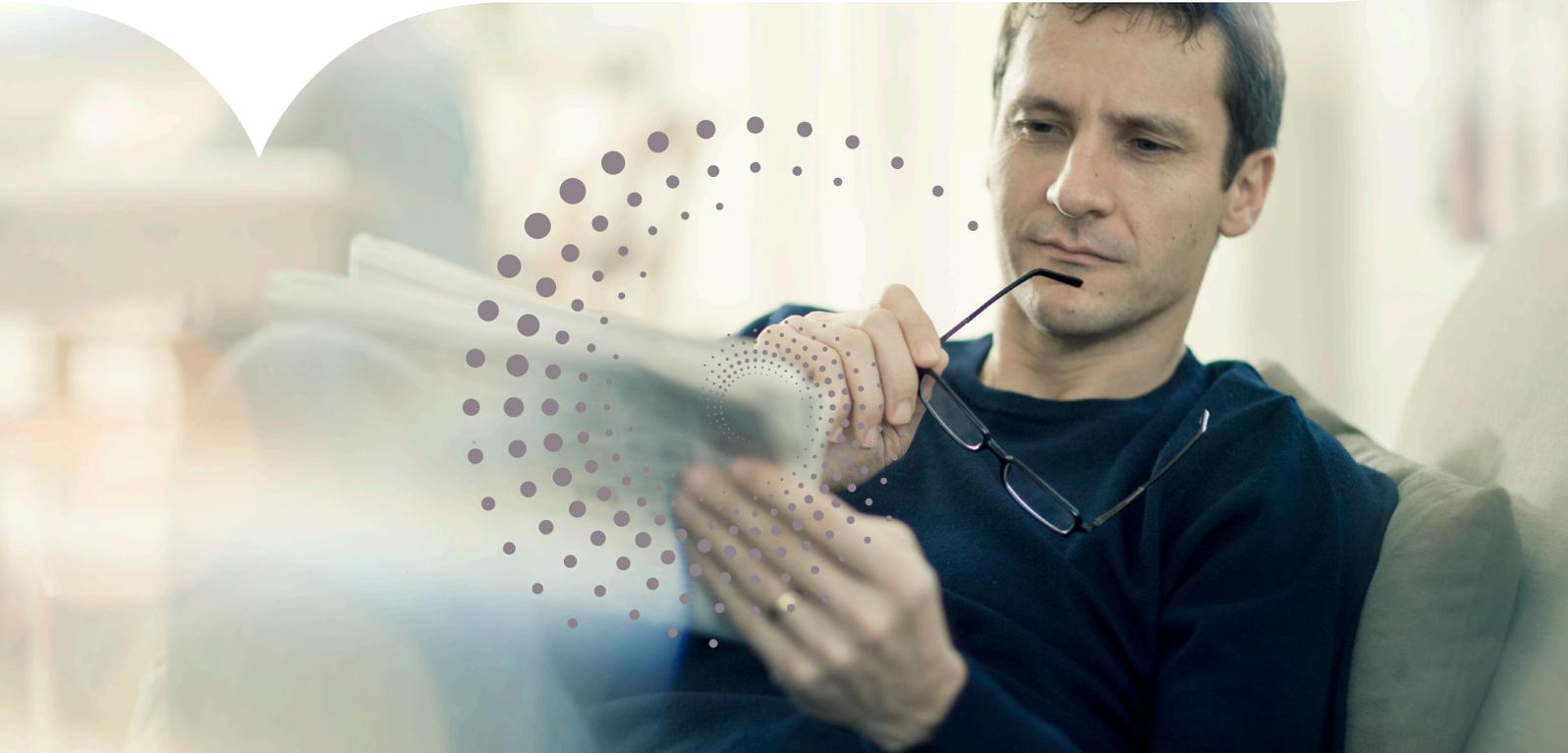


Receivable Analytics



Capgemini's Receivable Analytics Improves Working Capital by

- **Reducing Days Sales Outstanding (DSO)**
- **Freeing up cash**
- **Enabling proactive collection through predictive models**

Studies show that an enterprise with \$10bn turnover can generate more than \$35m per year in bottom line savings by reducing Days Sales Outstanding (DSO).

