



Release Cashflow Using Agile Order to Cash Processes

WNS Global Services & coAction
Webinar Series – 1

September 2012

coAction.com
On Demand Business Collaboration

WNS
Extending Your Enterprise

1 WNS 1 GOAL OUTPERFORM
Costa Rica | India | Philippines | Romania | Sri Lanka | UK | US



Topics

- **About WNS & coAction**
- **Typical 'Cash Traps' in Organizations**
- **Insights from High performing Order to Cash Organizations**
- **WNS Order to Cash Solution Suite**
- **coAction: Collaboration As A Service**
- **Q&A**



Introductions

WNS

Extending Your Enterprise

- **History:** British Airways captive, spun-off into a third-party
- **Net Revenue*:** \$395.1 Million in FY2011-12
- **Employees:** 25,000+ serving 200+ clients
- NYSE traded (Symbol: **WNS**) since July 2006. First Indian pure-play BPO to be listed on NYSE
- **Delivery Centers:** 29 delivery centers across India, Sri Lanka, The Philippines, Romania, UK, Costa Rica, South Africa and US
- **Sales Offices:** Australia, Dubai, US, UK and India
- **600+ business processes** from simple transactions to complex analytics

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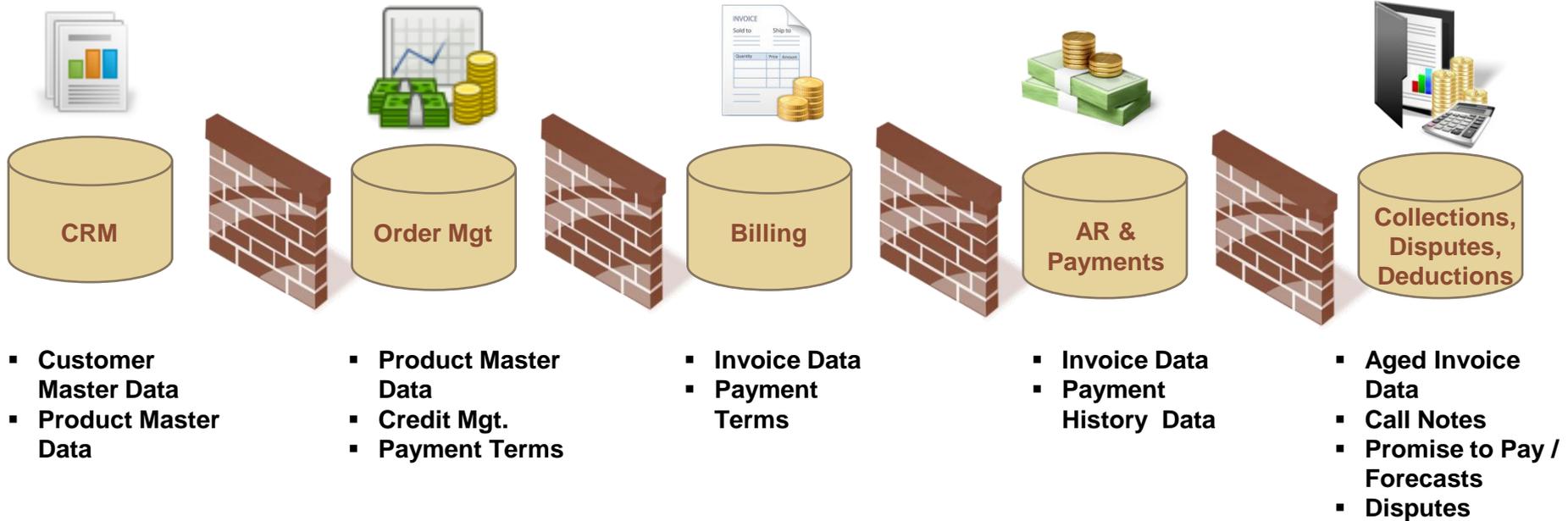
On Demand Business Collaboration

- Web 2.0 cloud platform
- Used by **100+ customers** globally
- **Gartner** in 2012 rates coAction.com as a “**Cool Cloud Platform**”
- Partner network to provide supplemental resources and support
- Multi domain, industry, language, currency to serve B2B, B2B2C and B2C business models
- Integrates with major ERP, CRM and CMS systems
- Rich Advanced Mobile Cloud Platform



Typical Cash Traps in Organizations

Customer Experience Journey



CASH TRAP EXAMPLES



- On-hold orders
- Delayed orders
- Incomplete / inaccurate customer master data



- Order incompleteness / inaccuracies
- Rating / pricing inaccuracies
- Delayed billing



