

The Three Pronged Strategy to Optimize Inefficient Receivables

600,000 Orders Per Year: How the A/R Team at J.J. Keller Ensures Service Delivery Success with Complete Credit-to-Cash Automation



We have come a long way with HighRadius. They have really helped us with the manual work and with the business growing, that's definitely helping us to move forward.

Vicky Klassen, Credit and A/R Manager,
J.J. Keller

Company Overview

J. J. Keller & Associates, Inc. is a publisher and service organization, providing a wide spectrum of regulatory and information products and services and complementary forms and supply products to customers regulated by the Department of Transportation, Occupational Safety and Health Administration, and more than 300 state agencies.

Summary

- Over 15,000 total products and services
- 4,000 new accounts added per month
- 240,000 subscribers to various publications
- 441,000 orders fulfilled/distributed in-house per year

Receivables Landscape

At J. J. Keller, Credit and A/R processes were disconnected from SAP. The collections team of eight members had to deal with more than 550,000 customers with 2,300 incoming orders per day. The two cash application analysts had to process 2,400 remittance line items per day, out of which 90% were check payments. This A/R team was struggling with a high volume of manual work and limited resources.

System Challenges

1. Credit and A/R processes were done out of a proprietary COBOL-based system:

The processes were disjoint from SAP, maintenance was a typical challenge and heavily dependent on the internal IT team.

2. Highly manual operations and limited team sizes:

The A/R team included eight collectors for 550,000+ customers and two cash application analysts for processing 2,400+ remittance line-items every day.

Implementation Strategy

- Maximize automation with SAP as a base
- Low Total Cost of Ownership with Cloud solutions and SaaS
- Minimal dependence on IT team for maintenance and upgrades

COMPANY

JJ Keller

INDUSTRY

Service Provider

REGION

North America

REVENUE

\$265.4 Million

PRODUCTS

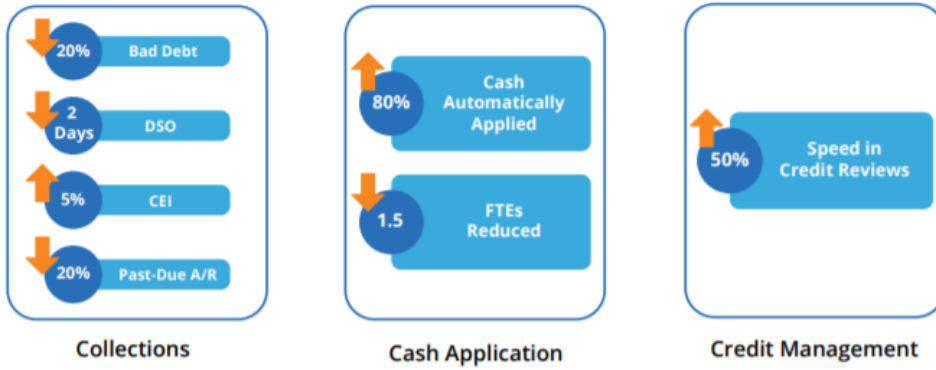
CashApp Cloud
Credit Cloud
Collections Cloud

BENEFITS

- ✓ 80% Cash Automatically Applied
- ✓ Productivity Increase for the Credit Team
- ✓ 20% Reduction in Past Due A/R

...and more!

Results



Challenges

Collections Management

Increasing Volumes

With more than 600,000 collections orders and business growth through new products and services the collections workload increased.

Limited Resources

The collections team included 8 collectors for close to 550,000+ customers which was highly inefficient since not all of the at-risk accounts could be addressed.

Current Process Pitfalls

Before HighRadius, the collections team had to deal with 7.3% past-due A/R with a completely manual and ad-hoc process. Further, the worklist was prioritized manually using 17 factors which resulted in a waste of time and labor.

Cash Application

Error Prone Manual Work

Remittance aggregation from various sources was done manually. This also included parsing check images, which was highly error-prone.

No Means for Accurate Customer Identification

The cash application analysts had to manually search and match the A/R invoice with the customer information.

Deduction Coding and Identifying Discounts

The analysts had to calculate eligible discounts and identify short-payments and over-payments manually.

Credit Management

Managing Volume

The credit team had to deal with 178,000+ customers with open A/R. Since the processes were entirely manual.

Manual Aggregation of Credit Reports and Data

They had to manually aggregate data from multiple sources and keep track of bankruptcy alerts, rating downgrades, and bank guarantees.

Reactive Credit Process

The credit management workflow was entirely reactive and manual; the analysts had to initiate correspondence to obtain necessary approvals for credit limits and blocked orders.

About the Solution

Collections

- Customer segments
- Collections strategies
- Customer call log for notes, promises to pay, and dispute cases
- Prioritized accounts
- Rule-based correspondence
- Letter templates
- Business managed letters

Cash Application

- Remittance Auto-Capture
- Intelligent Invoice Matching
- Ability to link remittances to payments based on Invoice number, PO number, Order number & Reference number
- Automated short-payment identification and deduction coding

Credit Management

- Integrated internal and external alerts
- Single-screen access to all information: Credit Review, Group Review, Business Partner Review, New Business Opportunity Review, etc.
- Automated workflow for approval and reviews