



REDESIGNING DEDUCTIONS AND COLLECTIONS MANAGEMENT PROCESSES

50% Reduction in Deductions Write-offs and Streamlining Collections Management Process with Integrated Receivables

How Brightstar improved collectors' efficiency by 40%, reduced write-offs by 50% while reducing the A/R team size

We were under water with the amount of work it took to resolve each deduction. At one point we had 22 temps working two shifts to work through the backlog of deductions, gather all the back-up documents and dispute the deductions.

Tim Walker, Finance Project Systems Manager, Brightstar

Solutions Deployed



Collections Cloud



Deductions Cloud

Key Considerations

- Plug-and-play cloud solution – easy to update and maintain uniformity of data across business units (overcome the technological limitations of GetPaid automation solution)
- Shift resource focus to research and analysis process instead of low value-add, clerical tasks of data aggregation and system update
- Gain visibility of process efficiency and team productivity across business units
- Minimal IT involvement and dependence – enable collection correspondence template configuration by business users
- Eliminate low-value, manual work of data gathering for POD, claims, collections and back-up documents

About Brightstar

A subsidiary of SoftBank Group Corp., Brightstar is the world's leading mobile services company for managing devices and accessories across the wireless ecosystem. Brightstar serves 50,000+ carrier, retail and enterprise customers across 100 countries, touches over 100,000 points of sale and participates in every stage of a device's lifecycle, from when it's manufactured to the moment it's time to trade it in and re-market it. They process over 100 million devices every year, providing innovative end-to-end services seamlessly integrated with our customers' businesses.

Receivables Landscape

The deductions management process was handled by a team of 22 temps, working two shifts to clear the backlog, gather all the back-up documents and research and resolve the deductions. The team processed approximately 11,040 deductions annually, with a large volume of standalone (non-invoice related) deductions.

The collections process was largely manual, with each account managed and tracked on spreadsheets by a team of 3 collectors. The team used GetPaid solution for collections management and dealt with multiple challenges of non-uniformity of data across business units and lack of a single source of data.



Challenges in Collections Management

- **Manual processing:** All collections activities were tracked and recorded on spreadsheets resulting in poor team productivity and efficiency
- **Poor operational efficiency:** Inefficient collections policies were in place with low accounts coverage and poor collection effectiveness
- **Limited visibility:** Due to the lack of a standardized process, the company spent time and money in piecing information together from disparate systems
- **Heavy IT dependence:** Multiple (8) different types of email correspondence templates were used that needed heavy IT involvement for set up and configuration. This resulted in additional costs and created operational bottlenecks for the team

Challenges in Disputes Management

- **High FTE costs:** In the absence of a consolidated system in place, the A/R team required 22 temps working in 2 shifts to clear the backlog of deductions
- **High deductions write-offs:** Due to heavy deductions backlog, the team was unable to dispute all deductions and conduct thorough analysis and research to resolve them leading to a high percentage of write-offs
- **Manual data aggregation:** Research documents such as claims, PODs, BOLs and other back-up documents were aggregated manually from websites, carrier portals, emails and fax. Cross-functional collaboration involved exchanging messages back and forth through emails, mail and calls, each taking backup copies of the documents, costing the company several man-hours of low value-add, back office work

Successful Outcomes



50% Reduction

In shortage deductions write-offs



97% Increase

Collections accounts coverage per day



From 28 FTEs to 10FTEs

Reduction in A/R team size



40% Increase

Collectors' efficiency

About the Solutions

Deduction Management

Teams were not able to spend as much time on actual research. This problem was solved by:

1. **Claim and POD Backup Automation:** The solution is able to pull claim and POD information from customer and retailer websites as well as emails and paper documents eliminating the time and productive man-hours lost to manual aggregation. It can also link the documents to the relevant dispute cases.
2. **Correspondence Automation:** Seamless cross-functional collaboration for deduction resolution can be achieved through automated workflows. Based on the resolution outcome, analysts are able to automate the denial and approval correspondence to the customer

Collections Management

Access to real-time customer payment statuses and automated dunning and correspondence was achieved by:

1. **Prioritized Collections and Strategy:** Collectors could receive algorithmically generated account lists to collect from and track activities in one place instead of using notepads and spreadsheets. This also enabled the credit and A/R leadership to ensure that collectors follow standard strategies and policy for best outcome from collection efforts
2. **Automated Correspondence:** Collectors could focus on calling high-value or high-risk accounts while automating bulk of the dunning through pre-defined templates and rules via email, fax and mail

*HighRadius solution has done a lot for **reducing the number of write-offs**. Prior to using the solution, things were amiss. As a result, a lot of deductions were being written-off.*

Tim Walker, Finance Project Systems Manager, Brightstar