

# Streamlining the Quote-to-Cash process

Realizing the potential of the Demand Driven Supply Chain through Quote-to-Cash Optimization



People matter, results count.

# Introduction

Consumer products companies face increasing challenges around management of the quote-to-cash process. These include the ability to effectively manage high order volumes and to deal with a high level of deductions. The challenges also include optimizing and understanding trade promotions spend that is required for category success and consumer adoption.

Risk management is also challenging, particularly in the current economic climate. In the case of credit risk, for example, it is hard to be confident that credit levels are right, even for long-established and trusted customers. Any customer, including the largest brick-and-mortar entities, can pose risks that can only be understood with deep trending and analytics.

It is therefore vital to ensure an efficient quote-to-cash process that aligns with your customers' needs, but also incorporates the controls necessary to increase revenue and margins, reduce risk, and improve working capital for your business.

To optimize the process, you need the right expertise in the right place (for example, some capabilities may need to be near your customers, while others can be centralized in a global back office, perhaps in a lower-cost economy). You also need to have the right mix of tools: in particular, analytics that give you insight into the process.

Cappgemini provides end-to-end solutions to give you a full view of the process so that you can start to improve it. Two major steps are required. The first is to get the whole order management process under control and centrally managed. The second is to improve the bill-to-cash segment of the cycle. This brochure describes how our quote-to-cash services can help you improve operational and financial performance.



# Step 1: Getting order management under control

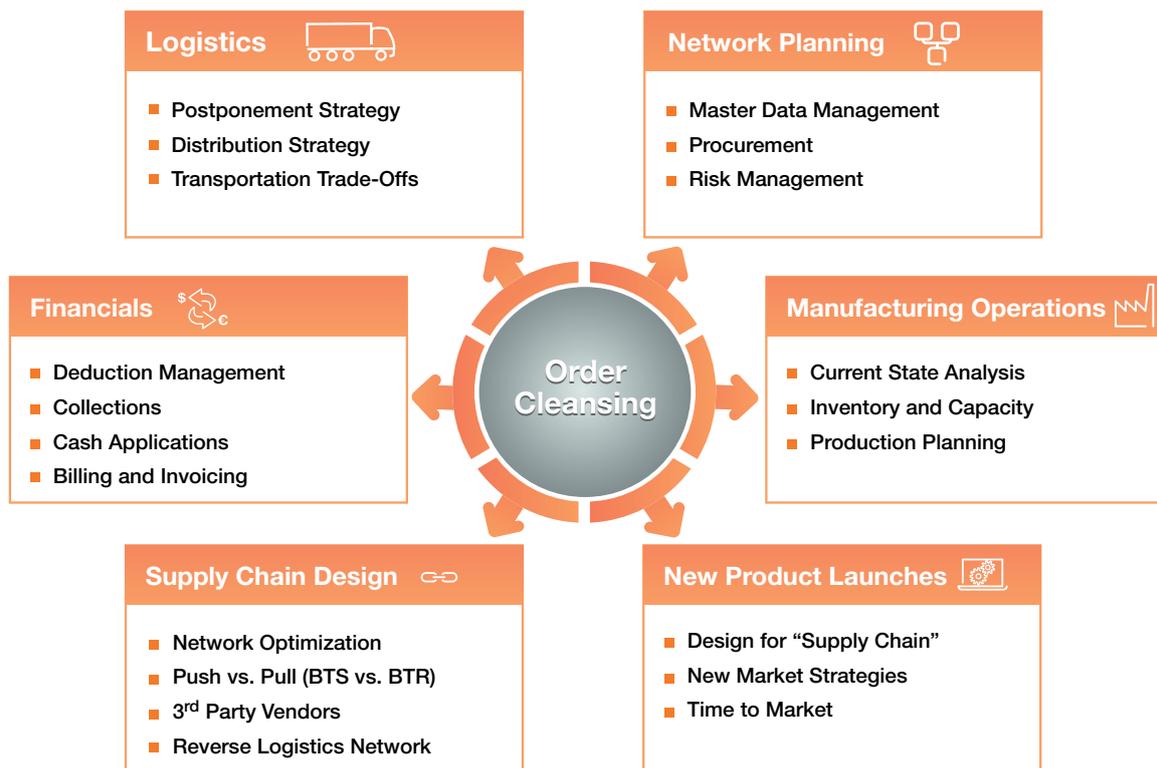
You'll know if your order management is not working properly because there will be all sorts of day-to-day problems. Customers won't get what they ordered, or they will get it

too late, or in the wrong quantity. These may seem to be small issues individually, but collectively they add up to chaos. They can cost millions and damage customer relationships.

