

FERRERO SAVES 1000+ HOURS OF MANUAL EFFORT WITH COLLECTIONS AUTOMATION

To Surpass The F&B Industry DSO Benchmarks



IMPACT ACHIEVED AT FERRERO

85%

Collections Effectiveness Index (CEI) Achieved

33%

Reduction in Average Days Delinquent (ADD)

1000+

Hours of Time Saved Every Year thru Auto Correspondence



HighRadius reduced the amount of effort required in every process to a bare minimum. It helped the team focus on more important cases which required more human touch, like strategic decision making and creating better relationships with customers.

Kay Rogers,
Vice President, North America Financial
Transactions, Ferrero.

ABOUT FERRERO

THE THIRD LARGEST CONFECTIONERY GROUP GLOBALLY



€12.3 bn

Total Revenue

37k

Total employees

6

Business units across
North America

Ferrero Group is the third-largest chocolate confectionery globally and an iconic house of brands with Nutella®, Kinder®, Ferrero Rocher®, and many others under its umbrella.

Ferrero International S.A., the parent company of Ferrero, is a privately held company headquartered in Alba, Italy. It is present in more than 50 countries, with 31 manufacturing plants and a distribution network in 170 countries.

BEFORE TRANSFORMATION

Upon benchmarking, Ferrero's finance team identified that its Days Sales Outstanding (DSO) is **30% higher than the industry standards**. The DSO needs to be reduced to be able to efficiently manage their working capital.



GROWING CUSTOMER BASE MADE TRACKING RECEIVABLES INCREASINGLY DIFFICULT.

With business growth came new challenges. It became increasingly difficult for the collections team to keep track of critical and past-due customer accounts. With a limited workforce, it was also a hurdle to follow up with customers for timely payments.

MANUAL COLLECTIONS PROCESSES LED TO LONGER COLLECTION CYCLES

The entire collections process was manual. The collections team would periodically review each account and prioritize the customers to contact based on when the payment was overdue. After prioritizing the worklist, the team would follow up with the customers through email. The dunning process was slow and manual, with time lost in building customer lists, sending emails, tracking promise-to-pays and notes.

Despite collection analysts spending 75% of their time dunning, timely collections were dreadful. The workflow is tedious, inefficient, and unscalable, leading to longer collection cycles.



A/R brainpower is mostly spent on low-value, repetitive, manual work.

Kay Rogers,
Vice President, North America Financial
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INFORMATION SILOS LEADING TO LACK OF VISIBILITY INTO KEY PERFORMANCE METRICS

With multiple siloed systems for credit, invoicing, cash posting, deductions, and collections management, tracking customers' data was challenging. The collection team would consolidate the customer communication notes and documents from various sources, such as the promise-to-pay, reconciliations, and deductions. But there is no central repository for the team to view them.

The information gaps resulted in a lack of coordinated effort between the A/R teams; did not provide account-level visibility for the leadership to take preventive actions.



THE SEARCH FOR A ONE-STOP PLATFORM TO STREAMLINE RECEIVABLES

Ferrero had an ambitious plan. They were not looking to replace one application with another one. They were looking for a complete solution, one that could streamline their A/R processes. They wanted a solution that could:



Aggregate all the customer data to a single platform and eliminate the information silos.



Automate the inefficient, non-value tasks to improve the team's productivity.



Integrate the cash, collections, deductions, and credit modules, which all the teams had access to, providing better visibility into the process.

FROM A REACTIVE TO PROACTIVE COLLECTIONS SYSTEM

Ferrero wanted to improve its collections by identifying high-risk customers based on real-time data, redefining its collection strategy to be more proactive.

