

Credit Management through Order-to-Cash BPO

Capgemini Order-to-Cash Service helps reduce days sales outstanding, improve cash flow, and enhance finance efficiency.



Built on years of experience and feedback from our customers, Capgemini offers a comprehensive Order-to-Cash (O2C) solution, covering process analysis, implementation, daily operation, and state-of-the-art software.

Capgemini's O2C offering gives competitive advantage by improving cash flow, driving significant cost savings, enabling sustainable revenue assurance, and reducing days sales outstanding (DSO).

As organizations expand their operations and drive top-line growth, the task of credit management becomes increasingly difficult. Various terms of credit, customer payment practices and market volatilities cause finance executives to pay more attention to credit and collections management.

The opportunity for improvement may be significant. Some companies lose up to 4% of their revenues due to poor credit management and cash collections. Trying to fix these problems in-house may cause finance costs to escalate and attention to be diverted away from more strategic opportunities. But there is a way to stop the loss, the risk, and the frustration.

To be most effective and assure more than just modest savings and process improvements, cash collections should be integrated into a comprehensive operation credit and risk management, collections, query and dispute management, and reporting. Data consistency and process integration are a couple of key pre-requisites to achieving integration.

Based on Capgemini's experience, this approach can yield short-term benefits of up to:

- 30% cut in delinquent receivables,
- 20% savings through operational efficiency improvements,
- 20% savings from infrastructure investments.

Longer term, the resulting improved financial position yields:

- enhanced investment growth,
- flexibility and scalability to support business cycles and growth,
- significantly better analytics,
- enhanced risk management,
- greater customer satisfaction.

Business Challenge

- Revenue leakage of 1-4%, depending on industry sector
- Excessively high DSO
- Rising delinquent receivables
- Challenge to meet revenue collection goals while increasing promotional activity
- Lack of visibility due to decentralized debt collection

Assets

- Global order-to-cash service
- Outcome-based delivery model
- Webcollect – a world-class order-to-cash platform
- ISO certified delivery centers
- Global Process Model™ with best practice processes
- Rapid implementation and transition

Key Benefits

- Revenue assurance – reduced revenue leakage
- Reduced DSO
- Reduced bad debt write-downs
- Enhanced scalability and flexibility
- Better analytics and risk management

Business Process Outcomes

Capgemini has strengthened its offering with the acquisition of VWA, the leading credit management and accounts receivable specialist. The service line focuses on delivering the outcomes you need in credit management, collections, and order-to-cash.

We recognize that each client has unique needs, especially when it comes to the order-to-cash process. It is part of our DNA to work with our clients collaboratively to build solutions that fit their industry-specific demands and cultural differences.

Underpinning each solution is a unique set of Capgemini VWA tools, processes and expertise that has stood the test of time:

- Capgemini VWA's Order-to-Cash solutions are based on the Capgemini Global Process Model™ (GPM) *) which documents best practice for each and every operational business process. We often start a delivery engagement by mapping a client's own process against our GPM to uncover areas for potential improvement.
- Capgemini has embedded the insight and best practice of GPM into technologies and tools, which help deliver standard operations and fast time-to-value. For the Order-to-Cash service, we combine the Capgemini BPOpen service layer with VWA's state-of-the-art software, Webcollect.
- The Capgemini VWA service is delivered through the Capgemini Rightshore® global network of on-shore, near-shore and offshore centers across the world. Rightshore® delivers the optimum mix of language, skills, costs efficiency and flexibility to meet each client's business goals.
- Capgemini recognizes that clients want to manage their service provider relationship through a contractual relationship that is aligned with their business requirements. The Capgemini VWA O2C service can be contracted in a variety of ways, giving the client flexibility and choice. Our goal is to design and build a business partnership that delivers better outcomes for our clients.

Delivering Better Business Outcomes within the O2C Continuum

Technology and functionality focused on client needs



The Software – Webcollect

Collect as you go – with Webcollect you can follow the progress of your collections live



Webcollect

CONTROL

- MASTER DATA
- CREDIT & RISK MANAGEMENT
- WIP & STOCKS

ANALYTICS

- REVENUE ASSURANCE
- UPSELL
- PLANNING & FORECAST

PERFORMANCE

- TREASURY
- SALES EFFICIENCY
- PROMOTIONS MANAGEMENT

The Capgemini Order-to-Cash service incorporates VWA's leading solution for debt collections: Webcollect transforms and simplifies the process of automating receivables collection management.

Webcollect is based on Capgemini's Global Process Model™. It encompasses everything from the headline process, down through all the subsets of each process stack, to the desktop procedures associated with the execution of a specific task within the order-to-cash process.