- Manual cash application cycle-time, errors
- Unapplied / Unidentified Cash



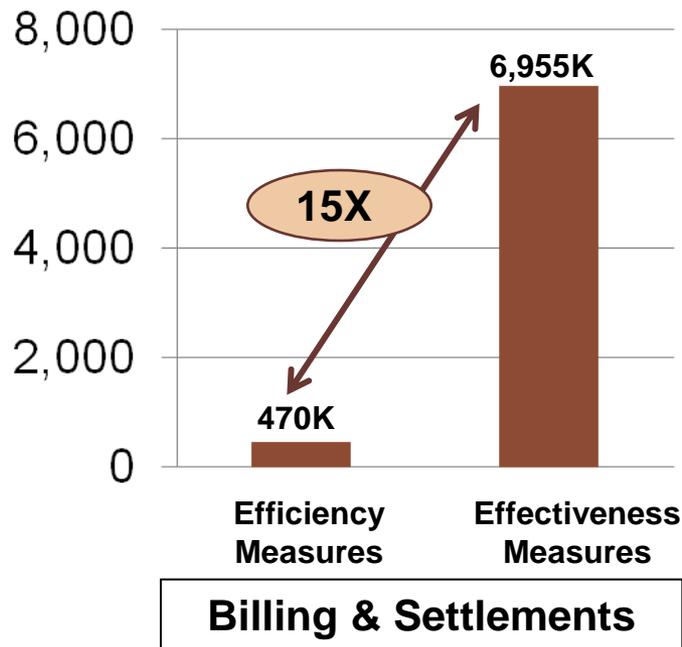
- Collection by value vs. 'value at risk'
- Output (no of calls) vs. Outcome (collection per call)

Getting to 'World Class': Understanding the Opportunities



Impact of achieving World Class Finance benchmarks for \$US 1 billion organization

In US\$ Thousands



Efficiency Measures

- %Billing errors due to bad customer, pricing, product masters
- # of Debtor Accounts – active vs suspended
- %First pass cash application, % auto-cash application
- %Invoice deductions/ claims/ short pays

Effectiveness Measures

- Best DSO vs DSO days
- Average Days Delinquent
- %Bad debts
- Credit Policy Enforcement – frequency of review, coverage of accounts, etc
- Customer satisfaction
- Collection Efficiency Index
- %Orders delivered accurately

Sources: Hackett, WNS Research

- Benchmarking provides relative performance gap assessment
- Effectiveness metrics provide greatest value creation opp, but are not usually tracked

Insights from High Performing Order-To-Cash Organizations



Typical Challenges	WNS Approach	Business Impact
Business unit, geo operations silos – duplication, lack of scale / specialization	<ul style="list-style-type: none"> ▪ Global Shared services – standardization and simplification of processes and scale for automation ▪ Free up business unit resources to focus on core innovation, marketing & sales ▪ Embedding change mgt. from diagnostic phase through transition 	<ul style="list-style-type: none"> ▪ Typically 30-40% one-time resource cost ▪ 3-5% per annum resource productivity
Optimization of discrete processes (order mgt., billing, cash appln., collections) vs. linkage to business outcomes	<ul style="list-style-type: none"> ▪ End to end thinking – alignment to customer (channel) service needs ▪ Linkage of business outcomes (revenues, DSO, cashflow) with underlying processes 	<ul style="list-style-type: none"> ▪ 10-15% of resource costs ▪ Business outcomes – depends on level of transformation
Limited Finance focus on customer experience as a process	<ul style="list-style-type: none"> ▪ Deductions / claims mgt process as a source of competitive differentiator (Dilution can range from 5-20% of CPG Co revenues) 	<ul style="list-style-type: none"> ▪ Reducing revenue dilution ▪ 50% reduction in prov for bad debts for a client ▪ Reduction in overdues from 23 to 5%
Information silos and redundancy – lack of common source of 'truth'	<ul style="list-style-type: none"> ▪ Leveraging integrated OM, Billing, Payment, Application, Collections system technologies ▪ Link all internal stakeholders – common source to truth, master data definitions ▪ Customer self-service capabilities 	<ul style="list-style-type: none"> ▪ 15-20% of resource cost ▪ Automated alerts and workflow – reduction in bad debts, 10%+
Limited end to end O2C performance visibility and optimization	<ul style="list-style-type: none"> ▪ Leverage analytics for smart O2C processes ▪ Collection strategies based on historical payment patterns to segment AR based on customer risk vs. amounts only ▪ Consumer promotions – anticipating spikes in downstream cash application and deduction mgt. effort 	<ul style="list-style-type: none"> ▪ 30% increase in recoverable bad debts for a client ▪ Workforce planning for seasonal / planned business vol. spikes

