

Cutting Through the Clutter of Contracts and Chargebacks for Enhanced Customer Satisfaction

Working with Capgemini to transform the contract receipt and adjudication process

The Situation

Based in the US, this multi-billion dollar full-line specialty distributor fulfills product sales based on vendor contractual obligations to the medical sector. The company achieved record cash flow in a year dominated by major changes in how it was compensated for its services.

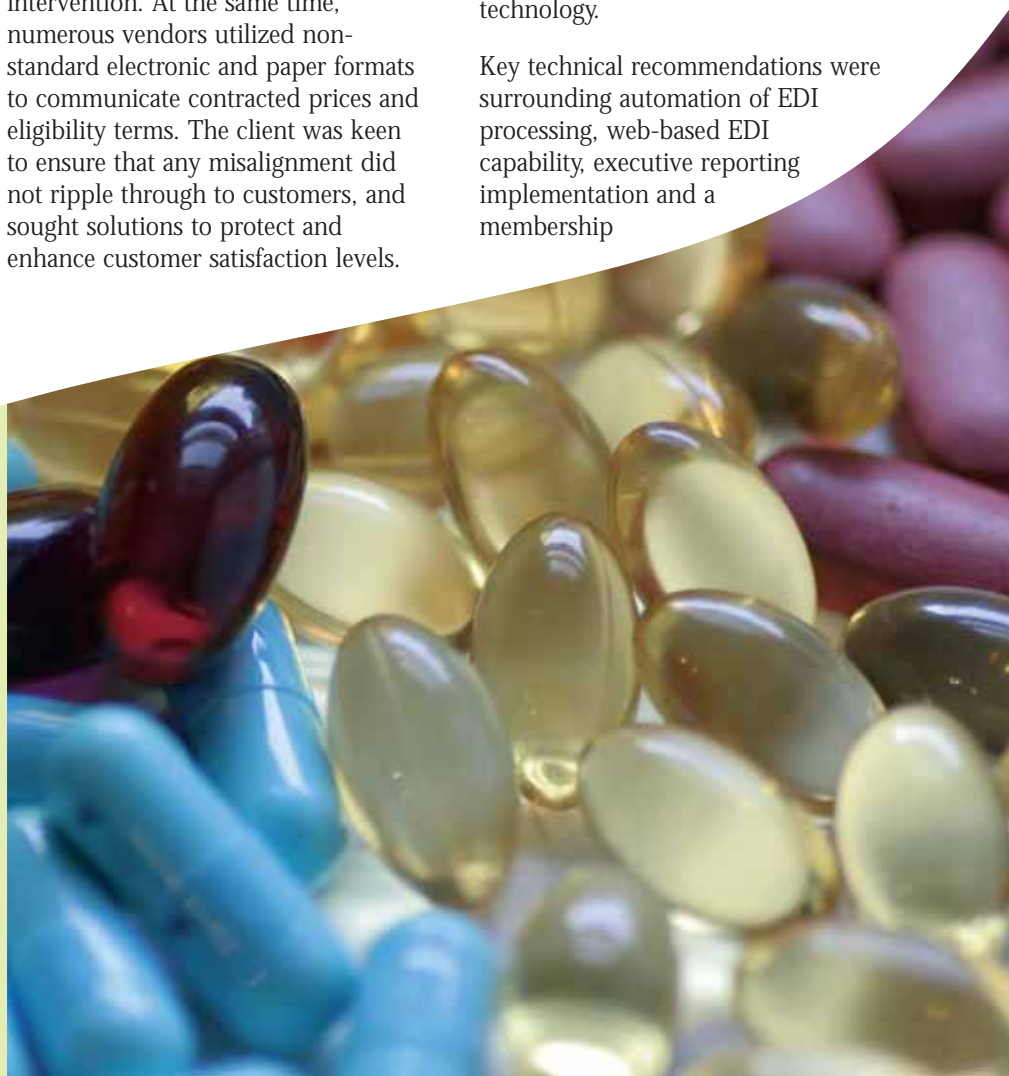
Although some vendors utilized electronic data interchange (EDI) for transactions, many of the submissions were non uniform, warranting manual intervention. At the same time, numerous vendors utilized non-standard electronic and paper formats to communicate contracted prices and eligibility terms. The client was keen to ensure that any misalignment did not ripple through to customers, and sought solutions to protect and enhance customer satisfaction levels.

The Solution

The client collaborated with Capgemini to turn challenge into opportunity. The joint team set out to isolate the problem through a series of diagnostic interviews and operational assessments. Following this in-depth study, the team streamlined relations with vendors, providing better alignment of claims, prices and payments. It concentrated on providing recommendations to improve current processes, some of which also included enhancement to technology.

Key technical recommendations were surrounding automation of EDI processing, web-based EDI capability, executive reporting implementation and a membership

With Capgemini's help, a methodology was introduced to cut through the clutter, identify known constraints and plan initiatives for the business.



collaborative portal. The results served to assist in training client staff, aiding in EDI related problem-solving and communicating with vendors, all with the vigilant focus of improving customer service.

Initiatives were developed, prioritized and mapped within a constraint-based plan. The goal was to support the client vision to remain a leader in its field for contract management by leveraging technology solutions in collaboration with suppliers and vendors.

The Result

As a result, the client increased operational efficiencies, further enhancing customer satisfaction and establishing new standards that put customer service at the forefront. In addition, all initiatives resulting from the project were prioritized to establish a long-term company transformation that continually advanced this concept.

The project reinstated trust not only in the institutional knowledge of pricing and claim settlement, but also in the flexibility and accuracy of electronic data interfaces, contract management and the chargeback system that had continually been developed and enhanced.

How the Client and Capgemini Worked Together

The client was processing a significant number of transactions per day through a highly customized legacy system. However, there was room for further automation to streamline the process to allow the client to retain sharp focus on customers.

With help from Capgemini, a joint team assessed the current processes and found that 28% of transactions were backdated due to changes in price and membership data. This resulted in additional work by way of credits and re-bills. In addition, information submitted in paper form or a non-standard electronic format was often fulfilled after a degree of manual manipulation. This was due to technical limitations of systems, processing limits of inbound and outbound EDI formats or the frequency of non-standard submissions by vendors.

Due to the sheer volume and complexity of the chargeback claim process, it was imperative for the client to streamline the chargeback adjudication process and employ a more automated data exchange and contract management system. EDI

efficiency initiatives were reviewed in a collaborative workshop where Capgemini facilitated a detailed discussion of improvement opportunities. This facilitation empowered the group to gain an in-depth understanding of issues, evaluate options and identify key factors that were impacting efficiency of the EDI and transaction systems.

Capgemini's approach enabled the team to work together effectively to identify leading practices and incorporate those that were aligned to the client's vision statement. With Capgemini's help, a methodology was introduced to cut through the clutter, identify known constraints and plan initiatives for the business. The result facilitates increased customer satisfaction and improved internal efficiencies.



About Capgemini and the Collaborative Business Experience®

Capgemini, one of the world's foremost providers of consulting, technology and outsourcing services, enables its clients to transform and perform through technologies.

Capgemini provides its clients with insights and capabilities that boost their freedom to achieve superior results through a unique way of working - the Collaborative Business Experience® -

and through a global delivery model called Rightshore®, which aims to offer the right resources in the right location at competitive cost. Present in 36 countries, Capgemini reported 2007 global revenues of EUR 8.7 billion and employs over 83,000 people worldwide.

More information about our services, offices and research is available at www.capgemini.com

North America
Consulting Services
Transformation Consulting
Supply Chain

Approved by:
Eric Farber, Account Director, Capgemini