ACCOUNTS RECEIVABLE TURNOVER RATIO
TABLE OF CONTENTS

1. What Is Accounts Receivable Turnover Ratio?
2. Why You Should Know Your Turnover Ratio
3. 3 Important Functions of Accounts Receivable Turnover Ratio
4. How to Calculate Your Accounts Receivable Turnover Ratio
5. How to Interpret Your Turnover Ratio Results
6. 10 Tips to Boost Your Accounts Receivable Turnover Ratio
7. Who Can Help Improve Your Accounts Receivable Ratio?
Accounts receivable is a crucial business function. After all, every company needs to get paid. But do you know how efficient your accounts receivable management is? In other words, do you really know how often your company gets paid?

As a business owner, you run a tight ship. Keeping track of the amount your clients owe is crucial to your survival. You can’t allow money to slip through your fingers or spend your precious time chasing down customers to pay their debts.

There are several metrics you can measure to determine where your business stands when it comes to accounts receivable. These include your collections effectiveness index, days sales outstanding (DSO), average days delinquent (ADD), and turnover ratio.

Let’s zero in on turnover ratio—calculating this metric gives you tremendous insight into how effective your accounts receivable truly is. It’s important to accurately calculate your turnover ratio to learn where your business stands and whether there are opportunities for improvement.

93% of businesses experience late payments from customers

47% of credit sales are paid late

1.5% of companies’ receivables are marked off as bad debt

(Source: Atradius)
1. WHAT IS ACCOUNTS RECEIVABLE TURNOVER RATIO?

No matter the size of your business, your accounting department is key to your success. Accounts payable and accounts receivable are the two major jobs this department takes care of.

Accounts payable (AP) is the money your company owes, while accounts receivable (AR) is the money that’s owed to your company. AR represents the sales you’ve made that haven’t been paid for yet.

Every business that offers credit must track the outstanding invoices for which customers have not yet paid.
WHY IS ACCOUNTS RECEIVABLE IMPORTANT?

While many customers pay their debts on time, chances are you’ll experience a longer waiting time to get paid at some point. Because these debts need to be paid, it’s crucial to track who owes you money.

When you maintain accounts receivable, you’re extending interest-free loans to your clients. You still need to fund your business operations in the time between issuing an invoice and receiving payment. The longer it takes for customers to pay—and the more customers who are slow to pay—the more you’ll struggle with cash flow.

Accounts receivable in paper form won’t do your business any good. If you’re not converting your accounts receivable into cash, you’ll have no real funds coming into your business.

To turn these debts into cash, you need to take action. You need to efficiently manage your accounts receivable.

HOW EFFICIENT IS YOUR ACCOUNTS RECEIVABLE MANAGEMENT?

Accounts receivable management refers to your company’s set of policies and procedures to manage your sales offered on credit. It’s how you keep track of the amount of money you’re owed and the ways you recover it. It requires the utmost care and attention.

Do you know how well your company is doing in this area?

If you struggle to get paid on time, you’re not alone. Whether your company is large or small, accounts receivable management is no easy feat. When collecting debts, you need to effectively communicate with customers, ensure security, and handle confidential data.

To be successful, you need a well-defined debt recovery strategy and you need to measure your efforts.

ACCOUNTS RECEIVABLE RATIO DEFINED

Assessing your accounts receivable management allows you to measure how your company uses its assets. While there are many ways to measure the efficiency of your processes, calculating your accounts receivable turnover ratio is one important step.

Simply put, your turnover ratio is the number of times per year your business collects its accounts receivable. It’s also referred to as accounts receivable turnover or the debtor’s turnover ratio.

Your ratio tells you how many times you got paid, on average, in the last year. It also tells you how effective you are at extending credit to your customers and collecting debts on that credit.

Why is this ratio so important to measure?
2. WHY YOU SHOULD KNOW YOUR TURNOVER RATIO

Here are three reasons you should know your accounts receivable turnover ratio:

**GAUGE YOUR ABILITY TO COLLECT**

Every company has past-due and slow-pay accounts. What’s important is how you deal with them.

Do you know how effectively you’re collecting on accounts? You don’t just want to assume you’re doing well—you want to know for sure. To quote an old management adage, “You can’t manage what you don’t measure.”

If you’re issuing more credit than you’re collecting, it’s time to improve your process for collecting payments.

**ASSESS YOUR CREDIT POLICIES**

Your accounts receivable turnover ratio gives you insight into your company’s credit policies and practices. How strict are your rules for extending credit? Do you proactively check in with your customers after issuing invoices? Do you charge late-payment fees? Are your customers aware of your credit policies?

