



How Huntsman Automated Credit-to-cash with SAP Receivables Management Enriched with Integrated Receivables Automation Across 5 Business Units and 4 SAP Instances

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Huntsman**

Executive Summary

Major Challenges

- Manually intensive A/R processes and administration
- Disparate systems with disintegrated data sources
- Limited visibility across functional units
- No real-time data

Results Achieved

- Deduction aging (over 60 days) reduced from **10% to 2%**
- **5-fold increase** in collections account coverage per day
- **96% improvement** in periodic credit review timeliness
- Resource reallocation to value-added, high-impact activities

Agenda

-  About Huntsman
-  Challenges in Accounts Receivable
-  About the Project
-  The Solution
-  Project Implementation Strategy
-  Project Results
-  Lessons Learned

About Huntsman



About Huntsman

HUNTSMAN

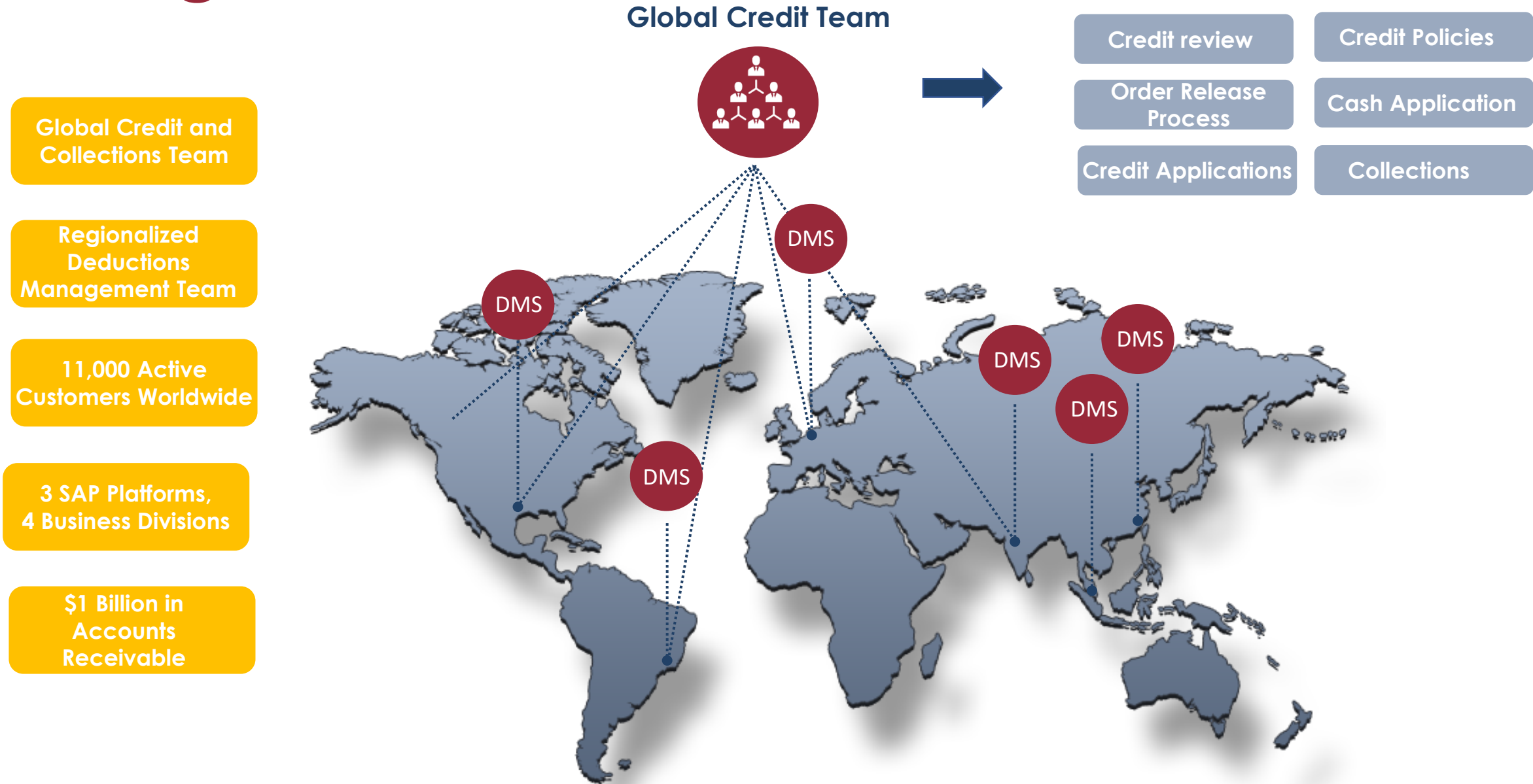
Enriching lives through innovation

- Global manufacturer and marketer of differentiated and specialty chemicals
- Revenues of approximately \$10 billion.
- More than 75 manufacturing, R&D and operations facilities in over 30 countries.
- Employ approximately 10,000 associates within three distinct business divisions.

