Securing the Scalability of Credit and A/R with Integrated Receivables

Learn how ShurTech brands leveraged Integrated Receivables technology to automate their processes and achieved 75% less past due in one year

ShurTech Brands

> "
> We started seeing immediate results upon implementation: 100%+ efficiency gain!
>
> Marinko Marijolovic
> Director Corporate Credit Services, ShurTech

Company Overview

ShurTech Brands is a subsidiary of Shurtape Technologies, an industry leading producer of pressure sensitive masking, duct, packaging, and specialty tape products, with facilities in the United States, Canada, United Kingdom, Germany, and Mexico. ShurTech services numerous markets, including industrial, packaging, HVAC, professional paint, auto, marine, aerospace, arts, entertainment, and retail.

Receivables Landscape

The Credit and A/R team of ShurTech Brands handled receivables for all of its brands including ShurTech and Shurtape. Over the years, ShurTech had grown exponentially and expanded its business across the continents.

With its mounting business, the credit and A/R team at ShurTech faced several challenges:

- 40% increase in the team size working at ShurTech for Account Receivables
- Despite the increased team size, it wasn't creating a significant impact on the swift resolution of the growing deductions
- 20% of receivables were still past due majority of the time
- Any deduction less than $250 was simply written off without any validation

COMPANY
ShurTech Brands

INDUSTRY
CPG

REGION
North America

REVENUE
$15.7 Million

PRODUCTS
Collections Cloud
Deductions Cloud
Claims & Pod Automation

BENEFITS

- ✓ 50% Overall Past Due A/R Reduction
- ✓ Efficient Customer Correspondence
- ✓ 75% Past Due Reduction

Manual Processes:

Slow Output and Degrading Customer Experiences

Like numerous global organizations, ShurTech had a Credit and A/R team manually handling all processes including collections and deductions. Yet, with the expanding business and mounting receivables, this manual effort could not yield the best results. With a lack of prioritization and a policy of writing off any deduction below $250, the Credit and A/R team of ShurTech was at an impasse. The major issues faced by the team:

Collections:

- Broken customer experience for large customers due to manual prioritization of list
- Lack of visibility in tracking, planning, and execution of customer correspondence that was done manually through emails, fax, and calls
- No centralized repository of notes, their SAP allowed only item level notes.
- Unreliable Ad Hoc reminders from spreadsheets and Outlook

Deductions:

- Time Consuming manual research for collecting back up documents
- All ShurTech deductions below $250 were written off due to resource crunch
- Unstructured cross departmental workflow and approval

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Successful Outcomes

- Efficient customer correspondence
- Integrated Receivables allowed on account-level notes.
- Automatically send chargeback notices to large customers as and when they arrive.
- Better resource utilization & automatic gathering and linking of backup documents

50% Overall Past Due A/R Reduction

75% 31+ Past Due Reduction

33% 1-30 Past Due Reduction

About the Solution

Deduction Management

Teams were not able to spend much time on actual research. Also, due to the resource-crunch and growing receivables volume, they had to write off a number of deductions. This problem was solved by:

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. It is also able to link the documents to the relevant dispute cases.

Correspondence Automation:

Based on the resolution outcome, analysts are able to automate denial and approval correspondence to the customer.

Deduction Resolution Workflows:

The solution provides a structured workflow for approvals or any inter-department collaboration. It ensures consistent processing and enable automated cross-departmental collaboration and resolution.

Collections Management

Teams lost the bulk of their time in ensuring that they had access to updated customer payment statuses and in manual dunning via email, fax, and mail. This was automated by:

Prioritized Collections and Strategy:

Using an automated prioritization system meant that collectors could receive algorithmically generated account lists to collect from based on standardized rules and strategies.

Automated Correspondence:

Collectors could focus on calling high-value or high-risk accounts while automating the bulk of the dunning through pre-defined templates and rules via email, fax, and mail.

Increased Managerial Visibility:

All collector activity could now be recorded in a single place versus using notepads and spreadsheets. This provided a consolidated view on the work done by collectors on different accounts.

Value Additions for ShurTech

Even with the expanding business, these solutions not only significantly reduced the manual labor required, but they offered other value additions as well:

1. Improved Cash Flow

2. Consistent Team Size

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