WNS Order to Cash Solution Suite



END TO END APPROACH

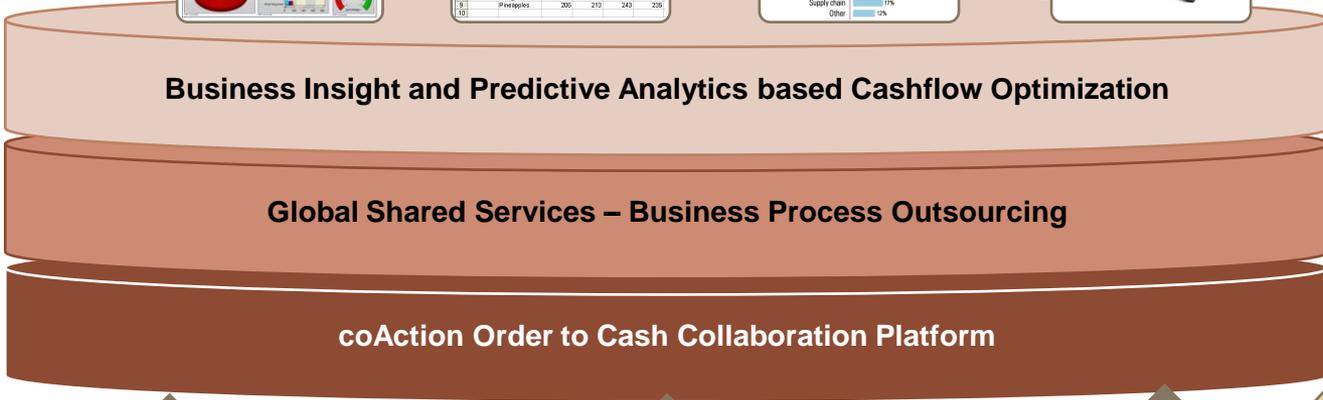


Dashboards

Excel Integration

Predictive Analytics

Mobile Access



Flexible integration options – web services, flat file, etc.

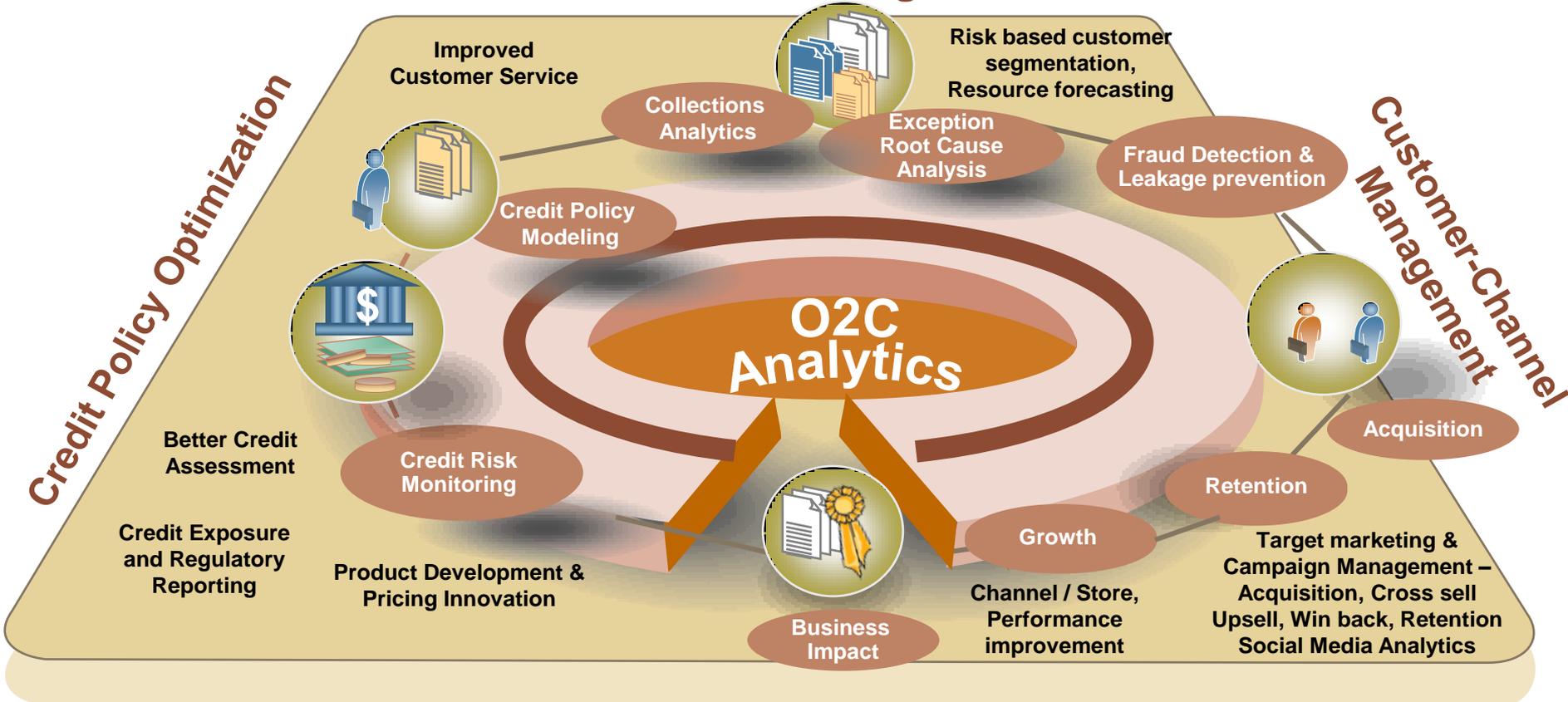
Maximize ROI from existing IT investments



