

Stop Focusing On DSO

6 Other Ways You Should Measure the Impact of Your O2C Transformation

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Director, Credit and A/R

20 years of A/R process management experience throughout various industries

Chason Dancer
Credit Manager

20 years of experience in credit, receivables management and risk mitigation

Kelly Gutierrez
Cash Application Manager

12+ years of broad receivables and cash experience in various industries

Agenda

- About DXP
- The Challenging A/R Landscape at DXP
- How HighRadius Helped DXP
- Measuring the Impact of A/R Transformation
- The Road Ahead



About DXP

Founded as Southern Engine and Pump Company in 1908 and re-chartered in 1979 as Sepco Industries.

Renamed to DXP Enterprises, Inc in 1996

Over the years, we have strengthened our ability to support our customers by acquiring a diverse group of companies with a powerful corporate focus on product expertise, technical services, and industrial MRO supply chain management.

A publicly traded professional distribution management company that provides products and services to a variety of industries through its Innovative Pumping Solutions (IPS), Supply Chain Services, and MROP Products and Services.

Headquartered in Houston, TX we have **2600 employees** who operate out of over **300 locations across the US, Canada, and Dubai.**

The Challenging A/R Landscape at DXP

100%

Manual cash application
process for **300K+**
invoices per month

\$30 Mn

Monthly gap due to
poor cash posting and
collections process

Our goal was to remain efficient by improving the A/R processes amidst rapid business growth without sacrificing customer satisfaction.

DXP's Big-Bang Approach to Achieving Speed-to-Value



Touchless dunning
resulting in faster &
efficient collections from
15,000+ active customers



Faster payment
processing through
automated invoice
matching



AI-based remittance
prediction for missing
remittances resulting
in faster cash posting

We deployed all the HighRadius products simultaneously in **30 weeks**.

Beyond the Hype: Achieving Real Business Outcomes



83%

Cash Application automation



38.5%

Improvement in cash flow



100%

Automated deductions coding for short payments



\$100 Mn

Collected \$100 Mn for 5 consecutive months

Focusing On Improving the Performance



People

Building the best-in-class A/R team

Adapting to new processes and technologies

Defining the A/R team's role in company's success



Process

Automating the A/R process with the right technology

Making A/R processes more efficient

Doing more with less



Performance

Building KPIs which are aligned with the business

Analyzing past data for benchmarking

Incorporating best practices to improve both people and processes



6 Ways DXP is Measuring the Performance of A/R Automation

1

Setting up New KPIs

Introducing new measuring parameters to level-up the performance

2

Analyzing Historical Data

Analyzing past 6-months data across Aging Buckets, Past-Dues to take corrective actions proactively

3

Creating Business-aligned KPIs

Building KPIs which are aligned with how your business functions and customer payment behavior

4

Gaining Insights from Superusers

Adopting best practices followed by Superusers and implementing them across your team

