

A Level I DSO Analysis

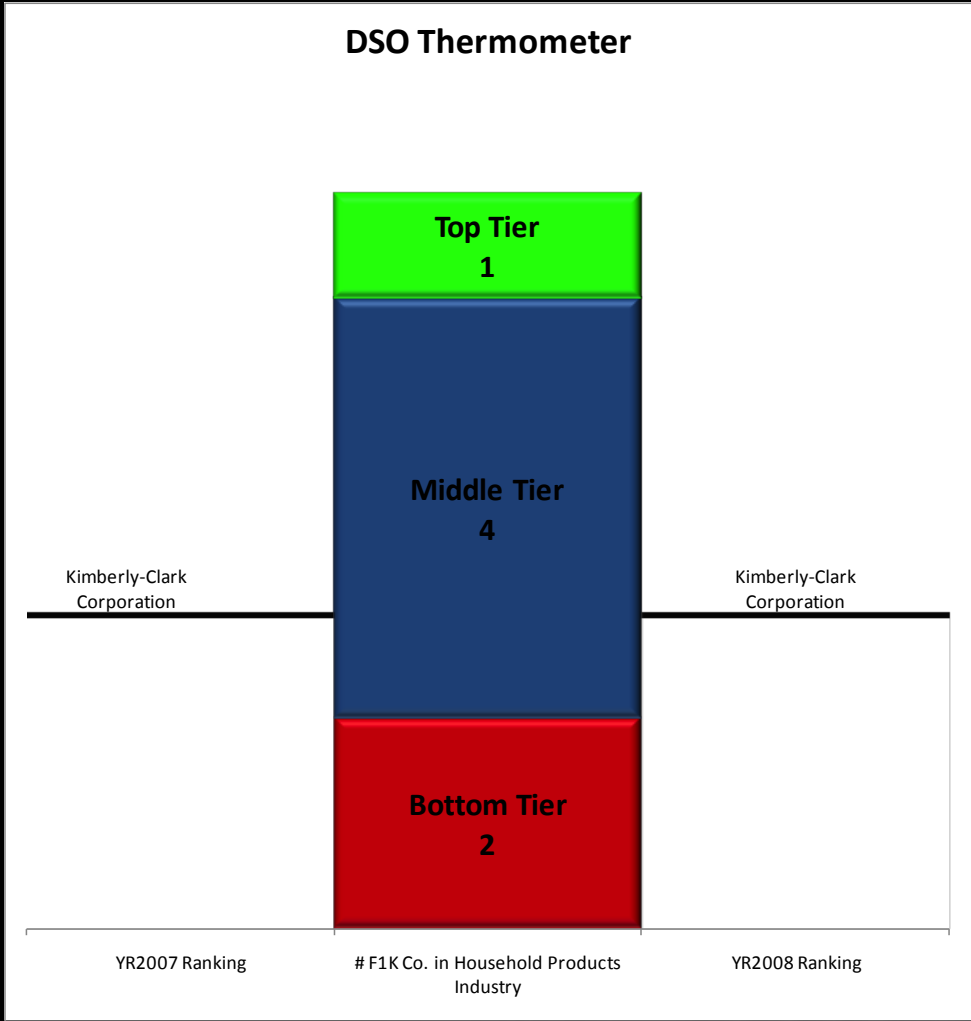
Prepared for:

