How An ICT Services Giant Used KredX CMS To Modernise Their PO-To-Pay Process

Snapshot Of The Company

Industry: ICT Services

Number of customers: +

Revenue: USD 300 million

Finance Team: 400+

THE CHALLENGES

The customer is the largest integrated ICT Solutions and Services provider in India with multiple business units across the globe and over 2700 employees.

Complex Tracking and Visibility of Invoices

Under its umbrella organization it has eight different companies, 14 different business units that result in 170 different cost centres across the organization. Each of the cost centres create invoices for their overall 3500+ customers. With such a complex organizational hierarchy in place, the organization faced these challenges:

Data Silos

When different business units used separate processes to manage their unit, it created data silos that made it difficult to have a complete and unified view of invoices across all units.

Inaccurate Data

Inconsistent data entry practices, manual data entry errors, and lack of proper reconciliation processes resulted in inaccurate data, making it difficult to track and manage invoices.

Limited Accessibility

Different business units have different levels of access to financial data, making it difficult for some units to see the status of invoices and to track their payment history.

Different Approval Processes

Different business units have different processes for approving invoices, which makes it challenging to manage and reconcile invoices across units.

Inefficient Processes

The use of manual processes or lack of automation made it time-consuming and inefficient to track and manage invoices across different business units.

Huge TAT For Invoice Delivery To Customer & Acknowledgement

Inconsistent Invoice Delivery Mechanism

The organization used email to deliver their invoices and used calls and emails as a mode for communication to notify their customers.

Inefficient Acknowledgement Retrieval

It took a lot of time for their collections staff to get an acknowledgement on time for each of their invoices as mostly their collections agent could not do a follow up and had no idea whether their customers have read through the email or not.

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Inefficient Processes To Retrieve and Manage Documents From Customers

Ineffective Document Retrieval Process

There was not a defined method of how the collections staff and other account managers would request their customer to send important documents to the organization. This resulted in tracking of multiple channels of communications and multiple modes of document delivery as well such as emails and physical mails.

Non-existent Document Repository

The organization does not have a centralized repository view to manage the customer documents. At any given point in time, users do not have a single place to refer to the customer documents that results in a longer resolution time for any dispute as well.

Inconsistent Dispute Management & Resolution Process

Lack of Communication

Poor communication between the parties involved in a dispute can cause delays and prolong the resolution process.

Inadequate Resources

The inadequate technology caused delays in the dispute resolution process and made it more challenging to resolve disputes efficiently.

Limited Information

The organization sometimes had incomplete information about any specific dispute or inaccurate information, it hindered the dispute resolution process and made it difficult to reach a resolution.

Unclear Guidelines

The dispute resolution process lacked clear guidelines that lead to proper classification of these disputes and thus inconsistent decision-making.

Lack of Automated Follow-up With Customers:

Inefficient Collections

Without an automated dunning process, collecting outstanding debts became time-consuming, manual, and inefficient, leading to delays in collecting payments.

Inconsistent Communication

Without automation, the frequency, timing, and content of dunning communications was inconsistent, leading to confusion and mistrust among customers.

Data Accuracy

A manual dunning process increased the risk of data errors and sometimes resulted in incorrect invoices or payment amounts, leading to disputes and further delays in collecting payments.

Limited Visibility

Without an automated dunning process, it was difficult to track and monitor the status of customer payments and the success of collections efforts.

Lack of Visibility of Overall Collections Status:

Inefficient Overdue Collections

Without visibility into customer collections, it was difficult to prioritize collections efforts, leading to inefficiencies and delays in collecting payments.

Limited Data Accuracy

Lack of visibility into customer’s open and overdue invoices resulted in inaccurate data, making it difficult to track and monitor payment trends and customer behavior.

No Automation in Cash Application

- Lack of real time visibility in payment statuses of customer accounts.
- Manual cash application and deductions coding for e-payments
- Manual payment advice aggregation from various sources leading to delayed cash posting
- Manual research & deduction coding were time consuming and drove an increase in resources.
- Lack of real time visibility in identifying the outstanding payments of the customers at any given time.

Lack of Performance Tracking for Collections Users:

Inefficient Collections performance

Without performance tracking, it was difficult to evaluate the effectiveness of collections efforts, leading to inefficiencies and delays in collecting payments.