Polyurethanes	Performance Products	Advanced Materials	Textile Effects
MDI	Amines		Dyes
Polyols	Surfactants	Composites	Chemicals
PO/MTBE	Maleic Anhydride	Adhesives	Apparel
TPU		Resins	Home & Institutional
PU Systems	Upstream Intermediates		Technical Textiles



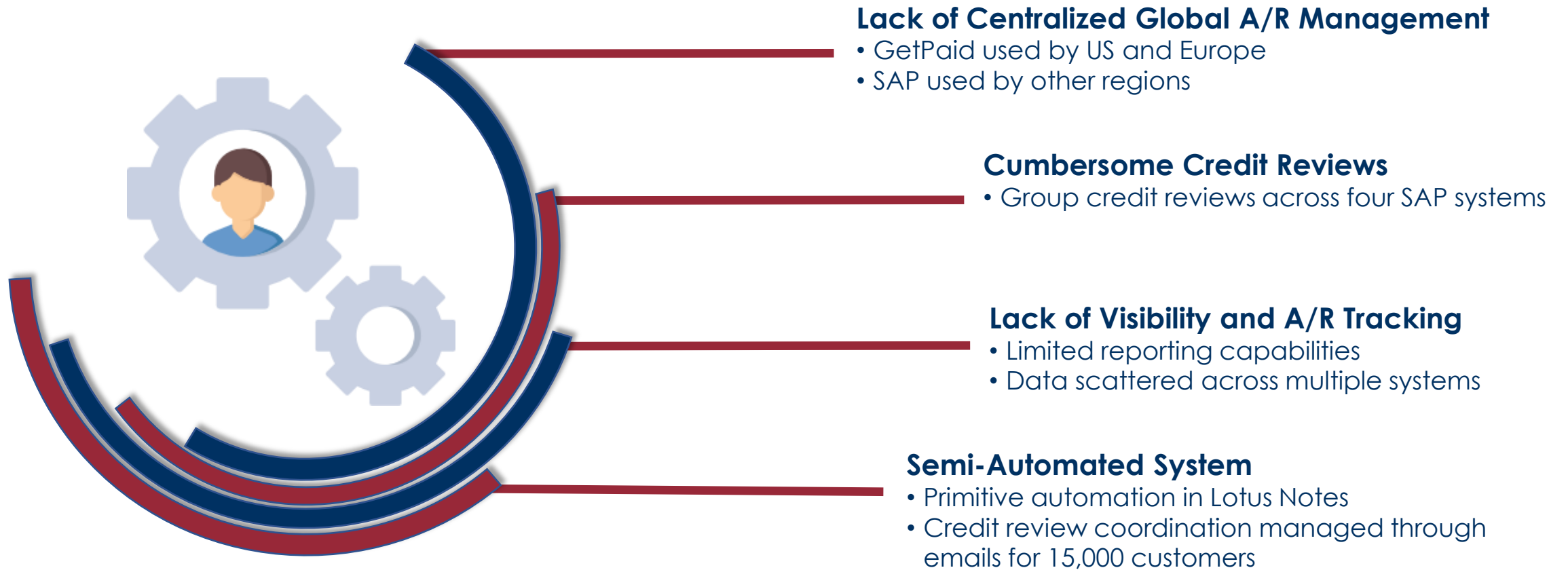
Background



Challenges in A/R



Multiple Disintegrated Systems



Non-standardized, Unscalable A/R Processes

Time-consuming, Manual Processes

- Credit data from 3rd party agencies
- Manual customer collaboration and correspondence
- Unorganized legal hierarchy for credit approvals
- 1-2 days of turnaround time for customer onboarding

Lack of Integration

- Credit check models and legal hierarchy scattered across multiple systems
- No centralized system for data access