Kimberly-Clark Corporation

Notes

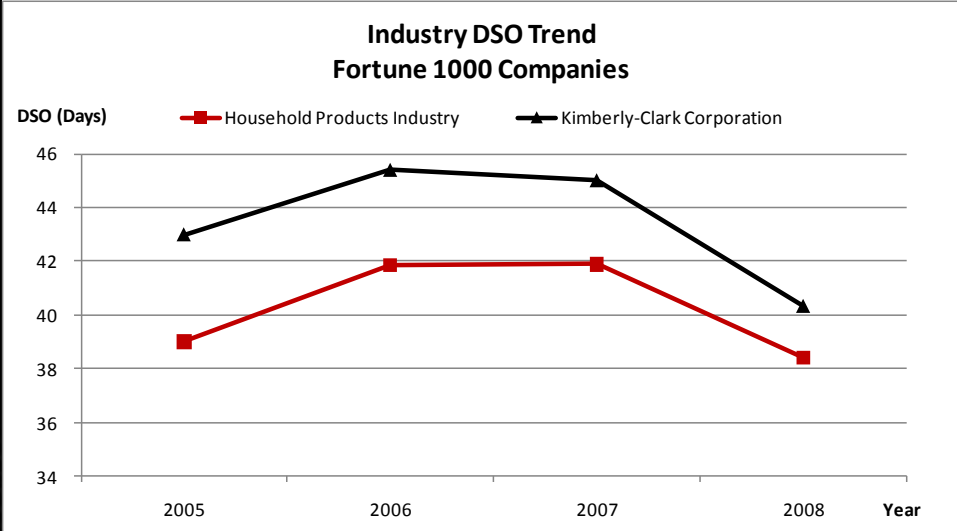
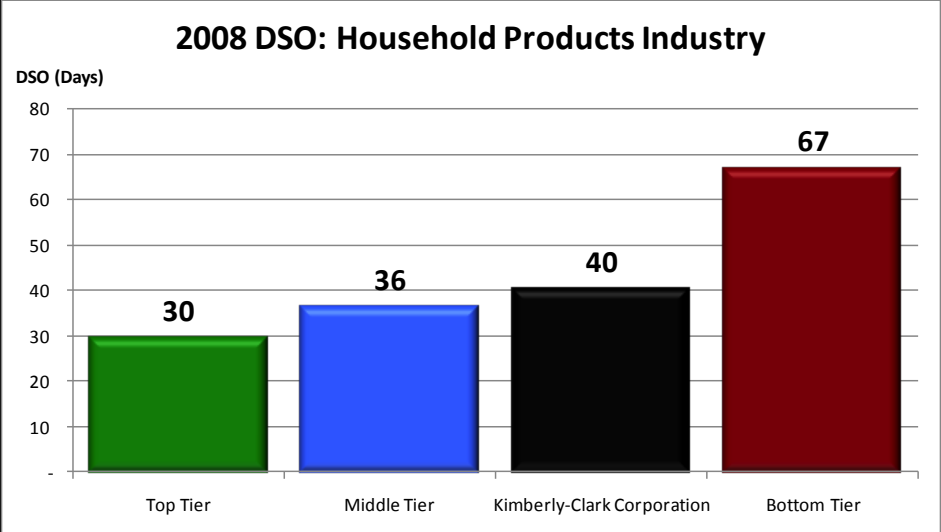
- The source of DSO data:
- REL, A Division of The Hackett Group, Inc. Cleaner (Balance) Sheets: The 2009 Working Capital Scorecard; June 2009, CFO Magazine.

