



Case Study

Tasmanian Collection Service

Tasmanian Collection Service

(TCS) provides complete credit protection for businesses that trade in Tasmania.

The company primarily helps businesses avoid bad debts through:

- credit reporting;
- debt recovery;
- tailored account management; and
- a range of publications that help potential providers of credit identify possible problems early.

TCS is one of only two companies in Australia that deliver consumer credit reference services.

The family-owned company is a market leader in Australia. It has offices in Hobart, Launceston, Devonport and Burnie.

"TCS Online" speeds up credit reporting services to Tasmanian businesses

TCS provides vital credit information to a large number of credit-providing businesses in Tasmania. The speed with which it delivers this information is crucial for clients. The faster, the better.

When TCS received funding from the Tasmanian Electronic Commerce Centre Pty Ltd to help establish "TCS Online", the company prepared about 160,000 credit reports per year. This is more than one a minute every working day! 60 percent of these reports were given to businesses over the phone and/or by fax, making it a labour intensive and time consuming procedure for both TCS and its clients.

TCS saw that it could capitalise on electronic commerce to increase the speed with which it delivers services to businesses and to reduce

company running costs. As a consequence, TCS built a website where subscribers have fast, secure access to the information they need to make informed credit decisions.

The project cost almost \$150,000 to implement. The Tasmanian Electronic Commerce Centre Pty Ltd provided \$30,000 towards the development cost.

Benefits to businesses

Businesses that have registered to use TCS's interactive website have benefited through an extremely fast, secure and accurate credit information service. It takes 30 seconds or less to download credit reports over the Internet. The costs previously associated with providing hardcopies by fax have been passed on as savings to TCS's clients. The Internet has reduced delivery time from up to 10 minutes for faxes to a few seconds. In addition, the Internet has dramatically improved the reliability of report delivery.





A fast, reliable service is a must for credit providers who often are under competitive pressure to make business decisions quickly. The delays experienced in the past for receiving information by fax meant many clients elected to receive reports verbally over the phone. However, this verbal communication sometimes resulted in information being misunderstood or misconstrued, potentially leading to poor credit decisions. The Internet has increased the speed and reliability of the process.

Many businesses operate outside normal 9–5 working hours. Before "TCS Online" was introduced, such businesses could not get "on the spot" credit reports. Often, they made costly decisions to extend credit without knowledge of applicants' credit standings. This problem has been removed as businesses now can access reports at any time of the day. TCS's website has taken much of the risk out of providing credit for many businesses.

About 40 of the larger users of TCS's credit reporting services used to operate a custom-written Windows-based application called "GWIS". This product was available on CD ROM at a cost of \$300, which included training and installation. As this software had to be installed on individual hardware, it was difficult for TCS to

modify and develop the product. "TCS Online" removed the need for the software and the up-front cost. These clients now get the information they need over the Internet at a specified cost for each report.

The electronic commerce project is also benefiting those businesses that use TCS for debt recovery. Subscribers to the service can follow the progress of their claims simply by logging onto the website. In addition, they can add more information about their claims and advise TCS of payments received directly onto the TCS collection system, 24 hours a day, seven days a week.



Benefits to TCS

TCS believes that its Internet site has helped it to promote itself as a truly "modern and progressive" Tasmanian business.

The organisation also believes that now it has a competitive advantage over the other consumer credit report provider in Australia. This is because it is the only provider in Australia to offer Internet access to consumer credit reports. TCS believes that it offers reports with superior content at the same speed as the other organisation but without the need for expensive PC applications, dedicated communication lines and long distance call charges. Before it started using Internet technology, TCS was losing market share because it could not provide information as quickly as its competitor, despite the fact that the information it held was of superior quality. In addition, many mainland-based businesses that operate in Tasmania had opted to centralise their credit functions to the mainland. TCS's new service is making these organisations rethink their approach to credit reporting within Tasmania.

TCS anticipates that 60 per cent of its credit reporting will be conducted over the Internet within two years of it introducing its interactive website. This will represent a saving to the organisation of nearly \$40,000 per annum, mainly due to reduced labour and hard copy costs. Staff will be able to spend more time looking after other needs of clients, particularly in the area of debt collection, which is the largest part of TCS's business.

