genpact

A state-of-the-art recipe to reinvent receivables management and customer experience

How a food services leader built resilience in order-to-cash and deepened customer connections

WHO WE WORKED WITH

A global food services company

WHAT THE COMPANY NEEDED

- A connected financial management platform to centralize and standardize finance workflows in the order-to-cash process for operational excellence, complete visibility, and agility

- Better manage operating cash flow, past dues, and bad debt and help its customers, half of whom are restaurant owners, tide over the COVID crisis

HOW WE HELPED

- We implemented a cohesive set of intelligent automation-powered systems of engagement across the company's accounts receivable, accounts payable, and record-to-report processes, led by design thinking

- We helped the company hone its collections strategy with a predictive model powered by advanced analytics and machine learning to forecast its customers' propensity to pay on time

WHAT THE COMPANY GOT

- Improved cash flow, a reduction in collection effort, bad debt, and more accurate forecasting of payment delays and delinquencies

- Faster new customer onboarding, touchless processing, higher productivity, and a drop in overall order-to-cash operating costs

This global food services leader succeeds by creating value for its customers, employees, partners, and community. But maintaining such exceptional experiences isn't easy. It demands a forward-thinking mindset. And this was never more critical than when the pandemic hit.

Operational complexity impacting employee and customer experiences

The food services company had accumulated more than 100 operating units through growth and acquisitions, with many separate processes. This resulted in complex reporting, inconsistent data flows, and challenging user experiences.

It sought to instill industry best practices in order-to-cash (O2C) to reinforce its leadership status in the food-services industry. But inefficiencies in customer onboarding meant new customers faced a three-to-five-day wait before they could place their first order. This delay adversely impacted the customer experience and conversion, resulted in lost sales, and put its reputation at risk.

SOLUTION

Refreshing order-to-cash with intelligent automation and process design

The firm knew it needed scalable systems of engagement to centralize and connect its existing financial management systems. The first step was marrying its knowledge of its business with Genpact's process-design experience and capabilities to map out a solution focused on end users' needs. Together, we created a finance-automation framework and introduced custom solutions to enable finance, commercial, and customer teams to exchange information and insights.

To get a consolidated view of all receivables and streamline how sales and finance teams worked together, we deployed Genpact's cloud-based Cora ARFlow automation solution, which spans credit, collections, disputes and deductions, and cash application management.

As a result, the company got a standardized O2C process and customer-centric sales and receivables management policies. And the sales team got an easy-to-use sales portal to onboard customers, assess credit risk, and get speedy approvals. After we integrated Cora ARFlow with the business's e-invoicing portal, its customers gained full visibility into their invoices, plus self-service payment options. And the finance team optimized its operations and accelerated customer onboarding and order processing.

CHALLENGE 2

When the pandemic hit, the company's customers were the first to feel its force

The pandemic disrupted all industries, but food services felt it intensely. Over half of this company's customers were independent restaurant owners, and as restaurants struggled to stay in business, the firm's sales plunged and days sales outstanding (DSO) increased. It needed to keep its cash flow in check and manage past dues and bad debt, but more importantly, it knew it had a responsibility to help its customers deal with the rough times ahead.

SOLUTION

Pivoting to help customers weather the storm

Having integrated Cora ARFlow with the firm's own e-invoicing portal, it had full visibility across its customers' accounts receivables (AR) and could quickly adapt when the pandemic threatened to devastate its restaurant customer base and its customers' livelihoods.

When restaurants closed their doors to indoor dining, the company eliminated delivery minimums for customers whose volumes had dropped dramatically and stopped account late fees. It segmented customers into impacted and non-impacted categories to prioritize where it could help.

Analysis of credit metrics such as 'days without payments and sales' allowed the company to quickly identify restaurants facing temporary closure and offer alternate payment plans. It also tracked indicators of potential lost business, so the credit and sales teams could reach out to customers to see how they could help before they potentially closed their doors.

