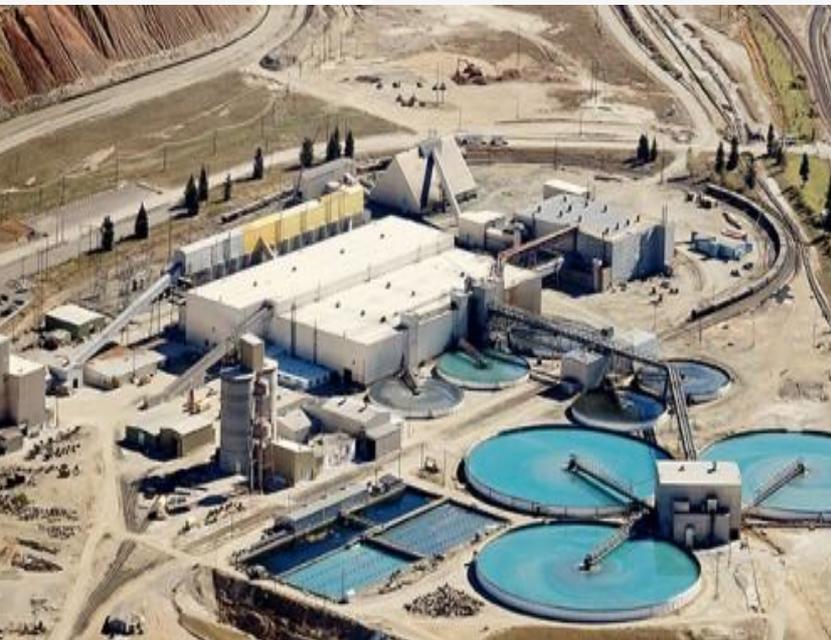


# LHOIST UNLOCKS \$5 MILLION OF UNAPPLIED CASH WITH INHOUSE CASH APPLICATION SOFTWARE

Learn how Lhoist achieves same day cash posting and unlocks \$5 million of trapped liquidity while eliminating expensive bank lockbox fees with a Cash Application solution



## IMPACT ACHIEVED AT LHOIST:

- 100%** Elimination in the Lockbox fee
- 90%** of short payments identified automatically
- 86%** Hit - rate for check payments
- 67%** Increase in Employee Productivity



We saw a 100% elimination of keying fees and 86% hit rate for check payments. So that's something that I think is higher than the average and we're really pleased with that.

Alicia Geades  
Sr Credit Manager  
Lhoist North America Inc.



**\$2.2 bn+**

Total Revenue

**6.4 k**

Total Employees

**7**

Business Units Across  
North America

Headquartered in Belgium, Lhoist Inc. has a global presence in more than 25 countries with 100 facilities and 6,400 employees. With a turnover of \$2.2 billion.

The Lhoist Group is dedicated to serving customers in key market segments such as Iron and Steel, Chemicals, Pulp and Paper, Flue gas treatment, Oil additives, etc.

## BEFORE AUTOMATION

### DIFFICULTY IN HANDLING MONTHLY PAYMENT PEAKS SPANNING TO \$5 MILLION VALUE OF UNAPPLIED CASH

Lhoist was receiving 22000 payments from 2000 active customers, often at the same time each month, making it difficult for their limited team of 3 FTEs to manage these peaks efficiently. The entirely manual cash application process involving massive paperwork led to further delay leading to cash being unapplied even post 30 days of the due date.

In addition to being paper-intensive and complex, the process was also non-standardized and decentralized, and that led to inefficiencies such as inaccurate invoices, payment delays, negatively impacted cash flow, and high dispute rates. The teams were thus working overtime, leading to burnout and higher costs and still having about \$5 Million of cash waiting to be applied.

### APPENDED EXPENSES WITH COSTLY KEY-IN SERVICES FOR 7 BUSINESS UNITS

There was more to the cash application complexity at Lhoist than just millions of unapplied cash. Lhoist was leveraging banks to process their checks for them and with 70% of the payments being checks, it ended in costly key-in services for 7 business units, forcing Lhoist to pay a high price to banks.

With the average per check processing being about \$0.75, Lhoist was estimated to pay about \$135000 as annual check processing costs. Further, the BAI2 payment files sent by the bank had to be manually processed.

The emergence of new payment methods and changing payment behavior of customers further added to the complexity of Lhoist's cash application.



## OVERLOOKING POTENTIAL RECOVERABLE DUE TO LACK OF TIME AND RESOURCES

With 70% being check payments the remaining 30% of all payments were e-payments and analysts faced challenges in chasing late payers to manually reconcile payments with missing and non-standard remittance information.

With all the added workload, Lhoist was viewing deductions as a burden on their business operations rather than as an opportunity to identify areas of improvement. Sometimes, the cost of analyzing deductions was exceeding the potentially recoverable amount and the deductions were being written-off, leading to significant losses.

