Finding and Managing Inactive Customer Records

What It Does

You should periodically determine who your inactive customers are, so you can manage these accounts. You can print a report that lists these accounts; then your salespeople can attempt to reactivate them.

If that fails, you'll want to delete these customer records. Before you delete them, though, you must make sure that none of these old customers still owe you money. If they do, you can try to collect the money, or adjust it back to zero, writing it off as bad debt.

Remember two rules for this procedure:

- ***Do not delete accounts that still have an outstanding balance.*** (An outstanding balance can be either a credit or a debit.)
- ***Do not delete accounts until you complete month-end.*** Month-end purges completed A/R transactions. If you delete the account before purging, the system cannot purge these transactions.

How to Do It

This procedure includes three basic steps:

- Printing a report that lists inactive customers
- Cleaning up any remaining A/R
- Deleting customer records you no longer need.

Printing a Report that Lists Inactive Customers

1 Go to the (N) screen, and type **Ø3** to select the Customer Master Listing.

2 At Do You Wish to Change … Execute, type **A**

3 At Change Sorts, type **N**

4 At Change Limits, type **Y**

5 With the cursor in the Account# field, press RETURN until the prompt Do You Wish to Limit From History/Totals appears. Type **Y**

6 At Deliveries MTD, press RETURN.

7 At Location, press RETURN.

8 At First Order, tab to the Last Order field.

9 At Last Order, specify **01/01/80** and press RETURN.

10 Press RETURN until the cursor goes back to the First Order field, and again tab to the Last Order field.

11 Determine how you want to define an inactive customer. Those that have not ordered in a month? In six months? A Year?

Start with today's date, and subtract the amount of time you're using. Specify the resulting date in the Last Order field.

Suppose today is 1/19/00. You subtract the period of inactivity you're using to determine the last order date for the report.

```
10:22:58            (N) Customer Selectors  rev. (04/22/99)            01/19/00
Number     Report: N_CUS1                   Selector: N-CUS1
========= MANIFEST SELECTIONS ==========  First Order :??/??/??  90 $??????????
Deliveries MTD ???? YTD ???? LST Y ????   Last Order :07/19/99   60 $??????????
Route :????        Map Loc :???? ????    Last Payment :??/??/??  30 $??????????
Map Page #????     Sort Order :??????         Of $??????????  Cur $??????????
Del. Time ??:?? to ??:??  Days :?????       On Check #????????  Tot $??????????
P/O#???????????????????????????????????   ---------------------------------------
Instructions :??????????????????????????        SALES    HITS --- AVERAGES ---
    ???????????????????????????????????    Mtd $?????????? #??   Days  #???
Starting Credit Limit $??????               -1 $?????????? #??   Lines #???
Additional Salesman   #????                 -2 $?????????? #??   Inv.  $???????
============ TAX SELECTIONS ============    -3 $?????????? #??
Location :??   District Number :____      ------ YEAR TO DATE --- LAST YEAR -----
         Desc.  :_______________            Hits   #      ????  #      ????
Tax Percent     %__.___                     Credit $   ???????  $   ???????
Tax Cap Amount  $_____                      Sales  $??????????  $??????????
Cap by Item     :_                          Cost   $??????????  $??????????
                                            Gross        ?????%       ?????%
                                            Fin.   $  ????????  $  ????????


[03] Selector  Totals Only :N Loc : 1 Prt :P1 Copies :  1 Recs :      Chain :N
ENTERING LIMITS ==== T O ==== FILL FIELD WITH DATA FOR LIMITS
```

Inactive for:	**Date you would enter:**
30 days	12/19/99
6 months	07/19/99
one year	01/19/99
two years	01/19/98

In the figure on this page, the current date is 1/19/00, and we specify 07/19/99 in the Last Order field to include only customers who have not ordered in the last six months.

12 After specifying the date you calculated in the Last Order field, press RETURN.

13 At Add On Detail Fields, type **Y**

14 With the cursor in the Account# field, press RETURN until the prompt Do You Wish to Select Fields From History/Totals appears at the bottom of the screen. Type **Y**

15 At Deliveries MTD, press RETURN.

16 At First Order, tab to the Last Order field.

17 In the first portion of the Last Order field, where the month goes, type **11**

18 At Enter Column Text for This Field, type **LA** and press RETURN.

19 In the middle portion of the Last Order field, type **22**

20 At Enter Column Text for This Field, type **ST** and press RETURN.

21 In the last portion of the Last Order field, type **33**

22 At Enter Column Text for This Field, press the SPACE BAR, type the letter **O**, and press RETURN.

23 Tab to the Tot$ field. Type **4444444444** to fill the field.

24 At Enter Column Text for This Field, type **A/R TOT** and press RETURN. See the figure below.

25 At Mtd $, press RETURN.

```
14:24:19           (N) Customer Selectors  rev. (03/20/97)            01/19/00
Number     Report: N_CUS1                  Selector: N-CUS1
========= MANIFEST SELECTIONS ==========  First Order :  /  /    90 $
Deliveries MTD      YTD      LST Y         Last Order :11/22/33  60 $
Route :            Map Loc :              Last Payment :  /  /    30 $
Map Page #         Sort Order :                  Of $            Cur $
Del. Time    :  to   :    Days :            On Check #           Tot $4444444444
P/O#                                      ---------------------------------------
Instructions :                                   SALES    HITS --- AVERAGES ---
                                           Mtd $            #     Days  #
Starting Credit Limit $                     -1 $            #     Lines #
                                            -2 $            #     Inv.  $
============ TAX SELECTIONS ============    -3 $            #
Location :__  District Number :____       ------ YEAR TO DATE --- LAST YEAR -----
         Desc.  :_______________            Hits   #            #
Tax Percent     %__.___                     Credit $            $
Tax Cap Amount  $_____                      Sales  $            $
Cap by Item     :_                          Cost   $            $
                                            Gross             %            %
                                            Fin.   $            $


[3 ] Selector  Totals Only :N Loc : 1 Prt :P1 Copies :  1 Recs :      Chain :N
ENTER COLUMN TEXT FOR THIS FIELD ==> [A/R TOT                             ]
```