By taking control of the whole quote-to-cash process, you can eliminate this kind of problem. It starts by undertaking "order cleansing", streamlining the workflow and eliminating duplicate orders and other errors.

This will save you money, strengthen your business, and make sure you win at the shelf. You will be positioned to invest in the right trade promotions and to monitor the sales channel effectively, even in vendor-managed inventory (VMI) environments.

## Order cleansing benefits for most major business areas



Interdependencies and Linkages are critical

Successful order management depends on having the right organizational structure with the right capabilities in the right place and most importantly with the right people. Capgemini recognizes that effective order management is function of both process and customer service. Our approach focuses equally on driving projects effectively while simultaneously strengthening customer relationships.

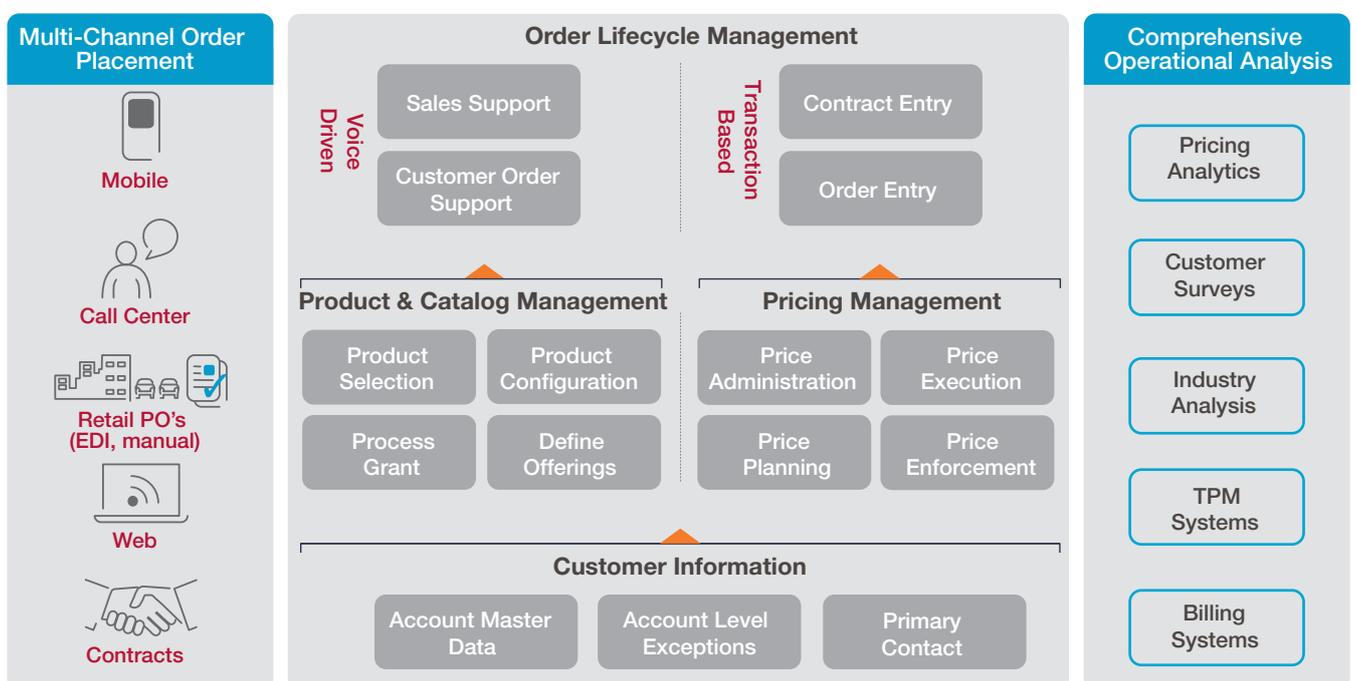
That is what our BPO quote-to-cash service gives you. We can help you establish a single, central back office team with expertise covering every aspect of order management, and also the wider drive to efficiency. Many clients choose to locate the central team offshore, but we also have local experts to work on the spot with you and your customers.