Internal Teams Disconnect

- Limited integration across A/R teams delayed processing in operations like deduction resolution



Unavailability of Real-time Data



Outdated Data

- GetPaid interfaced with SAP through batch programs with previous day's data

Lack of Visibility and Transparency

- Difficult for relevant stakeholders to know the status of credit transaction processing
- Limited visibility over credit balances, compromising decision making based on up-to-date information

Limited Support for Critical Decisioning

- Difficulty in managing exposure of high-risk accounts or blocked order processing in the absence of access to real-time data

About the Project



Enhanced ERP Receivables Management

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Our ERP

Credit

Collections

Dispute

HighRadius Integrated Receivables

Credit Decision Accelerator

- Decision & Notification Workflow
- Credit Scoring Model
- Credit Dashboard

Advanced Correspondence Automation

- Best Practices Collection Letter Library
- Auto-generated Correspondence Packets
- User-generated Individualized Letters
- Mass Fax and Email

Collections and Dispute Accelerator

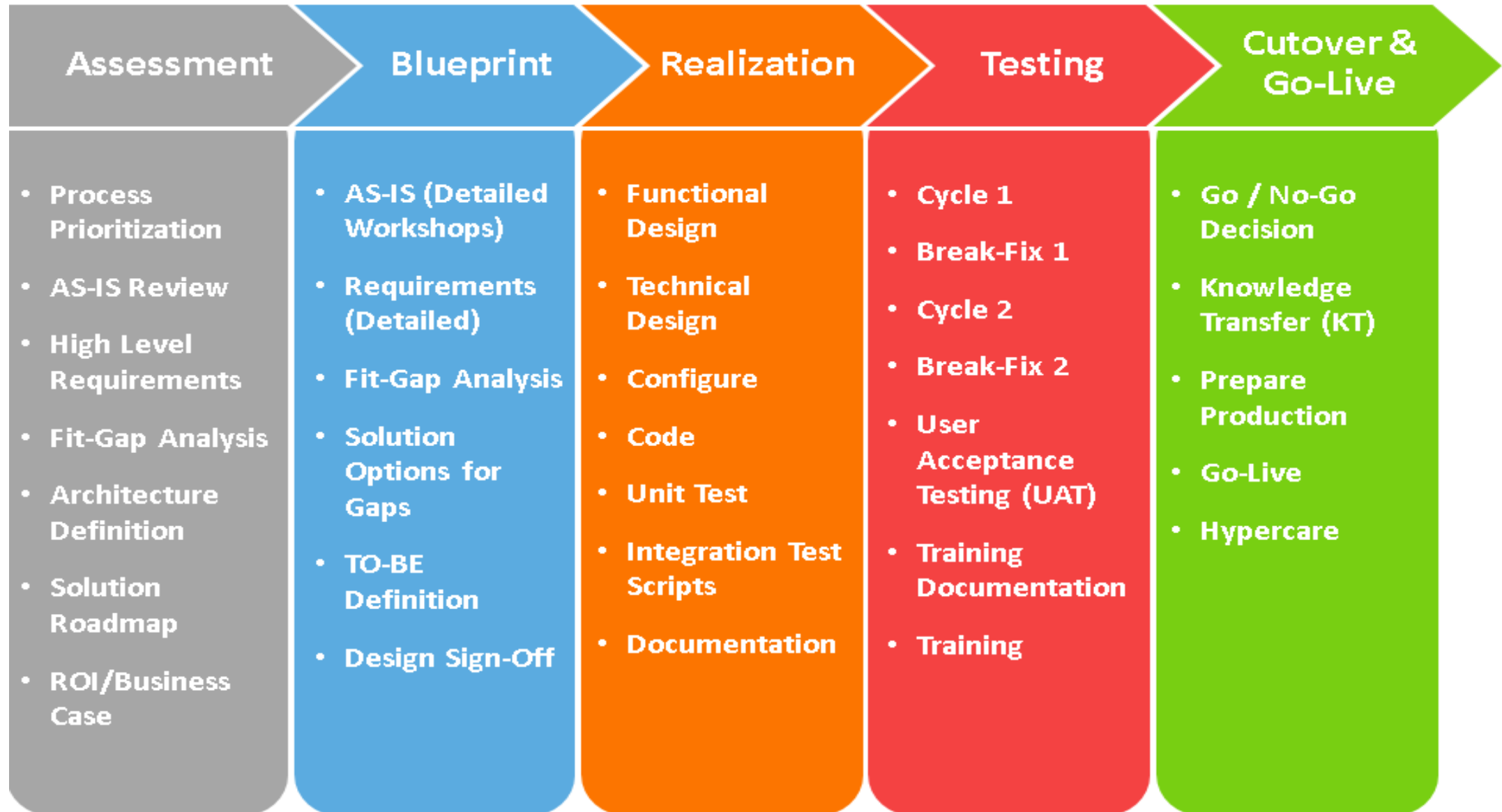
- Resolution Workflow by Code/Category
- Credit-debit Matching Engine
- Research Automation
- Cash Collections Forecasting