Improving Cash Flow and Enabling Proactive Collection through Predictive Analytics

Comprehensive Order-to-Cash management and lower DSO (Days Sales Outstanding) can lead to increased cash flow, decreased financial costs, enhanced credit ratings, higher margins and heightened shareholder value. DSO is also a direct reflection of the strength of a company's customer relationships, and is regularly used by the investment community as a key indicator of an enterprise's market and financial strength.

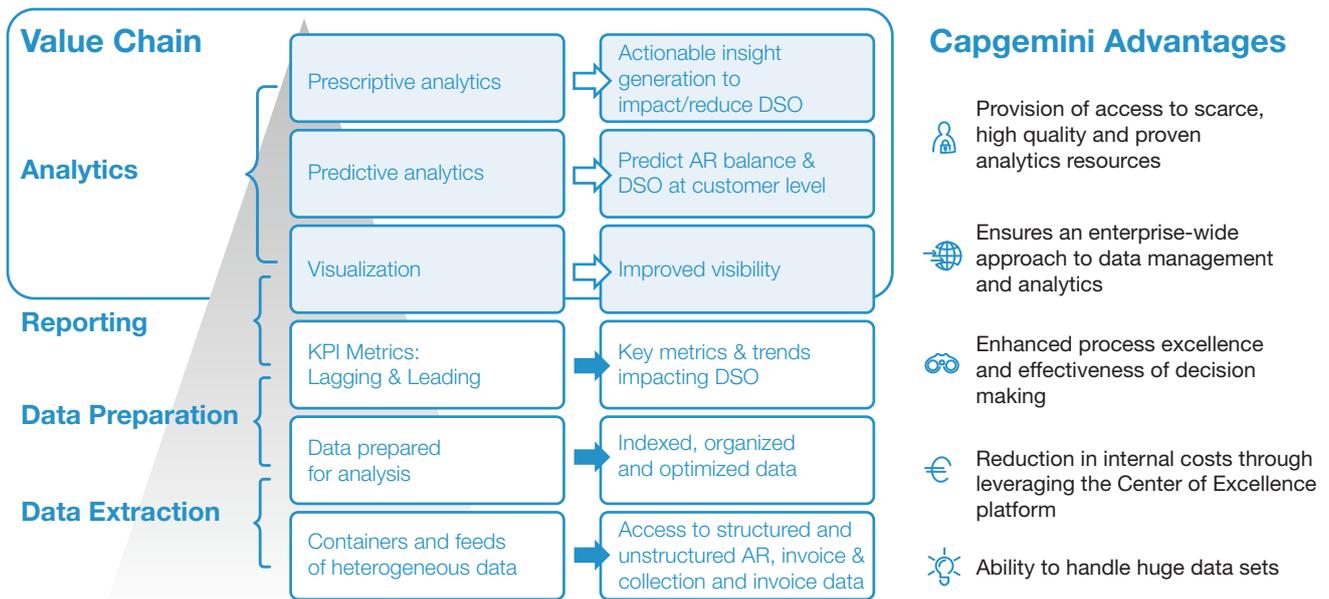
Typical reasons that prevent Chief Financial Officers from playing a more proactive role in improving DSO include:

- Huge data sets requiring analysis across business units; this leads to a lack of visibility across BUs and regions
- A lack of analytical resources and time – this prevents companies from tracking and analyzing their DSO
- The absence of tools for delayed collections root cause analysis
- A lack of a clear methodology to enable effective drill down