If you’re struggling to collect payments on time, it may be time to update your credit policies.

When developing or revising your credit policy, it’s important to establish these three factors:

1. **Credit Standards**: How much credit risk will you assume?
2. **Credit Terms**: What is the established time frame for when your customers must pay an invoice?
3. **Collection Policy**: What set of rules for receiving debt do you abide by?

**MEASURE YOUR BUSINESS PERFORMANCE**

The way you collect payments dramatically impacts your cash flow and revenue, as well as your business’ risks. Knowing your accounts receivable turnover ratio can thus tell you a lot about your company’s overall performance.

Calculating your turnover ratio lets you know how efficient your current accounts receivable processes are and if there are any issues.

By tracking your accounts receivable, you can discover how you can improve your cash flow and bottom line.
3. 3 IMPORTANT FUNCTIONS OF ACCOUNTS RECEIVABLE

Your accounts receivable turnover ratio helps you answer the following three questions:

1. HOW STRICT IS YOUR CREDIT POLICY?

Having a credit policy in place is vital to protect your accounts receivable. It lets customers know exactly what to expect when dealing with your company. This makes them more likely to understand and follow your payment expectations.

If you want to effectively manage your accounts receivable, you should prioritize developing your credit policy.

How do you create a smart policy? Knowing your company’s level of risk tolerance and access to capital will help you determine how conservative your policy should be.

YOUR CREDIT POLICY SHOULD OUTLINE:

- Who gets credit
- How much credit is issued
- How long the terms will be
Your policy should be comprehensive and well-written. It should clearly convey your company standards to your customers. Your credit policy will outline rules for new customer account creation, setting credit limits on your customers’ accounts, communicating with customers, and more.

Creating and revising your policy is not always easy. Like anything worth doing, putting together an effective policy takes time and effort.

However, it’s important to prioritize this task. Doing so will give your company long-term stability. A strong credit policy ensures you’ll effectively collect payments. After all, a sale isn’t really a sale if you don’t get paid. To meet your business operation objectives and debt obligations, on-time payments are crucial.

If your turnover ratio is low, the problem may be that your credit policy is too lax. The purpose of a strict credit policy is to encourage customers to pay on time and to promptly collect past due accounts.

**BENEFITS OF A STRICT CREDIT POLICY INCLUDE:**
- Fewer bad debts
- Better cash flow
- Improved business profitability

2. HOW EFFICIENT IS YOUR CREDIT MANAGEMENT?

Credit management is understood as the internal collection of outstanding debts. If you want to collect payments in a timely manner, your collection management should be consistent and methodical.

If your accounts receivable turnover is low and you already have a strict credit policy, the problem might be with your credit management. After all, without proper enforcement, your policy and procedures won’t do much good.

Having a strong policy in place is at the core of effective credit management, but there are other contributing factors as well. Here are some tips to boost efficiency in this area:

**ENSURE CONSISTENT COMMUNICATION**

Regular communication between accounts receivable and your customers, as well as your other departments (like accounts payable), is crucial.

To encourage timely payments, don’t only follow up with your customers when they’re late to pay. Instead, call them soon after you send out the invoice to ensure they received it and to ask when they will pay.

Additionally, if the payment wasn’t received on time, call your customer right away to ask why it wasn’t sent and when you can expect it.

While following up on payments may seem awkward, remember it’s your right to be paid within terms. Cash flow is the lifeblood of your business. If you want to survive, you need to ensure you get paid on time for your services.

**QUICK TIP**

For your customers to know your policy, they have to see it. Make sure your credit policy is visible to all your customer-facing employees, as well as your customers themselves. Post it on your website or somewhere customers can easily access it.
GET DEDICATED STAFF
Make sure you have someone on your staff who oversees accounts receivable. If your in-house staff is overwhelmed, however, it might be a good idea to outsource this function.

By choosing to outsource accounts receivable management, your company will save money, speed up the time it takes to get paid, and improve cash flow.

The right provider will have extensive experience, use the latest techniques and technology to manage accounts receivable, and act as an extension of your brand.

There’s no one-size-fits-all solution when it comes to outsourcing. You can fully outsource accounts receivable or maintain some control over processes and procedures, depending on your business needs.

USE AUTOMATION
Tracking invoices, receipts, purchase orders, financial statements, and other documentation is a tedious process. Let one document slip under the radar, and you jeopardize the entire process.

Smart companies turn to automation to manage their accounts receivable.

