

## Success Story

### Global electronic parts distributor relies on new engine to streamline accounts receivable process

The company is a leading global provider of products, services and solutions to industrial and commercial users of electronics components and enterprise computing solutions. The company serves as a supply channel partner for about 800 suppliers and more than 100,000 original equipment manufacturers, contract manufacturers and commercial customers through a global network. The company's technology solutions support the telecommunications, information systems, automotive and transportation, medical and life sciences, industrial equipment and consumer electronics industries.

**Industry:**

Manufacturing and Distribution

**Company:**

Fortune 200 Global Electronics Distributor

**Challenge:**

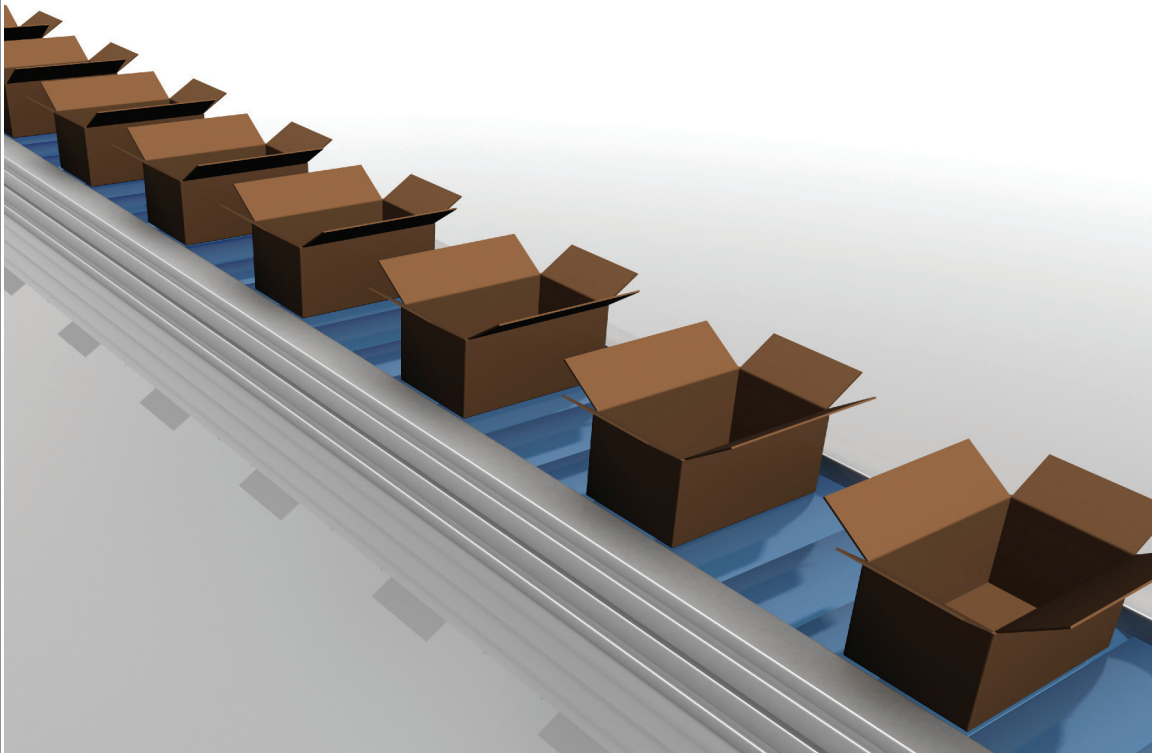
Company processes thousands of customer orders via a variety of procurement methods. Despite the use of industry-standard ERP software, reconciliation of customer payments to receivables was highly manual, prone to errors and cause for delay.

**Solution:**

Through RevGen IQ, RevGen Partners developed and implemented an auto-reconciliation engine that processed various types of input files, auto-reconciled with company ERP source data and provided workflow for discrepancy research and subsequent cash application.

**Bottom Line:**

Initial use of the reconciliation engine resulted in auto-reconciliation rates averaging 90 percent, with several customers matching at 95+ percent. The average cycle time from cash receipt to cash application decreased by several days and, in some cases, up to a week.



## Client Challenge

The client processes thousands of transactions via a variety of procurement methods which result in the shipment of millions of parts. Despite using industry-standard ERP software, reconciliation of customer payments to receivables was a highly manual, paper-based process prone to errors and delays in cash application.

In addition to process concerns, up to 60 full-time employees were assigned to receipt management, cash reconciliation, and collections, many with their own individualized approach and processes to the tasks. Employee turnover created an additional obstacle in achieving consistent, standardized processes.

In short, as a result of inconsistent and inadequate processes, management had limited visibility between cash receipt and cash application with no definitive metrics on accuracy, throughput, or necessary resources to support the process.

## RevGen Partners' Solution

Employing the approach and services in the RevGen IQ portfolio, RevGen Partners developed and implemented an auto-reconciliation engine to process various types of input files, auto-reconcile with company ERP source data, and provide workflow for discrepancy research and subsequent cash application. RevGen Partners approached the problem by documenting current processes and business rules, capturing baseline performance metrics, and designing a future environment that incorporated both process improvements and better use of technology.

To validate the solution, a single customer account was selected for a pilot project. This proof of concept test was developed to demonstrate how a repeatable, efficient, and more accurate outcome could be achieved. Upon the success of the pilot, a scalable enterprise-class solution was implemented in Microsoft SQL Server.

RevGen Partners led the design, development, and implementation, and then seamlessly transitioned the ongoing support and future development to the distributor's internal team. RevGen Partners continues to support enhancements and modifications for next generations of the tool.

## The Bottom Line

In the early stages of implementation, the distributor has processed tens of millions of dollars through the reconciliation engine with only a fraction of its customer base included. Auto-reconciliation rates average 90 percent with several customers matching at greater than 95 percent. The average cycle time for receipt to application decreased by several days and, in some cases, up to a week. In addition, full-time employees needed for reconciliation have decreased providing more time for value-added activities such as collections. Overall, process improvements have been achieved by removing unnecessary hand offs between departments and developing a fast track reconciliation process for key customers.

*"The engine that RevGen Partners built for us reconciles our data, increases our productivity, and speeds our time to cash application."*

Chief Financial Officer, Fortune 200  
Global Electronics Distributor



For more information about RevGen Partners' services and solutions, please contact us at:

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