

## COLLECTIONS MANAGEMENT + CASH APPLICATION + DEDUCTIONS MANAGEMENT

# Understand, Simplify, Automate: Saving \$2 Million with Continuous Improvement

Learn how Dr Pepper Snapple Group achieved 80% credit and A/R process automation by adopting a philosophy of continuous improvement

*With HighRadius, we have seen Financial Services costs decline by \$2.5M while volume, quality and productivity increased.*

**Coleen Zdrojewski, Vice President – Financial Services, Dr Pepper Snapple Group**

### Technology meets Receivables: The Formula for Efficiency

Dr Pepper Snapple Group (DPSG) is a \$6B company and the #1 flavored carbonated soft drink manufacturer in the US. The financial services team at DPSG relied on outsourcing Collections, Cash Application and other A/R functions to control costs. However, customer experience and receivables performance remained poor. Only after insourcing receivables processes and leveraging technology was the team able to streamline A/R operations and achieve end-to-end process visibility.

### Elevated Business Challenges with Outsourced Operations

- **Outsourced Financial Services:** DPSG relied on third party vendors for their Accounts Receivable operations. This led to limitations such as restricted access and control. Moreover, outsourced contracts prevented shifting to other platforms or discontinuation of services prior to the contract period.
- **Reduced Transparency:** Lack of metrics and statistics made it difficult to tracking outsourced resource productivity
- **Absence of Standardized Processes:** This led to inconsistencies across processes and created complications for the A/R team.

### Bottlenecks in Transforming a Complicated Receivables Process

- **Rigorous training process:** Analysts required continuous training and re-training to stay up-to-date with a highly non-standardized process
- **Hesitation in Adoption:** Parts of the team were driven by a culture of “that’s how we have always done it”
- **Other Challenges:**
  - **Manual Correspondence:** Majority of A/R correspondence was either mailed, or printed/scanned/emailed
  - **Broken System of Record:** No centralized system for analyst notes on receivables transactions
  - **No Worklists:** Inability to help analysts prioritize work across collections and deductions

### About Dr Pepper Snapple Group

Dr Pepper Snapple Group Inc. is an American soft drink company, based in Plano, Texas. Formerly called Cadbury Schweppes Americas Beverages, on May 5, 2008, it was spun off from Britain's Cadbury Schweppes, with trading in its shares starting on May 7, 2008.

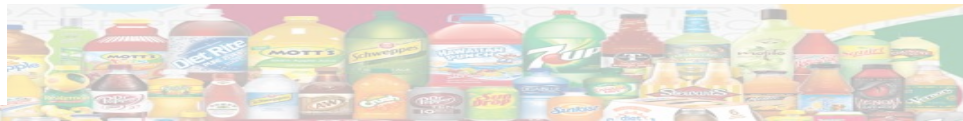
Headquarters: Texas, USA  
 Industry: Food & Beverages  
 Employees: 19,000  
 Revenue: \$6 Billion

### Receivables Landscape

DPSG operates 22 manufacturing and bottling facilities with more than 19,000 employees

Rapid Continuous Improvement became part of DPSG culture, but made it difficult to impact outsourced processes. A/R improvements were stagnant and variation was the enemy.

With HighRadius, DPSG was able to insource, standardize and automate end-to-end credit-to-cash processing.



**COLLECTIONS MANAGEMENT + CASH APPLICATION + DEDUCTIONS MANAGEMENT**

**Business Value**

**Collections Management**



**50% reduction**  
In FTE



**88% reduction**  
In No. of customers  
in Worklist



**40% improvement**  
In Collector Productivity

**Cash Application**



**56% reduction**  
In FTE



**19% increase**  
In Volume of  
Transactions (18k)



**20% increase**  
In Processing Rate

**Deductions Management**



**68% increase**  
In Automation (6K cases)



**\$2.5 Million**  
Annual Recurring Savings

**About the Solutions**

**Collections Management**

The biggest pain point faced by the Collections teams was that they were strapped for time to cover all critical and important accounts. Hence, DPSG wanted a solution that could eliminate non-value tasks through automation.

- **Implementation of Collection Strategies:** Ability to deploy standard collection strategies across all collectors, means that the team is able to connect with the right accounts in a timely manner.
- **Automated Correspondence:** Automating email and fax correspondence to less-critical accounts significantly reduces the number of manual actions required by the collector, while reducing the size of the collector worklist.
- **Data-based Customer Prioritization:** Rich data-based scoring of accounts helps collectors prioritize accounts thereby always focusing on important and at-risk customers.
- **Visual Metrics:** Easy-to-access reports and dashboards enable team leads and managers to quickly spot trends and take corrective actions.
- **Process Discipline:** Applying a standardized protocol for different collection teams helps establish process discipline across operations.

**Cash Application**

By leveraging technology to automate cash application, DPSG was able to save significantly on time and resources lost in remittance aggregation, payment-remittance linking and cash reconciliation.

- **Global Solution:** Implementation of a cloud-based Artificial Intelligence solution helps automate cash application across geographies and business units.
- **Zero IT Involvement:** With maximum functionality built out-of-the-box, teams are able to avoid time-consuming interactions with internal IT teams.
- **Future-Ready:** Ability to handle virtually all remittance and payment formats helps avoid any costs for future upgrades and software updates.

**Deductions Management**

With the implementation of HighRadius POD and Claims Accelerator, DPSG was able to help analysts focus on the research.

- **Auto Retrieval of Backup Documents:** Ability to pull claims and PODs from customer and carrier websites and emails could save more than 30% of the analysts' time.
- **Auto Attachment of Backup Documents:** Auto-linking of the documents to the deductions helps analysts focus strictly on faster research and resolution.