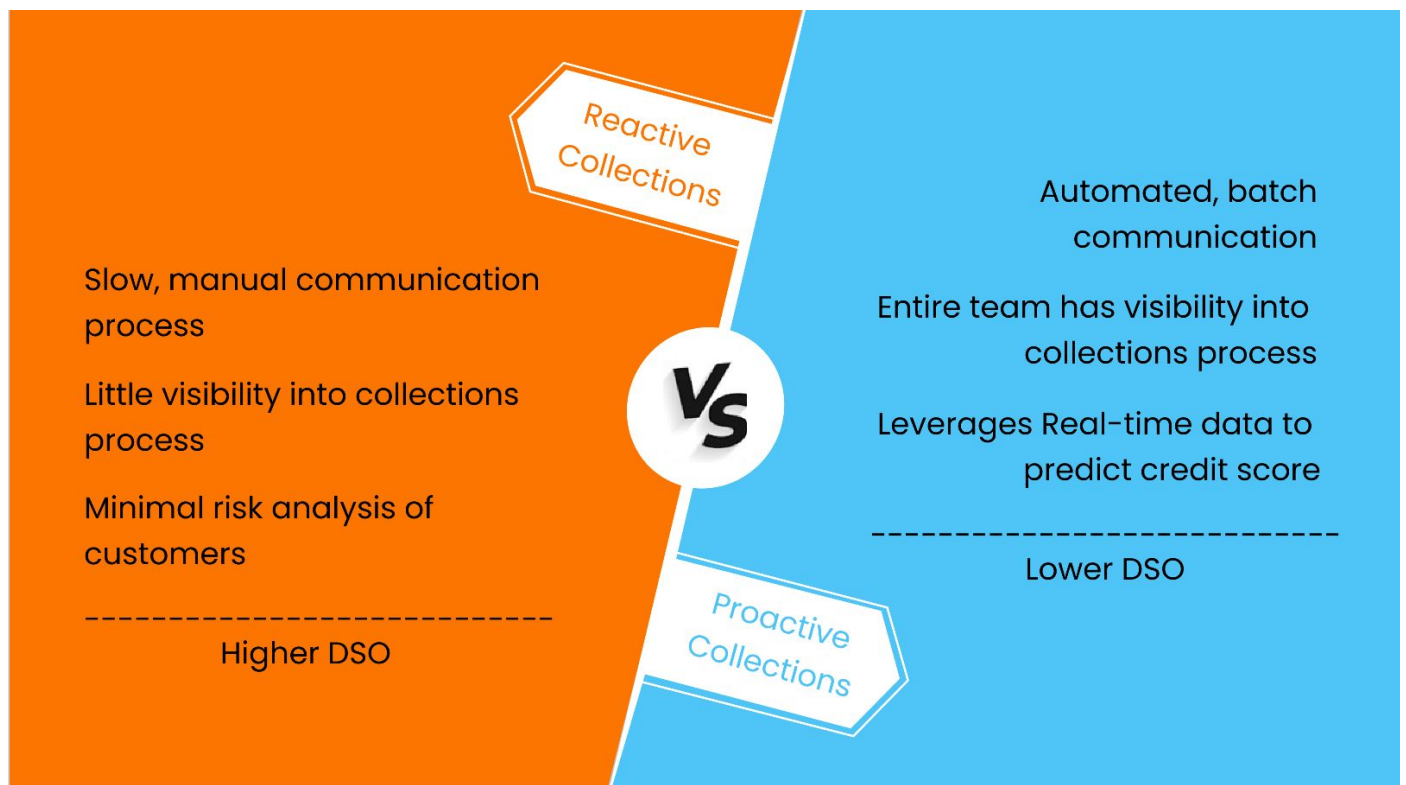
GOODBYE TO GRUNT WORK

HighRadius Collections software helped Ferrero automate its workflows and transition to a proactive collections process by assisting the team in:

Worklist Prioritization – The system automatically identifies accounts at the risk of delinquency based on customer credit scores and collection rules defined by Ferrero. It then prioritizes the team's worklist based on system-configured parameters such as payment history trend and risk score, among others.

Analysts could use the worklist to focus on specific, high-risk customer accounts.