26 At Enter Header Text 1, press RETURN.

27 Tab to the Prt field, specify the printer you want to use, and press RETURN.

28 At Do You Wish to Save Your Sorts and Limits, press RETURN.

29 At Are You Sure, make sure that your printer is set to 17 cpi, and then type **Y**

Cleaning Up Any Remaining A/R

After your sales force has tried to reactivate your inactive accounts, you may still have customers who are not likely to order from you again. Use your report to determine which inactive customers still owe you money. If there are some accounts that you have to write off as bad debts, follow the steps below.

30 Check with your accountant to determine which account to use as your bad debt account.

31 Go to the (B) screen, and select the [P] Post action code.

32 At the system date, press RETURN to accept the default.

33 At Enter A/R Code, type **4**

34 At Enter Batch# To Post To, specify a new batch number. Remember that you cannot begin your batch number with a 9. If you do not fill the field, press TAB.

35 At Control G/L, press RETURN to accept the default account.

36 The cursor moves to either the Name or Number field. Enter the customer's name or account number and press RETURN.

37 At Correct Record, enter the appropriate response:

Y **(default)** Yes, this is the correct customer record.

N No, this is not the correct record.

Q Use the query function to find the correct record. When the list appears, select the correct record by entering its line number, or see the next 10 records by pressing the SPACE BAR.

Note: The A=Add New Record option, which may appear at this prompt, is not applicable here.

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38 At Invoice #, specify the first invoice number you need to write off, and press RETURN.

39 By default, the system displays the outstanding amount in the Payments field.

If you're writing off the entire amount of the invoice, press RETURN.

If you're writing off only a portion of the invoice, tab to the Payments field, and enter the amount to write off, and press RETURN. ***Remember that you must type the decimal point.***

40 Press RETURN until the cursor moves to the reverse general ledger number for your adjustment. Specify the general ledger number you use for bad debts, as shown below. (If you're not live on general ledger, you don't need to do this; just press RETURN to accept the default.)

```
11:38:35        (B) Accounts Receivable Posting rev. (01/15/00)         01/22/00
----------------------------------------------- $       .00 -------------------
  Post       File [AR-MASTER ]  Vol. [W1??]   Batch #5555 Control G/L 01-102-01
--------------------------------------------------------------------------------
Name   :ADAM'S SUPPLY INC                Number:     89000 Last Payment 04/18/97
Suite  :SUITE # 303                 Discount ?H % 1.9    #3600     of $     100.00
Street :1401 RANDOLPH              Slsm :3278   Limit $  7450    Avg Days #
City   :ST. PAUL               St :MN Zip #55101 0000 Status :G Prev $         .00
Phone  #612-690-3279    Contact :                                Curr $    1135.55
     Check #________ Of $_______.__  Up TO Date ?MM/DD/YY        Total$    1135.55
 INVOICE #   DATE    CHECK #     CHARGES    PAYMENTS    DISC. T REMARKS     REVERSE
---------- -------- -------- ---------- ---------- ------- - ---------- -------
    5599-0 03 29 93             130.00        .00      .00 1 INVOICE
    5599-0 04 30 93 1000           .00      30.00      .00 3 PAYMENT
INVOICE (     5599-0) P/O (1234       ) DISC (       .00) BALANCE ( 100.00)
    5599-0 04 30 94                .00     100.00      .00 4 ADJUSTMENT   402-01
```

41 At Are All Fields Correct, type **Y**

42 When the cursor returns to the Invoice field, you can retrieve the next invoice you need to write off for this customer, if any.

After writing off all of a customer's bad debt, press ESC while the cursor is in the Invoice field, and retrieve the next customer whose debt you're writing off.

Deleting Customer Records You No Longer Need

Note: Remember to wait until you complete month-end procedures before deleting any customer records.

43 From the Master Menu, go to the (A) screen.

44 Select the [D] Del action code.

45 At Enter Password, specify the password, and if it has fewer than four characters, press RETURN. (The password is set in the Delete field in the (LA) screen.)

46 Retrieve the first customer record you need to delete.

Do this by entering part or all of the customer name or account number.

47 At Correct Record, enter the appropriate response:

Y	**(default)** Yes, this is the correct record.
N	No, this is not the correct record. The system will display the next one.
ESC	No, this is not the correct record. The cursor returns to the Name field so you can specify another record.

48 At Are You Sure, type **Y**

Note: If you see the prompt This Account Has A/R — Delete Customer, type **N**

This account does not have a zero balance. Go back to the heading **Cleaning Up Any Remaining A/R**, and balance the account. Wait until you complete the next month-end before deleting the account.

49 When the system displays the next record, press ESC to return to the Name field, and repeat the process until you delete all the records you need to.

Note: If any of the customer records you delete also have departmental records, you need to delete those also. Departmental records do not have A/R information, however; only the master accounts do.