Inconsistent Performance

Without performance tracking, it was difficult to enforce standards and ensure that all collections agents are performing at a similar level, leading to inconsistent performance and customer experiences.

Difficulty in Allocating Resources

Without performance tracking, it was difficult to allocate resources effectively and allocate more resources to agents who are performing well, leading to inefficiencies and decreased collections results.

THE SOLUTION

Transparent Invoice Management

Invoice master is a repository of all the invoices and any adjustments concerned with the end-to-end Accounts Receivables process.

System also has access control measures along the following lines:

- Role-based
- Location based
- Department/business unit
- At any given point of time users will be able to access their customer specific invoices without being deterred with inconsistent data.
- At a supervisor level, users will be able to see the consolidated view of the invoices based on the defined access control

Customer Portal for Data Delivery and Centralized Repository

- The portal serves as the means for all the customers of the organization to receive their invoices and corresponding data transparently with no delay.
- It provides an interface to customers through which they can refer to the outstanding or raise any disputes, as and when required.
- Customers can upload all of their important documents through the portal that serves as a central repository for that respective customer for the organization.

Dispute Management

- Dispute modules provide that value add for an enterprise by providing a platform from which teams can manage all their external communication such as calls, meets, tasks, and dispute resolution. Thus, allowing users to focus more on finding a resolution of a specific dispute, and not worry about tracking its communication.

- Users can classify the reason category and subcategory for the dispute that helps in identifying the exact issue in their business process and focus on that to reengineer the process.

Multi-channel Automated Dunning System

- A Multi-Channel Dunning System is a tool that automates the process of reminding customers to pay their outstanding debts and collecting payments. The system sends payment reminders and overdue notifications through multiple channels (e.g. email, SMS, etc.) to increase the likelihood of successful payment collection.

- Users can define and configure the mode, frequency of the communication, specific template of the communication.

- Users can also track if their customers have viewed/opened their communication or not and can subsequently track the follow up from their customers as well.

- Touchless dunning strategizes their collection process and credit decision history provided 360 degree view of customer profiles.

Dashboard & Analytics for Real Time Visibility of Collections Status

Collection's Dashboard provides collections agents and other users an aggregated summary and visual representation of their ERP's invoice data.

Collections module aggregates the total open invoices from the enterprise and presents relevant insights that are easily consumable that also helps the collections agent take informed decision and action against them.

Dashboard comes with invoice and customer related analytics to add more such insights.e.g.,

- Total Invoice Number and Amount
- Total Open Invoice Amount
- Average Payment Cycle
- Total Outstanding Disputed Invoice
- Total Outstanding Overdue Invoice
- Outstanding Amount by Aging
- Disputed Tickets Resolution Time
- DSO
- Top Customers – Total Outstanding Amount

Cash Application for Automated Reconciliation

- Real time visibility into payment statuses to other accounts receivables teams facilitating better customer experience
- Automated Deduction coding & payment advice match to save time on research
- Seamless capture of payment advice information from various payment formats to help automate the process.
- 100% touchless cash posting even in the case of exceptional scenarios, missing data & unfamiliar payment formats.

Targets for Performance Tracking

- Targets serves the collections supervisor to define and track the weekly, monthly, or quarterly targets for their entire team and on an individual level.
- The target module provides the user with a gamification option as well that helps tracking efficiently.
- Supervisor can track the invoices with their due dates and any other overdue invoices to define the target for a particular collections agents for a defined time period.

THE RESULT

01 Through automated dunning, the communications are generated and sent out automatically, reducing the daily activities of a collections agent

02 Touchless dunning to streamline collections process & enable 360-degree view of customer portfolios.

03 The Dashboard along with the workspace auto-prioritizes the tasks that helped the organization to fast track their collections, saving valuable man-hours

04 Automated cash applications helped them process the payments faster.

05 Auto-payment advice capture & auto- identification of advice data from multiple sources helped them reduce the manual effort and reduce TAT with customer follow-ups for payment advice

06 Seamless capture of payment advice information from various payment formats ensures faster payment linking processes.

07 The Cash application process was heavily dependent on the internal IT team, post the implementation it is no longer dependent on internal IT procedures.

08 Auto-identification of deductions & faster deductions resolution.