

A/R PROGRAM MANAGEMENT SOLUTIONS FOR CRISIS COLLECTIONS



The worldwide pandemic is sure to have an impact on the short-term operations of many of your customers. Many are likely to implement cash management activities, including slow or non-payment of their invoices. If cash doesn't continue to flow into your business, you may arrive at your own crisis.

Many clients, of all sizes across sectors, are turning to SolomonEdwards to implement proactive planning techniques to get out in front of this looming issue. Our program-managed approach includes such elements as diagnostics and analytics on the accounts receivable pool, segmenting the accounts by risk and exposure, developing and executing a contact and collections strategy, and project-managing the process from start to finish.

A/R CRISIS COLLECTIONS SUCCESS STORIES

A multi-billion dollar, international manufacturing company was determined to deliver between \$200-\$300 million in free cash flow from its aging Accounts Receivable (A/R) balances across its global footprint. The company believed that a solid roadmap had been established, but it lacked the capacity for both project management and resources to collect the cash. SolomonEdwards (SEG) was engaged to help the company deliver on this commitment.

RESULTS

- Identified 8-10 specific areas of impact that did not require technology spend and, if modified, would provide a \$100M+ improvement in cash flow.
- Discovered that 18% of the customers never received their bill.
- Our collections team collected over \$18M in previously fully reserved receivables.
- Our efforts resulted in over \$50M of 120 day-plus receivables. Over \$100M was collected in total.

A global provider of software solutions needed assistance with their accounts receivable initiative. SEG's objective was to contact customers who had been issued invoices from the new SAP CRM software to best understand the reasons why they were not being paid. Our team categorized the issues and provided system and process changes recommendations to improve the overall invoicing function. In addition, they facilitated the collection of outstanding receivables balances when possible and allocated two consulting resources, and provided eight qualified interim resources to execute the project plan.

RESULTS

- Collections calls precipitated the commitment of \$7.5M in payments by customers.
- Classification and gathering of statistical data was used by the company to identify and improve billing and collections processes.
- Identification and resolution of system issues.

An international manufacturing company selected SolomonEdwards to review their order-to-cash processes and identify ways to lower their DSO. SEG brought in an order-to-cash expert to conduct a facilitated session for identifying and prioritizing problem areas. A project roadmap was developed for the client to implement.

RESULTS

- Labor and billing inefficiencies were identified and processes adjusted, resulting in a reduction to SG&A and standardization across all service lines.
- Scalability was improved through process and automation efficiency.
- Better accountability was established within the sales organization.
- DSO dropped 75 days, from 120 to 45.

If you have questions about how SolomonEdwards' Accounts Receivable Program for Crisis Collections can help your company, please don't hesitate to contact us!

www.solomonedwards.com