

POWER YOUR ORDER TO CASH CYCLE

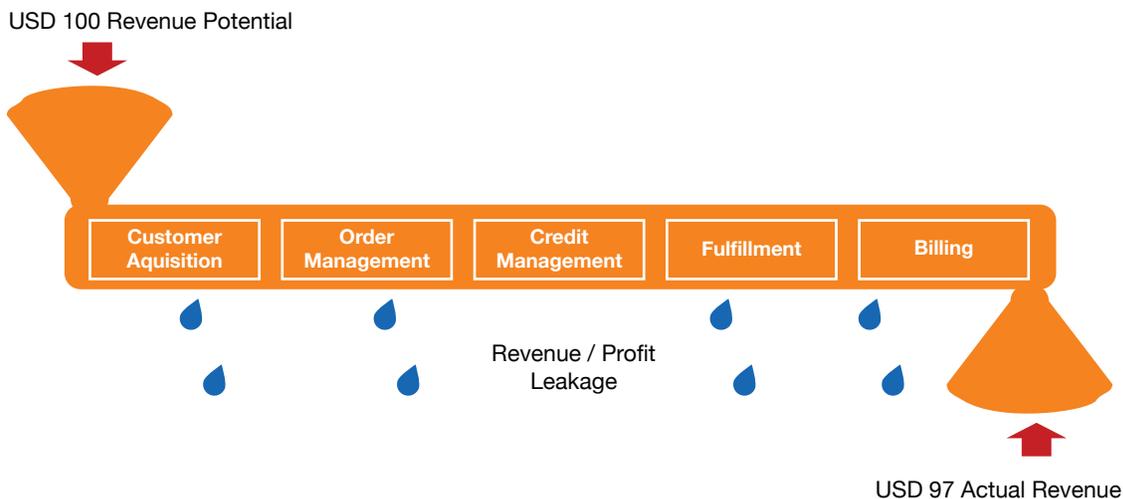


**GET THE
CASH
IMPACT
YOU
NEED**



The order to cash cycle is the financial lifeblood of any organization. Not only does it determine how quickly an order from a customer is translated into cash in the bank, but also the customer experience and their perception of the service provider. This gets further compounded by challenges such as price pressures, cost pressures, and increasing stakeholder value that often seem contradictory in nature. These aspects make it imperative for an organization to focus on maintaining a best-in-class order to cash cycle.

LOSSES CAN BUILD UP AT EACH STAGE OF THE ORDER TO CASH CYCLE WITH LIMITED INTEGRATION OR CONTROL BETWEEN SILO



Examples of Root Causes of Revenue/Profit Leakage

Pricing Errors / Discrepancies

- Disparity from agreed upon prices
- Price reconciliation issues
- Inaccurate price maintenance by either party
- Variations in units of measure invoiced

Returns & Reclamations

- Limited data available from reclamation centers
- Returns policy not enforced
- Sales practices that produce excess returns
- New products generate obsolete / old product returns

Incorrect Terms

- No systematic checking of credit terms during order creation
- Changes to credit terms missed
- Invoices issued prior to receipt of POP
- Extended payment timeframes driven by sales team



The largest supermarket chain in Australia and New Zealand with over 200,000 employees and a revenue of AUD 55Bn

Engagement

- SAP migration support
- Master Data Management (MDM)
- Article administration/ Product data administration

HCL's Solution

- Logical data mapping – A holistic approach for SAP migration for one-to-one and multiple field mapping by creating business rules
- Undertake MDM through different tranches – Zero impact in business
- Introduced GS1 (Global data synchronization model) to create the online catalogue. HCL was instrumental in onboarding new vendors.
- HCL's Work Flow Management Tool (WFMT) managed data completeness, auto allocation, and, updates and reporting
- Status reporting - On-time and ad-hoc reporting
- Error fixing and data cleansing during data reconciliation between the systems
- Administrative activities – Handled 5,000 transactions per day
- Ensures data accuracy and manages the administration of product changes
- Provides day-to-day admin support to the category team
- Vendor co-ordination/ liaison with internal teams – Stores, DC ranging, MA team

Transformational Results/ Benefits Derived

- 140,000 SKUs and 40,000 vendor records migrated to the SAP system in a short span (11 months) – The phased migration approach was well appreciated by the client
- De-duplication done through an in-house tool – 40% of the duplicate items were identified and 350 man hours saved
- Minimized training lead time and cost by bringing in a SAP-skilled master data team
- 100% data entry validation
- Error log maintenance through KEDB (Known Error Database)
- Provided complete master data dashboards to client management with a metrics-based approach
- Off-shored critical activities and increased productivity/ utilization resulting in a total cost saving of USD 546K to the client (annual)