The Inovis DSO Thermometer



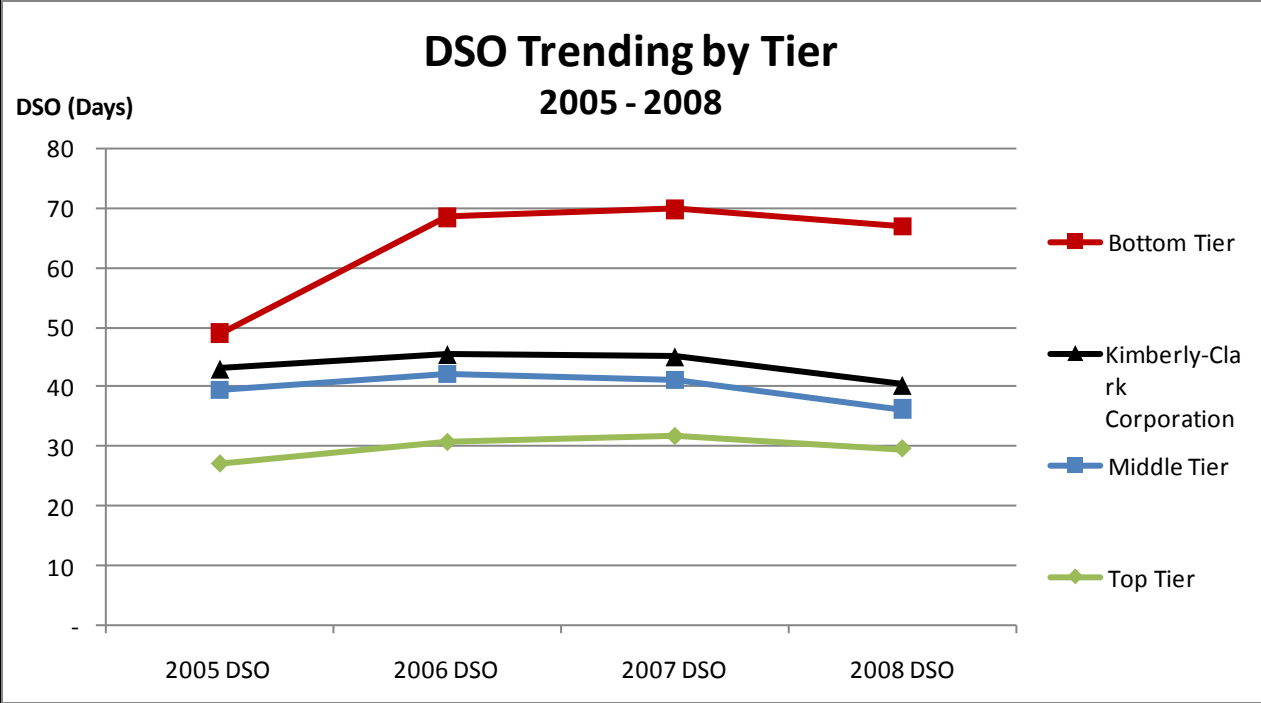
The Industry

FY08
Top/Middle/Bottom Tiers



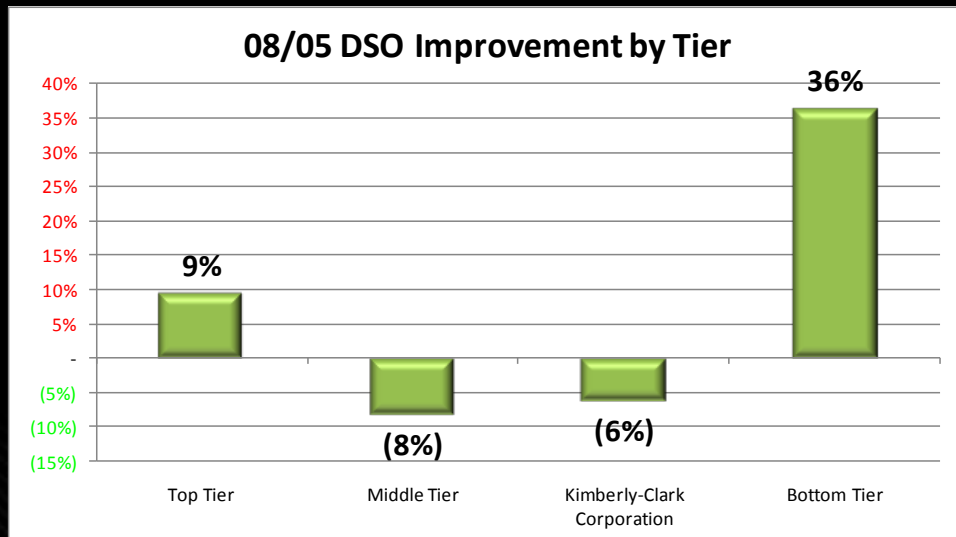
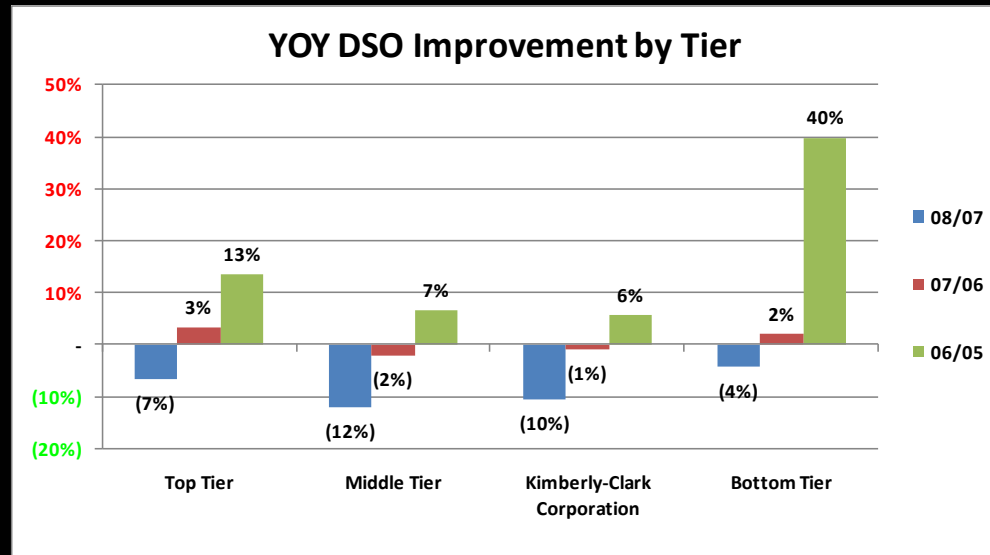
FY05 to FY08