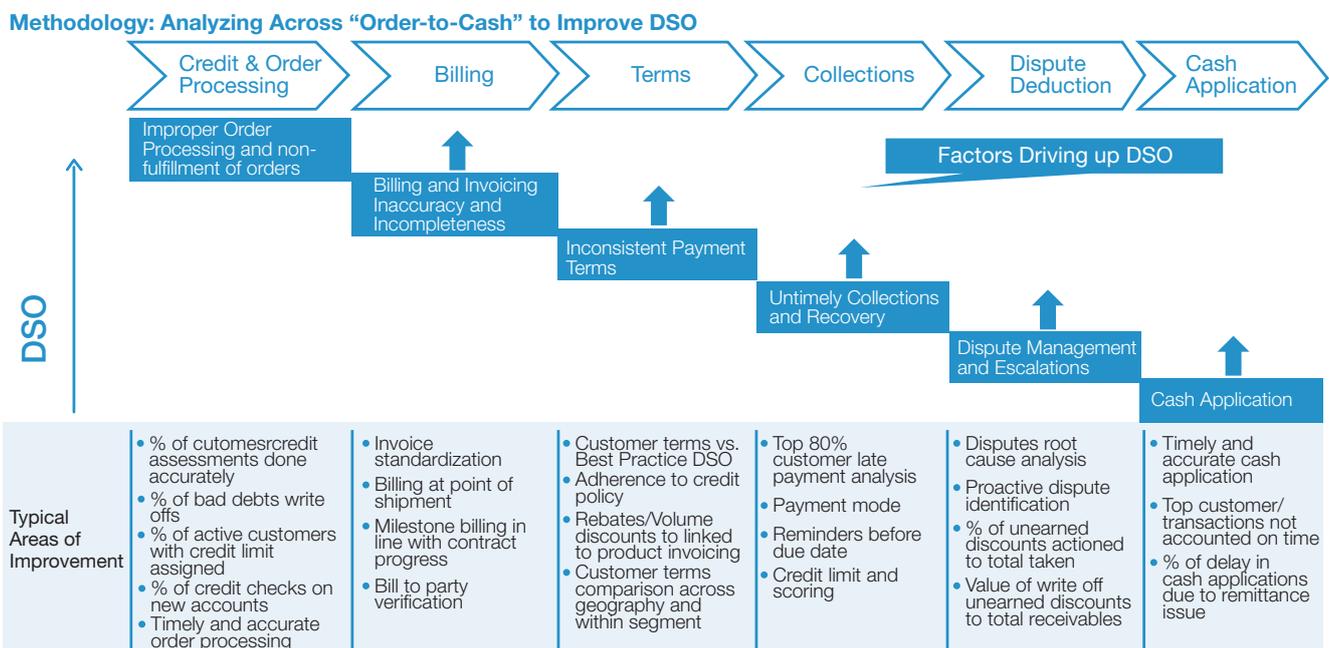
Our Offer

Capgemini's Analytics solution is not just a tool; it is a holistic service providing actionable insights at transaction level to improve DSO. Our clients therefore reap granular visibility of lagging and leading key metrics across the Order-to-Cash process that impact DSO and identify opportunities for comprehensive multidimensional drill down analysis. This enables easy identification of necessary actions to be taken.

Capgemini Value Proposition



Methodology: Opportunities Analysis Across Order-to-Cash for Improved DSO



Key Service Highlights

- *Ease of implementation*
- *Limited client involvement and Extended arm of Finance*
- *Focus on Actionable Insights*
- *KPI Library covering Leading and Lagging Metrics*
- *DSO Prediction Modeling*
- *Pan-industry experience*
- *Asia, Europe, Americas*

DSO Prediction Enabling Proactive Collection

Capgemini uses complex statistical modeling considering multiple variable parameters to predict DSO at a customer level. This enables one to engage proactive collection rather than traditional reactive collection based on aging of AR Balance.

Success Stories

Global CPG Client used Capgemini Analytics Tool to Identify Clear Actions for Improving DSO by 12 Days; €95m Impact on Working Capital

Business Issue

- Our client required support with analyzing its Order-to-Cash process for attaining insights and actions to free up additional cash flow

Solution

- Analyzed Order-to-Cash chain perspective and identified actionable insights to improve DSO
- Identified key customers making overdue payments and proactively reduce their AR balance. This helped reduce DSO by 7 days.
- Remedy the top dispute of unauthorized deduction driving up DSO.
- Normalize terms wherever possible and identify opportunities for further negotiation
- Awareness of customer's specific payment pattern and implementation of tailored collection strategy.

