

ROUND AND ROUND THE MONEY TRAIL

Working capital improvement
and AR risk mitigation.

The client is one
of the world's largest
global mining company that focuses
on mining and processing mineral resources.



CHALLENGES

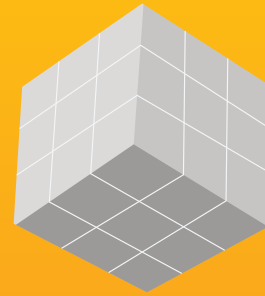
The client was looking at working capital (WC) opportunities by mitigating existing and future accounts receivable (AR) risks.

Some of the issues it faced were:

● WC challenges as a result of a market slowdown in 2016–2017

● Lack of credit management and risk reviews that led to \$1.5 billion in AR

● Decline in revenue by 26% (from \$43 billion to \$34 billion)



SOLUTIONS

Infosys BPM built a statistical model with Tableau dashboards and R (for statistical modelling) that:

- ▶ Predicted customer propensity for payment delays with all possible leading metrics as well as internal and external data
- ▶ Identified the right payment terms for the customers
- ▶ Rationalised and optimised payment terms based on predicted customer behaviour across locations and product groups
- ▶ Created a real-time view of credit exposure by indicating which customer is likely to exceed credit limits in the future

BENEFITS

Infosys BPM helped the client overcome its challenges by:

- ▶ Improving WC by prioritised and accelerated cash collection
- ▶ Reducing AR risk by normalising payment terms and identifying customers who needed an extended Letter of Credit (LoC)



\$336 million
Reduction in AR



\$3 million
Reduction in cost of collection



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