The Industry Trend -- All tiers / 2005-2008



Improvement over Time 2005 - 2008

YoY
Top/Middle/Bottom Tiers



2008 / 2005
Improvement

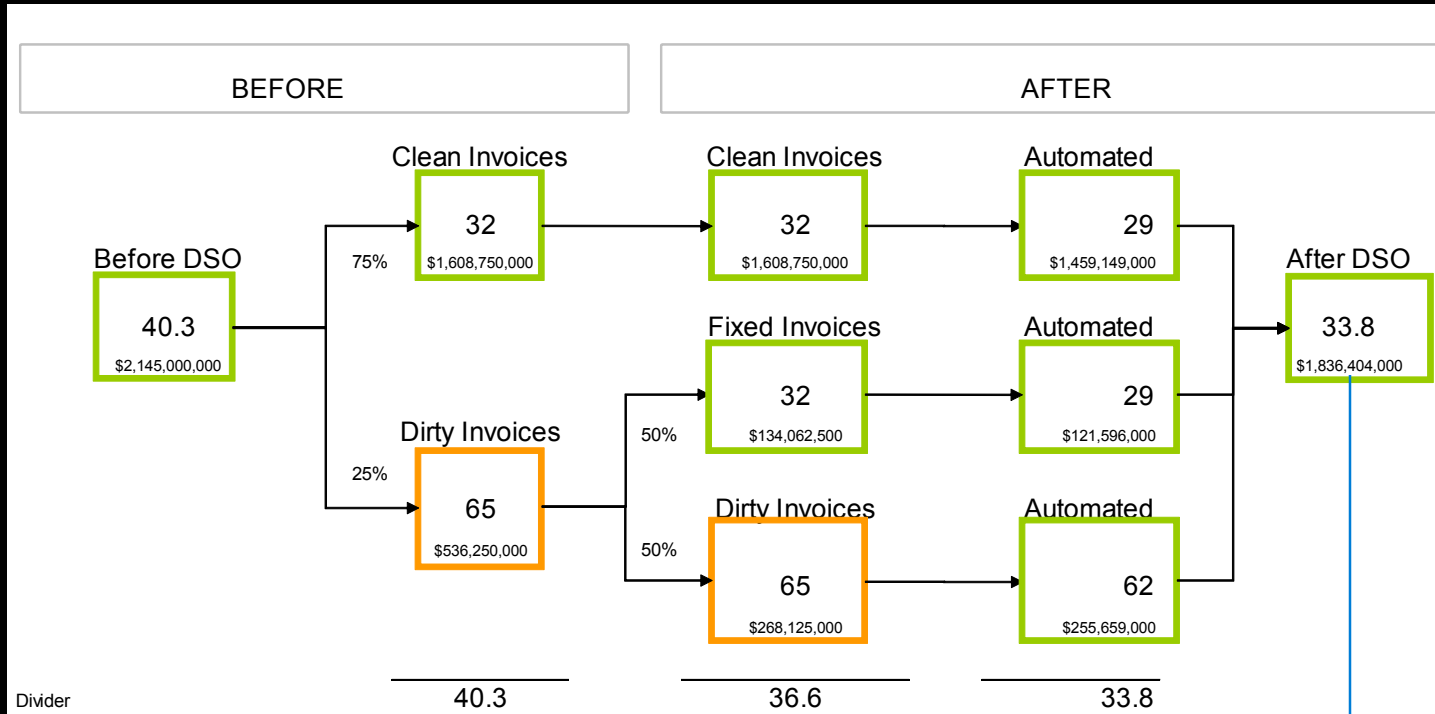
Inovis Level I Value Assessment (rough estimate)

- To assess the potential, Inovis has developed a value calculator to quantify the hard dollar value of reducing DSO.
- This calculator is utilizing public information, including revenue (globally), DSO¹, Inovis assumptions and industry
- This is for illustrative purposes only, actual value achieved can only be determined via a more detailed assessment.
- The assumptions used in this assessment:

Annual Sales	\$ 19,415,000,000
Accounts Receivable	\$ 2,145,000,000
DSO (days)	40.3
Bad Invoices	25%
Fixed Invoices (% of Bad)	50%
Cost of Capital	8%
DSO Savings from Automation (days)	3

1: REL, A Division of The Hackett Group, Inc. Cleaner (Balance) Sheets: The 2009 Working Capital Scorecard; June 2009, CFO Magazine.

