"

We have taken a huge step forward, by changing an excel-based collection process to an automated process in WebCollect. Thanks to the strategies, the collection process became much more structured. It has saved collectors a lot of time due to ready-made templates and scheduled reports. Thanks to these savings, collectors do not need to spend time on actions which do not add value to the process and are able to fully focus on follow-ups with customers."

Sylwia Sula
Collection Lead for Capgemini Nordics

Capgemini Transforms Order-to-Cash Function; Brings Home €668 Million in Organic Free Cash Flows

Capgemini leverages its own market-leading BPO offerings — the Global Enterprise Model and WebCollect solution to strengthen the Group's cash position

Capgemini — A global playground of superior business performance

Largest software testing practice in the world; largest IT services and consulting company in Europe; largest dedicated SAS practice in the UK; most complete suite of SAP solutions globally; most stable performance across all outsourcing domains … It isn't often that a single company has so many superlatives attached to it. And for Capgemini, one of the world's foremost providers of consulting, technology, outsourcing, and local professional services, the list doesn't end here.

Over the five decades since it was founded, Capgemini has successfully managed to maintain all these superlatives while managing a workforce of almost 145,000 people in over 40 countries. To expand into higher growth geographies and bolster service offerings, Capgemini has often followed the acquisition route. The latest acquisition being IGATE, a prominent US-listed technology and services company headquartered in New Jersey with 2014 revenues of $1.3 billion. Paul Hermelin, Chairman and CEO of the Capgemini Group, says "I believe that the consolidation of our industry is not yet complete. We have financial clout that enables us to be ready to seize any opportunity that could strengthen our ambition, if the price is consistent with the value it brings."

Overview

Industry: Consulting, Technology, Outsourcing

Location: 40 countries worldwide

Client Challenges/ Business Need: Standardize the Accounts Receivable and Collections process and improve cash flow

Solution-at-a-glance: Accounts Receivable process transformation driven by Capgemini's proprietary methodology, GEM, and implementation of the WebCollect O2C Pro solution

Results (Benefits):

- Increase in organic free cash flow amounting to €668 million
- Improved data visibility
- Reduction in bad debt write-offs driven by analytics
- Improvement in KPIs such as Due Upon Receipt

People matter, results count.

Strong cash position enables organic and inorganic growth, but requires financial discipline and operational agility

There isn't a single business that has been able to progress without setting — and meeting — internal targets for itself. For Capgemini, these targets have been really high; one of the most important being **strengthening its cash position**. And, it is this strength that has opened up new vistas in its growth journey, both organic and inorganic.

Like any other multi-sector, multi-geography business conglomerate that engages in M&As, Capgemini too needed to standardize Finance & Accounting (F&A) operations across its numerous business units to meet cash flow targets. Immediate on the horizon were four imperatives to:

• Standardize and automate the collections process
• Improve the 'Days Outstanding Receivables' (DOR) in the organization; segment clients and have clear collection strategies for each segment
• Improve visibility of the disputes solving process and enhance reporting
• Contribute to spread cash awareness across the organization

Capgemini sought a solution that could address all these challenges, instill discipline in F&A, and make the collections process agile and more efficient.
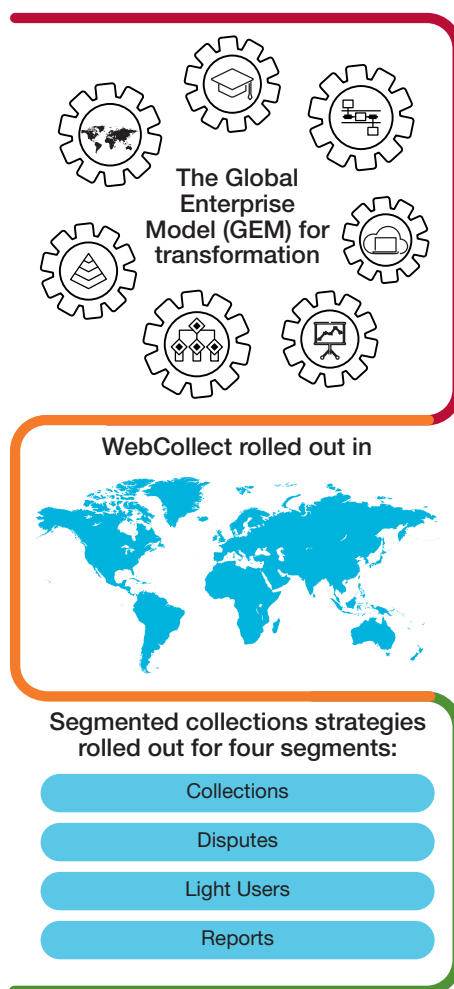
Transforming Order-to-Cash (O2C)

Having successfully implemented WebCollect O2C Pro **for multiple clients**, Capgemini decided to 'drink its own champagne' to streamline and achieve operational efficiencies in the Accounts Receivable (AR) function. This meant transforming multiple aspects of the function, including the grade/structure, location mix, competency model, processes, governance and control measures, and the technology.