Investing in software to automate your accounts receivable will streamline your procedures. Automating these painstaking processes is a sure-fire way to boost credit management efficiency. By removing the possibility of human error, automation ensures your accounts receivable will be accurate and reliable.

While some automation programs are expensive, the ROI you’ll see will be worth it.

3. WHAT IS YOUR COMPANY’S HISTORY WITH ISSUING AND COLLECTING CREDIT?
To get the answer to this question, you need to regularly calculate your accounts receivable turnover ratio. Doing so will tell you the whole story when it comes to how efficiently your company collects payments.

Accounts receivable can vary dramatically over a year. While companies typically measure their accounts receivable turnover ratio annually, you can also measure it on a monthly basis to get a clear sense of how your company is improving.

HERE’S HOW TO DO SO
1. Add your company’s accounts receivable figures from the beginning and end of the month.
2. Divide the total number by two. This gives you the average accounts receivable for the month.
3. Divide the sales made on credit that month by the average accounts receivable. This final number gives you the accounts receivable turnover for the month.
4. HOW TO CALCULATE YOUR ACCOUNTS RECEIVABLE TURNOVER RATIO

How exactly do you calculate your (annual) accounts receivable turnover ratio? It’s a simple process. Here’s how to do so:

Take your net annual credit sales, and divide the number over the current amount of your accounts receivable.

ACCOUNTS RECEIVABLE TURNOVER RATIO = NET SALES / AVERAGE ACCOUNTS RECEIVABLE

NOTE:
Your net annual credit sales are the total credit sales for the year. This doesn’t include cash sales.

Your net credit sales number is taken from your company’s income statement, and your accounts receivable number is taken from your balance sheet.

The result is the number of times per year your accounts are collected.

Don’t stress about the math—we’ve got you covered. Use our calculator to quickly find out your accounts receivable turnover ratio.
FOR THE BEST RESULTS, FOLLOW THESE TIPS

- Measure your accounts receivable turnover ratio often to get up-to-date insights on your company’s financial management. Compare your current ratio to the previous year-to-date or last quarter. Has your ratio increased or decreased?

- To get an accurate representation of your accounts receivable ratio, you can take an average of accounts receivable from each month during a 12-month period.

- Consider both your accounts receivable turnover ratio and your average collection period ratio to get a clear sense of your company’s collection and credit policies.
5. HOW TO INTERPRET YOUR TURNOVER RATIO RESULTS

SO YOU KNOW YOUR TURNOVER RATIO—GREAT! NOW WHAT?

When interpreting your results, it’s important to note that there’s no single number that represents the ideal turnover ratio. It largely depends on your industry and other factors.

Generally, however, a high turnover ratio means your company is efficiently collecting debt and managing accounts receivable. A low turnover ratio signifies inefficient management of accounts receivable.

Let’s take a deeper look at what both ends of the spectrum mean. Here’s how to interpret your results:

A HIGH TURNOVER RATIO
If your turnover ratio is high, congratulations! It means your business is managing its accounts receivables efficiently. You’re successfully collecting accounts on a regular basis and you’re getting paid frequently and on time, which increases cash flow.
A HIGH TURNOVER RATIO SIGNALS YOUR COMPANY HAS A CONSERVATIVE CREDIT POLICY AND AN AGGRESSIVE COLLECTIONS DEPARTMENT.

A high turnover ratio says good things about your company and customers. Your customers are regularly paying their debts off quickly (maybe even early), meaning you’re extending credit to the right kind of customers.

Your team is doing a good job screening customers before opening accounts. You only extend credit to customers who pass a rigorous screening process and meet high standards. And if anyone does fall behind on their payments, your team makes sure to follow up quickly.

IN SUMMARY, A HIGH ACCOUNTS RECEIVABLE TURNOVER RATIO INDICATES:

- Efficient business operations
- Tight credit policies
- You receive payments on time
- You’re extending credit to the right type of customers

NOTE:
In some cases, an overly high turnover ratio can indicate your company’s credit lending policies are too rigid. You may be preventing ideal borrowing candidates from becoming customers.

A LOW TURNOVER RATIO

A low turnover ratio means there are areas of your business you can improve. Contrary to a high ratio, a low number means you aren’t collecting on accounts very often and you aren’t getting paid often enough.
A LOW TURNOVER RATIO SIGNALS YOU NEED TO COLLECT ON OLD CREDIT SALES THAT ARE TYING UP WORKING CAPITAL.

WHAT’S CAUSING YOUR LOW RATIO?

