# Accelerate Automation in Uncertain Times -
## How to Get Necessary C-Suite Support?

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**Director - Global Credit and Collections**

- Lisa has more than 33 years of experience in credit and finance
- Certified International Credit Professional
- Received the Credit Executive of the Year Award from the NACM Credit Professionals Alliance

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# The Poll Question
**Register your vote through Webex Events App**

**Q** What has been the **biggest roadblock** in your digital transformation journey?

**A** Lack of Leadership Buy-in

**B** Value Delivery Skepticism

**C** Uncertain Business Landscape

**D** Different Business Priority/Urgency

# Despite Uncertainties, Companies Continue to Push Through Digital Transformation Journey

In 2023, major economies are expected to slow down

**2.7%** **IMF forecasts** global growth to slow down in 2023

Business leaders to increase digital transformation investments in 2023

**80%** **corporate leaders** are speeding work process automation

## Overall investments to reach a staggering $2.3 trillion in 2023

**Banking, Insurance, Security, and Financial services**
will see the highest digital transformation

# However, only 30% digital transformation initiatives end in success

Lack of leadership buy-in and uninformed executive decision making often lead to failed digital transformation initiatives

# How to Drive Automation Adoption with Necessary C-suite Support?

These are the three key pointers that can help drive smarter automation adoption

- **Building a solid and comprehensive RFP process**
- **Setting key parameters for vendor evaluation**
- **Securing leadership buy-in**

# Key Elements for a Rocksolid RFP Process

Parameters to consider, while starting RFP process for digital transformation

## Define your project, scope, and budget

- What do you need to accomplish?

- Where are the user pain-points and process bottlenecks to overcome?

- What are urgent needs vs. nice to have features?

## Assess vendor's background credentials

- What is the vendor's background & track record?

- Who is vendor's active clientele?

- Why their solutions are important and the right-fit for your business problems?

## Evaluate the services you're looking for

- How well the offerings match with my business requirements?

- What information do you need from the vendor and when?

# Key Parameters for Vendor Evaluation

Parameters we were looking for, while automating cash applications

## Comprehensive Credentials

- Comprehensive system documentation
- AMC agreement provisions with upgrades
- Prevalent active user groups
- Availability of case studies and online demo

## Extensive Support

- Global/regional support network
- Conducive hours of support operations
- Online help at both program & field levels

## Superior Operational Capabilities

- Readily available KPIs and metrics
- Support for automated file creation
- Ability to interface with productivity tools
- Data retention based on user requirements
- Comprehensive built-in report functionality

# Securing Leadership Buy-in

**Digital transformation initiatives should be aligned** with both short and long term business objectives

**Reliable vendor credentials and extensive support should ensure** sustainable business transformation

**Ensuring leadership's understanding of business problems**, its relevance and importance, and what solves those

**ROIs and other metrics should be readily available** for leadership to track transformation efficiency/productivity
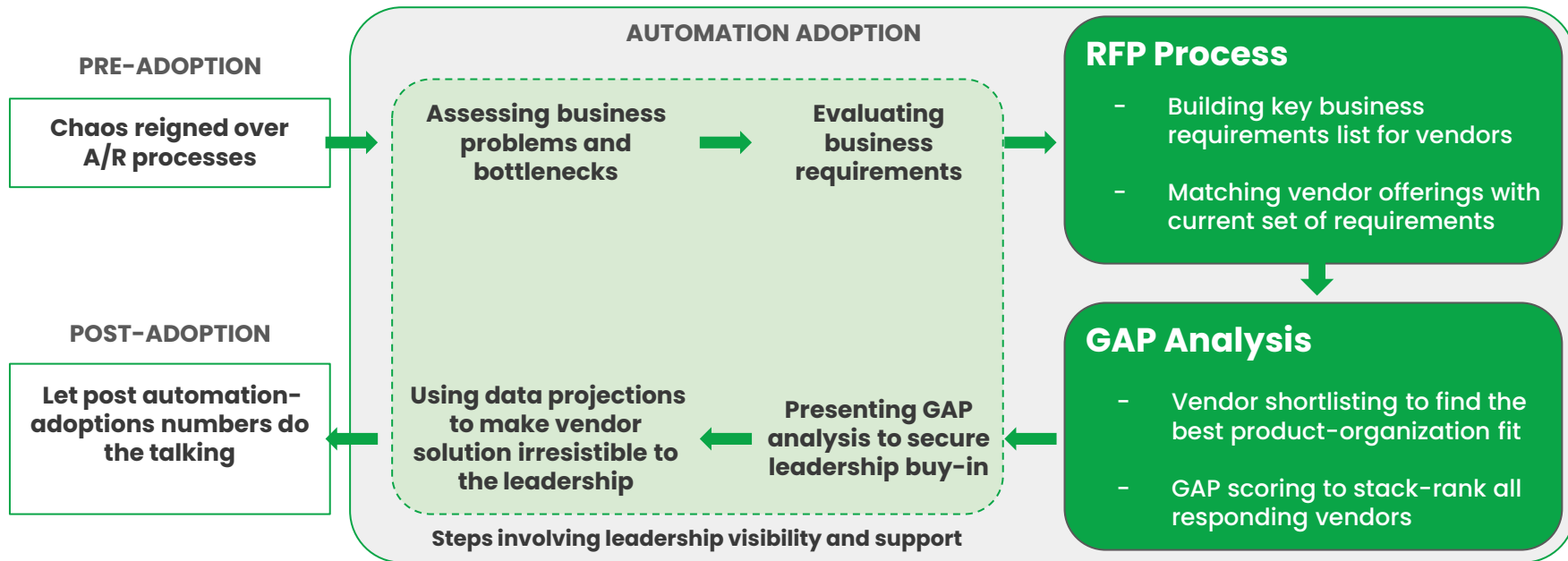
# How Nidec Motor Corporation C-suite Enabled Smarter Transformation of Finance Function?