Inovis Level I Value Calculation (rough estimate)



Days DSO Improvement	6.6
Reduced Receivables	\$308,596,000
Cost of Capital	8%
Reduced Borrowing Costs	\$24,688,000

Let's take the DSO improvement to the next level

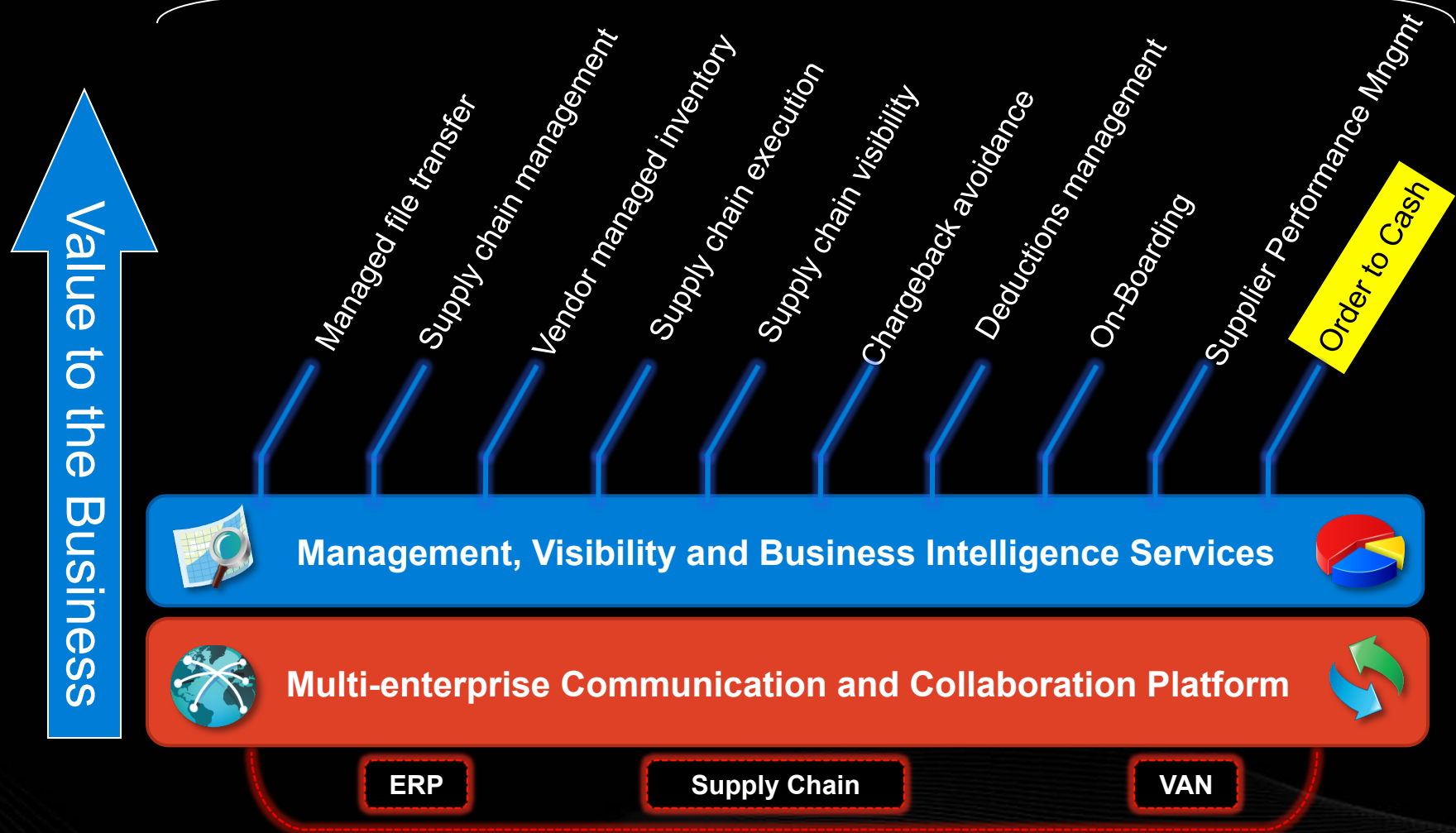
Order-to-Cash Process

Proactive vs. Reactive

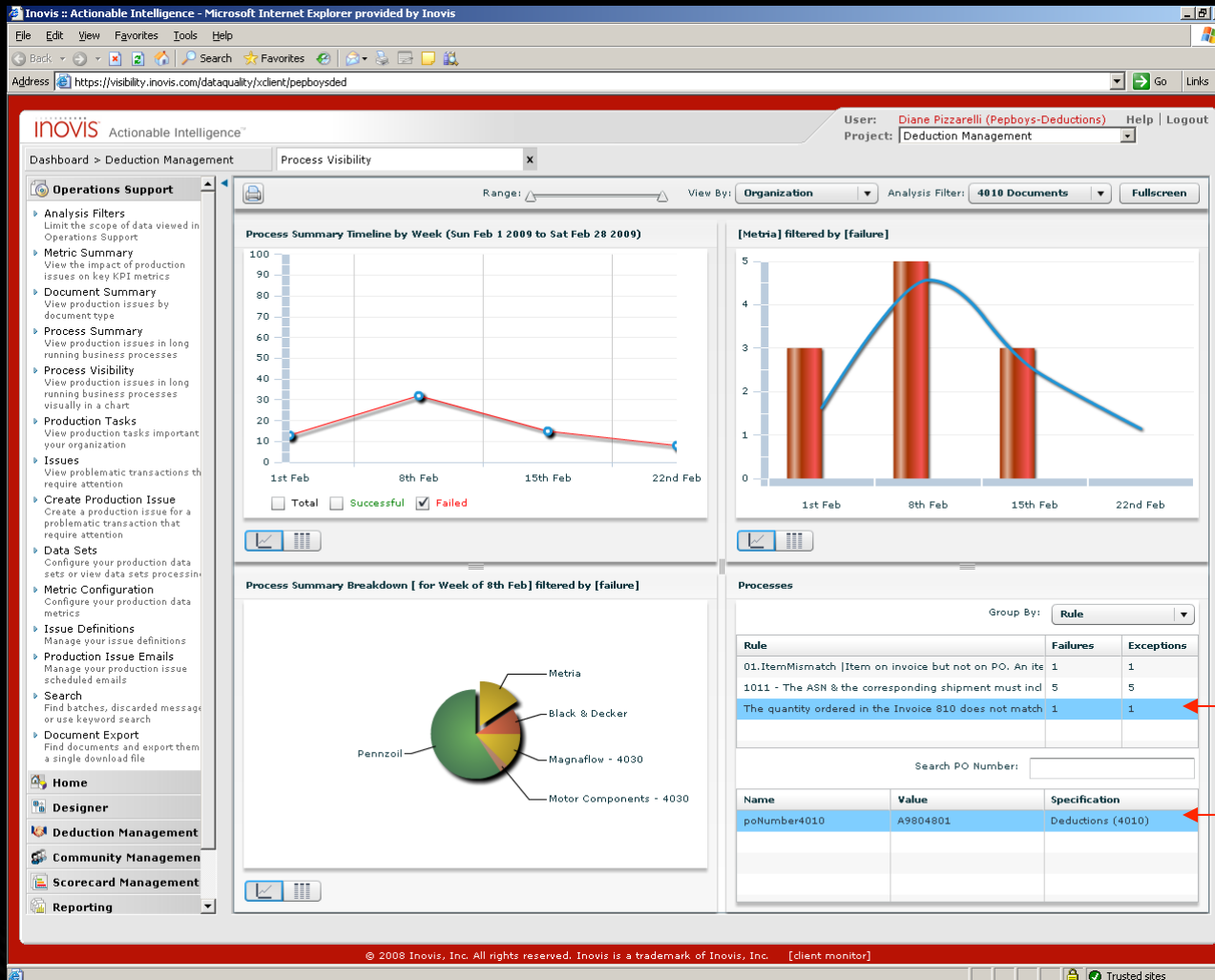
- Reduce cycle time in the order-to-cash process
 - Reduce variability and errors in invoicing across all businesses
 - Multi-currency / Cross-border trading, VAT, regulatory requirements
 - Automation of the various sub-processes in the O2C process
- Provide visibility across the
 - supply-chain and/or extended supply-chain
 - O2C process
 - Invoice reconciliation process
- Leverage current investments touching O2C
 - ERP
 - VAN
 - B2B connectivity (EDI, XML, etc)