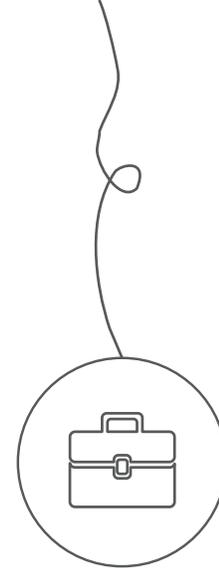


FINANCE OUTSOURCING RAISES BUSINESS PERFORMANCE

HCL provides an end-to-end solution that gives you a full view of your order to cash process so that you can begin to improve it. It includes two major steps:

1. Get the whole order management process under control i.e. centrally-managed
2. Improve the bill-to-cash segment of the cycle

This brochure describes how HCL's order to cash services can help you improve your operational and financial performance.



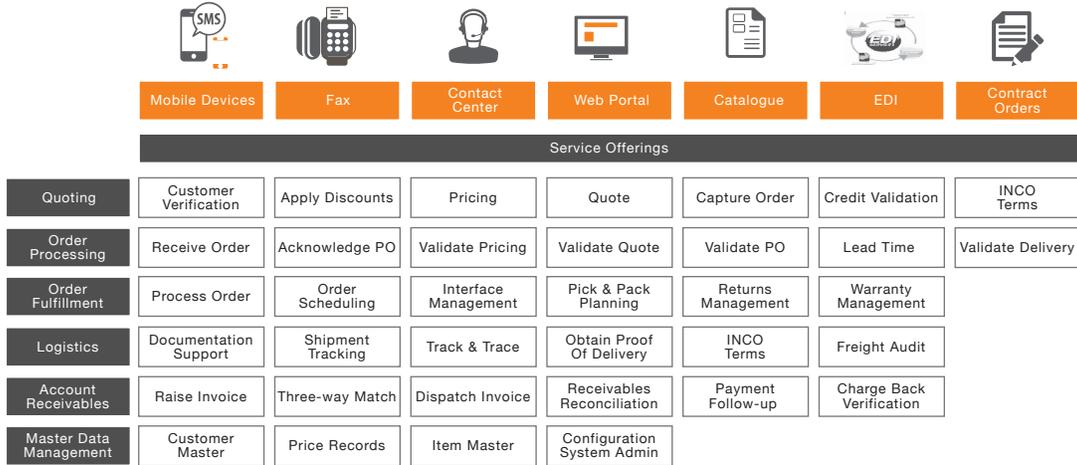
HCL'S SOLUTION

HCL's Order to Cash (O2C) Operational Standards

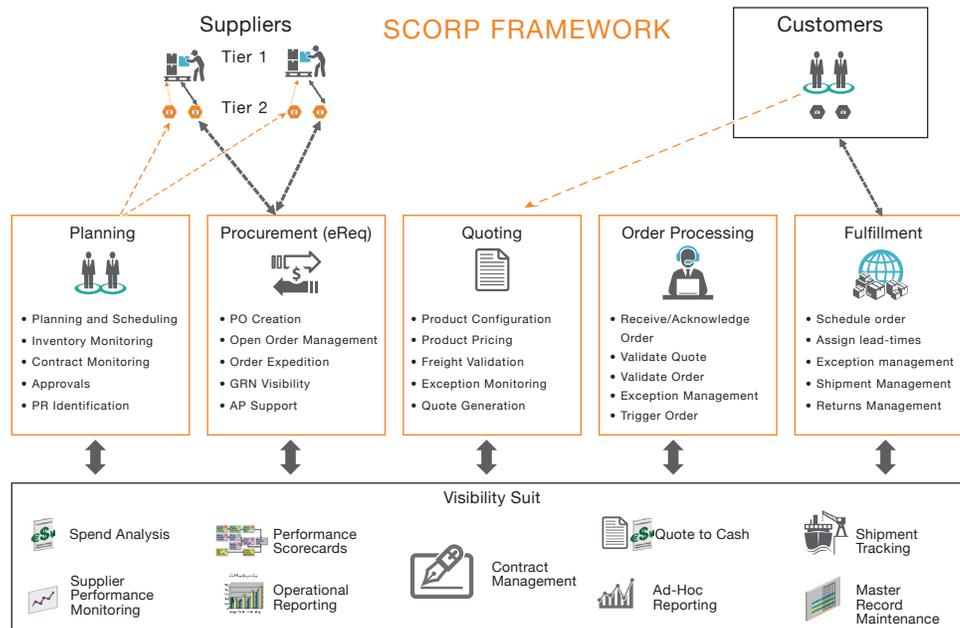
HCL has extensive experience in every aspect of the order to cash service such as order quoting, order processing, fulfillment, account receivables, and payables. This enables our clients to derive significant benefits in terms of faster realization of revenue, order accuracy, analytics, and improved perfect order rate. HCL's Order to Cash (O2C) solution enables enterprises to achieve greater visibility into their O2C process, gain real-time information on customer orders, enhance customer relationship, mitigate risk, and optimize the O2C cycle time, thereby accelerating the cash flow.



