

How Land O'Lakes Recovers Two-Thirds Of Invalid Deductions Through Automation

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Director, Enterprise Customer Financial Services

- 30+ years of experience with Land O'Lakes
- \$3 billion receivables portfolio
- Experienced in cash applications, credit risk and analysis, collections, deduction management, pricing and promotion administration, invoice delivery



Poll Question

What is your **top priority** while optimizing deduction management?

- A. Free up deduction analysts' bandwidth
- B. Reduce invalid deductions
- C. Increase automation and reduce manual efforts
- D. Enhance customer experience



Agenda

- **About Land O'Lakes**
- **Challenges with Traditional Deduction Management**
- **How did Land O'Lakes Solve the Problem**
- **Key Takeaways**
- **Q&A**



About LAND O'LAKES

Land O'Lakes, Inc. is a member-owned agricultural cooperative based in the Minneapolis–St. Paul suburb of Arden Hills, Minnesota, focusing on farm production.



Founded:
1921



Revenue:
\$16 Billion (2021)



Region:
North America



Industry:
Consumer Packaged
Goods and Agriculture

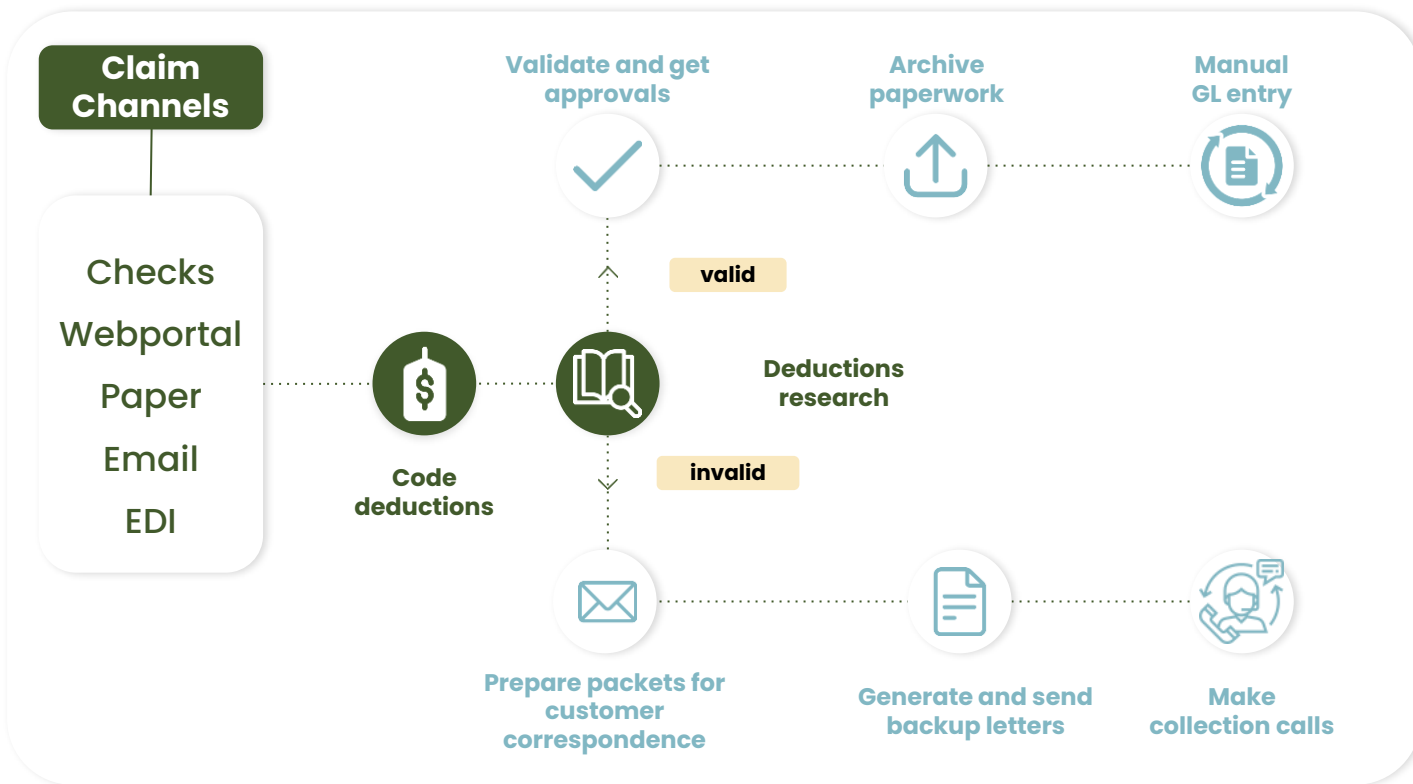




Challenges with Traditional Deduction Management



A Manual Deduction Management Process



Issues

- Paper based workflow
- Unreliable imaging repository
- Tedious claims tracking
- Significant prep time for collection action



Made Worse by High Deductions Volume



Driven by acquisitions and growth in sales; deductions volume increased by 20% over a period of 12 months

Traditional deduction management could only process 22 deductions per day per analyst



Trend: More customers requiring portal usage to get backup, increased invalid deductions, as well as surging fines and fees





How did Land O'Lakes Solve the Problem?





HighRadius Helped Land O'Lakes Reimagine Deduction Management

Switch to Automated Deduction Management



Automated deduction management by HighRadius helped Land O'Lakes overcome the challenges

New Deduction Management System's Benefits



Reduced Manual Work

- Shift from 'paper-based workflow' to 'automatic and system-driven'
- Reduced research time
- Automated pre-deduction setup - allowing detection of short pay details



Streamlined Deductions Process

- Single unified system
- All related backup attached to each deduction
- Prioritized deductions worklist



Increased Broker Access after First Implementation

- One system to work in, access for all
- Easy identification of next steps and deductions tracking



Switch to Automated Deduction Management



Automated deduction management by HighRadius helped Land O'Lakes overcome the challenges

In the second phase of trade resolution transformation, Land O'Lakes could take up broker's role with only **two FTEs against broker's **four FTEs****

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- All related backup attached to each deduction
- Prioritized deductions worklist



Increased Broker Access after First Implementation

- One system to work in, access for all
- Easy identification of next steps and deductions tracking



Impact with HighRadius Solution



20%

More productivity per employee



30%

Increase in invalid deductions recovered



20%

Lower Days Deductions Outstanding



Key Takeaways



Streamlined Process

- Automated documentation and management
- Optimized workflow by deduction type
- Prompt and simple collections communication



Foundation for Scale

- Initial work with HighRadius solution later enabled adoption of Trade Resolution
- This later allowed Land O'Lakes to absorb broker deduction resolution



Ability to Collect More

- Better and faster invalid deduction reasoning to customers
- Structured deduction management ensured confident follow-ups and communications



Q&A

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