Our offerings/solutions for discussion

On-Premise / SaaS / BPO



Dashboard



These invoices will NOT be paid because they do not match the PO

Drill down into an invoice/PO to review the issue

Multi-Document (invoice) matching

The screenshot shows the InoVis Actionable Intelligence web application interface. The browser window title is "InoVis :: Actionable Intelligence - Microsoft Internet Explorer provided by InoVis". The address bar shows "https://visibility.inovis.com/dataquality/xclient/pepboysded". The user is identified as "Diane Pizzarelli (Pepboys-Deductions)" and the project is "Deduction Management".

The main content area displays a "Process Report" with a "Close" button. The report lists several exceptions:

- Exception 1:** Calculation/Comparison Failure. Comment: 2.QuantityMismatch.xml..The quantity ordered in the Invoice 810 does not match the quantity ordered in Purchase Order 850. Exception: The '850' had values associated with the key value '9653447' that did not match the configured relation '(24) = (20.0)'. Classification: *Process Rules*, The quantity ordered in the Invoice 810 does not match the quantity ordered in Purchase Order 850
- Exception 2:** Complete Coverage Orphan Value. Comment: 01.ItemMismatchItem | Item on invoice but not on PO. An item in the Invoice 810 was not found on the PO (850).. Exception: The 850 had values ['9106334, 9106341, 9150500'] that did not match any value from the 810 starting values - [9078000, 9078105, 9078112, 9078136, 9078150, 9105412, 9105443, 9105498, 9105555, 9105586, 9105698, 9105700, 9105717, 9105731, 9105755, 9105762, 9105779, 9105793, 9105805, 9105812, 9105829, 9105843, 9105850, 9105867, 9105874, 9105881, 9105898, 9105900, 9105917, 9105924, 9105931, 9105948, 9105955, 9105979, 9105986, 9106022, 9106039, 9106046, 9106053, 9106077, 9106127, 9106134, 9106141, 9106158, 9106165, 9106172, 9106189, 9106196, 9106208, 9106222, 9106358, 9119068, 9138506, ... <43 more>]. Classification: *Process Rules*, An item in the Invoice 810 was not found on the PO (850).
- Exception 3:** Complete Coverage Unmatched Value. Comment: The items present in the ASN must be the same items present in the purchase order. Exception: The 850 had values [086429002535, 086429002597, 086429002658, 086429009138, 086429009213, 086429009220, 086429009237, 086429009275, 086429009312, 086429009404, 086429009411, 086429009626, 086429009695, 086429009718, 086429009732, 086429009756, 086429009770, 086429009817, 086429009862, 086429009930, 086429017775, 086429020003, 086429020010, 086429020027, 086429020089, 086429020133, 086429028504, 086429051595, 086429051731, 086429051762, 086429051786, 086429051793, 086429051854, 086429051861, 086429056507, 086429056774, 086429060443, 086429060450, 086429071128, 086429077519, 086429077533, 086429077588, 086429077625, 086429077649, 086429077656, 086429077663, 086429077700, 086429077724, 086429077748, 086429077755, 086429077779, 086429077793, ... <49 more>] that were never matched by any from the 856. Classification: *Process Rules*, 1011 - SKU not on PO detail