Release Cashflow Using Analytics and Predictive Modeling



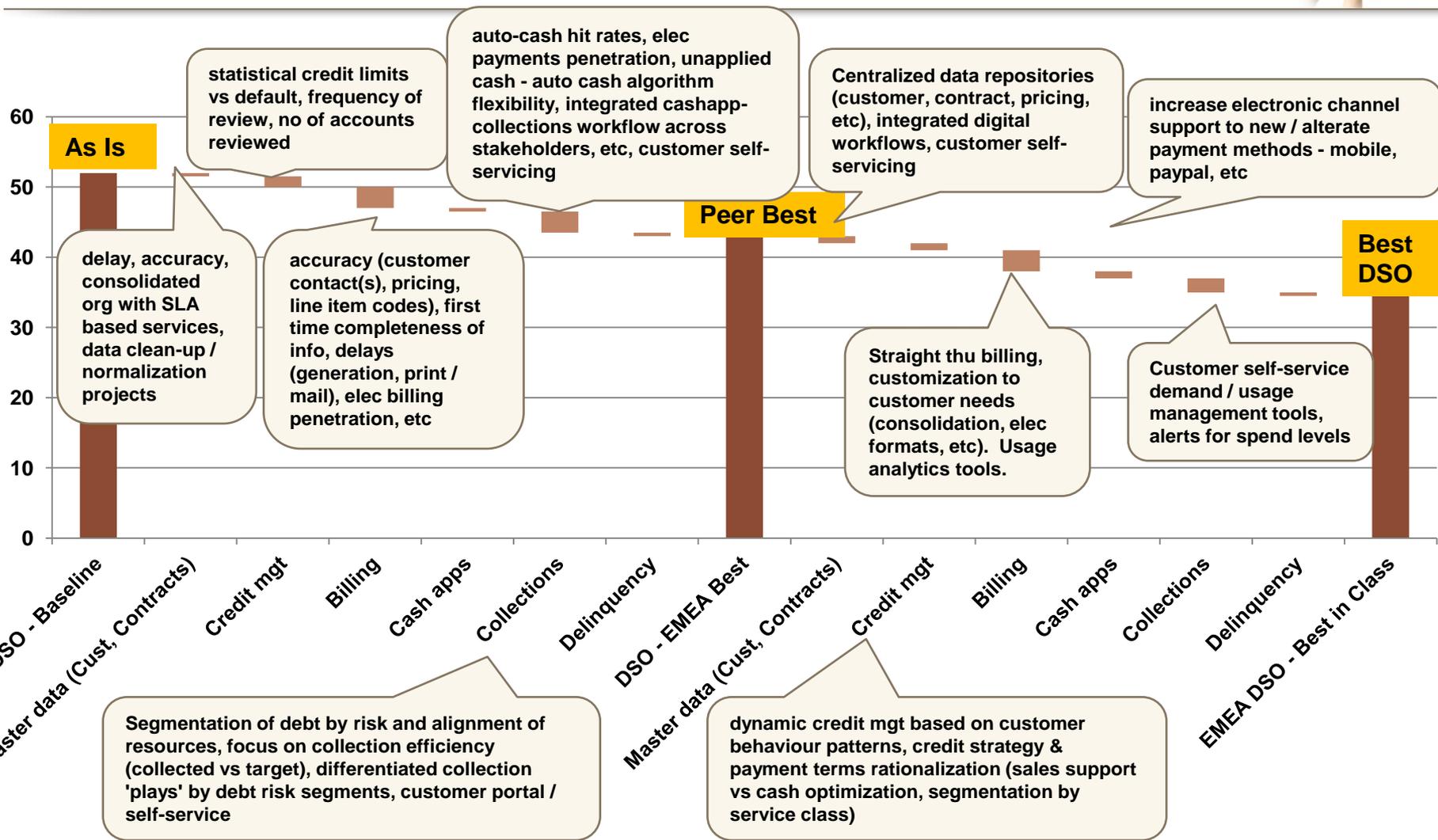
Collections Management



- Visibility – DSO, DPO, Exceptions
- Release Cashflow – O2C cycle time, cash traps
- Reduce bad debts write-offs, provisions

- Improve Customer Satisfaction & Lifecycle Value
- End to end business outcomes improvement

Leveraging Analytics, Industry Domain & Process Re-engineering



DSO Improvement of 9 days and USD 11 million cashflow release identified by achieving Peer Best

