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HOW TO CALCULATE YOUR CEI



SeeWind Design

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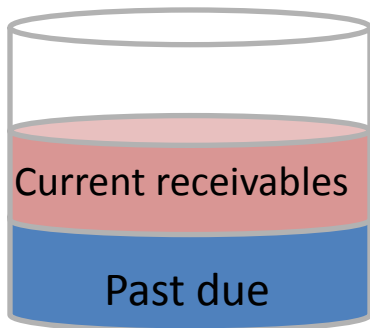
Collection Effectiveness Index

This measure compares what was collected in a given period to what was available to collect, i.e., how effectively an organization is managing its Accounts Receivable (A/R). Over time it measures the difference between Beginning and End Receivables and how effectively the collections effort received payment of those dollars that should have been paid.

A CEI is better at minimizing the impacts of seasonality of sales (both highs and lows) than traditional measures, such as DSO. The closer the CEI comes to 100% the more effective is the management of A/R.

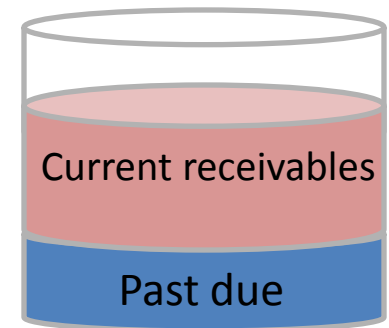
The Problem

Beginning Month 1



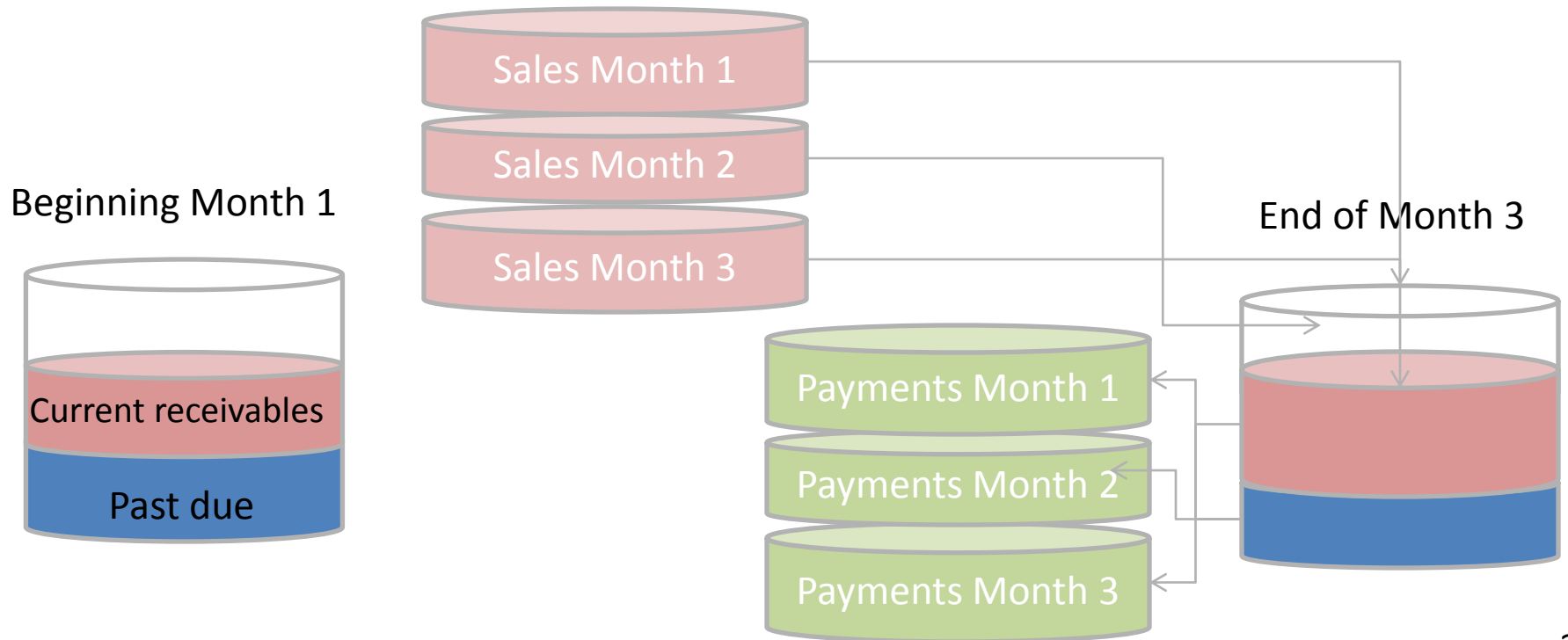
How do you measure how effectively your collections position has changed between Month 1 & 3?

