



## A HEADLINE-WORTHY FINANCE PROCESS REDESIGN

### Abstract

Amelia Garcia, the Vice President of Finance at a large US-based media house, decided to outsource some of her finance and accounting processes to Infosys BPM to resolve her multiple operational challenges. This case study traces how thoughtful process re-engineering delivered headline-worthy outcomes, delighting the company as well as its customers.

## Some bad news

Amelia Garcia works for a leading US-based media brands. As the company's Vice President for Finance, Amelia is responsible for the overall service delivery of some of the key functions such as accounts receivable, accounts payable, and order management for print and digital advertisements. Along with the responsibilities, she also had several challenges that she wanted to resolve.

The organisation had inordinately high collection periods for its sales of print and digital advertisements, and the delays in receiving payments led to problems with the cash flow. Apart from this, the payment

processes for foreign sales commissions were largely unstructured, and Amelia's teams needed to deal with numerous cases of unapplied and unidentified payments. The company also faced revenue challenges due to overbooking of advertisement slots. All of this not only had financial implications, but more importantly meant dissatisfied customers.

Underlying all these concerns — and what was foremost on Amelia's mind — was the need to optimise the cost of delivering financial services. So, when Amelia was asked to take on the additional role of a Director for Strategic Sourcing, one of

her first projects was to outsource the company's finance and accounting, and order management functions. After a long and diligent search for an experienced partner, Amelia struck a deal with their long-term partners Infosys BPM, to take over the functions of accounts receivables, payables, as well as order management for print and digital advertisements. This involved transitioning a broad scope of processes, including procure-to-pay, travel and entertainment, p-cards, order-to-cash, sales order entries, digital order entries, billing, and reporting.



## Cutting through the complexity

The partnership kicked off with Infosys BPM's Jimit Shukla, and his expert team of

process optimisation and domain experts, collaborating with Amelia and her team

to transition the outsourced processes to Infosys BPM's delivery centre in Jaipur India.

## Approach summary

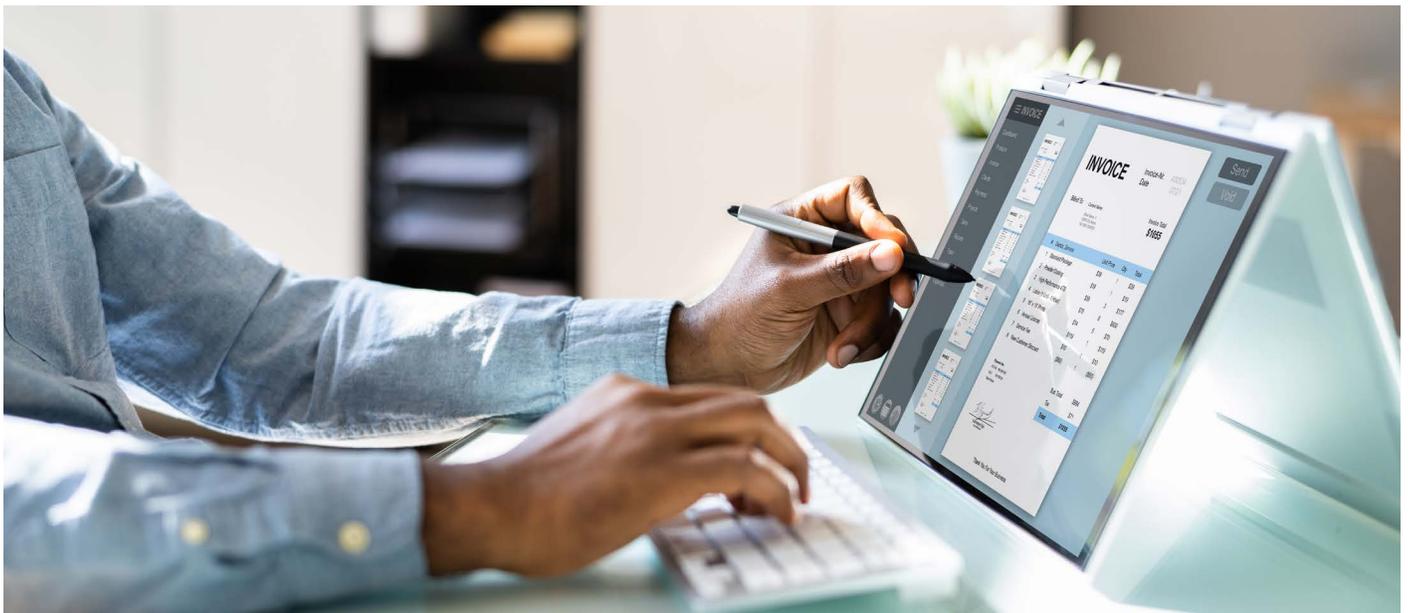


Then, once all the processes were transitioned and stabilised, Jimit focused on optimising them. Over a series of meetings with Amelia's teams based out of the US, he studied the numerous ERP systems and processes used by the company across regions. He soon realised that the complexity due to the multiple systems was leading to errors being committed at multiple levels. This in turn was the cause for a high number

of post billing adjustments (PBA). So, he directed his team to utilise Six Sigma and Lean methodologies to identify and eliminate wasteful activities across the systems. This done, they then also completely redesigned the processes for handling foreign commissions as well as for unapplied and unidentified payments.

Jimit also instituted governance best practices with strong controls to improve

the accuracy of invoice processing. Additionally, working closely with Amelia and other stakeholders he conducted a one-time exercise to standardise the advertisement rate cards across all the ERP systems. Lastly, he revised the metrics on escalations raised to the collections team, in a bid to improve the day sales outstanding figures.



## When the money flows smoother

Jimit's process redesign and governance controls soon bore fruit. Amelia noticed that cash and team effort was no longer being utilised on refunds against incorrect

billings, greatly improving the overall efficiency of the department. Further, the process redesigning had reduced the incidents of unidentified payments worth

over \$180k, as well as the many incidents of incorrect billing. This mitigated the need for refunds, delivering savings of over \$670k in transaction and processing fees.

### Key benefits



Unidentified payments reduced by over \$180K



Refunds mitigated to deliver \$670K savings



Foreign commission payment issues resolved worth \$1 Mn



More importantly, Jimit's standardisation of rate cards across ERPs for the foreign sales commission process, solved commission payment issues worth \$1 Mn. All these advantageous outcomes, soon brought

about another beneficial outcome; one that brought the greatest delight to Amelia and the other stakeholders in the company. The voice of customer satisfaction surveys began consistently returning high scores

of 6.8 on a scale of 7. Not only was the publishing company enjoying the fruits of the process re-engineering, its agents and customers were too.

*\*Names have been altered to preserve the identities of the people involved.*

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