On Demand

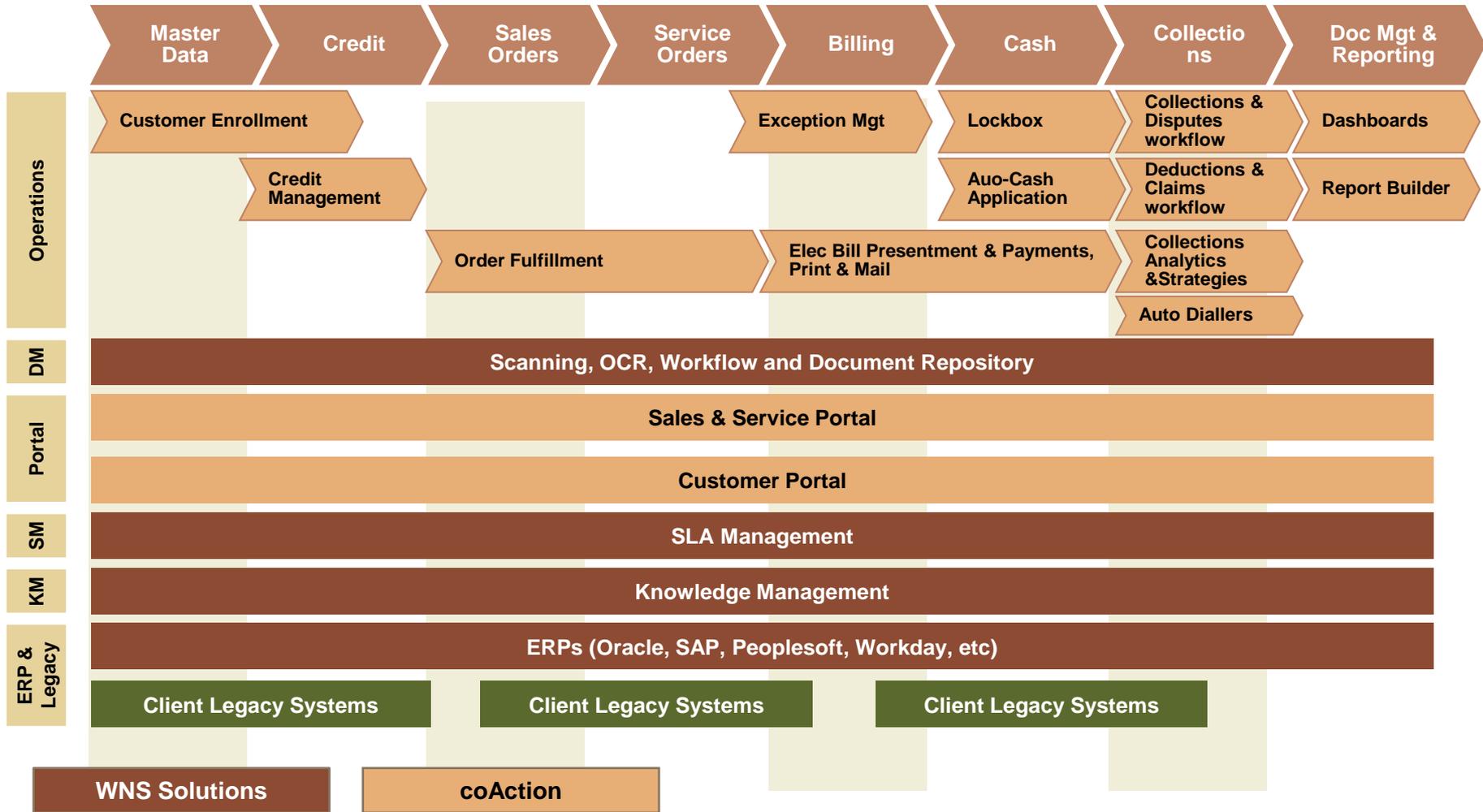
Case Study – OTC operations for an Apparel Company



US based Global Fashion Apparel Company	
Relationship	<ul style="list-style-type: none"> ▪ Since April 2010
Key Brands	<ul style="list-style-type: none"> ▪ -- ~17,000 SKUs
Process Experience	<ul style="list-style-type: none"> ▪ O2C Processes – Collections, Credit Control, Chargebacks, Disputes (returns, promotions, shortages, etc), Cash Application, Credit Risk Management, Inventory Control, Product Costing Audit, Bank Reconciliation. ▪ Other F&A Processes – Indexing, Trade Payable, Expense Payable, Pnet Admin, Management Reporting, and Financial Planning and Analysis
Customer Profile	<div style="border: 1px solid black; border-radius: 15px; padding: 10px; text-align: center;"> <p>Small and mid sized boutiques</p> </div>
Systems / Tools	<ul style="list-style-type: none"> ▪ JD Edwards, AR workflow (custom), electronic document repository
Business Impact Delivered	<ul style="list-style-type: none"> ▪ Collections process transformation: from siloed functions to end to end portfolio management approach. ▪ DSO improved (overdues to 5% from 23%), provision for bad debts reduced by ~50%, no open charge-backs > \$10K at month end
Delivery Locations	<ul style="list-style-type: none"> ▪ Pune, Bucharest



