

ACCOUNTS RECEIVABLE & THE ERP ENVIRONMENT

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ERP Systems are becoming the future for Corporate America
Are you and your company ready?

What affect does the ERP World have on Accounts Receivable?



The following were areas in A/R that were affected when we implemented an ERP software?

- Cash forecasting
- Credit and Collections
- Cash Application
- Dispute Resolution
- Reporting



Cash Forecasting

- Ability to project and track customer payments
- Establish an automated promise projection
- Historical payment information
- Track individual customers payment habits
- Ability to have current invoice data



Ability to project and track customer payments

ERP systems will allow you to project when your receivables should be paid based on terms of sale. Plus, the ability to track these payments for future forecasting based on customers average payment history.

Establish an automated promise projection

All customers do not pay within terms! So the ERP system allows you the schedule the payments based on a customers promise. These systems give you the ability to input this manual information in your forecast.

Historical Payment information

This will allow you to project how a customer will pay you based on their past payment history.



Track individual customer payment habits

For those companies with larger dollar transactions, it allows you to see how the account has paid by the transaction over a period of time.

Ability to have current invoice data

Ability to see the most recently billed invoice information.

Credit & Collections

- Create electronic files
- Up date & schedule auto credit reviews
- Automated follow up system
- Links between Customer information
- Historical collection history



Electronic Files

Will allow you to create electronic files and attach copies of documentation (credit app, agreements including J/C, guaranty, LC copies and other contracts). Also, document approval authority per SOX requires.

Schedule Credit Review up dates

Establish systematic procedures for timely reviews whether quarterly, bi-annual or annual based on your guidelines. This allows us to establish corporate requirements over all Business Units.

Collection Follow up

These new systems allow you to automate the collectors promises in a work bench environment for easy and efficient follow up.

Also, establishes links to third party accounts for better management.

Links Parent and Subsidiaries

Will link all related accounts together for total customer exposure. The accounts can have parent/child relationships so they are linked but can be handled on account by account as required.

Historical Collection History

Historical collection history, write-off, dispute, adjustment, and short payment. This will allow you to review your customer base solely on their payment history to you.

Cash Application

- Automated feed
- Reduce key strokes
- Real time payment info
- Statistical information



Automated Bank Feed

This has increased our application time, reduce our staffing needs and allowed us to deal with exceptions. Allows our collectors to focus on those accounts that have not paid!

Reduce Key Strokes

Has reduced our manual key strokes that were required to apply daily deposits. Also, decreased unapplied on account payments.

Real Time Payment Information

Has given our collection/credit staff real time payment information when dealing with delinquent customers and improved our relevant daily contacts.

Statistical Information

Increased our hit rate, focus on those customers not supplying application instructions, reduced on account/unapplied payments.

Dispute Resolution

- Logging
- Tracking
- approval



Logging Disputes

The ability to log disputes by type per transaction, by region, by business unit, by salesman. If you can identify the issues you can reduce the problem.

Tracking Dispute

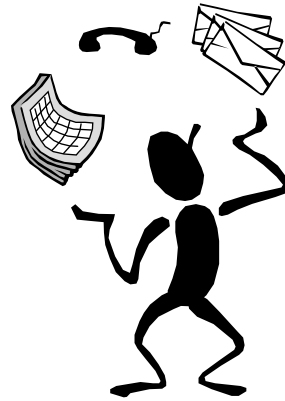
Track the process through electronic notification for processing purposes and place responsibility on correct party to resolve dispute. Reduces dispute process time.

Approval of Dispute

This allows us to ensure proper approval and compliance on established guidelines. Also, gives you a step by step view as the item is being processed.

Reporting

- Standard AR Reports
- Ability to customize
- Speed of reporting
- Historical Reporting



Standard Reports

There are many standard reports in ERP environments that allow you some flexibility.

Ability to Customize Reports

ERP systems give the experienced user great flexibility to create, form and mine for additional data.

Speed of Reporting

The speed of retrieving the data is increased in some cases by days plus you can pull current information instead of yesterdays.

Historical Reporting

Allow a user to go back in time to run a specific report.

Keys to Success

- Clearly defined needs & Objectives
- Be involved in the process
- Establish bridge between technical and functional responsibilities
- Flexibility
- Resources
- Look to the future

