


 adidas®
 GROUP

CREDIT MANAGEMENT | COLLECTIONS | DEDUCTIONS | BILLING AND PAYMENTS

Integrated Receivables for Credit & A/R Health

Learn how adidas championed A/R automation by taking an integrated approach for end-to-end credit-to-cash automation and avoiding siloed solutions and systems

We realized that instead of optimizing credit management, collections, disputes and invoicing in a piecemeal manner, an integrated approach would resonate with the finance leadership's vision of digital transformation across processes.

Tracie Duncan, Director of Credit, The adidas Group

Multiple Processes Disconnected Systems

Like most global organizations, adidas had disparate systems for processes across credit, collections, deductions, billing and payments. These disconnected systems led to repetitive manual work for coordination across systems and multiple versions of truth. This led to multiple issues:

- Productivity lost in low-value manual coordination across teams
- Broken customer experience in interfacing with different systems from billing to disputes and claims
- Functionality gaps in existing system meant that A/R teams had to spend a majority of their time in performing low-value tasks such as collection of credit agency data, gathering claim backup documentation and generating invoice ageing lists for collection
- Concerns with being able to maintain a single source of truth with SAP

Long Term Vision: Digital Enablement with Integrated Receivables

With a leadership charter of digital transformation, the credit and A/R team replicated the vision:

- Enable digital collaboration between A/R teams
- Drive adoption of e-invoicing and e-payments

In order to move away from a 'siloed' approach of receivables management the team laid out the following charter for successful technology deployment:

- One vendor across credit-to-cash for a simplified IT landscape
- Handle subsidiary operations through a single system
- Enforce tight ERP integration to maintain a strong, single source-of-truth
- Leverage automation to eliminate low-value manual tasks across credit-to-cash processes

About The adidas Group

The adidas Group is a German multinational corporation that designs and manufactures shoes, clothing and accessories. It is the largest sportswear manufacturer in Europe

Headquarters: Herzogenaurach, Germany

Revenue: € 19.291 billion

Industry: Apparel, accessories

Number of employees: 53,731

Products: Footwear, Sportswear, Sports tools

Receivables Landscape

The Credit and A/R team handled A/R operations for adidas and its multiple subsidiary businesses including Reebok and Rockport. The team was responsible for handling:

- Receivables for more than 3,500 active customers across all sizes and including some of the world's largest apparel retailers
- Delivery and payment collection for more than 65,000 invoices generated every single month across all subsidiaries
- Resolution and validation of more than 3,000 disputes and claims every month

All of this was handled by a 16 member team with the following resource allocation:

- Collections – 7 FTEs
- Disputes – 8 FTEs
- Credit – 1.5 FTEs



CREDIT MANAGEMENT | COLLECTIONS | DEDUCTIONS | BILLING AND PAYMENTS

Results Across the Board



25% adoption increase

For electronic payments



\$200,000 annual savings

Print, postage and lockbox



100% faster process

Customer onboarding



92% faster claims download

Increased resolution speed



65,000 invoices automated

Through print and mail

About the Solutions

Credit Management

The teams spent a lot of time in gathering inputs from new credit applications and in review and approval. This was automated by:

1. **Online Credit Application:** The online credit application module completely eliminates the paper based processes from customer onboarding. This means that applications are always received with the most complete information. It also eliminates the requirement of manually keying in the information received in a paper application.
2. **Credit Approval Workflows:** Close integration of the solution with the ERP system enabled a single system for review, approval and maintenance of customer credit limits for all stakeholders.

Deduction Management

Teams were not able to spend as much time on actual research. This problem was solved by:

1. **Claim and POD Backup Automation:** The solution is able to pull claim and POD information from customer and retailer websites as well as emails and paper documents. It is also able to link the documents to the relevant dispute cases.
2. **Correspondence Automation:** Based on the resolution outcome, analysts are able to automated the denial and approval correspondence to the customer.

Collections Management

Teams lost a bulk of their time in ensuring that they had access to updated customer payment statuses and in manual dunning via email, fax and mail. This was automated by:

1. **Prioritized Collections and Strategy:** Using an automated system meant that collectors could receive algorithmically generated account lists to collect from. This also enabled the credit and A/R leadership to ensure that collectors follow standard strategies and policy for best outcome from collection efforts
2. **Automated Correspondence:** Collectors could focus on calling high-value or high-risk accounts while automating bulk of the dunning through pre-defined templates and rules via email, fax and mail.
3. **Increased Managerial Visibility:** All collector activity could now be recorded in a single place versus using notepads and spreadsheets. This provided a consolidated view on the work done by collectors on different accounts.

Billing and Payments

Cost and resources were lost in print and mail billing and payment acceptance.

1. **Automated Print and Mail Invoicing:** The solution enabled automation of print and mail at significantly lower cost than the in-house process.
2. **Self-service portal:** This portal served as the single-stop for customers to access billing information and make payments via ACH or credit cards
3. **Customer Dispute Cases:** Customers were also able to use the portal to create dispute cases.

HighRadius' Artificial Intelligence-enabled, Integrated Receivables suite is helping us with a significant reduction in new customer onboarding time, 92% faster dispute resolution for key customers and reduction in invoicing costs to the tune of \$200,000 every year

Tracie Duncan, Director of Credit, The adidas Group