



## Receivables Management

### An easy way to manage payments/receivables

The Receivables Management services of Deutsche Card Services make it easier to manage receivables and payments, in particular with regard to cost and labour-intensive offline payment methods. Monitoring outstanding receivables, payments and chargebacks forms the basis for a comprehensive reporting system, which is available online at any time. Deutsche Card Services takes charge of any upcoming problems, from drafting and sending out dunning notices to preparing the data for transfer to debt collection agencies.

#### Background/market development

No matter what they say, the issue of proper payment is not terminated with the acceptance of a payment method. To complete the settlement, merchants need to conduct more or less cost and labour-intensive procedures, depending on the payment method, and often they need to do everything themselves or else rely on third-party services. Payments management includes not only accounting, but also monitoring of due dates and payment receipts. This may take much time, in particular for offline payment methods (pre-payment, COD or invoice purchases). From a technical vantage point, offline payment methods are only a declaration of intent, as is the direct debit procedure popular in Germany, Austria and the Netherlands. That is why it is necessary to monitor receivables to see whether a payment procedure was completed and to identify outstanding receivables and chargebacks. Moreover, the lack of authorisation and authentication mechanisms harbours considerable risks of non-payment and results in cost and labour-intensive follow-up procedures such as dunning and debt collection.

#### Description of the product

Receivables management supports merchants in the settlement and documentation of payment procedures, in particular for payment methods which require receivables management (pre-payment, COD, invoice purchases or direct debiting). Deutsche Card Services monitors electronic bank statements and bank status

information in order to match payments with outstanding receivables and debtors, identify chargebacks and do the related accounting in line with the merchant's specific requirements.

If a receivable is not paid, Deutsche Card Services reduces the receivables management burdens for merchants by drafting and sending out dunning notices on behalf of the merchants and according to their specifications. If the dunning procedure fails, Deutsche Card Services will prepare the data for transfer to a debt collection agency.

The latest receivables and dunning status and other information (such as payments that cannot be matched or taxes) are provided on the internet. The reporting is seamlessly integrated into the central Business Information System (BIS). Data on the individual debtors are also provided online and can be accessed and edited via the Debtor Information System (DIS) in order to block dunnings, for example, or to change account or personal data.

This permits long-term savings in payments and receivables management without lapses in transparency.

#### How it works (example: direct debit)

1. The customer orders merchandise from the merchant's shop and selects "direct debiting" as payment method.

2. The direct debit data are transmitted to Deutsche Card Services.
3. Deutsche Card Services prepares a payment file, which it files with the merchant's bank.
4. Deutsche Card Services monitors whether the direct debit is processed successfully.
  - Permanent monitoring of status information by the merchant's bank.
  - Permanent analysis of account statements by the merchant's bank.
5. Deutsche Card Services informs the merchant about the status of the receivable:
  - Information about payments and bookings against receivables.
  - Information about outstanding receivables.
6. Deutsche Card Services deals with outstanding receivables according to the merchant's instructions:
  - Pre-litigation dunning according to the merchant's instructions (dunning stages, drafting and sending out dunning letters).
  - Transfer of the receivables data to the merchant or to a debt collection agency specified by the merchant.



### Target groups

Receivables Management is useful for all long-distance merchants, in particular those

- which have not had to deal with consumer payment procedures so far,
- which want to reduce their receivables management expenses,
- which do not want or are not able to deal with the operative aspect of receivables procedures,
- which need receivables management for German customers (in case of non-German customers there will be additional expenses for dunning abroad).

### Supplementary products

In addition to its broad range of services around other payment methods and fraud protection, Deutsche Card Services, as a full-service provider, can offer other services which are particularly attractive in combination with Receivables Management:

With its **Direct Debit Services**, Deutsche Card Services helps merchants to settle direct debits in three countries. The payment method, which is extremely popular in Germany, Austria and the Netherlands, permits merchants to debit receivables directly to the customer's bank account. This enables merchants to open their internet and traditional mail-order business to customers who either prefer the well-known and simple direct debit method or who do not hold a credit card.

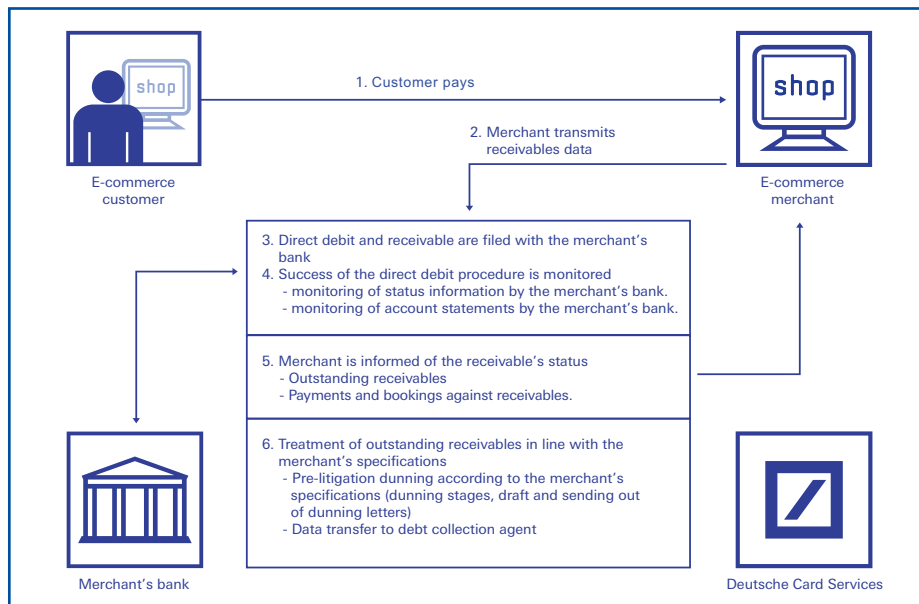
### Account-based fraud prevention measures

help to reduce non-payment risks of direct debit payments by checking bank data for plausibility and any negative indicators.

### Consumer-based fraud prevention

**measures** help to minimise logistics risks and reduce non-payments by focusing on negative indicators – regardless of the payment method used.

### Receivables Management – How does it work? Example: Direct debit



### Reasons to choose Receivables Management

- Better focus on the core business as cost and labour-intensive internal procedures are outsourced.
- Tailor-made accounting by matching of account plans and cost centres.
- Improvement of operative procedures due to high degree of automatization.
- Detailed reporting on the internet, comprehensive and updated every 24 hours.
- Interactive steering of receivables management procedures via the internet.
- Optimal value added thanks to integrated full-service solution for a complete payment settlement – from acceptance and technical processing until monitoring and documentation.

### Advantages of Deutsche Card Services

- Leading provider in European e-commerce.
- Payment methods for all distribution channels (e-commerce, MOTO, POS) and other services from one single provider.
- Fraud prevention in order to provide the best possible security against non-payment.
- Modular supplementary services up to a complete outsourcing of the receivables management.
- Easy integration via well-established procedures and interfaces.
- Central online reporting, independent of time, place or platform.

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