Project Timeline



Business Divisions Supported	FSCM Modules Implemented	Regions using AR	Target Rollout
Performance Products (PP), PolyUrethanes (PU)	Collections Mgmt and Dispute Mgmt(US only)	US, LATAM, Asia, Eur	2014
Advanced Materials (Admat)	Collections Mgmt and Dispute Mgmt(US only)	US, LATAM, Asia, Eur	2014
Tioxide	Collections Mgmt	Eur(UK-Wynyard)	2015
Textile Effects(TE)	Collections Mgmt	US, LATAM, Asia, Eur	2015
All Divisions	Global Credit Management	All AR companies	2015

Project Methodology



The Solutions: Overview

Credit Decision Accelerator



Credit Worklist: A Dashboard for Analysts

HighRadius CDA

Search Delete Work Items Reassign Work Items Edit Work Item Priority Display Process Receivables Get Data from External Sources Create Business Opportunity Acc

Filter Criteria

☒ My Worklist ☐ My Partners ☐ All Partners

Partner Number	<input type="text"/>		Risk Class	<input type="text"/>		Check Rule	<input type="text"/>	
Partner Name	<input type="text"/>		Risk Score	<input type="text"/>	to	<input type="text"/>		
Assigned To	<input type="text"/>		Credit Segment	<input type="text"/>		Cust Credit Group	<input type="text"/>	
Resubmission On	<input type="text"/>		Credit Limit	<input type="text"/>	to	<input type="text"/>		
Create Date	<input type="text"/>		Blocked in Cr Mngmt	<input type="checkbox"/>				
Changed On	<input type="text"/>		Blocked Reason	<input type="text"/>				

Partner Number	Partner Name	Country	Credit Segme...	Status	Workflow	Current User	Resubmission ...	Risk Class	Curr	Limit	Cred
C		EG	TR01	IN-PROG	Credit Review Workflow	F	09/29/2015	S4	TRY	4.00	
C		FR	ZZ02	NEW	Credit Review Workflow	F	10/02/2015	HIG	USD	0.00	
C		DE	ZZ02	NEW	Credit Review Workflow	F		LOW	USD	0.00	
C		DE	ZZ02	NEW	Credit Review Workflow	F	10/07/2015	HIG	USD	96,000.00	0.00
C		DE	ZZ02	NEW	Credit Review Workflow	F		HIG	USD	1,000.00	5,748.95
C		CH	ZZ02	IN-PROG	Credit Review Workflow	F	10/13/2015	HIG	USD	15,000.00	5,211.97
C	S...	FR	ZZ02	NEW	Credit Review Workflow	F	10/20/2015	HIG	USD	15,000.00	3,046.89
C		FR	ZZ02	NEW	Credit Review Workflow	F	10/21/2015	MED	USD	15,000.00	10,833.38-
C		DE	BE51	NEW	Credit Review Workflow	F	10/22/2015	LOW	EUR	10,000.00	0.00
C		DE	ZZ02	NEW	Credit Review Workflow	F		HIG	USD	40,000.00	22,746.48

Credit Worklist
Items

RQ1 (1) 400 beevssp1 INS

Customer Information from Credit Agencies and Public Financials

HighRadius CDA

Change Credit Segment | Display Business Partner

Summary | General Information | **Credit Information** | Characteristics | Financial Information | Credit Reports | Securities & Insurance | R | Tasks & Actions

Key Financial Information Amounts in 000's

Audited? ☒
Report Date: 12/31/2014
Months Covered: 12
Currency: USD
Entity Type:
Total Revenue: 537,104
Gross Profit: 106,343
Operating Profit: 31,731
PBIT: 9,580
Net Profit: 6,115
Total Assets: 642,191
Total Liabilities: 470,653
Current Assets: 181,810
Current Liabilities: 66,903
Net Tangible Assets: 336,592
Working Capital: 114,907
Shares Outstanding: -