You need to consider a number of potential factors. For one, you may be giving credit away too easily. Extending credit to the wrong customers can cause your company cash flow problems. You may have a low-quality customer base that struggles to make payments on time. These customers probably won’t be making future purchases either.

Not all customers who are slow to pay, however, struggle with financial issues. There might be errors on the invoice or they might have received the wrong product. If your company frequently makes these kinds of mistakes and doesn’t respond to customers’ issues in a timely manner, you’ll likely see a lower turnover ratio.

A low turnover ratio could also mean your collections policies are ineffective. They may be too loose or completely nonexistent.

Additionally, you may have inadequate collections functions. Do you have reminder notifications in place that go out on time? If your team is too busy to follow up on overdue accounts, that’s a problem.

Ultimately, a low turnover ratio means your customers aren’t paying on time—and you’re letting them get away with this bad behavior. Uncollectable debt is hurting your cash flow and revenue. Your company needs to make some changes to rectify the situation.

IN SUMMARY, A LOW ACCOUNTS RECEIVABLE TURNOVER RATIO INDICATES:

- Ineffective collections policies
- You’re giving credit too leniently
- Your customers don’t pay on time and may have financial difficulties
- Bad debt is hurting your cash flow
6. **10 TIPS TO BOOST YOUR ACCOUNTS RECEIVABLE TURNOVER RATIO**

If your accounts receivable turnover ratio is low, all hope is not lost. You can take action to improve your processes now. Here’s how:

1. **ANALYZE YOUR PROCESSES**

   An inefficient or understaffed team could be seriously hurting your accounts receivable. Since your company needs to get paid on time, accounts receivable is not something you can put on the backburner.

   If your turnover ratio is low, take a good look at your current processes. Review your credit policies and terms. Does your company ignore payment terms in favor of winning new sales?

   To boost your accounts receivable turnover ratio, you need to start getting paid on time. To do that, your management team needs to analyze your current processes to determine how you can improve.

2. **DEFINE SET CREDIT POLICIES**

   A credit policy is the cornerstone of effective accounts receivable management. To boost your turnover ratio, implement stricter rules for extending credit. Your policy should dictate the rules for creating new customer accounts, setting credit limits, assessing bad debt, and sending accounts to collectors.

   You also need to outline when to send out reminders for overdue accounts. Follow up regularly to ensure overdue accounts get paid sooner.

   To ensure accountability, outline the positions of team members and their roles in the process.
3. PROMPTLY SEND OUT INVOICES

The invoice you send to customers is the most important communication you’ll send when it comes to getting paid. Send an invoice as soon as you complete a service or deliver a product—no matter how busy you are.

It sounds simple, but adding “please” and “thank you” to your invoices can help you get paid faster. Doing so can increase your chances of getting paid by more than five percent, according to FreshBooks. Minding your manners will not only boost your brand—it can actually increase your revenue by thousands of dollars per year!

QUICK TIP

To increase your chances of getting paid on time, offer multiple payment methods. Your customers will be happy when they can pay whichever way they prefer, whether that’s by cheque, PayPal, or credit card.

4. BE PROACTIVE

Don’t just sit around waiting for your customers to pay you. Being proactive in your invoicing and collections efforts will pay off.

Ensure your invoices are clear and aren’t missing any key information. Have someone on your accounting team contact your customer a few days before the payment is due. Take advantage of automation, and get a system that allows you to remind customers when they have an upcoming payment.

Don’t wait to collect late payments either. The longer you wait, the harder the payment will be to collect.

5. REWARD TIMELY PAYMENTS

Try positively incentivizing customers to pay early. You can offer future discounts and credits, for example, for early payments.

The improved cash flow you’ll experience will make this worthwhile. To avoid a reduction in sales revenue, you can also increase your prices before implementing a reward program.
6. DISCOURAGE LATE PAYMENTS
Late payments can have a catastrophic effect on your business—especially if you have no credit to rely on.

If you’re not already charging an interest fee on late payments, now’s the time to begin. Adding late fees gives a sense of urgency to invoices.

If you charge late fees, make sure you clearly indicate this on your invoices to inform your customers.

7. FOLLOW UP WITH CUSTOMERS
Your customer may not realize their payments are late if you don’t tell them. They simply might have forgotten. As soon as the payment is past due, send out a reminder. To help avoid late payments in the future, find out why payment was delayed.

Tailor your reminder message to your customer. If this is the first time they’re late, keep the tone friendly. However, if they’re a repeat offender, it’s probably time to crack down.