End of Month 3

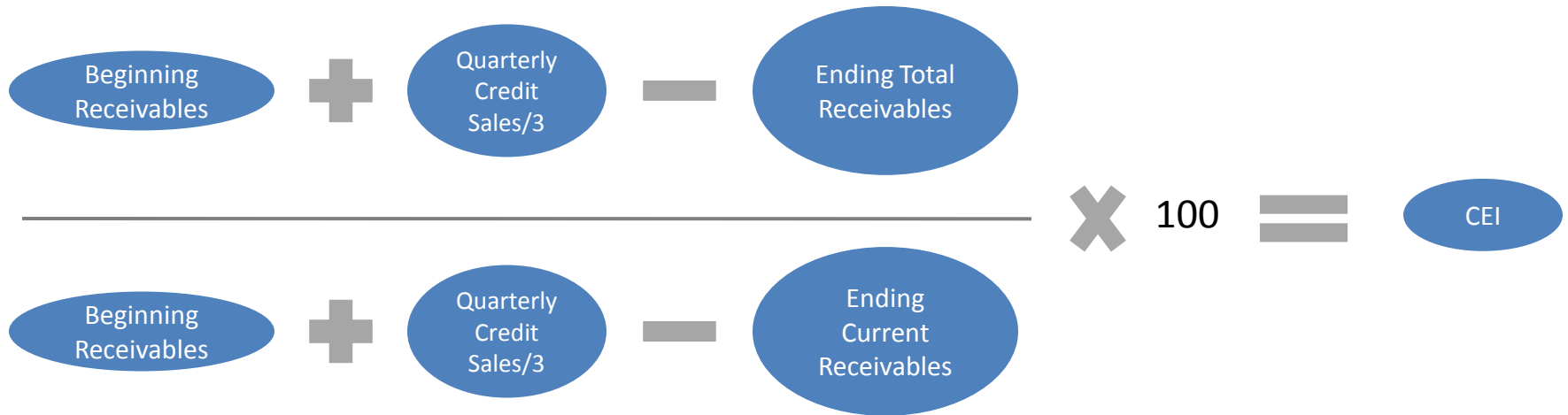


The Problem

The situation changes on a daily basis, affected by spikes or drops in sales, seasonality, payments or missed payments. CEI provides a formula and measure of your beginning and end position.



CEI Calculation



CEI a measure of collections effectiveness over time

Now used as a collections measure across industries

An input/output model

CEI Example

Beginning Receivables	New Sales	Pays	End Receivables	End current receivables	CEI
\$200	\$100	\$50	\$250	\$100	25%
\$250	\$100	\$50	\$300	\$100	20%
\$300	\$100	\$100	\$300	\$100	33%
\$300	\$100	\$400	0	\$0	100%
Average Monthly CEI					44.5%
Total Period CEI					100%

First month CEI:

$$((200 + 100) - 250) / ((200 + 100) - 100) = 25\%$$

About SeeWind Design

SeeWind Design provides solutions that operate inside your business and in partnership with your Customer Care and Billing organization to help you automate and optimize your efforts for collecting overdue accounts. We have over 20 years experience in revenue assurance and debt recovery problem solving and know how important and how challenging it is to get just-in-time analytics from multiple disparate systems.

Our solutions help our clients see their customers' payment behaviours, along with the impacts of their own business policies to foster better teamwork both internally and externally. Our solutions' leading edge ability tracks behaviour and results providing the hard evidence at the account, product and portfolio level, from both operational and financial perspectives.

For more information about our solutions visit us at www.forcecentral.com or contact our Sales and Marketing team at (416) - 801-7025