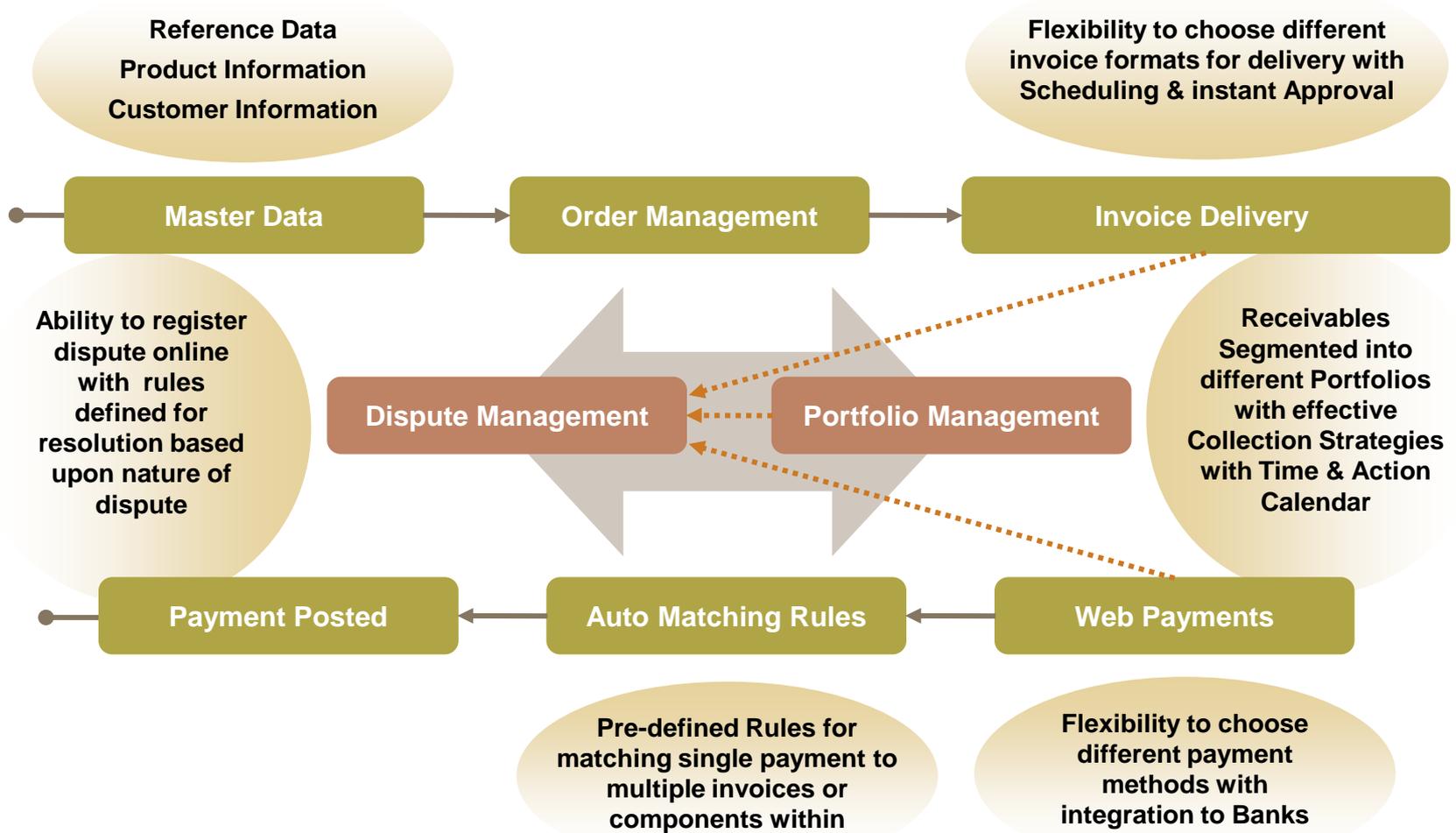
Technology Solutions Sets



End to End O2C Capabilities | Modular Solutions | Flexible Delivery Models



coAction.com Packages





Performance benefits: Impact Delivered

Reduce

DSO

10 – 25%

Bad Debts

10 – 35%

Dispute management costs

50 – 60%

Support / Help Desk costs

40 – 50%

Save

Labor & overheads

30 – 40%

Cost of Finance

2 – 3%

Increase

Straight through processing

60 – 80%

Customer Satisfaction

Visible Impact for every \$100 million in revenue

Average interests savings

\$300,000

Additional working capital available

\$4 million

**Common O2C Data Model:
Superior decision making, faster responsiveness and reduced risks**

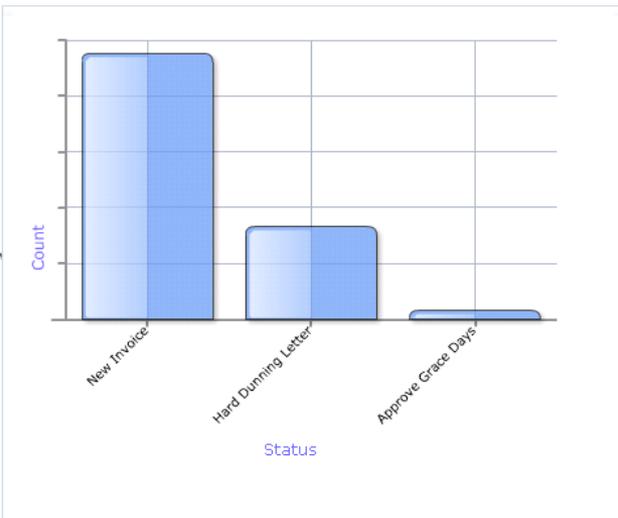


Package Enabled Best in Class Process Management

- **Automated Invoice Delivery**
- **Order Release**
- **Statement Delivery Automation**
- **Payment Reminders**
- **Broken Promise**
- **Account / Invoice Lifecycles – Risk / Trend based**
- **Configurable Matching for Payments**
- **Dispute / Deductions Approval**
- **Escalation Workflows**



Flexible and Easy to Use



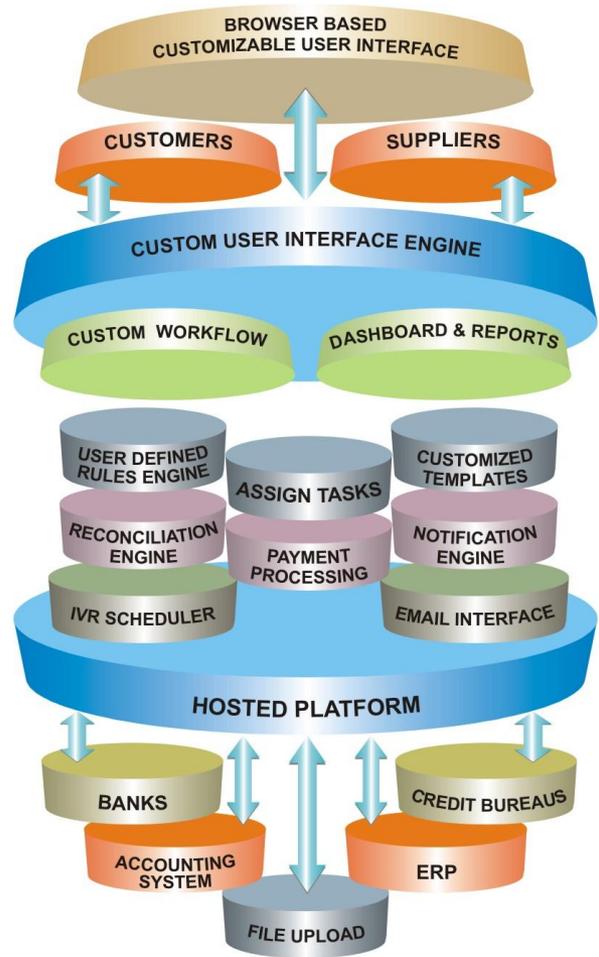
Account Information

Account Name :	<input type="text" value="Wolters Kluwer Law & Bu"/>	Credit Limit :	<input type="text" value="250,000.00"/>	Active :	<input type="text" value="Yes"/>
