



Röhlig Australia Pty Ltd - The Business

Röhlig Australia is a world-renowned shipping, forwarding and freight company which transports cargo all over the world. Having originated in Germany in 1852, the company developed a first-class reputation by the time it arrived in Australia in 1973. Today that reputation is maintained by Röhlig Australia and the 100 or more staff it employs in Australia. With offices in Sydney, Melbourne, Adelaide, Brisbane, Fremantle and Hobart, Röhlig is able to offer transport and freight solutions to suit every need.

For the last 30 years in Australia, Röhlig has earned a reputation for outstanding service and commitment to quality. With the help of professional and highly motivated staff, financial independence and an international network, Röhlig has the flexibility and structure to meet the challenges of a demanding and unpredictable market.



The Challenge

Dealing with so many clients on a daily basis, Röhlig has often found outstanding accounts difficult to follow up, particularly when companies move, change hands or go into liquidation. Faced with a growing list of debtors, Röhlig asked DC Strategy to pursue the matters for which there had been no progress.

The biggest challenge for Röhlig was to find the most efficient and cost effective way to recover the outstanding accounts and where possible, to salvage the business relationship with the client. Where this was not possible the full force of the law would be used to recover the debt as well as interest, court fees and legal fees.

Further to this process, Röhlig's existing systems and terms and conditions of trade with suppliers and customers needed an overhaul. The agreements needed to reflect the relationship between Röhlig and customers and addressing the responsibility for outstanding accounts.

The Solution

DC Strategy developed a simple yet effective set of systems and processes, including the revision of Röhlig's standard trading terms. Using a tiered response system for all of Röhlig's debt recovery matters meant that collecting debts became easier and less time consuming. The process would start with a simple letter of demand, establishing the debt amount and requesting payment. If the other side failed to give an adequate response, the action would escalate. The debt would be listed with a debt recovery service, which would affect the person or company's credit rating. If further attempts to communicate or negotiate payment were unsuccessful, court proceedings would be commenced.

Ideally the aim was to settle a dispute in the early stages by negotiation to help maintain a good professional image for Röhlig and obtain the commercial benefit. However, this was not always possible. Where there was no chance of negotiation, court action was used to recover all amounts owing as well as money that had been expended in recovering the debt.

Röhlig's standard trading terms were updated by adding requirements for personal guarantees for directors and detailed company information. With this information Röhlig was able to provide a more comprehensive profile of their clients and reduce the risk of non-payment of future accounts.



The Outcomes

The key outcome was for Röhlig to recover money owing by debtors. This was achieved in some cases, but not all and many matters are still in progress. As a more long term outcome Röhlig is aiming to reduce the incident of defaulting payments by introducing the new comprehensive agreement between themselves and their clients, placing responsibility on the client and emphasising their financial responsibility. This already seems to have taken affect, showing a reduction in the amount of outstanding debtors for Röhlig. Underlying all action the importance of maintaining Röhlig's solid reputation that has matured over its 150-year history. This goal was facilitated by the legal response, showing a willingness to negotiate when necessary but also projecting an image of strict enforcement of rights when required.

DC Strategy Contact Details

International Head Office

Level 5, 530 Collins Street,
Melbourne VIC 3000 Australia

growth@dcstrategy.com

www.dcstrategy.com

Australia

Melbourne +61 (0)3 8102 9200

Sydney +61 (0)2 8220 8700

Brisbane +61 (0)7 3015 7600

Perth +61 (0)8 6222 1011

Canberra +61 (0)2 8220 8700