Capgemini's "Select Care" service model delivers a better quality of service in the right location mix to suite your organizational needs.

Our team is equipped with the latest analytics tools and techniques to help you understand your order process thoroughly. Our experts have access to a library of customer

centric best-practice processes, and will help you get your processes up to that standard.

The diagram below shows our approach to order management, which is based on a foundation of sound customer information, with control centralized in a single back office. Customers can interact with you through their choice of channel.



### Benefits of this approach include

- **Operational efficiencies**
  - Reduce costs by up to 35% through reductions in quote and order errors
  - Increase orders processed per employee by 15% so you need fewer staff
- **Faster processes and reduced turnaround times**
  - Reduce order cycle time by up to 35%
  - Reduce customer inquiries and collections by 20-25% initially, rising to 50% or more later
- **Improved quality**
  - Create a consistent, repeatable set of business processes
  - Deploy a low-touch, fully-integrated set of applications
  - Increase accuracy and completeness of order data by 45-50%, rising to 90% with maturity
  - Improve visibility of customer profile, buying patterns and promotional adoption
  - Identify up-sell and cross-sell opportunities

# Step 2: Improving the bill-to-cash process

Bill-to-cash is a particularly important aspect of order management. Collecting money promptly and efficiently improves cashflow and reduces risk.

Deductions are a particular problem area for many consumer products companies. Customers often take unauthorized deductions – for example, by extending trade promotions (funded, of course, by you) beyond the agreed period. Other deductions – for example, those relating to damaged goods – can also be contentious. All of these can lead to discussions that at best take up a lot of your time and at worst can lose you customers.

## Capgemini's bill-to-cash approach

Drawing on years of experience and feedback from our customers, Capgemini offers a comprehensive bill-to-cash process as an outsourced service. It covers process analysis, implementation, daily operation, and, if required, state-of-the-art software which can be used in conjunction with your own.

Capgemini's offering delivers a competitive advantage by improving cash flow, driving significant cost savings, enabling sustainable revenue assurance, and reducing Days Sales Outstanding (DSO).

You get not only a specialist team in charge of bill-to-cash, but also a team for each major customer, one that is familiar with that client's way of doing business and their terms and conditions.

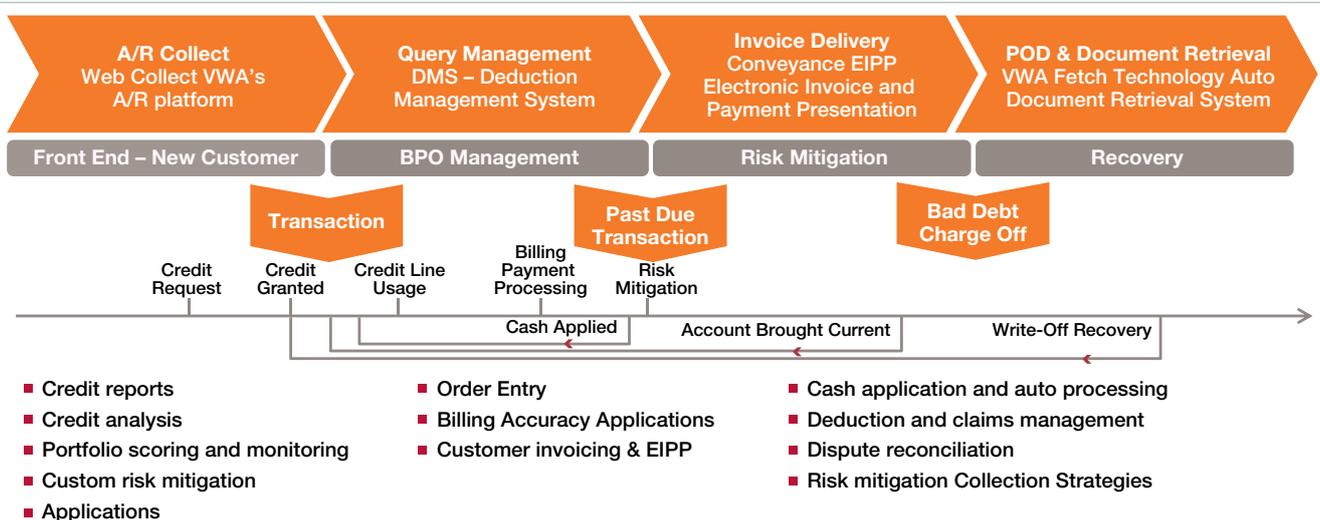
This way, you can tailor your strategies to the individual customer, adjusting credit limits in view of the customers financial circumstances. One of our clients avoided a loss of about \$100m as a result of adjusting the credit limit of a customer who subsequently went bankrupt.