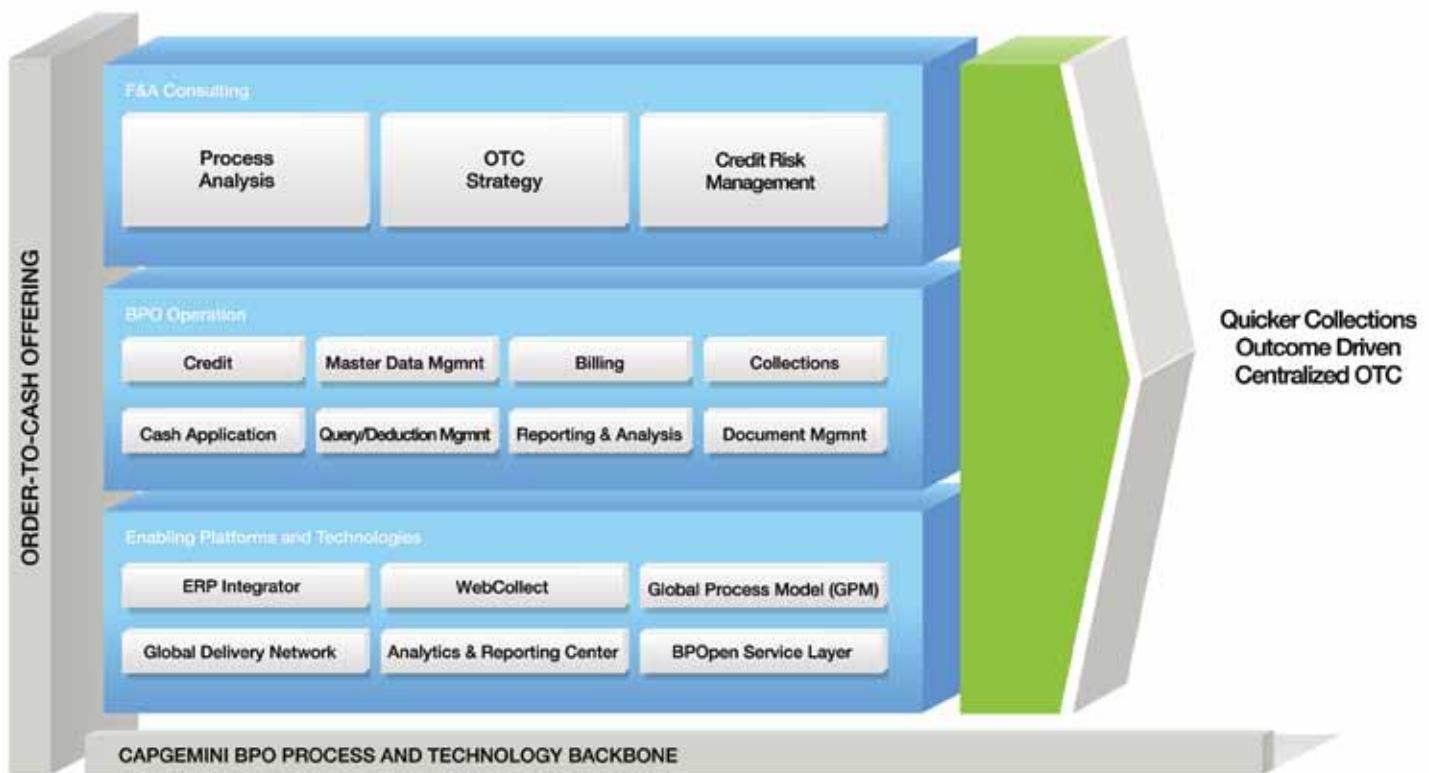
The Solution:

- Constitutes a unified state-of-the-art platform, delivered as a web application (software-as-a-service) or installed behind your firewall,
- Incorporates industry best practices via hierachal workflows, in

conjunction with flexible account treatment methodologies,

- Allows streamlining and efficiencies within accounts receivable with a combined approach of risk management, predictive account scoring, and portfolio management protocols,
- Supports regulatory constraints as SAS-70 compliant,
- Provides multi-currency and multi-language support to global enterprises,
- Delivers platform independence and supports integration to back-end systems like SAP, Oracle, PeopleSoft, etc.

Order-to-Cash End-to-End Offering



Better Client Outcomes: Capgemini's holistic Order-to-Cash Solution incorporates best practice processes, industry leading tools, and expert operational services.

A global, high-tech firm with \$4bn in revenues a year, was experiencing high growth in a multiple currency and language environment. It desperately needed to cut its DSO. Capgemini helped to achieve:

- Global roll-out to 20 countries in 7 languages,
- 27% decrease in past due A/R,
- 8-day reduction in DSO.

A consumer packaged goods giant with annual sales of \$12bn was relying on a legacy system with multiple data feeds to support a high volume and velocity of transactions. Capgemini helped to achieve:

- 36-day shorter DSO,
- 88% cut in dispute volume,
- 31% higher cash collection.

A telecom operator with \$900m in yearly sales maintained track of a high volume of cell phone transactions, with high part due accounts receivable, high dispute rates, and high credit risk.

Capgemini helped to achieve:

- 26% lower DSO in year 1,
- Ten-fold increase in customer contacts,
- 40% cut in past due A/R.

“ We chose Capgemini above competitors because they were offering smart customer relationship management and best industry practice with realistic and measurable goals. Their offering focused on quality and a partnership built on honesty and trust. **”**

Capgemini Rightshore® Delivery Network



Regardless where you are in the world, we have the transition methodology and delivery network to rapidly get you to where you want to be.

Capgemini's scale

- 16 million purchase invoices a year
- Over \$39bn in account receivable collection value a year
- 1.2 million expense claims a year
- 150 Sarbanes Oxley auditors
- 26 global delivery centers worldwide
- 190 clients in 75 countries using 35 languages



About Capgemini and the Collaborative Business Experience™

With more than 115,000 people in 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2010 global revenues of EUR 8.7 billion.

Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want.

A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

More information is available at www.capgemini.com

Rightshore® is a trademark belonging to Capgemini

For more information on the Capgemini Order-to-Cash Solution, please contact:

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