

## CASE STUDY

Reimagining accounts receivables. And increasing cash flow by \$275 million a year.

### WHO WE WORKED WITH:

A global advertising and public relations firm with ## employees

### WHAT THE COMPANY NEEDED:

The money it was owed. With major delays in payments from clients, an unresponsive collections strategy, issues with dispute resolution, and growing customer dissatisfaction, the company had to completely revamp their accounts receivable process.

### HOW WE HELPED:

Implementing our LeanDigital<sup>SM</sup> methodology, we helped reinvent the organization's collections operations. By focusing on the system's structure and supporting digital technologies, and after a thorough assessment of the people, processes, and technologies, we transitioned accounts receivables into a lean, customer-centric system.

### WHAT THE COMPANY GOT:

- Drastically improved customer service led to better client satisfaction.
- Reduced timeframes for money owed, which increased cash flow and overall profitability.
- Sped up cash flow to \$275 million through advanced billing, faster dispute resolution, and improved collection efficiencies. Every year.

Money. It makes the world go around. It's estimated that the **total owed debt across the globe is \$280 trillion** - yes, trillion. One of the biggest issues for many companies is how much money is owed to them and how they improve acquiring it without being too aggressive and losing clients.

Our client was struggling with delays in payments from customers. Some debt was more than six months overdue. We helped them not only improve their debt collections, but transform the entire process into an **efficient, repeatable, and customer-centric operation**.

## CHALLENGE

Cash flowing. Happy customers.

As a global advertising and public relations agency, the organization had hundreds of clients spread across multiple continents. Their focus was on providing the best possible services and

winning more work. But, there was **a growing crisis within** - the company had an alarming number of outstanding payments well past due dates.

Aging technologies, different data sources, and a lack of analytical information had caused their debt collections strategy to not only cause problems, but upset customers. With no focus on how different industries operate, client payment histories, or credit and risk profiles, the accounts receivables department was **inefficient and contributed to delays**.

In addition, the organization's dispute resolution and escalation processes were convoluted and not easy for clients to understand, which added to customer service issues.

## CHALLENGE ACCEPTED

Get lean. Get smart. Get 

Our team understood the firm. We know what it's like. We're a professional services firm focused on clients and excellence in everything we do. We too bill customers for our services.

We spoke their language, and then, made everything better.

First, we brought in the big brains. They developed a data analysis model to **forecast cash collection** (smart stuff like integrating data from multiple sources, customer payment patterns, payment terms, and accounts receivables).

We then **mined the insights** to find ways to make it more efficient. From advancing billing dates to align with customer payment patterns to crafting risk profiles for individual customers, the insights outlined the problems and the solutions.

Now, we had the answers. It was just a matter of **implementing the solution strategies**. We put in place a dispute resolution process and escalation system to fix problems and reduce the frequency of disagreements.

We have **cool tools and we use them**. Our Prioritizer Tool (part of our Akritiv Systems of Engagement™ suite) automated workflows and provided additional insights into expected cash recovery each week.

The tool **revolutionized the accounts receivable process**. It allowed for invoice-level notes, promises to pay, and flagging of disputed invoices. The helpdesk was able to triage disputes according to complexity and risk, and assign them to appropriate collectors.

The **new process and technologies** made it so accurate cash collection targets were defined, the team's performance could be measured and rewarded, and repeat dispute types could be identified, isolated, and resolved.

## THE OUTCOME

Accelerated cash flow. Reduced debt owed. Higher profits.

Redesigning the process and introducing new technologies was the **strategy**. Helping implement effective dispute resolution and escalation systems, and deploying smart technologies were the **tactics**.

Through advance billing, faster dispute resolution, and improved collection efficiencies, the estimated accelerated cash flow was **\$275 million every year**.

We reduced the aged debt for 180+ day invoices from **3.4% to 1.4%** in one year. This drastically improved cash flow, efficiencies, and profitability.

It was smart. It was lean. It was impactful.

## TWEET

Recovering #oweddebt is a major problem. Read how we helped a global ad agency improve accounts receivables and accelerate #cashflow by \$275m/year.

## LINKEDIN POST

Many companies struggle with #oweddebt. We helped a global ad agency improve accounts receivables, #customersatisfaction, and #cashflow by \$275m/year.