### Our offer spans:

- Credit and master data management
- Collections, disallowed deduction resolutions, cash, and queries
- Cash application – all deductions enter the cycle here
- Reporting and document management

### Benefits include:

- Automatic reconciliation of large numbers of credits and debits using custom algorithms to match partial and varied reference numbers
- Analytics to forecast results, and the ability to manage against those forecasts
- Drill-down reporting at both the enterprise level for the CFO and at the functional level for customer and department performance management
- Electronic receipt and logging of debit notes at article level, with automatic creation of summarized or detailed document management system (DMS) queries
- Exception reporting across remittances and deductions
- Alignment of customer and article details with customer reporting systems

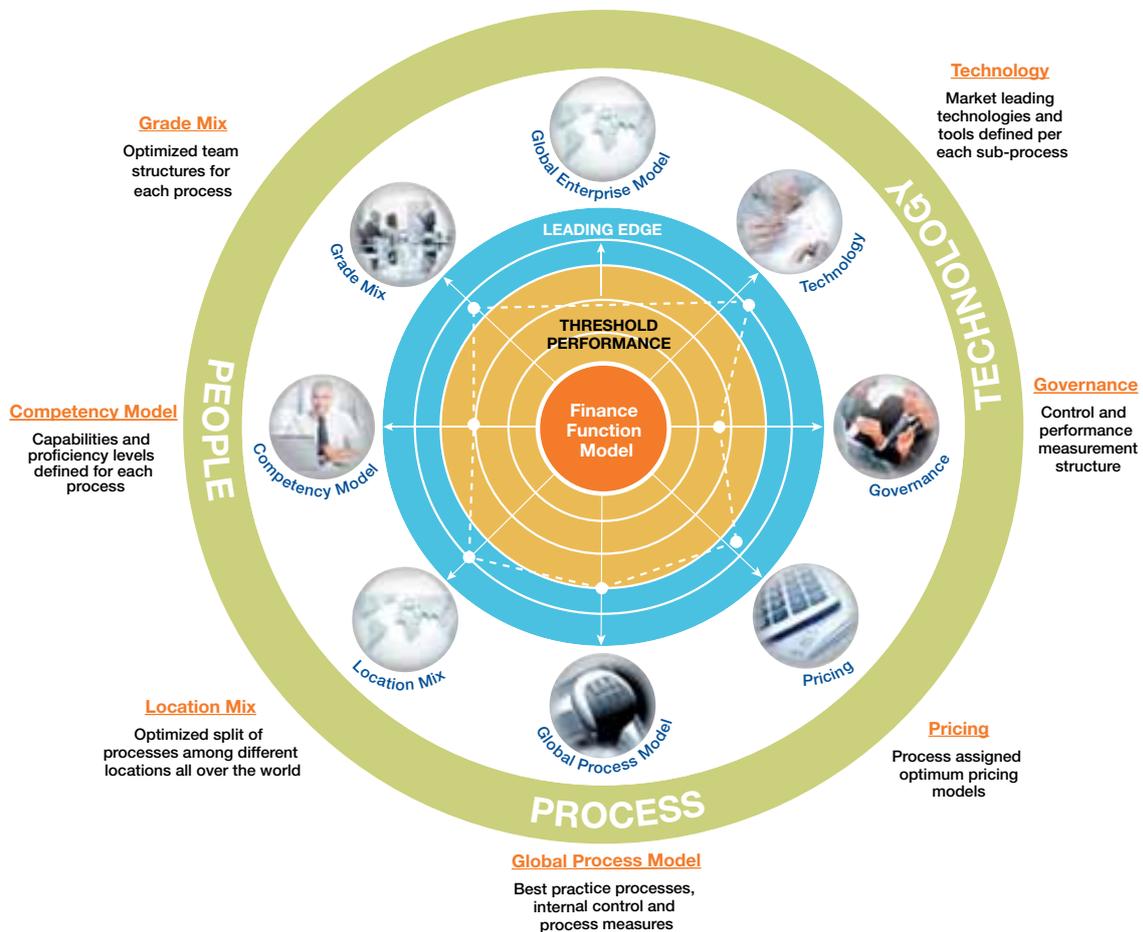


Global Enterprise Model (GEM) is Capgemini's unique transformation approach that allows for:

- A comprehensive evaluation of the finance function against Capgemini standards, which are based on many years of financial operations in a multi-client environment
- Acceleration of benefits by deploying transformational methodologies (high quality processes, improved controls, reduced cost of operations)

