

STAPLES AUTOMATES COLLECTIONS MANAGEMENT AND REDUCES BAD DEBT BY 20%

Learn how Staples reduced their bad debt and collections team size by digitizing, automating paper-based receivables processes.



IMPACT ACHIEVED AT STAPLES

20%

Reduction in Bad Debt

6 Days

Reduction in Days Sales Outstanding (DSO)

5 Days

Reduction in Average Days Delinquent (ADD)



Our CFO's objective was the reduction of Bad Debt by 20%, while the management wanted to maintain a similar ROI, with 2 FTEs retiring.

George Uko
Manager Credit and Collections
Staples Promotional Products

ABOUT STAPLES

THE LEADING OFFICE SUPPLY SUPERSTORE



Staples is The Work Life Fulfillment Company, helping businesses of all sizes be more productive, connected and inspired. Staples' range of products and services provides customized solutions to help organizations achieve their goals.

Staples Promotional Products, a subsidiary of Staples, helps businesses by providing them branded merchandise to promote their brands.

\$14bn
Revenue

70k +
Employees

2
Business Units in the
US, Canada



BEFORE TRANSFORMATION

While most organizations have separate departments for Credit and Collections management, Staples had a unique team blend, combining both departments so that they functioned together. The objective behind the team structure was to streamline the workflow and make it more efficient.

However, the reality was quite different, as the Staples Promo credit and collections department was very unorganized. With a team consisting of just 12 people, 2 handling Cash Application & the rest managing Credit and Collections, work was extremely hectic. Their processes were manual, paper-based, and importantly, their older ERP system wasn't supporting their workflow.

COLLECTORS STRUGGLE TO KEEP PACE WITH THE INDIVIDUAL ACCOUNTS

The work division across Staples Promo had 7 collectors managing 900-1000 accounts on an average individually, with aging buckets ranging up to 1000 days and they had to gather information from 20 different Customer Portals.

With multiple accounts to handle; data spread across several channels, the collection analysts' had a hard time focusing and tracking different accounts. It led to longer collection cycles. Collections for selective accounts had been outsourced, further making it difficult to track their collection status.



BEFORE TRANSFORMATION

BEFORE TRANSFORMATION

PAPER-BASED PROCESSES & MANUAL PRIORITIZATION LEAD TO INCREASED AGING

Everything from aging to strategizing, prioritization to call notes were restricted to a paper. Their invoicing, collections, cash process was manual, paper-based. The aging reports, prioritization, call notes were all collected separately, on paper. The team spent about four-six hours a week handling multiple statements.

Adding to the trouble, their ERP system, AS 400, had limited capabilities. It made recovering the collections difficult. The sales team wasn't getting updates on the different accounts, further deteriorating Staples' relationship with customers.

TRANSFORMATION GOALS

CORPORATE GOAL ALIGNMENT

The CFO of Staples wanted to bring down their bad debt by 20%, and also reduce their DSO.

FREEDOM FROM THE PAPER-INTENSIVE WORK

Staples wanted to break away from manual correspondence with the help of automation to fix collection issues sooner than later. By digitizing the correspondence, the collection team's workload reduces, allowing them to focus on high-risk accounts.



TRANSFORMATION GOALS

MANAGING GROWTH WITH INVESTMENT AND ROI SIMILAR TO TWO FTES

With the workforce retiring; the volume of different accounts increasing, Staples management was looking for a solution that could automate low-value tasks.

They wanted to automate worklists prioritization and correspondence so they could have analysts focus on higher priority or strategic accounts. This would also help provide visibility of activity at high-risk and other customers to the management.

TRANSFORMATION BEGINS



With Collections Software implementation, Staples managed customer growth at no additional cost while reducing their bad debt. The collections team could focus on high-value tasks like managing customer relationships and tackling critical account collections. With automation, they were able to:

TRANSFORMATION BEGINS

DIGITIZE THE PAPER-BASED PROCESSES

HighRadius Collections software helped Staples automate dunning for the low-risk accounts; sending out personalized emails to different aging buckets such as 90 days+ and 60 days+ was easier. And within a matter of a few minutes, the system could trigger bulk correspondence. Subsequently, the high-risk accounts which required the collection team's intervention were automatically prioritized in the collection worklist based on specific rules. This process enabled the collection analysts to spend more time on specific accounts, creating better customer relationships.

PREDICT COLLECTIONS AND COMPARE EMPLOYEE KPIS:

With digitization, the leadership could zoom into account-level details, and the new process provides better visibility to the management and relevant stakeholders on the receivables landscape. The built-in reporting functionality helped the leadership track various performance metrics like aging reports, DSO, collection effectiveness index, among others. These metrics help forecast week-over-week collections.

At the same time, Staples was also able to compare the KPIs of its collection team. How many collections were they able to achieve, where they would need to focus their efforts, and so on. The new workflow helped employees improve their productivity.

AFTER TRANSFORMATION

IMPACT ACHIEVED AT STAPLES

20%

Reduction in Bad Debt

6 Days

Reduction in Days
Sales Outstanding
(DSO)

5 Days

Reduction in Average
Days Delinquent (ADD)

ABOUT HIGHRADIUS COLLECTION 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

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

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