### TRANSFORMATION STARTS

## PLUGGING THE GAPS IN ACCOUNTS RECEIVABLE WITH AUTOMATED CASH APPLICATION SOLUTION

Lhoist was looking for automation software to help them with increasing the efficiency of their cash application process while bringing down the expenses involved in the process. They decided to leverage the cash application solution by HighRadius due to the below functionalities that it brought to the table.

**Real-time Cash Posting with Automated Invoice Matching:** The solution ensures auto-linking of invoices with the payment, even in exceptional scenarios when identifying the exact account to apply payment isn't straightforward like in the case of associated parent account with the payment making it difficult to find the exact account to apply the payment against.

**Auto-capture of remittance data from check stubs with OCR Feature:** The multi OCR functionality enables capturing of accurate remittance information from check stubs closing any need to be dependent on the bank for keying in data.



**Auto-Aggregation of Remittance Data:** The solution enables remittance extraction from email body, attachments, password-protected files, EDIs as well as A/P portals saving the time gone into going to the portals and downloading the remittance files manually.

**Auto Coding of Deductions and Discounts:** The solution ensures automatic coding of Deductions while automatically assigning customer-related reason codes into the ERP, saving time on manual reason code conversion and reducing dispute resolution time.

## AFTER AUTOMATION

### INCREASING OPERATIONAL EFFICIENCY AND COST SAVINGS WITH HIGHRADIUS

By using HighRadius Cash Application solution, Lhoist increased the operational efficiency of their cash application process, eliminating transactional work and errors, freeing up resources, and reducing costs. Lhoist had exceptional results post-implementation to speak for the impact brought in by automation.

## IMPACT ACHIEVED

**100%**

Elimination in the lockbox fee

**90%**

of short payments identified automatically

**67%**

Increase in Employee Productivity

**86%**

Hit - rate for check payments

**80%**

Hit - rate for ACH payments

## DOING MORE WITH HIGHRADIUS

Lhoist had more challenges than \$5 million of unapplied cash and expensive bank costs. After seeing what HighRadius was able to accomplish for them, they decided to leverage the Advanced Correspondence Automation feature to help with \$25,000,000 past due AR on 1,000 accounts consisting of 8,000 items.

The collection correspondence at Lhoist was manual and time consuming. The communication was not standard, leaving room for error. With the lack of prioritization in place and the dependence on scattered paper-based notes that tend to be lost by the collectors, they ended up having customers with balances in the 1 – 30 days beyond terms range rarely contacted.

With the automated correspondence feature, the collections team need not rely on paper-based notes or reminders with the correspondences sent out automatically, saving all the manual work, increasing their productivity by 5X and helping the collections team at Lhoist improve account reachability–

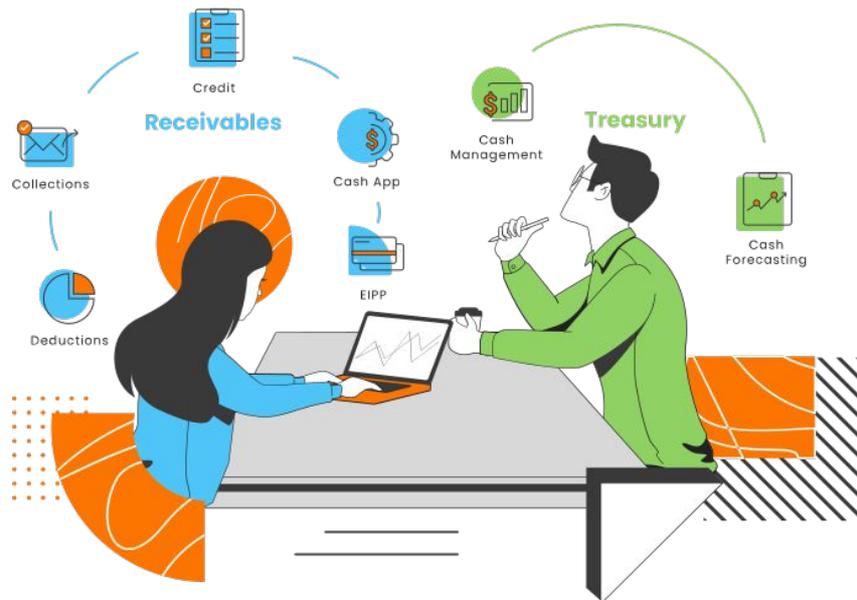
- 65% contact on accounts between 16-40 days.
- 92% contact on accounts with balances beyond 41 days due



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# ABOUT HIGHRADIUS CASH APPLICATION SOLUTION

HighRadius Cash Application Software is the most comprehensive solution available for automating cash application across all payment and remittance formats. Driven by customer-specific business rules, automated on-invoice hit rates of 98%+ are typical with the solution. An AI-based solution available as software-as-a-service, Cash Application Software is easy and cost-effective to deploy and maintain.



## Discover More Benefits of HighRadius Cash Application Solution

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

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