Although you’re upset, it’s crucial to stay professional. Be persistent, but don’t do anything that can ruin the relationship and sacrifice future revenue.

8. RECORD ALL COMMUNICATIONS
For every account, keep a log of when follow-up emails or calls were sent, along with the customer’s responses.

Modern software makes recording customer communication easy. When you have real-time data on your customers in one place with an accounts receivable platform, you’ll be better informed to take the right actions.

9. UPGRADE TECHNOLOGY
Outdated technology can be holding you back. An ineffective accounts receivable process can have a major impact on your ability to manage your company revenue. Accuracy and compliance are crucial to your success. But with manual processes, mistakes and inconsistencies are inevitable.

Fortunately, the right technology can help streamline your processes. For example, you can automate reminders to give your customers a gentle nudge that their payments are almost due. You can also automatically send thank-you messages to your customers when they make payments.

When you automate tedious tasks and use the latest technology to manage accounts receivable, you free up your employees’ time to get back to the work that matters.

10. OUTSOURCE ACCOUNTS RECEIVABLE
If your team is overwhelmed, it might be best to outsource accounts receivable. This is the best way to truly manage accounts receivable more effectively.

Investing in an accounts receivable platform can be expensive and time-consuming. But when you outsource, you can skip this process—your provider will be up to date with the latest technology and take care of everything for you.

Getting a team of professionals to handle accounts receivable can make your processes faster, more reliable, and more cost-effective.
7. WHO CAN HELP IMPROVE YOUR ACCOUNTS RECEIVABLE RATIO?

Let’s be real—claiming debts can be awkward. You don’t want to damage a healthy relationship with your customer over what seems like a minor issue. But if your customers continue to withhold the amount they owe you, these small problems can grow. By avoiding the issue, you put your business at risk.

How can you save your business?

Accounts receivable professionals can help you regain the money you’re owed. Many companies decide to outsource accounts receivable to improve their processes, save time and money, and focus on their core business.

Here’s how the experts can help improve your accounts receivable management, and in turn, boost your turnover ratio.
GET PAID SOONER

When you outsource accounts receivable, a dedicated team will work with you to ensure your customers pay on time. They’ll send out regular reminders and follow up on all overdue bills.

Experts can also more effectively review your customers’ credit-worthiness. Working with customers with strong credit histories who are likely to pay sooner will save you more money over the long term.

Accelerated accounts collection improves your company’s cash flow. In turn, a healthy cash flow allows you to better plan your monthly budget and meet all your other financial obligations.

IMPROVE PROCESSES AND PROCEDURES

When you enlist the help of professionals whose only focus is improving your accounts receivable, your business will enjoy the benefits of efficient, timelier payments. You’ll never have to worry about debt tracking, payment accuracy, additional fees, or other administrative burdens bogging down your team.

PROTECT FINANCES

Outsourcing means that your outstanding debts—whether fresh, lingering, or downright ancient—will be tracked down and settled up using a high caliber of professionalism. Being able to close the books on your accounts will help you protect the viability of your business and your bottom line.

Additionally, since your outsourcing partner is committed to protecting your brand and repairing customer relationships, your business will have an outstanding reputation. You will never lack a dedicated customer base.

FOCUS ON CORE FUNCTIONS

Tracking down outstanding debts, articulating a clear and consistent collection strategy, and mediating customer relationships—accounts receivable management is a huge investment. Its maintenance can easily eat up significant time and resources.

By outsourcing accounts receivable, your business can get back to its core functions. When your employees can focus on business growth, their morale and productivity will improve—and your business will thrive.
REMAIN COMPLIANT

Do you know how far is too far when it comes to recovering an outstanding debt? It can be a fine line between what’s legal and what can be considered harassment. You don’t want to overstep, but at the same time, you must recover what your business is owed.

Outsourcing accounts receivable management can help ensure your business is professional and compliant. Additionally, important customer information will be handled securely and all communication will be in adherence to your brand’s standard of excellence.

Partner with a provider that is audited externally by a third party such as the International Organization for Standardization (ISO) to ensure ongoing service quality, compliance expertise, and information security management. It will help you protect your reputation and your customers.

LOCATE MISSING CUSTOMERS

When there’s an outstanding debt, it’s common for the lines of communication to break down between an owing customer and your business. Often, customers seemingly go dark—they’re off the grid and can no longer be located. This can make the collection process infinitely more stressful and complicated.