TCS married old software with new technology

TCS spent six months developing its interactive website, placing it on top of its in-house credit reporting and debt collection system. Murchison Productions designed the layout of the website, while staff of TCS integrated the site with the internal systems to provide the interactive content. This provided the highest level of security, with increased flexibility for future electronic commerce

initiatives. The website's tight integration with existing TCS systems meant its introduction had minimal impact on internal business operations.

Security of the website is extremely well guarded. All subscribers communicate with TCS through encrypted web browser sessions and a strict password policy. The system detects unauthorised accesses and automatically locks accounts when incorrect passwords are entered consistently. TCS also maintains extensive audit trails for monitoring access by subscribers.



The Future

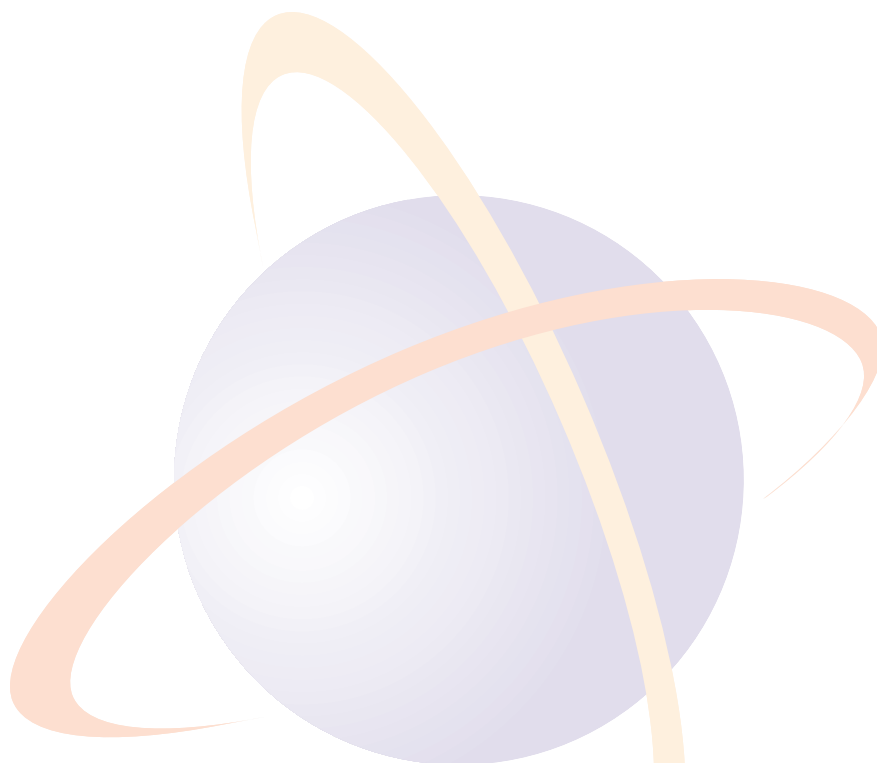
Michael Cretan, the manager of the electronic commerce project for TCS, says that in the future he anticipates the Internet link will help TCS become an integral part of its clients accounts receivable processes. He envisages that businesses will have Internet-based functions in their accounting systems that will automatically provide TCS with information on overdue accounts for action by the company. In the meantime, he intends to ensure that an efficient email reporting system is introduced with links to specific files online.

Michael anticipates that the number of credit reports given to businesses by phone and fax will reduce substantially. However, they will continue to be important forms of communication for maintaining contact with clients.

We're showing Tasmanian business the way to benefit from electronic commerce.

Since 1998 TECC's key role, innovation and unique approach to electronic commerce in Tasmania is helping Australia become a world class leader in the information economy. TECC has developed a range of specific products, including EC Aware, Online Outcomes Seminars and Workshops, EC Business, EC Market and EC Ready, to assist small, medium and large Tasmanian companies benefit from electronic commerce.

Contact us to discover how your business can benefit from electronic commerce.



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