Financial Reports

Report Date / Months Covered: 12/31/2014 / 12
Audited? ☒
Currency: USD

Balance Sheet | Income Statement | Cash Flow Statement | Ratios

Assets

	AonB(%)	Statement A	Statement B	Statement C
Cash	0.0	30,063 4.7		
Accounts Receivable (Net)	0.0	74,021 11.5		
Inventory	0.0	64,312 10.0		
Other Current Assets	0.0	13,414 2.1		
Total Current Assets	0.0	181,810 28.3		
Due from Officers, Empl., Etc.		-		
Investments/Affiliates		-		
Property, Plants & Equipment (Fixed ...)	0.0	143,406 22.3		

Annotations:

- Access all credit details for the account such as available limit, risk class
- Up to 3 years any time
- Data auto-populated from agencies and public financials

RQ1 (3) 400 | beevssp1 | INS

Credit Scoring Model

Scoring model from
Financials, Country
Risk Indicator

System Help

HighRadius CDA /

Change Credit Segment Display Business Partner

Summary General Information Credit Information

Display Tasks for Workflow

Task #	Task	Task Description

Actions

Action...	Action	Description
1		Review Business Partner
2		Request Data from External Sources
3		Compute Risk Score
4		Compute Credit Limit
5		Add Notes
6		Update supporting Attachments
7		Display Credit Scoring Trend

RQ1(1)/400 Credit Score Computation Results

Calculated Credit Score 63

Calculated Risk Class MED Medium Risk class

Rule used GT200KWLOS GT 200K;with fin;with liq. ; w/o S&P

Evaluated Factor And Assignment Tables

Evaluated Factor Tables

Table Name	Table Description	Field Value
GT_2		

Used Variables

Category	Field Name	Field Description	Field Value
CHAR	DNB_CNT		
FIN_INFO	EBITDA_		
FIN_INFO	FUN_DEB		
FIN_INFO	LIQ_TO_I		
FIN_INFO	LIQ_TO_I		
FIN_INFO	LIQ_TO_I		
FIN_INFO	TOTAL_LIABIL_TO_TAN_N...	Total Liab. to Tan...	331.00-

Evaluated Assignment Tables

Table Name	Table Description	Field Value
A_DNB		
A_EBIT		
A_FUN		
A_LIQ		
A_LIQ		
A_LIQ		
A_TOTAL_LIABIL_TO_TAN_NET_W...	Total Liab. to Tang. ...	1

Group Credit Review Process

Review standalone BP



Approve CL

Review Child BP1

Review Child BP2

Review Child BP3



Review
Parent BP



Approve CL for
Parent BP

=>

Auto Approve
Child BPs



Child BP1

Child BP2

Child BP3

Group Credit Review Benefits



Approval for all child BPs at once at parent level



Saves time and effort avoiding individual approvals



A group could have more than 150 child BPs



Redistribute credit limits among child BPs multiple times without any further approvals. (typically 5 times a day)



Unallocated amount can be stored at parent level



Ability to increase limit allotted to child BPs in the hour of need



A group can have more than 150 child BPs

The Solutions: Overview

Advanced Correspondence Accelerator



Prioritized Collections Worklist

Worklist

Segment	Name of Collection Segment	Specialist	Group	Strategy	Customer	Priority	Name of Business Partner	Risk Cat. Desc.	Currency	Σ	Out
HUNTSEG006	Latin America - ADMAT Segment	CMGR1	HUNTGRP019	HUNTSGY019		Very High	BR	Dynamic (Brasil)	USD	181,	
HUNTSEG006	Latin America - ADMAT Segment	CMGR1	HUNTGRP019	HUNTSGY019		Very High	SI	Dynamic (Brasil)	USD	10,	
HUNTSEG006	Latin America - ADMAT Segment	CMGR1	HUNTGRP019	HUNTSGY019		Very High	MA	High Risk	USD	5,	
HUNTSEG005	Latin America - PU Segment	CMGR1	HUNTGRP019	HUNTSGY019		Medium	S	Low Risk	USD	55,	
HUNTSEG004	Latin America - PP Segment	CMGR1	HUNTGRP019	HUNTSGY019		Medium		Medium Risk	USD	52,	
HUNTSEG004	Latin America - PP Segment	CMGR1	HUNTGRP019	HUNTSGY019				Low Risk	USD	1,	
									USD	306,	

Prioritized worklist focuses resources on most important accounts and tasks

Invoice-level Details and Correspondence Logs

Customer Contact Person

Name

Telephone No.