ORDER MANAGEMENT SERVICES DRILL DOWN



HCL leverages its proprietary supply chain workflow platform – SCORP (Supply Chain Operational Reference Platform) – to automate the order management and fulfillment process. SCORP provides end-to-end O2C process visibility through enhanced real-time reports and dashboards, and manages the order-to-ship life cycle seamlessly while preventing customer service executives from missing timelines through advanced alerts and triggers. HCL deploys a TPS (Toyota Production System)-based cell system for order entry by leveraging Leon Festinger's cognitive dissonance theory that looks at improving process efficiency and productivity with continuous focus on quality.



HCL's O2C solution also supports shipment tracking (to track consignments from origin to destination), to provide timely and proactive communication to customers on the ETA (Estimated Time of Arrival) and ETS (Estimated Time of Shipment) to avoid a crisis. SCORP's i-Track module utilizes predictive analytics to forecast shipments with the highest probability for escalation, and supports vessel/ voyage-based tracking instead of consignment-based tracking to reduce tracking efforts.

CASE STUDIES

Delivering best-in-class results for marquee retail and CPG clients

A Fortune 500 diversified technology and manufacturing company with an annual revenue of USD 29.6Bn and global scale of operations

Engagement

- Quotation processing
- Order management
- Shipment tracking
- Documentation
- Customer account analyst

HCL's Solution

- Improved order fill rate and turnaround time by implementing TPS
- Predictive analytics to reduce repetitive errors in shipment tracking
- I-Track tool to track orders shipped to the end customer
- Documentation support to improve document processing during order shipment
- Effective workflow management through SCORP

Transformational Results/ Benefits Derived

- Cost savings of about USD 20Mn per annum
- Order processing turnaround time improved from 24 hours to 5 hours
- Real-time information about the status of shipments helped improve on-time delivery by up to 92%
- Shipment tracking effort reduced to about 20%
- 93% of documents processed on the same business day with 100% quality
- Enhanced customer satisfaction through better performance



FIRMS LACK FINANCE AND ACCOUNTING EFFICIENCY

If the order management system is not working properly for an organization, it will lead to multiple day-to-day problems -- customers will not get what they ordered, or they will get it too late, or get in the wrong quantity. Individually, these seem to be small issues, but collectively they add up to create chaos. These issues have the potential to cost the company millions and also damage customer relationships.

The order to cash process touches key performance areas such as sales order management, order fulfillment, billing, credit management, and cash collection. Managing this process ensures that orders get delivered on time and payments are collected quickly. Taking control of the entire order to cash process, can eliminate problems and save money, strengthen business, and ensure that the organization wins at the shelves.

HCL, with its business acumen and analytical ability in form of proprietary tools, is positioned to increase your working capital through driving efficiencies in your order to cash process. This allows businesses to invest in trade promotions and monitor the sales channel effectively.

CUSTOMERS SPEAK:

Common Challenges for Consumer Product Companies

- Higher ordering cost
- Higher order-to-receipt cycle time
- Delayed time-to-market
- Huge working capital blockage in AR/ Skewed inventory pattern
- Higher DSO (Day Sales Outstanding)
- Lack of visibility into customer orders
- Communication issues related to shipment causing demurrages and customer dissatisfaction

HCL recognizes that effective order to cash management is a function of both process and customer service. Our approach focuses equally on effectively driving projects and strengthening customer relationships. We can help your organization establish a single, central back-office team with just the right expertise covering every order to cash stage.





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HCL