

State of Washington Department of Corrections

Collections Management System for Washington State Department of Corrections at Correctional Industries Headquarters

Solution Overview

Partner

The Resource Group
Renton, WA



Company Profile

As a partner with victims, communities and the criminal justice system, the Washington Department of Correction enhances public safety, administers criminal sanctions of the courts and correctional programs, and provides leadership for the future of corrections in Washington state.

Benefits

Using Microsoft Business Solutions Collections Management, Correctional Industries has decreased its past-due accounts receivable from 40% to 5% in less than one year's time!

Software Used

Microsoft Business Solutions – Great Plains

- Financial Series
- Fixed Assets
- Collections Management
- Microsoft SQL Server
- Integration Manager

For more information about Microsoft Business Solutions, visit www.greatplains.com.

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Customer Profile

The Washington Department of Corrections (DOC) employs 7,000 men and women to administer and supervise more than 15,000 offenders housed in 13 institutions and 18 work training and pre-release facilities. In addition, there are more than 93,000 field cases, of which more than 61,000 are supervised offenders in the community.

Correctional Industries (CI), within the DOC, is a \$35 million business with more than 31 diverse operations housed in adult correctional facilities statewide. CI provides quality goods and services for state and local governmental agencies, educational institutions and nonprofit organizations. CI's products are produced by a workforce of more than 1,300 inmates supervised by a civilian staff of 200 employees in 11 locations throughout the state. CI's mission is to expand offender work training programs that develop marketable job skills, instill a positive work ethic and reduce the tax burden of corrections. CI also manages a Class I Private Sector Partnership Program that offers employment to approximately 450 inmates within the corrections facilities. Washington's program is one of the leading programs in the nation.

Correctional Industries sells its products to other Washington State Agencies and political subdivisions, certified not-for-profit organizations, private contractors supplying state agencies, and out-of-state governmental agencies.

A Time-Consuming Collections Process

In September 2000, Correctional Industries was owed more than \$630,000 from accounts that were 90 or more days overdue. Correctional Industries employed two full-time employees just to manage the collections process.

CI's collections system at the time involved manual processes and printed paper. Aging reports were printed weekly and compared to the prior week's reports. Changes were noted and larger overdue balances were investigated first by checking Excel logs and paper notes attached to that customer's folder. All recorded collection activity was printed and filed each week—a task that alone could take up to eight hours. Because of the lengthy and costly process to contact overdue accounts, smaller delinquent accounts were often never contacted, and the amount owed by these smaller accounts steadily increased.

The process of sending dunning letters was very time-consuming. Each letter was created manually and amounts and addresses had to be verified before mailing. Eventually, Correctional Industries had to hire a full-time employee to help with the backlog. The followup process involved creating and using manual "tickler" files and reminders on desk calendars.

Because of its manual collections process and the high volume of receivables transactions, Correctional Industries suffered from poor cash flow.

A New and Improved Collections Process

Correctional Industries realized it needed an integrated solution to make its process more efficient and more effective; the solution it chose was the Collections Management module from Microsoft Business Solutions.

The Microsoft Business Solutions Collections Management module allowed Correctional Industries to implement a new, efficient and automated process. On a weekly basis, the manager is able to run a query on past-due amounts with a breakdown between the over 90 days to over 30 days. Dunning letters are automatically set up in the system and merges the account information. Each month, customer statements are sent out. Printing of the customer statements now takes one hour since they are merged directly onto the letterhead and ready to mail.

With Microsoft Business Solutions Collections Management, Correctional Industries can also e-mail statements to contacts for quick action and have a record of that communication in the system.

Under the new system, each and every outstanding account is now being contacted. Before, only the accounts past due greater than \$5,000 were reached.

Results of Implementing Microsoft Business Solutions Collections Management

Upon implementing Collections Management, Correctional Industries set a goal to improve its collections by reducing 90 days past due accounts from 40% to 5%. It has achieved that goal—and more.

- Accounts receivable more than 90 days past due dropped from \$630,000 in September 2000 to \$32,000 at the end of August 2001—a 95% decrease.
- Reduction in time of issuing statements and amount of staff required to issue statements—from six staff days to one staff day.
- CI can now document the collections process efficiently by tracking each customer action, phone call and correspondence. And with Collections Management, there are no paper files to search through.
- CI employees can now access each customer's detailed historical account files and records immediately, thus providing immediate customer service while the customer is on the phone!