Segment

Dispute Cases

Cust. Contacts

Re

Billing Document

Dispute History

Send Correspondence

View Correspond

Comprehensive account overview

Disput...	Hd Offi...	DocumentNo	Itm	Year	Billing D	Net due date	Last Payment	Crcy	Amount	Paid	Open
0.00	28796	14	3	2	2014	05/29/2014		USD	250.00	0.00	250.00
0.00	28796	18	0	1	2014	05/28/2014		USD	52,814.0...	0.00	52,814.0...
0.00	28796	18	1	1	2014	04/28/2014		USD	42,814.0...	0.00	42,814.0...
0.00	28796	18	2	1	2014	03/28/2014		USD	32,814.0...	0.00	32,814.0...
0.00	28796	18	3	1	2014	02/28/2014		USD	22,814.0...	0.00	22,814.0...
0.00	28796	30	7	1	2014	05/11/2014	05/27/2014	USD	2,393.60	393.60	1,960.00
0.00	28796	30	1	1	2014	06/14/2014	05/27/2014	USD	37,730.0...	7,730.0...	29,400.0...
0.00	28796	30	1	1	2014	06/29/2014	05/28/2014	USD	44,912.4...	4,642.1...	32,880.4...
0.00	28796	30	2	1	2014	05/30/2014		USD	49,188.9...	0.00	48,205.1...
0.00	28796	30	9	1	2014	05/31/2014		USD	44,709.5...	0.00	43,815.3...
0.00	28796	30	1	1	2014	06/04/2014		USD	47,476.0	0.00	46,526.4

HighRadius: Correspondence Logs

Full account correspondence log

Package Name	Mode	Document Title
US_CM_ACCOUNT_STATEMENT	EMAIL	ACCOUNT STATEMENT 06/30/2014
US_CM_ACCOUNT_STATEMENT	EMAIL	ACCOUNT STATEMENT 06/30/2014
US_CM_SECOND_REMINDER_LETT	EMAIL	
US_CM_FIRST_REMINDER_LETTER	EMAIL	
US_CM_INVOICE_COPY_LETTER	EMAIL	
US_CM_ACCOUNT_STATEMENT	PRINT	
US_CM_ACCOUNT_STATEMENT	EMAIL	
US_CM_SECOND_REMINDER_LETT	EMAIL	
US_CM_FIRST_REMINDER_LETTER	EMAIL	

The Solutions: Overview

Collections and Dispute Management



Centralized Dispute Resolution Worklist

HighRadius DRA Worklist

Search Re-search Dispute Cases Search Variants Create Case

DRA Search

Case ID Company Code
Customer Reason
Root Cause Code Status
External refer. Disputed Amount
Cust.-Disputed Processor
Coordinator
Created On
Currency
Case Type

Disputes created and coded from cash application

DRA Worklist

Technical Case Key	Type	Case ID	External refer.	Created By	Created on	Changed By	Last Changed On	Closed by User	Completed	Close Date	Processor	Responsibl	Case Title	Escalation	Category	Priority	Auth. Level	St
53DB5292F5840...	ZH...	10000026			08/01/20...		08/01/2014 17...						CD					ZH
53CCA8C6B14E2...	ZH...	10000018			07/22/20...		08/07/2014 14...						test sde...		C07	1		ZH
53CE3AC320570...	ZH...	10000017			07/22/20...		07/22/2014 17...						test route		C07	1		ZH

3 entries found

RD1 (2) 200 bebmssd6 INS

Claims, PODs Auto-Captured from Email, Websites

The screenshot displays the HighRadius DRC (Dispute Resolution Center) software interface. The top bar shows the application name and an 'Overview On/Off' toggle. The left sidebar contains a 'Dispute Case Flow' tree with categories like 'Accounting Docs' and 'Sales Docs'. The main area is divided into two sections: a top section for case details and a bottom section for tasks.