Nidec Motor Corporation embarked on automation journey keeping leadership awareness and support at the center, taking following steps

- Building a detailed requirement list for GAP Scoring
- Executing GAP analysis and review
- Convincing senior leadership to take the leap

# From Conundrum to Congruity

The automation journey that transformed key business processes of finance function leading to improved productivity and leadership delight

**AUTOMATION ADOPTION**

**PRE-ADOPTION**

Chaos reigned over A/R processes

Assessing business problems and bottlenecks

Evaluating business requirements

### RFP Process

- Building key business requirements list for vendors

- Matching vendor offerings with current set of requirements

### GAP Analysis

- Vendor shortlisting to find the best product-organization fit

- GAP scoring to stack-rank all responding vendors

**POST-ADOPTION**

Let post automation-adoptions numbers do the talking

Using data projections to make vendor solution irresistible to the leadership

Presenting GAP analysis to secure leadership buy-in

**Steps involving leadership visibility and support**

# Educating Leadership about Business Problems and Value of Automation Adoption

## Assessing Business Problems

- Multitude of systems to access data at different phases in O2C Cycle

- Manual retrieval of remittances in multiple formats

- Manual applications of deductions

- Manually sending out invoices

- Manually adding new customers and policies in different ERP systems

## Evaluating Business Requirements

- Integrated single-window receivables solution to track all cash applications and invoices

- Same-day cash application

- Automated remittances and rule-based automated deductions

- Automated Invoicing and accepting payments across multiple formats

- Eliminate IT work required to add additional customers or policies.

# Building Key Requirements for Vendor Evaluation

| CASH APPLICATION | Company A | Company B | Company C | Company D |
|---|---|---|---|---|
| An online demo is available | YES | YES | YES | YES |
| Multiple currencies are supported | YES | YES | YES | YES |
| A national or regional support network is available | NO | YES | YES | YES |
| Conducive hours of support operation | NO | YES | YES | NO |
| The following system documentation is available: | | | | |
| Installation manuals | YES | YES | YES | NO |
| System flow charts | YES | YES | YES | NO |
| Major application process data flow charts | NO | YES | YES | NO |
| Screen report layouts including data elements | YES | YES | YES | YES |
| Perform ad hoc reporting on archived items | NO | NO | YES | YES |

# GAP Analysis to Shortlist the Best Solution

**Step 1:**
Defining the **"must haves and wishlist"** product features by evaluating end-user pain points and process bottlenecks

**Step 2:**
Evaluate each responder if **the function is out of the box, can delivery the required functionality with customization, or could not be offered at all**

**Step 3:**
Assign score to each responder between **1-3; with 3 being a fully provided function out of the box** and **1 being the option is not available**

**Step 4:**
**The top three responders with the highest overall score** were selected to go forward for **negotiation**

# GAP Scoring to Stack-rank Vendors

| GAP SCORES | 363 | 307 | 741 | 386 |
|---|---|---|---|---|
| **CASH APPLICATION** | **Company A** | **Company B** | **Company C** | **Company D** |
| Autocash application (user defined) | YES | YES | YES | NO |
| Automatic tolerance write-offs | YES | YES | YES | YES |
| Partial payments decrement open invoice amount | YES | NO | YES | YES |
| Ability to transfer open items to another business unit | YES | YES | YES | NO |
| Split remittance across multiple customers | NO | NO | YES | NO |
| Split remittance across all business units | NO | NO | YES | NO |
| Cash application through Parented/Linked Customers | NO | NO | YES | NO |

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# Using Data Projections to Make the Chosen Vendor's Solution Irresistible to the Leadership

**Showcasing vendor credentials**
track record of vendor success

- Customer success metrics
- No. of A/R transformation projects
- Vendor background and location
- No. of present customers
- Vendor server security protocols

**What it brings to the table**
data projections

- Drive business agility & scalability
- Reduce DSO and past dues
- Reduce billing and other costs
- Automate labor-intensive error prone tasks
- Aid smarter decision-making

# Let the Numbers Do the Talking

Growth in overall collections productivity and the overall success of automation enforces leadership trust and support to keep seeking new automation opportunities

| Collection Productivity Stats | Nov-15 | Nov-16 |
|---|---|---|
| Sales | ,047 | $ 195,785 |
| Average # of Collection Employees | | 2 |
| Month End A/R | $ 211,117 | $ 206,552 |
| Sales per employee | $ 52,682 | $ 95,785 |
| A/R per employee | $ 47,039 | $ 118,552 |
| % Change in s | – | 181.81% |
| % Change in A/R per employee | – | 194.2% |
| Average capital investment in technology as a % of labor as derived from CRF's Benchmarking Study | – | 0.25 |
| Growth in Collection Productivity | – | 188.05% |

Numbers are indicative and do not resemble Nidec Motor Corporation data

# Q&A