By outsourcing accounts receivable management, your provider can initiate a process called skip-tracing. Skip-tracing can help your business remain profitable by employing a proven process to locate misplaced customers, followed through by experts. Since outsourcing is truly a partnership, a good provider will be sure to consult you on proper strategy and ensure all of its customer interactions are aligned with your brand.

GET HAPPIER CUSTOMERS

You already know why effective accounts receivable management is good for your business. Did you know it would also benefit your customers?

Your customers want to receive their bills on time, and if you’re working with the right people, they also want to pay you on time! A strong accounts receivable management strategy gives your customers the predictability they want. When your customers can expect when to receive their bills, they’re better able to budget and pay you on time.

A strong accounts receivable team is also less likely to make mistakes, which in turn keeps your customers happy. Your customers don’t want to waste their time asking you to make corrections on their invoices. When you have an experienced team handling your accounts, you’ll be less likely to frustrate customers and better able to retain them.
REDUCE BUSINESS RISKS

When you collect your accounts in a timely manner, you reduce your credit risk. As your cash flow improves, so does your reputation. Customers will notice your business isn’t risky, making them more likely to work with you.

Remember, there’s no one-size-fits-all solution when it comes to outsourcing. It should be a flexible, scalable solution that can be tailored to your business and your brand. When you’re looking to outsource your accounts receivable management, there are two options to consider. Take a look at the following solutions.

FIRST-PARTY ACCOUNTS RECEIVABLE MANAGEMENT

YOUR PROVIDER WILL:

- Work on your behalf to recover outstanding debts from customers
- Operate as a successful extension of your business
- Align with and abide by your brand values and guidelines
- Collaborate with you on creating a sustainable strategy and infrastructure
- Be a partner every step of the way, from agent training to goal realization

THIRD-PARTY ACCOUNTS RECEIVABLE MANAGEMENT

YOUR PROVIDER WILL:

- Include you in the client-customer journey
- Help repair customer relationships by offering a fresh perspective
- Allow your organization to retain control over your practices
- Help your brand present itself in the most positive light, even in difficult situations

HOW TO FIND THE RIGHT ACCOUNTS RECEIVABLE OUTSOURCER

You want to work with experts to improve your accounts receivable turnover ratio. How can you find the outsourcing partner that’s right for you?

There are many companies out there offering this service. Here’s how to find the best partner for you.

LOOK AT THEIR TRACK RECORD

First things first, ask about the provider’s experience. How long have they been in business? Which companies and industries have they worked with?

You want to find someone with plenty of relevant experience to manage your accounts receivable.
ASK WHAT SERVICES THEY OFFER
Do you want someone to manage your accounts receivable from end to end, or are you seeking expert guidance but want to maintain control?

The partner you work with should provide a customized solution for your unique needs. Not sure what services are right for you? A good outsourcer will be able to make suggestions and tailor their services to your company.

You’ll also want to make sure your potential provider can scale with you if you decide to outsource more work down the road.

LEARN ABOUT THEIR PLANS AND PROCESSES
Ask your potential provider about their plans for managing your accounts receivable. The right provider will give you advice on how to improve.

Your potential provider’s processes should, of course, be better than yours. Their suggestions should be specific—you should find out exactly how your company will see a better turnover ratio and improved efficiency.
CONCLUSION

Managing accounts receivable is a big task for any business. On top of getting your customers to pay on time, you have to maintain positive relationships with them. The whole process can seem overwhelming. Leaving accounts receivable on the backburner, however, can have devastating consequences on your company’s health.

There are several reasons you may have a low turnover ratio. No matter the circumstances, you can take action to effectively track outstanding debts and collect the payments you’re owed.

TO RECAP, YOU CAN BOOST A LOW TURNOVER RATIO BY:

- Strengthening your credit policy
- Adopting new technologies
- Offering incentives for early payments
- Charging late-payment fees
- Outsourcing accounts receivable

Every business will have a unique solution to better manage accounts receivable. If you’re struggling to improve any aspect of your accounts receivable, then outsourcing might be the answer you’ve been looking for.
OUTSOURCE WITH BILL GOSLING

Founded in 1955, in Toronto, Ontario, Canada, as a traditional accounts receivable management company, Bill Gosling Outsourcing has become so much more. We’ve expanded into the United Kingdom, the United States, and the Philippines, now operating eight offices worldwide. Our mission is to develop customer communication solutions for every part of the customer lifecycle, from start to end. With over 60 years of experience, we’ve learned that what matters most is how your brand gets where it needs to be.

We have the technology and resources to help your business provide better customer service. Let’s work together to create your brand’s strategy for providing great customer communication experiences.