GEM complements Capgemini's consulting activities in this area. It draws on our long BPO experience across the consumer products industry to provide a baseline for operational improvement. Using GEM, we can quickly help you compare your quote-to-cash process with best practice, and then decide what changes you would like to make.

## We can align your quote-to-cash process with best practice



## Why use Capgemini's BPO services for quote-to-cash?

We have experts all around the world – in your country and also offshore – who are ready to transform your quote-to-cash process into a best-in-class one.

We can use your IT systems or ours, or a combination. Either way, we align your process with best practices and apply industry-leading analytic techniques to tell you everything you need to know. We work closely with your retained organization to ensure a smoothly integrated process, as our many satisfied customers confirm.

Our clients' experience shows that our approach can yield short-term benefits that include a reduction of up to 30% in delinquent receivables, 20% savings through operational efficiency improvements, and 20% savings on infrastructure investments.

In the longer term, the Capgemini approach can improve your overall financial position. It yields enhanced investment growth, flexibility and scalability to support business cycles.



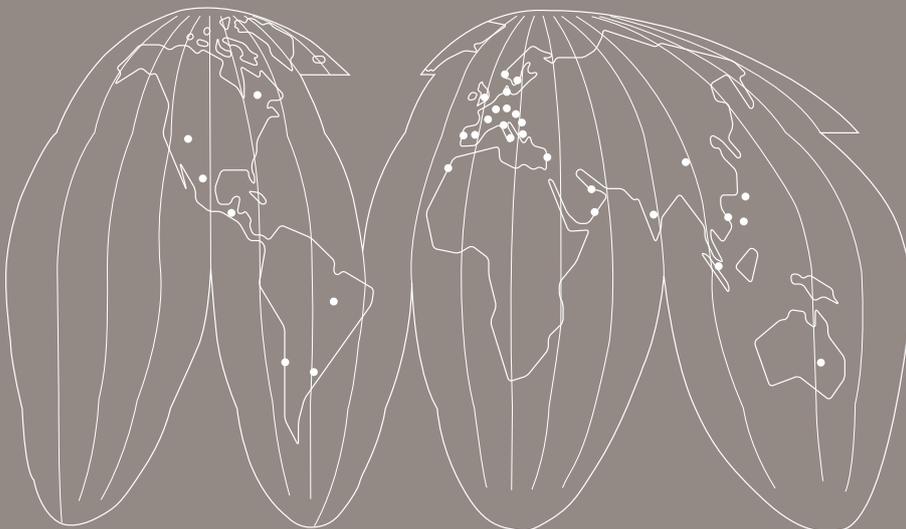


## About Capgemini

With 120,000 people in 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2011 global revenues of EUR 9.7 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.



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