

# Customers or clients

[Business](#), [Marketing](#)



Calculate the average length of credit which your business is allowing--or which your customers or clients are taking. This can be calculated monthly, quarterly or even annually but ideally a monthly figure should be extracted. The only thing worse than bad. news is bad news which arrives too late for remedial action The calculation required is: Total outstanding debtor balances at month end (the amount you are owed in total) / Sales value for 12 months period ending at the same month end x 365 = Average number of days credit you are allowing

For example, if you divide your total outstanding debtor balances of ?? 10, 000 by the sales value for the 12 month period of 100, 000 [pounds sterling] and multiply that by 365, you find that you are allowing an average 36. 5 days credit to each debtor. Establish this calculation as a regular routine. Remember to adjust the annual sales value each time you make the calculation by deducting the sales value for the most remote month and adding the most recent figure.

Keep a very simple graph which will show you whether the average period for which you are allowing credit is increasing or decreasing. The graph will look like this: Look for movement between the end of one month and the end of the next AND look for the trend revealed by the graph as a whole. This particular approach will emphasise length of credit being allowed or taken rather than the amount. Both time and amount are relevant to profit and to liquidity. Making special arrangements can backfire.

No company is so large and important that you should let them ignore your terms. Rather than damaging goodwill, insistence on firm, simple settlement

terms will create a healthy respect for your financial efficiency. Remember, it may only take that one exception to drain your business of its cash. All verbal arrangements should be confirmed in writing. A credit application form simplifies this process. If the customer is a company, make sure that you get a personal guarantee for payment by one or more of its Directors.

Consult your solicitor for advice about the Credit Act and how it may affect your business. Ensure that a credit ceiling (a maximum amount of available credit) is established for each account customer in view of their ability to repay their debts. 1. READ THE FINANCIAL PRESS AND TRADE JOURNALS Due to their day-to-day responsibilities, many small business operators neglect the “big picture” and are out of touch with changes in the marketplace or the economy. Financial media and trade journals are a cost-effective way to get the “feel” of your market.

Where available, subscribe to an appropriate credit reference bureau. 1. START AT THE TOP When attempting to settle accounts, you should deal directly with the decision makers. Discussions with other people on overdue accounts can waste time. It’s usually far quicker and more effective to deal with the person whose signature appears on the cheque. By all means send a letter, but you should follow it up with a personal visit if possible. 1. KEEP YOUR PROMISE Don’t threaten legal actions unless you intend to go through with it.

Issuing empty threats will probably mean you will wait even longer in the future. 1. WATCH TRENDS Gauge how well you are controlling your credit with some easily understood measures such as average day’s sales

outstanding, results against targets and proportion of disputed accounts. Other warning signs to watch are changes in cheque signatories or cheques coming from other than the debtor. When this happens, inquiries should be made immediately. 1. SPREAD THE MESSAGE Communication is the key to preventing or resolving problems.

All your staff should be well informed of credit control procedures and the reasons behind them. Your ability to communicate internally will probably be linked to your business ability to control in the marketplace. Regular staff meetings to discuss credit will assist this communication and will improve your credit management. The ICICI Group was formed with the objective of supporting India's growth and development.

While we have transformed from a development bank to a diversified financial services group, this vision continues to form the core of all we do. We partner the growth of Indian business and help individuals improve their quality of life, through convenient access to financial products and services. We are focusing on the full spectrum of financial services needs, from banking in rural areas to banking for the Indian community overseas. In addition to financial services, we support initiatives for socio-economic development through projects focused on healthcare, education and access to markets.

We seek to improve access to opportunity, and the ability to make the most of it, for businesses and individuals - to help people move towards a better life. VISION To be the leading provider of financial services in India and a major global bank. MISSION We will leverage our people, technology, speed

and financial capital to: 1. be the banker of first choice for our customers by delivering high quality, world-class products and services. 2. expand the frontiers of our business globally. 3. play a proactive role in the full realisation of India's potential. 4.

maintain a healthy financial profile and diversify our earnings across businesses and geographies. 5. maintain high standards of governance and ethics. 6. contribute positively to the various countries and markets in which we operate. 7. create value for our stakeholders. OVERVIEW ICICI Bank is India's second-largest bank with total assets of Rs. 3, 562. 28 billion (US\$ 77 billion) at December 31, 2009 and profit after tax Rs. 30. 19 billion for the half year ended December 31, 2009. The Bank has a network of about 1, 697 branches and 4, 883 ATMs in India and presence in 18 countries.

ICICI Bank offers a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and through its specialised subsidiaries and affiliates in the areas of investment banking, life and non-life insurance, venture capital and asset management. The Bank currently has subsidiaries in the United Kingdom, Russia and Canada, branches in United States, Singapore, Bahrain, Hong Kong, Sri Lanka, Qatar and Dubai International Finance Centre and representative offices in United Arab Emirates, China, South Africa, Bangladesh, Thailand, Malaysia and Indonesia.

Our UK subsidiary has established branches in Belgium and Germany. ICICI Bank's equity shares are listed in India on Bombay Stock Exchange and the National Stock Exchange of India Limited and its American Depositary

Receipts (ADRs) are listed on the New York Stock Exchange (NYSE). HISTORY OF ICICI 1955 1. The Industrial Credit and Investment Corporation of India Limited (ICICI) incorporated at the initiative of the World Bank, the Government of India and representatives of Indian industry, with the objective of creating a development financial institution for providing medium-term and long-term project financing to Indian businesses.

Mr. A. Ramaswami Mudaliar elected as the first Chairman of ICICI Limited. 2. ICICI emerges as the major source of foreign currency loans to Indian industry. Besides funding from the World Bank and other multi-lateral agencies, ICICI was also among the first Indian companies to raise funds from international markets.