5

Going Beyond the Traditional KPIs

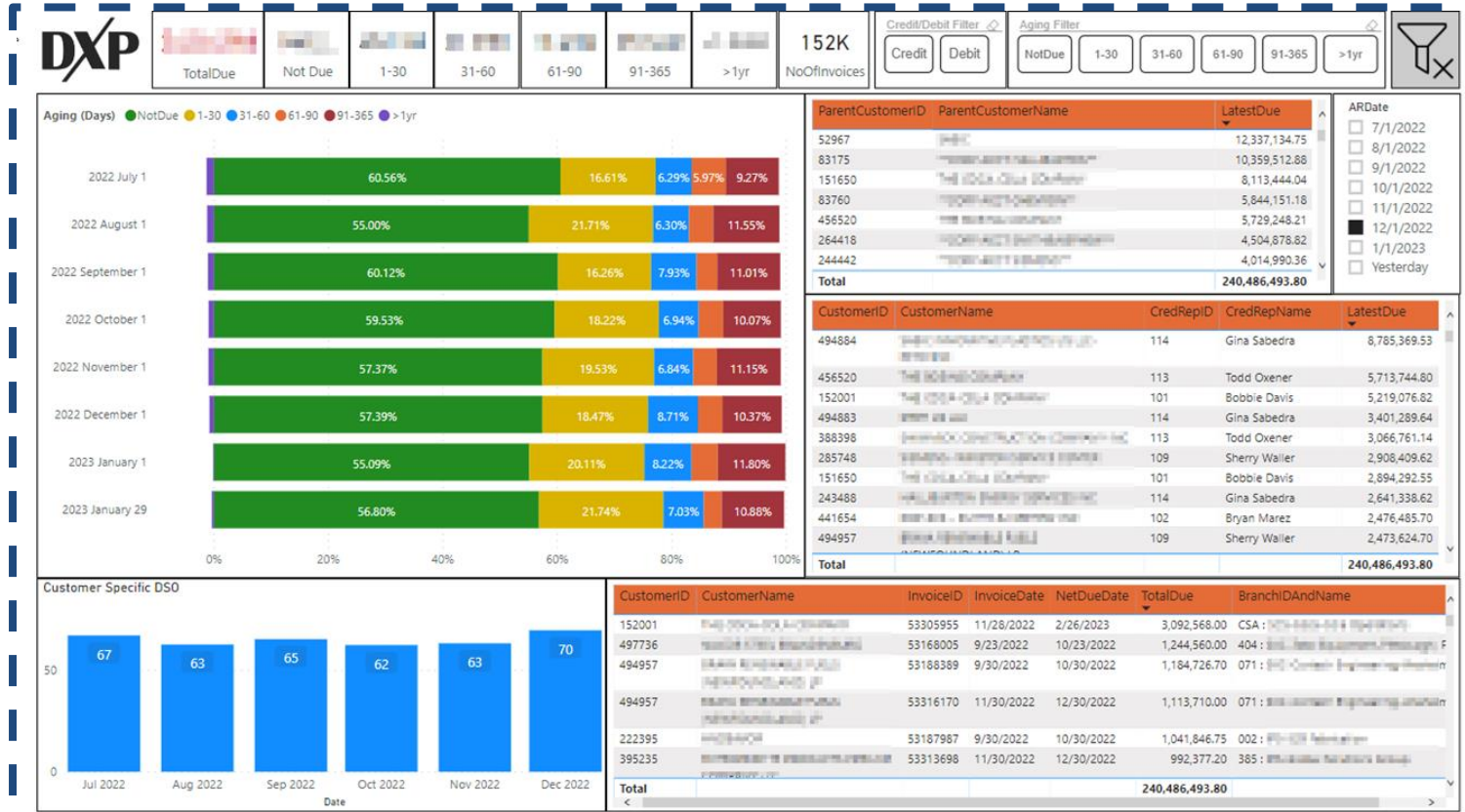
Analyzing customer-related data from sales, SLAs for response time, order validation

6

Gathering Peer Benchmarking Data

Networking and peer group discussions around industry best practices and aging trends

A Sneak Peek Into DXP's Analytics Dashboard



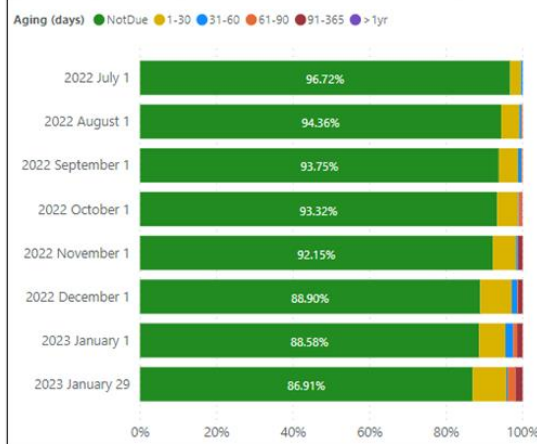
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DXP

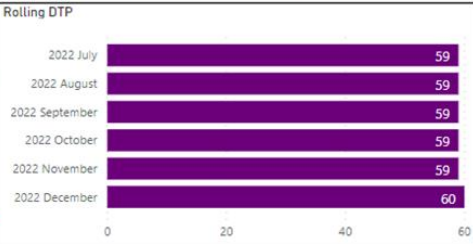
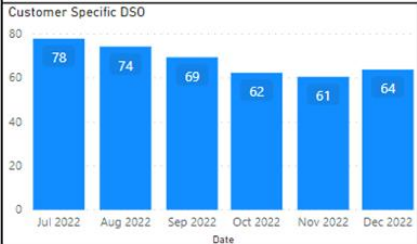
Exposure	Open Orders	Open A/R	Credit Limit	Limit Used	DTP	Invoices
6.28M	3.33M	2.95M	7.44M	81.64%	60	1285



