

OnGuard and Levi9 build innovations in credit management together

"Our core business is software, not software development."

David W. Taylor
CEO, OnGuard

Levi9 Global Sourcing is partnering with OnGuard in developing innovative solutions for credit management. As an independent Dutch software company, OnGuard provides credit management solutions, and has become a leader in the global credit management market with over 850 customers in more than 25 countries.

"Credit management is the complete process from invoicing to collecting or referring the debt for collection," says David W. Taylor, founder and CEO of OnGuard. "Credit control used to be a process of angry letters and ultimatums. Nowadays it is far more a process of customer contact, and that runs throughout the whole organization. The most important question is: how can we maintain good relationships with our customers while ensuring that our invoices are paid on time? A lot of commercial aspects come into this."

Disputes are one of the main reasons for late payment of invoices. When a central credit management department puts pressure on the customer in such a case, the invoice is not paid any sooner but the relationship with the customer is damaged.

Credit management as a function of the whole organization

David Taylor continues: "If you want to expedite the payment, you need to go into the organization to remove the underlying problem. In our experience, credit management is no longer the exclusive domain of credit controllers. It is increasingly becoming a responsibility of the whole organization: logistics, sales, services and the financial department. In order to then implement this process company-wide, you need good tools, like those provided by OnGuard."

The first solution developed by OnGuard was based on a client-server model. However, applying credit management throughout the organization requires both a centralized and a decentralized approach. In addition, OnGuard works for many organizations that use Shared Service Centers for centralized credit management. Disputes are resolved remotely by definition: in another region, or even abroad.

From client-server to Internet

A web-based solution is needed for these situations. Today, OnGuard's product strategy is based on centralized heavy functionality for credit managers and decentralized, specific lighter functionality for the customer-facing employees.

"We built our first web-based application a few years ago," says David Taylor. "But the people we need for this are hard to find and even harder to keep. We wanted to be less dependent on our own programming capacity and shift the focus to functionality and solutions. In effect, we came to the conclusion that our core business is software, not software development. So outsourcing was a logical next step."

Nearshore development capacity

OnGuard went in search of a partner that could provide programming capacity. David Taylor: "We did some research, but decided that offshoring was not the right solution for us. It was literally too far away, and

communication was far from ideal. We need to talk to the programmers, and each additional step in the communication process produces noise.”

OnGuard came into contact with Levi9 Global Sourcing, with which it set up an initial trial project. The cooperation was very positive, after which Levi9 developed dedicated nearshore development capacity for OnGuard in Serbia.

Upgrade of web-based application

OnGuard then asked Levi9 to develop a proposal for the upgrade of the Internet application OnGuard DCMS (Distributed Credit Management Solution). The new solution would have to meet three important requirements:

- The graphical interface had to be very good, in terms of functionality as well as look & feel. Users work with the application day after day and must therefore find it easy and pleasant to use.
- High performance. The old solution was aimed at small & medium-sized enterprises (SME). Nowadays, OnGuard has customers with 1 million outstanding invoices, so the new product had to support that.
- Security. Credit management involves a lot of sensitive customer and financial information. In the future, OnGuard’s credit management solution will even run on the end customer’s desktop, enabling customers to record disputes themselves for example. Therefore, the whole credit management process needed to be extremely well-protected.

David Taylor: “We were looking for a partner to provide quality and think in terms of solutions instead of numbers of people and hours. Levi9 submitted a well thought-out proposal with two important innovative characteristics: the use of the latest Microsoft technology and an agile development process.”

Innovative technology

Paul Schuyt, CEO of Levi9: “Traditionally, web applications have been used effectively for things like visiting web shops and news sites. Professional applications that are used intensively require more: a professional interface, stability and the possibility of guiding users in their work. We recommended that OnGuard use Microsoft Silverlight, a powerful development platform used to make interactive applications for any screen.”

David Taylor: “The credit management process comprises a number of different aspects: financial, planning and communication with the customer. It is important to follow that process and it is virtually impossible to build that in a standard web application. Silverlight makes it possible to build the interface in such a way that the user does not lose his or her way. By using Silverlight, our web-based solution provides the same functionality and interface as our client-server application. All we need to do now is build, document and maintain one interface, and users always have the same user experience.”

Agile software development

Levi9 also suggested working according to the scrum software development method, in which multidisciplinary teams deliver functioning software in short ‘sprints’ or development cycles. This method is characterized by cooperation, communication and team spirit.

David Taylor: “The big risk involved in outsourcing is the lack of communication and coordination. Thanks to the scrum development method and daily stand-up meetings between the teams in Serbia and the Netherlands, we are truly working together on our product. Because development takes place in an evolutionary process, you don’t have to put everything down on paper beforehand. We were able to start the actual development sooner and always have a functional version of the software at our disposal. The scrum method offers so many advantages that we are now also using it for our other development tracks.”

The experiences

OnGuard and Levi9 have been working together for about a year now. David Taylor is very enthusiastic about the results and the cooperation. "It's all going very smoothly. The programmers in the Netherlands and Serbia talk to each other every day, and there is a delivery meeting after each sprint. Communication with the people in the Netherlands is also proceeding perfectly. Levi9 provides tools that enable us to evaluate progress at management level. Of course we have also faced a few challenges in working together. But the people at Levi9 have a very down-to-earth mentality. Any problems are discussed and resolved quickly."

OnGuard is very enthusiastic about the possibilities offered by the Microsoft development platform to provide functionally rich applications via the Internet. David Taylor: "We didn't set out to use the latest environment. When we started with the .NET development a few years ago, we encountered quite a few problems. So when Levi9 recommended using Silverlight, we had our doubts. They convinced us by rebuilding part of our existing client-server functionality in Silverlight. And that convincing evidence won us over."

The future

David Taylor is extremely optimistic. "It is important to build on advanced technology as it prepares us for the future. Outsourcing has been a good decision, making it much easier for us to add resources."

We recently commissioned Levi9 to conduct a new innovative project. They are going to develop Gadgets for Windows 7 for us, making it even easier to make credit management information available throughout the organization. Thanks to Levi9's flexibility, we have been able to do this much faster than if we had used our own resources."

Contacts:

OnGuard

Slotlaan 3
1394 BK Nederhorst den Berg
The Netherlands
Tel. +31 (0)294 - 25 66 66
www.onguard.com
info@onguard.com

Levi9 Global Sourcing

Jan van Goyenkade 8
1075 HP Amsterdam
The Netherlands
+31 (0)20-67 019 47
www.levi9.com
info@levi9.com