Account Number :	<input type="text" value="18500"/>	Payment Terms :	<input type="text" value="NET30"/>	Status :	<input type="text" value="No Action Recommended"/>
DUNS Number :	<input type="text" value="36-311-7156"/>	Early Payment Discount :	<input type="text"/>	Customer Type :	<input type="text" value="Bronze Customer"/>
Global Ultimate DUNS Number :	<input type="text"/>	Account Created Date :	<input type="text" value="11/24/2008"/>	Risk Category :	<input type="text"/>

Invoices

Record : 1 of 22

Status Name	Invoice	Invoice Date	Invoice Due Date	Amount Due	Days Past Due	Notes	Image	Location	C
New Invoice	1025835	11/13/2008	12/13/2008	1,848.24	74			0920A	1652
New Invoice	1025835	11/13/2008	12/13/2008	1,848.24	74			0920A	1652
Approve Grace...	1029497	11/20/2008	12/20/2008	1,554.48	67	Spoke to Jen. Grace appr...		0920A	1652
Approve Grace...	1029497	11/20/2008	12/20/2008	1,554.48	67	Spoke to Jen. Grace appr...		0920A	1652
New Invoice	1033681	11/26/2008	12/26/2008	73.44	61			0920A	1652



Best in Class Strategies



Workflow Editor

Name : High Risk/High Dollar

General Steps

Description :
A workflow to handle high dollar invoices for high risk accounts

Object : Invoice Workflow Active :

Start Condition
Apply this condition before executing High Risk / High Dollar workflow