Outcomes

- CPG client was able to identify the potential to reduce DSO by 12 days, impacting working capital by €95m
- Some of the key findings included:
 - Focus on top 10 customers making overdue payments. Subsequent root cause analysis helped improve overall DSO by 7 days
 - Term normalization enabled, reducing DSO by 4 days

Forecasting Accounts Receivables and DSO Using Regression Modeling: 15% Improvement in Collections

Business Issue

- A retail client required a proactive approach to collection
- Collections had been conducted the traditional way: AR balance aging by customer

Solution

- Capgemini's statistical techniques and process knowledge were key factors for building a sustainable DSO model
- The DSO and AR balance were forecasted at customer level using regression modeling on an ongoing basis

Outcomes

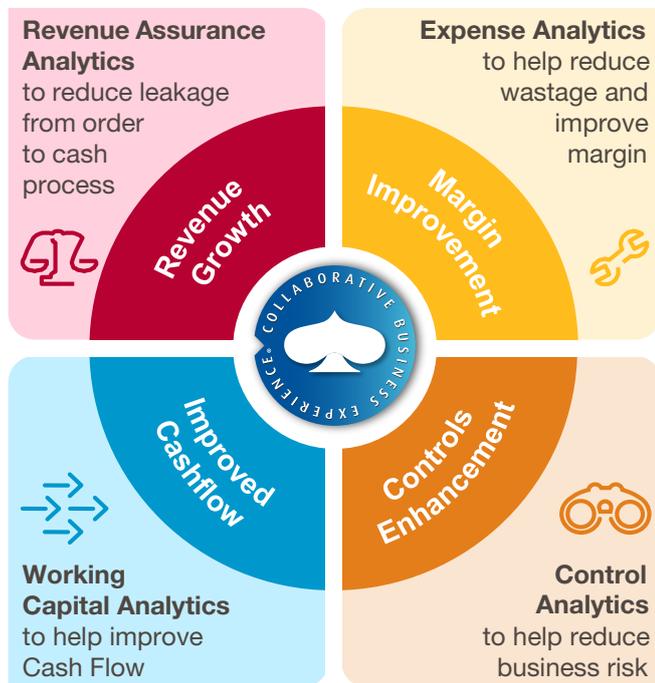
- Contributed to developing a 'preventive', rather than 'reactive' collection strategy
- Collections improved by 15%
- Identified triggers affecting the AR Balance
- Helped to forecast cash and plan working capital more efficiently

The Capgemini Experience

Our teams are led by senior practitioners and are recognized as specialists in their respective fields. The Receivable Analytics team has a strong analytical background comprising MBAs, finance graduates, Masters in Statistics with experience in strategy, consulting and finance.

Our clients get lasting value because we engage directly and meaningfully with stakeholders at each level of the enterprise – from boardroom to shop floor and warehouse.

Our Other Analytics Offerings



The key components of the CFO Analytics solution include:

Revenue Assurance Analytics:

- Improved customer query to order conversion
- Enhanced credit and collection performance
- Reduced billing leakage and more sell-ons

Expenses and Payables Analytics:

- Recovery of erroneous or duplicate payments
- Increased compliance with procurement policy
- Informed views of global spend

Control Analytics:

- Dynamic real-time monitoring of key controls
- Predictive leading indicators to prevent failures
- Lower cost of better, broader risk mitigation

Working Capital Analytics:

- Optimized treasury performance
- Reduced write off of stock and bad debt
- Effective use of discounts and promotions

Analytical Tools and Capabilities

- Huge data sets handled by our SQL data warehouses
- Efficiently analyzed using statistical tools like



- Visualization-focused business intelligence



For more details contact:

Terry Sandiford

terence.sandiford@capgemini.com



About Capgemini

With more than 125,000 people in 44 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2012 global revenues of EUR 10.3 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.

Learn more about us at www.capgemini.com