Automated Dunning – Analysts can automatically send bulk email correspondence to multiple customers, proactively reminding them about payment dues.





THE SINGLE SOURCE OF TRUTH

By integrating multiple order to cash processes such as credit, deductions management, collections, and cash posting, all finance teams have access to aggregated customer data points. It helps increase cohesion between the receivables teams. The application also provides reporting functionality to increase account-level visibility for the leadership team.

The transformation increased promise-to-pays from customers, thereby also positively impacting the collection effectiveness metric.

IMPACT ACHIEVED

85%

Collections Effectiveness Index Achieved

40%

Increase in Collection Team's Productivity

33%

Reduction in Average Days Delinquent (ADD)

8%

Increase in amount of Promise-to-Pay created

CHANGE MANAGEMENT AND CHALLENGES BEYOND IMPLEMENTATION

A system is as good as the people who use it. To effectively implement the new products, the users had to be brought on board with the change. However, like with any other change, internally, there were a few apprehensions about the effectiveness of this implementation. There was also a fear that automation would replace humans. To address the challenge, Kay Rogers, the principal sponsor from Ferrero, followed a two-pronged approach.

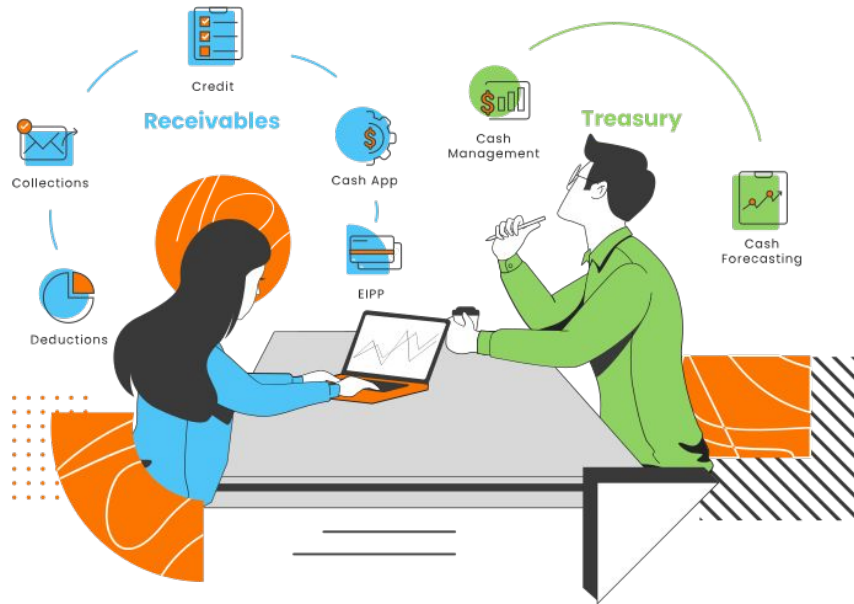


Firstly, she **identified technically-savvy users** and those that aren't comfortable with new technology. Kay arranged training sessions for the users to get familiarized with the systems. By segregating the users based on their interest in the new system, she created an internal support mechanism for those uncomfortable with the change.

Secondly, she **moved the resources across roles** based on their skill set and level of adoption to change.

The approach helped users identify the benefits of using new technology and improve their productivity. The amount of grunt work reduced, and the resources could also add better value to the organization.

ABOUT HIGHRADIUS COLLECTIONS SOLUTION



HighRadius Collections Software is the the most comprehensive solution for optimizing working capital and reducing DSO. Fasten the recovery of your receivables with AI-based worklist prioritization; Automate dunning via Emails and A/P Portal Integrations; Get real-time visibility into collections metrics and collector's KPIs.

HighRadius Collections software is available as software-as-a-service, easy and cost-effective to deploy and maintain.

DISCOVER MORE BENEFITS OF HIGHRADIUS COLLECTIONS SOLUTION

The AI-Powered Receivables Automation Platform
Trusted by 700+ Industry Leading Companies

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