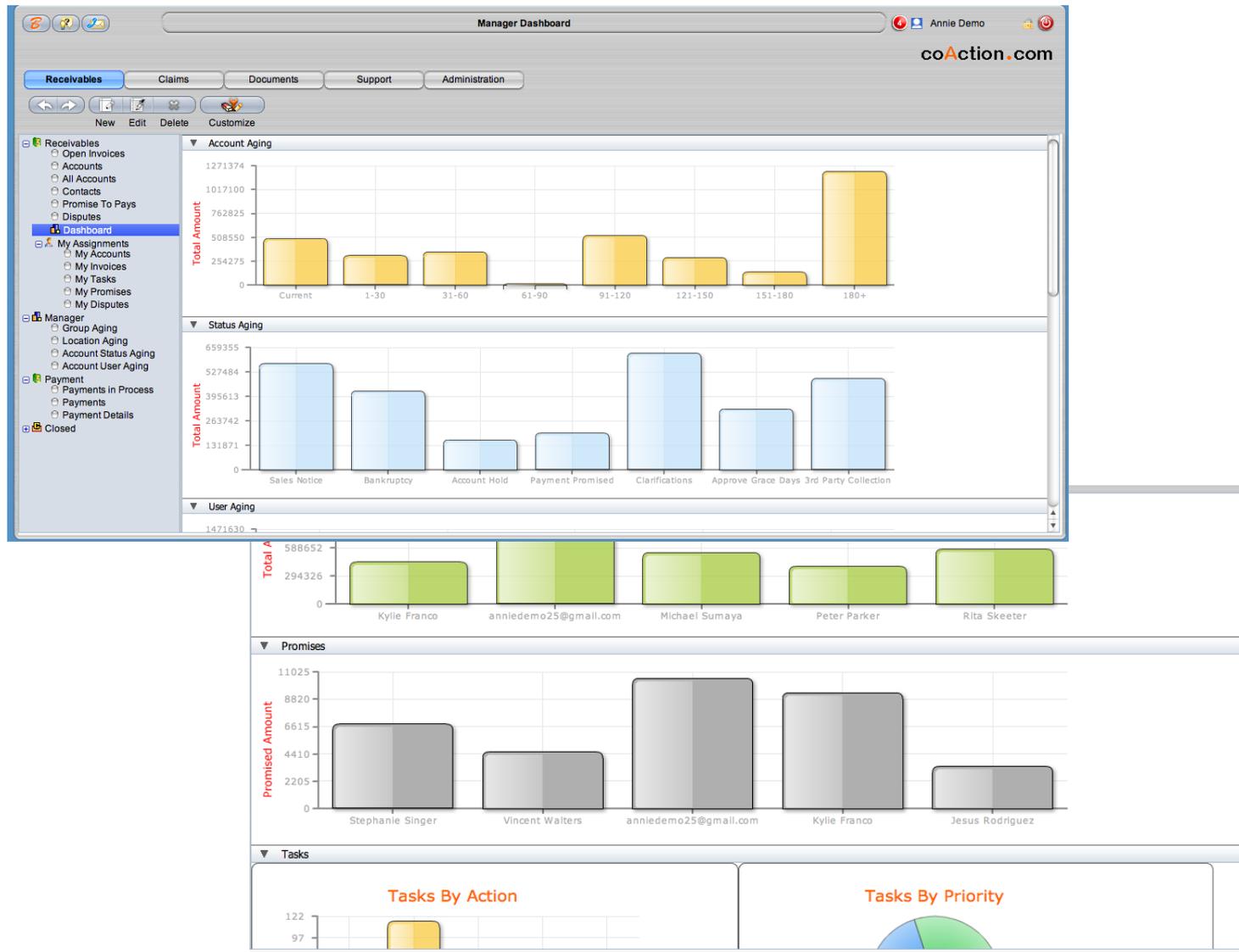
Invoice amount greater than 5000 AND
Rating not equal 5A1.5A2 AND
Paydex greater than 40 AND
CCS% greater than 10 AND
FSS% greater than 10 AND

End Condition

High Risk St
Proces
Invoice Confi
Pay Prom
Payment d
Payment Conf

Workflow
Due - 15
Due - 5
Escalation

Receivables Process





Disputes & Deduction Management





Web Invoicing & Payments

The screenshot displays a web application interface for Capgent, titled "Capgent optimize the financial supply chain". The user is identified as "User: John Webber". The interface is divided into several sections:

- Header:** Includes a search bar and navigation buttons like "Pay", "My Account", and "Contact Company".
- Logo Section:** Features a "LOGO" placeholder with a "Change" button.
- Invoice Information:** Fields for "Invoice Date", "Invoice Number", and "DU".
- Payment Terms:** A section for "Payment Terms" and "BILL T".
- Table:** A table with columns "No" and "Item Description". The first row contains the number "1".
- Foot Notes:** A text area for "Foot Notes".
- Electric Usage Detail:** Fields for "Meter Number", "Current Read", "Previous Read", "kWh Multiplier", and "kWh Usage".
- Current Electricity Charges Details:** Fields for "Monthly Customer Charge", "First 210 kWh", "All Additional kWh", "Fuel Factor for Generation", "City Sales Tax", and "Total Current Charges".
- Contact Information:** Fields for "Contact Details" and "Service Address".
- Customer Information:** Fields for "Consumer Number", "Customer Name", "Account Type", and "Bill Number".

At the bottom, there are "Cancel" and "OK" buttons.



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