Case Details:

Title		test sdebuck	Case ID	000010000018
Customer	I	Case Type	ZHAD	
Company Code	US01	External refer.	450	
Status	New	Priority	Sta	
Reason	DR34 - UNIDENTIFIED	Category	Oth	
Coordinator		Process. Deadline		
Cust.-Disputed	0.00	Planned Close Date		
Currency				
Orig. Disp. Amt	36,093.75	Disputed Amount	36,093.75	
Credited	0.00	Paid	0.00	
Cleared Manually	0.00	Autom. Written Off	0.00	

Tasks:

Ac...	Status	Acti...	Long description	Notes	Help
5	Open	Remove Billing Block			
6	Open	Create Credit Memo			
7	Open	Customer Contact Information			
8	Open	Update Dispute Case			
9	Open	Update Notes			
10	Open	Forward to User			

Two orange callout boxes provide additional context:

- Documents linked to Dispute case for quick research:** This box points to the 'Sales Docs' section in the left sidebar, which lists various documents like 'Disputed Invoice', 'Shipment', 'Order', 'Delivery', 'Invoice', 'WMS transfer order', 'Goods movement', and 'Goods movement'.
- Tasks assigned based on role of user:** This box points to the 'Tasks' section at the bottom, which lists a series of actions (e.g., 'Remove Billing Block', 'Create Credit Memo', 'Customer Contact Information') that are assigned to the user based on their role.

The bottom status bar shows the user is logged in as 'RD1 (1) 200' with the username 'bebmssd6' and the role 'INS'.

Project Implementation Strategy



Vendor Evaluation

Selection Criteria

The critical points of consideration while evaluating different automation options and technology vendors

1

ROI of the Technology Solution

Compared investment and payback period with labor costs, operational costs and process improvements

2

Global Technology Partner

Ability to handle our global business operations and provide technology support across geographies and business units

3

True Integration of Processes

Ability to connect multiple disparate systems and allow seamless flow of information across functional units, making A/R machinery work as a single system

4

Minimal IT Dependence

Adapt to changing business needs and strategic initiatives with minimal/near-zero IT involvement while enabling business-managed operations

User Training

Training Strategy

Plan and process to train all the stakeholders on the new system for smoother and faster onboarding

1

Identify Power-Users

Identify power users from different business units and geographies for employees to go to for questions

2

Get Everyone on the Same Page

Get all power-users in the same room for detailed hands-on training. Conduct multiple working sessions to discover and dig deeper into the modules

3

Training Documentation

Create descriptive as well as visual training documentation along with live training sessions to accommodate multiple ways of learning

Change Management

Change Management

Framework to manage the effect of new business processes, changes in operational procedures and support personal transition to new systems

1

Blueprinting Approach

Plan adequately for a well-balanced and disciplined approach to blueprinting phase. Gain clear understanding of: project objectives, outcomes, proposed solution scope, functional, process & technical design, system footprint and implementation approach

2

Change Communication

Get all stakeholders in the same room and communicate all aspects of changes – operational, functional, technical, personal – during the blueprinting phase

3

Set Employees' Expectations

Identify and acknowledge possible role changes to set expectations. Understand that some people might adapt easily while some might resist. Maintain an open channel of feedback and escalation

Conclusion



Results Across the Board

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Credit Decision Accelerator (CDA)

- Time taken to conduct each account credit review reduced from a couple of hours to 5 minutes
- 3 FTEs reallocated to other functions

"Have all models and legal hierarchy access in one place. It helped us with the transparency and visibility of all accounts. We have gained efficiency without a doubt."

Advanced Correspondence Accelerator (ACA)

- 5x increase in daily account coverage
- Invoice level visibility of past due receivables

"The tool allowed us to cover more accounts and be more proactive in confirming payments instead of waiting for the payment to become overdue and then going through the back and forth correspondence"

Collections and Disputes Accelerator (CDA)

- Dramatic improvement in deduction aging over 60 days - fell drastically from 10% to 2%
- Transition from a decentralized process to a global set-up

"Our numbers as compared to industry standards are a lot better across processes"

Lessons Learned

1

Optimize Resources

Align resources to value-add activities

2

Empower with Real Time Data

Reduce risk and timeliness of getting real time data in your system

3

Single Source of ALL Data

Ensure control, compliance and policy adherence with all the data available in one place

4

Efficient Collaboration

Enhance connect between stakeholders from all teams to ensure seamless inter-process integration

Questions