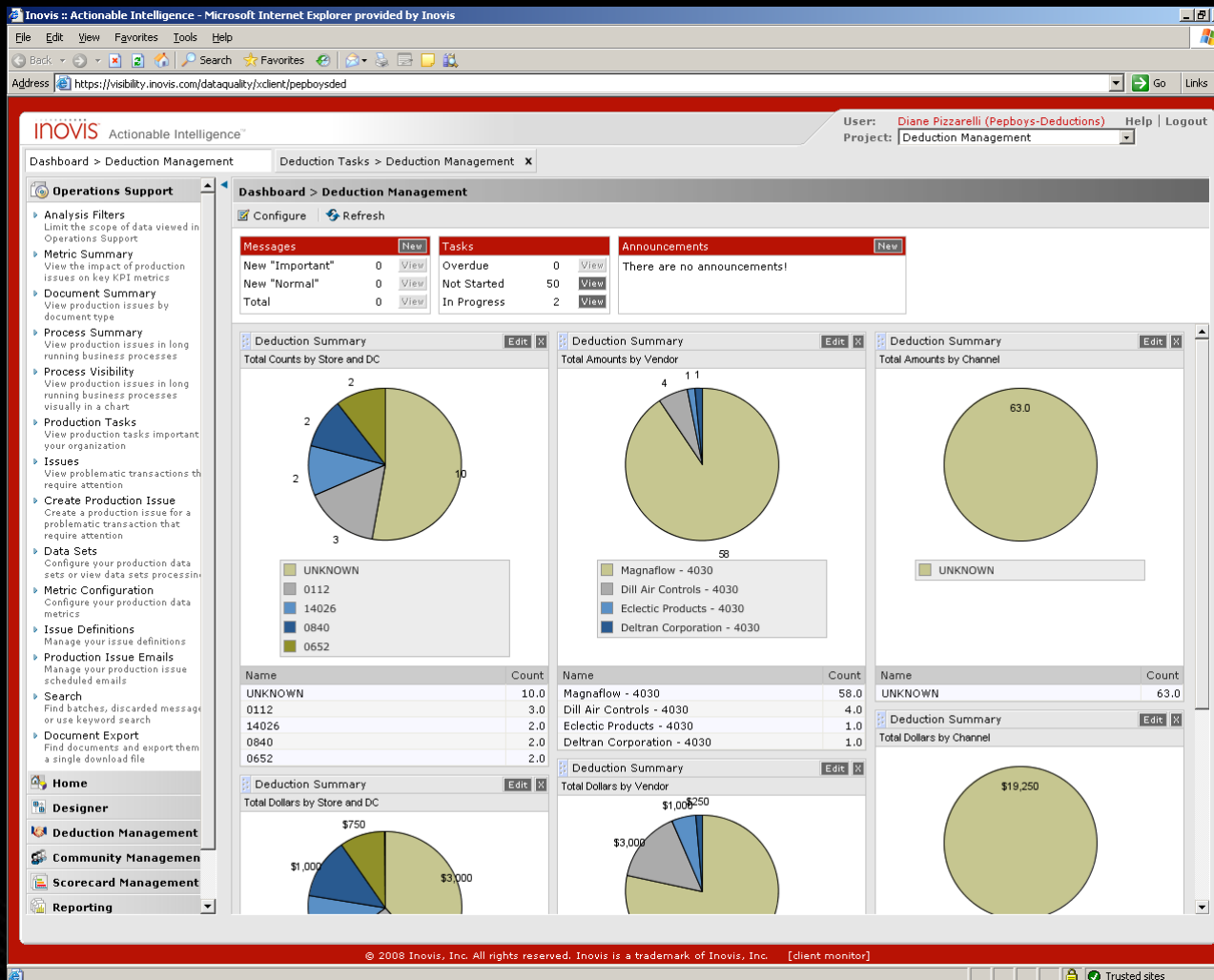
The report also shows document details for a "Virtual Purchase Order (A9804801)" and two "X12 810-4010 Invoice (810001500)" documents, each with a "Show Document" button.

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Review the multiple documents to understand why/how/where they do not match up to the PO

Executive/management dashboard

Design by role / design by line of business / design by ...



Quick view for mgmt to assess state of DSO proactively vs. reactively

Email / Smartphone capable

About Inovis

- Founded in 1983
- Privately Held:
 - Cerberus and Golden Gate Capital
- Headquartered in Alpharetta, GA (Atlanta)
- Global Presence:
 - Offices in 32 countries
 - Customers in 74 countries



Key Differentiators:

- Unique Actionable Intelligence technology
- Versatile offerings-
 - SW,
 - SaaS
 - Outsourced Service
- Consistent investment in key technology
- Only SLA @ 99.995% Availability

Company Operations:

- Delivering B2B/MFT SW, SaaS and Outsourced Services
- Customers: 20,000+
- Employees: 600+
- Financial: 21 QTRs of consistent profitable performance
- Quality: SAS-70 Certified, ITIL-based

Next steps – start immediately

- Assemble core team to analyze global opportunity (A Level II assessment)
 - Kimberly-Clark Corporation and Inovis
- Conduct interviews with key resources
 - Review AR process
 - Questionnaire – KPI's (DSO, invoice volumes, reject causes)
 - Survey organizational and technical capabilities
- Identify key financial drivers by segment
- Present findings and recommendations
 - Process / solution blueprint
 - Process / organizational alignment / change management