Capgemini's proprietary Global Enterprise Model (GEM) emerged as the best choice for this transformation. GEM is a robust yet flexible transformation methodology that drives best practices while streamlining end-to-end processes in the areas of Finance and Accounting, procurement, supply chain, metering, and customer operations management. GEM includes the Global Process Model (GPM) that provides best-in-class processes to enable transition and deliver consistent high performance.

To support the Group's cash flow agenda and our Group CFO, Aiman Ezzat's objectives, WebCollect was rolled out in various geographies including France, Spain, Italy, Belgium, Netherlands, Germany, Brazil, Nordics, FS Global, United Kingdom, and USA.

Clients were segmented and collection strategies were attached to each segment. The solution was rolled out through four modules — Collections, Disputes, Light Users, and Reports. The Collections module involved proactive and reactive contact with the customer Accounts Payable department to ensure timely payment of invoices. The module prioritized collection based on existing customer segmentation and collection strategies. The Disputes team was responsible for research and identification of dispute reasons and recommendations with regards to resolution. The module provided a full, centralized visibility of disputes status and root cause analysis for non-payment. The Light Users module effectively integrated the Collection back office tasks with Front End customer-facing executives. The module gave light user access for engagement staff, providing real-time insight on account status. The Reports module allowed for transparent, predefined, and scheduled reporting, enabling real-time progress monitoring.

The Global Enterprise Model (GEM) for transformation

WebCollect rolled out in

Segmented collections strategies rolled out for four segments:

Collections

Disputes

Light Users

Reports

Results Count – Automated Collections Process Boosts Cash Flows, Reduces Bad-debt Write-offs, and Improves Decision Making

At Capgemini, WebCollect was first implemented in France, followed by the Nordics, Italy, and other geographies. The impact of implementing this industry-leading solution can be seen in various organizational aspects.

Automation boosts cash flows: Automating the AR and collections process has reduced the number of open AR positions by as much as 20%. This has resulted in an increase in organic free cash flow amounting to €668 million in one year.

Improved data visibility and KPIs: The solution offered cross-organization visibility to users, providing them with access in one view to multiple organizations. DOR improved for all regions where WebCollect was implemented with up to 10 days of reduction in the respective units.

Analytics-driven decisions to reduce bad debt write-offs: Segmentation of clients, a focused approach to data analytics and collection strategies based on different criteria improved transparency in collections and has reduced bad debt write-offs to a large extent.

Security and confidentiality of data: Password protection, limited access, secure data transfers, role-based profiling, efficient user access control, and encryption of payment-related correspondence ensured a high-level of security and confidentiality of client-related information.

Accurate cash forecasting: A greater understanding of clients' payment culture enabled by the WebCollect implementation ensured an optimal level of cash forecast accuracy.

About Capgemini

Now with 180,000 people in over 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2014 global revenues of EUR 10.573 billion. Together with its clients, Capgemini creates and delivers business, technology and digital solutions that fit their needs, enabling them to achieve innovation and competitiveness. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business ExperienceTM, and draws on Rightshore®, its worldwide delivery model.

Capgemini is a recognized global leader in the provision of Business Process Outsourcing (BPO) solutions and services. We collaborate with some of the world's largest multinational companies, helping them transform their business processes and accelerate business outcomes in the areas of Finance & Accounting, Supply Chain Management & Procurement, Customer Operations Management, and Human Resources. Capgemini leverages the strength of its proprietary Global Enterprise Model (GEM) to deliver powerful analytics-driven BPO solutions tailored to each client's individual needs. As part of Capgemini's Rightshore® delivery network, a team of over 16,700 BPO professionals provides services to more than 100 globally diverse clients in 38 languages, 24 hours a day, seven days a week. This is done from an integrated global network of delivery centers in Australia, Brazil, Canada, Chile, China, France, Germany, Guatemala, India, the Netherlands, Poland, Sweden and the United States.

Learn more about us at
www.capgemini.com

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