



A LEADING MEDICAL INNOVATOR IMPLEMENTS FRICTIONLESS ACCOUNTS RECEIVABLES OPERATIONS

In collaboration with Capgemini, the company launches the digital transformation of its collections processes with a centralized information center and frictionless strategy to drive enhanced productivity and efficiency.

Success means more than simply avoiding errors and maintaining the status quo. To become and remain a market leader at the top of their game, companies need to be proactive in anticipating and overcoming tomorrow's challenges.

When a leading global medical technology, pharmaceutical diagnostics, and digital solutions innovator partnered with Capgemini to manage its collections processes, this approach was instrumental in the organizations' joint pursuit of success. Rather than simply ensuring the maintenance of existing processes, the partners agreed to look into opportunities that would introduce innovation and optimization into the organization's finance function.

In doing so, the organizations intended to achieve short-term benefits while simultaneously future-proofing the company's business.

Overview

Client: A multinational medical equipment company

Region: North America

Industry: Healthcare

Client Challenge: A leading global medical technology, pharmaceutical diagnostics, and digital solutions innovator wanted to improve the speed and efficiency of its collections processes by pursuing proactive innovation.

Solution: Together, the company and Capgemini introduced revamped collection strategies to centralize key information, automate the collections processes, and drive frictionless accounts receivables operations.

Benefits:

- 40% reduction in dispute rate year-on-year
- Seven-day reduction in DSO
- Consistent 90% capture of monthly POs
- 4% increase in collections relative to the previous year.



GET THE FUTURE YOU WANT

Launching proactive innovation

Following an initial period of cooperation, the medical innovator and Capgemini gained a level of operational comfort with each other that enabled them to push for innovation, while ensuring the continuing functionality of the company's existing collections processes. The partners started by thoroughly reviewing the company's operations and systems, after which they developed a plan that would deliver on their mutual vision of a frictionless future for finance.

This began with the introduction of a new purchase order (PO) administration maintenance team, which was tasked with proactively addressing potential PO and disputes challenges in order to accelerate collections. The new team quickly set about applying best practices as well as new technologies and strategies to restructure the company's processes. In addition, the PO administration team established the goal of handling all renewals between 90 and 30 days prior to the final renewal date, while simultaneously confirming high-quality customer contact was made.

Revamping the business' collection strategies in accordance with industry best practices enabled the partners to implement client segmentation while also simplifying the prioritization of a strategic approach to customer outreach. Automating statement distribution and client communications via dunning letters enabled collectors to spend more time on core collection efforts.

Next, the project team turned its focus to the organization's database, which was burdened by out-of-date information, including old customer contact information. The medical innovator and Capgemini launched a data review and cleansing effort to help collectors operate more efficiently.

Innovation drives frictionless collections

The outcome of this project was two-fold: a centralized information center and collections tool and a fresh strategy that increased the bandwidth of the company's collections teams by dramatically reducing the amount of time they needed to spend on administrative work. All of this served to make the collections process faster and more frictionless while ensuring greater responsiveness.

As a result, the medical innovator and Capgemini have seen the rate of disputes drop by 40% year-on-year and days sales outstanding (DSO) reduced by seven days. In addition, the PO administration team has consistently captured 90% of monthly POs while increasing the collections rate by 4% compared to the previous year. Finally, all documentation is now captured, ensuring standardized, streamlined processes that support frictionless operations.

Based in part on the success of this innovative initiative, the company and Capgemini have since extended their partnership. Together, they continue to look for opportunities to apply similar proactive thinking within the collections sphere.





About Capgemini

Capgemini is a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided everyday by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of over 360,000 team members in more than 50 countries. With its strong 55-year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fueled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering and platforms. The Group reported in 2022 global revenues of €22 billion.

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