



Rein In Receivables

Enterprise Case Study

Key Benefits

- ▶ 97% of invoices settled using IODM
- ▶ Reduced debtor days outstanding from average 180 days to 90 days
- ▶ Achieved staff productivity gains of 67%
- ▶ Drove substantial positive change in customer service
- ▶ Improved reporting of debtor position through analytics dashboard

Challenge

Our client is a large, diversified corporate with more than 6,000 staff servicing 20,000 clients throughout Asia Pacific. Following recent acquisitions, the company's debtor ledger more than doubled to 5,000 accounts, without any increase in headcount within the credit department.

The Group Credit Manager (GCM) needed to support the business to grow while maintaining a strong cash collection position, but was buckling under the weight of the 'long tail' of smaller overdue accounts.

As she explained: *"My team generally sorts their ledger from the highest overdue, most aged, to the lowest. Generally we'd get halfway down the ledger by the end of the month and not be able to contact the rest."*

"Plus, it was taking longer to get through the list because many invoices were being queried which would take months to sort out why."

"It meant cash flow coming into the business wasn't optimised, and we couldn't quickly delve into why some invoices weren't being paid so they could be resolved."

"We needed to find a way to reach all our customers, record their queries and make it easy for them to pay."

"It would also mean our credit team could get on with engaging more in relationships that add value to the business, doing more in-depth reconciliations, and meaningful analysis."

Solution

GCM developed a list of key criteria including a solution that was flexible and could scale across many business units, integrate easily with their Microsoft Dynamics/existing ERP system, was easy to use, cost effective and could be white labelled.

"We needed a system that will increase the speed of our cash collections, streamline our debtor management cycle and automate the communication with our small accounts – which often present the most risk."

"We had to look at smarter ways on managing the company's biggest asset, which is our debtor's book," she said.

Benefits

According to GCM, IODM's debtor management solution has enabled her credit department to achieve productivity gains in the vicinity of 67 per cent, and settle a growing list of debtors in a much shorter timeframe.

"IODM has helped us reduce significantly aged payments of around \$2.5 million per month from 180 days to approximately 90+ days," GCM said.

"We've also achieved a 97 per cent success rate in terms of overdue accounts settled by IODM's automated reminder texts and emails. In fact, within the first half hour of launching IODM, we had 17 (disputed) responses and 72 payments."

It's also the beginning of a substantial positive change in customer service, according to GCM.

"The first thing we noticed when we went onto IODM was the engagement we were getting from our customers. The feedback was, 'You're contacting us a lot faster now, we can explain what our dispute is, you can turn that around much faster and therefore we can pay.'

"We've also achieved a 97 percent success rate in terms of overdue accounts settled by IODM's automated reminder texts and emails. In fact, within the first half hour of launching IODM, we had 17 (disputed) responses and 72 payments."

"IODM has helped us reduce significantly aged payments of around \$2.5 million per month from 180 days to approximately 90+ days"

"The Pay Now button has been revolutionary," she continued. "It enables the customer to action a communication straight away. And, using the Query button, customers can immediately tell us if there's any issues rather than finding out 60 or 90 days down the track.

"The analytics dashboard is also very powerful. Previously I could never quantify invoice issues with real data. I can now present this information to the Board monthly, explaining what the problems are and enabling us to get to the root cause and fix them."

"It's been mind-blowing. My team can get through their workload a lot more quickly, and focus on more value-add activities. They feel a lot more satisfaction coming into work.

"There's no other solution that's as intuitive and so well geared to meet credit manager requirements," she said. "IODM makes me look very good to the rest of the business."

YOUR CASHFLOW SOLUTION

