



Industry  
Logistics

Processes

- Airway bill manifesting
- Finance and accounting
  - Billing
  - Invoice adjustment
  - Cash application
  - Accounts payable

## End-to-end consolidation of the order-to-cash cycle for a global air delivery and freight services provider

Our client is a global logistics conglomerate headquartered in the U.S., with a broad portfolio of transportation, e-commerce and business services. It has been consistently ranked among the world's most admired and trusted companies. The company offers integrated business applications through operating companies competing collectively and managed collaboratively, under the respected parent brand. The client's express transportation unit delivers millions of packages daily to more than 200 countries and territories.

### The Client's Challenge

The client recognized the need to standardize its Finance and Accounting (F&A) processes specifically falling under 'Ship-to-Collect' across its EMEA (Europe, Middle East and Africa) region. Most countries in the region followed a different process for the same function leading to inefficiencies. The client recognized that if it wished to retain its leadership position in a competitive environment, process standardization was an imperative.

The ship-to-collect process begins with the manifesting of airway bills. Business growth prompted the need for scale to manage the increased volume of airway bills. The client had established outsourced manifesting centers in Mexico and China in addition to their own shared services centers in the U.S. It needed a geographically diverse center from a risk point of view, and more importantly a partner that could deliver this critical, high-volume activity at exceptional quality levels.

### The WNS Solution

The EMEA F&A processes were first transitioned in 2002 followed by the airway bill manifesting process in 2005. WNS leveraged its proprietary transition methodology — EnABLE, to successfully transition to two centers in India. Each transition was staged differently. F&A processes were transferred by a phased country-by-country and process-by-process consolidation exercise to WNS' center in Mumbai, India, whereas the manifesting process scaled up rapidly to full volumes within a 90-day period at WNS' Nashik center. Within 90 to 120 days of the commencement of each program, WNS staff were meeting the productivity and quality levels set by the client and handling the entire volume with minimal support from the client's onshore locations.

### The processes being delivered by WNS include

- **Airway bill manifesting** – Manifesting of airway bills, indexing and classification of supporting documents
- **Billing** – Manual rectification of errors and release of airway bills to generate freight, duties and taxes for invoices that fail the auto-billing process
- **Invoice adjustment** – Handling and resolving billing disputes and making necessary adjustment entries
- **Cash application** – Applying payments received to open invoices and researching unapplied cash
- **Accounts payable** – Scrutinizing and processing of invoices for payment

To deliver the airway bill manifesting process, the client required a partner with the credentials to manage a huge volume of transactions and meet extremely stringent quality and turnaround time standards. Given the security environment post 9/11, and the nature of international shipments, the cut-off standards for transmitting manifest information to customs are stringent. Typically all airway bills must be manifested between one to three hours prior to flight departure time. Given the fact that airway bills arrive continuously up to the last minute before flight takeoff, the WNS team has to operate under a tight window ranging from a maximum of six hours to as less as 30 minutes to load the manifest information into the system.

Missing cut-offs implies customs fines at the destination, delays to cargo clearance and a negative impact to the client's credibility. From the inception of the engagement, WNS worked very closely with the client to virtually eliminate missed cut-offs. This was accomplished through accurate volume forecasting and the implementation of a well-oiled recruitment process. To achieve an accuracy standard of 99.7 percent, WNS deployed multiple strategies, including Six Sigma, increased focus on staff training and alignment of their incentives with successfully meeting the client's quality standards.

In delivering F&A processes, WNS manages bill exceptions. For example, an average of 250,000 bills that fail the auto-invoicing process must be investigated each month. In order to resolve, the WNS team must perform a root cause analysis, collecting necessary data by referring to supporting documents and other information; developing a logical relationship between the available data; and then releasing the airway bills after updating the correct information to generate correct freight, duties and taxes invoices. Since this process has a direct impact on collections and Days Sales Outstanding (DSO), turnaround time is critical. WNS has been able to reduce the average billing cycle from over 96 to 48 hours with its stringent processes.

Managing customer disputes on billing requires language capabilities in German, French and English. WNS' staff handle customer disputes and complaints, re-investigate billing and take appropriate actions including correcting the invoice, if necessary, to ensure that the customer's complaints are addressed and the payments are received on time. WNS can also create customer accounts, make necessary changes in the customer database and forward the required supporting documents related to any shipment, based on a customer's request.

For cash applications, WNS researches payments received and applies the cash while posting remaining payments to the unapplied GL code. To help the client reduce its unapplied cash, which was approximately 8 percent prior to transition, WNS bridged knowledge gaps by re-working unapplied cases, having regular conference calls with the onshore team to quickly resolve open items and creating tracking tools for better control. As a result, WNS has consistently maintained unapplied cash under 2 percent ensuring faster collections and a direct bottom-line impact to the client.

The accounts payable process involves scrutinizing and processing payable requests. This involves validating data, closing out denial or approval decisions, closing the invoice post follow-up and issuing credit notes if needed. Post the verification process and correct booking, the pay cycle is run.

WNS added value to this operation by implementing Six Sigma and other quality methodologies early in the client engagement. Some examples are:

- By applying the Kaizen principle, the billing and cash application process were made paperless. Total Hard QNS generated was USD 27,674.00 per annum
- Also through Kaizen, the cash application productivity increased from 60-62 invoices per hour to 68-72 invoices per hour
- A green belt project in the airway bill manifesting process resulted in productivity increase from 18-22 airway bills per hour to an average of 33-35 airway bills per hour (up to 45 airway bills per hour for many countries)

## Benefits delivered to the client by WNS

WNS has extended the client's enterprise by consolidating the ship-to-collect cycle for the client. Specific benefits delivered include:

- Standardizing a geographically spread operation for F&A processes by process consolidation and sharing uniform best practices with all locations for simplification of work
- Managing a huge volume of over 11 million airway bills per annum, or approximately 50,000 transactions per day with an accuracy of over 99.7 percent
- Improving the turnaround time for billing of consignments from 96 hours to 48 hours
- Reducing unapplied cash from over 8 percent to consistently lower than 2 percent
- Reducing cost of operations by 60 percent as compared to the client's onshore costs
- Improving the metrics around bills 'skipped' by WNS from 25 percent to under 10 percent for freight duties and taxes. This results in the need for the client to review or process fewer volume of exceptions
- Productivity improvement in U.K. BACS process of cash applications and billing overall

## About WNS

WNS is a leading global business process outsourcing company. Deep industry and business process knowledge, a partnership approach, comprehensive service offering and a proven track record enables WNS to deliver business value to the world's leading companies. WNS is passionate about building a market leading company valued by our clients, employees, business partners, investors and communities.

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To learn how we can help extend your enterprise,  
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