CustomerID	CompanyID	CustomerName	OpenAR	CreditLimit	PaymentTerms	CreditRepID	CreditRepName	ParentCustomerID	ParentCustomerName	LastPaymentDate
243488	DXPE	...	2,982,047.87	6,500,000.00	Net 90	114	Gina Sabedra	83175	...	1/24/2023
494883	DXPE	...	2,949,441.05	7,436,289.00	Net 60	114	Gina Sabedra	52967	...	1/25/2023
430513	DXPE	...	2,553,181.75	3,200,000.00	Net 90	114	Gina Sabedra	83175	...	1/11/2023
151650	DXPE	...	2,318,944.97	3,875,000.00	Net 120	101	Bobbie Davis	151650	...	1/26/2023
441654	DXPE	...	2,291,572.45	5,500,000.00	Net 60	102	Bryan Marez	264418	...	1/20/2023
496498	DXPE	...	2,252,544.50	6,540,000.00	Net 90	109	Sherry Waller	496498	...	1/17/2023
466999	DXPE	...	1,850,922.89	4,500,000.00	Net 30	109	Sherry Waller	466999	...	1/19/2023
336602	DXPE	...	1,691,131.31	2,109,000.00	Net 90	114	Gina Sabedra	83175	...	1/11/2023
474116	DXPE	...	1,617,889.35	1,800,000.00	Net 60	103	Royan Marez	474116	...	12/27/2022
Total			230,383,558.18	1,275,057,274.27						



ARDate	AR	PastDue	PastDue%	NotDue	NotDue%	1-30	31-60	61-90	91-365	>1yr
7/1/2022	\$1,851,610.13	60,770.12	3.28%	1,790,840.01	96.72%	\$52,460.28	\$8,309.84	\$0.00	\$0.00	\$0.00
8/1/2022	\$2,747,207.64	155,042.85	5.64%	2,592,164.79	94.36%	\$131,802.20	\$14,930.81	\$8,309.84	\$0.00	\$0.00
9/1/2022	\$3,863,749.54	241,334.66	6.25%	3,622,414.88	93.75%	\$194,621.64	\$34,912.64	\$11,459.38	\$341.00	\$0.00
10/1/2022	\$4,352,243.23	290,612.12	6.68%	4,061,631.11	93.32%	\$236,098.52	\$8,577.57	\$34,135.93	\$11,800.10	\$0.00
11/1/2022	\$3,809,715.61	296,986.05	7.85%	3,510,729.56	92.15%	\$233,852.25	\$16,822.01	\$2,174.10	\$46,137.69	\$0.00
12/1/2022	\$3,401,289.64	377,643.82	11.10%	3,023,645.82	88.90%	\$280,446.05	\$48,075.46	\$7,462.01	\$41,660.30	\$0.00
1/1/2023	\$3,099,210.00	353,962.69	11.42%	2,745,247.31	88.58%	\$213,836.73	\$62,620.68	\$32,531.97	\$44,973.31	\$0.00
1/29/2023	\$2,949,441.05	385,995.09	13.09%	2,563,445.96	86.91%	\$259,540.99	\$10,150.86	\$60,656.84	\$55,646.40	\$0.00



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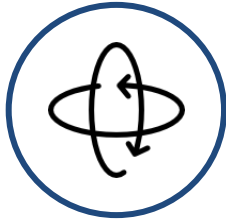
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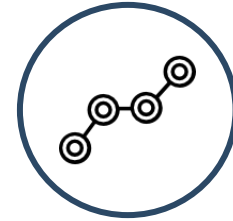
The Impact of A/R Metrics & KPIs



Identify receivables bottlenecks with a 360° view of global A/R performance



Drive a high-performance culture by benchmarking KPIs against industry peers



Track digital transformation success with product usage and analyst performance metrics

The Road Ahead: Focus Areas for 2023

Integration Capabilities

Integrating with new ERP systems to support future business growth objectives

Process Centralization

Integrating Canada Cash App and Collections process

Order Validation

Automating the order validation process

Automation Improvement

Achieving 90%+ straight-through cash posting



A grayscale photograph of a city skyline, likely New York City, featuring various skyscrapers. A large, semi-transparent white circle is centered over the image. Inside this circle, the text "Q&A" is written in a bold, dark blue, sans-serif font.

Q&A