increase engagement with customers who have high outstanding balances through personalized communication and tailored payment solutions.
- Technology Utilization: Leverage technology like predictive analytics to anticipate late payments and act proactively to address them.

Execution

- Step 1: Deploy ML to analyze current payment data and predict future delays. Set up triggers that alert the financial team to potential late payments.
- Step 2: Initiate targeted communication strategies for at-risk customers, offering incentives for early payment or flexible payment plans for those identified as high risk.
- Step 3: Review and adjust the credit terms and policies quarterly based on the data collected and the effectiveness of current strategies to continually refine the approach and enhance outcomes.

STRATEGY, TACTICS, AND EXECUTION

Next Step: Introduce a new, dynamic invoicing system that integrates these analytics and insights directly into the invoicing process, ensuring customers are aware of their payment behaviors and potential penalties or rewards for their payment timings.