As the situation worsened, deeper segmentation of each customer's operating status – permanently closed, temporarily closed, open for delivery only, or fully operational – allowed it to tailor collections strategies even further. Powered by the integrated AR system, the company could offer personalized flexible payment arrangements to help customers keep running, including taking credit card payments, deferring payments, and completing payment freezes on existing balances.

Innovation for short-term survival and long-term loyalty

With its collections strategy working hard to help customers stay afloat, the firm dug even deeper to help itself adapt and thrive.

As pandemic restrictions drove an increase in eating at home, it helped restaurants adopt delivery and takeout models and create pop-up stores to sell everyday essentials in short supply. The company offered a dedicated call center and educational seminars to help companies navigate the US government's Paycheck Protection Program (PPP) loan application process. And such was its determination that

it also sold excess inventory to retail grocers and provided delivery drivers to help them keep up with demand.

CHALLENGE 3

Preparing for future disruption

As things calmed, a realization dawned. For the firm, withstanding future disruption demands greater resilience and a forward-looking approach to collections. With limited insights into customer payment behaviors comes the risk of default. It wanted to develop an ongoing way to segment customers into risk groups and identify when, with whom, and how to start the collections process to help customers when they need it most while reducing past-due receivables and controlling bad debt.

SOLUTION

A predictive-analytics model

Genpact helped the firm hone its collections strategy by assessing its AR portfolio over the past 12 months to identify leading indicators affecting payment behaviors and delayed payments. Those findings helped segment good and bad payers from more than 250,000 active accounts, considering their purchases, payment terms, and external data.

Genpact then built a predictive model powered by advanced analytics and machine learning to anticipate customer behavior at both an individual invoice level and in aggregate. The model forecasts customers' propensity to pay on time, and along with Cora ARFlow, can generate dynamic target collections work lists. Now informed with detailed insights, collectors can better guide their customer conversations and make more informed decisions about how they can help customers bring their accounts up to date.

A future built on solid customer relationships, powered by analytics

Now armed with a modern insights-led, customer-centric finance function, the food services company continues to define the future of the food services industry. Our partnership enabled it to:

- Accelerate cash flow

- Reduce collection efforts, past-due receivables, and bad debts to lower than pre-pandemic levels

- Achieve a high level of accuracy in forecasting payment delays and delinquencies

- Accelerate new customer onboarding from several days to a few hours

- Deliver touchless collections and auto-cash applications and more effective customer credit appraisals to set credit limits

- Improve productivity and reduce annual order-to-cash operating costs

And in spite of high initial write-off estimates, the company collected nearly all of its receivables since the pandemic began.

Beyond the numbers, its customers welcomed its efforts during the pandemic. It empowered them to become more resilient, too. The company's customers, and its finance and commercial teams now have greater transaction visibility and better experiences.

The food services leader's partnership with Genpact helped it to handle a challenging situation and strengthen its long-term customer relationships. We continue to build on this work together to enhance data-driven performance, but the true reward is knowing that even in the most challenging circumstances, the company can still live up to its core purpose.

About Genpact

Genpact (NYSE: G) is a global professional services firm delivering the outcomes that transform our clients' businesses and shape their future. We're guided by our real-world experience redesigning and running thousands of processes for hundreds of global companies. Our clients – including many in the Global Fortune 500 – partner with us for our unique ability to combine deep industry and functional expertise, leading talent, and proven methodologies to drive collaborative innovation that turns insights into action and delivers outcomes at scale. We create lasting competitive advantages for our clients and their customers, running digitally enabled operations and applying our Data-Tech-AI services to design, build, and transform their businesses. And we do it all with purpose. From New York to New Delhi and more than 30 countries in between, our 115,000+ team is passionate in its relentless pursuit of a world that works better for people.

Get to know us at Genpact.com and on LinkedIn, Twitter, YouTube, and Facebook.

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