

Outsourcing by the Numbers



Streamline & Accelerate your F&A Process

Finance and Accounting Outsourcing is attractive to retailers for reducing costs and increasing profits. The CFOs of retail organizations turn to outsourcing to transform processes, drive better internal controls and regulatory compliance. A recent study indicated that outsourcing transactional activities enables CFOs to spend 25% more time on strategic activities. Retailers, who initially focused on Sarbanes-Oxley compliance are now venturing to improve business processes through outsourcing.

Challenges & Opportunities

Challenges

- Sarbanes-Oxley compliance has made it mandatory for retail companies to strengthen their internal controls around functions such as Accounts Payable (A/P), Accounts Receivable (A/R) and General Ledger (GL)
- Increasing cost of finance functions
- Manual and fragmented processes spread across the enterprise
- Inconsistent accounting processes

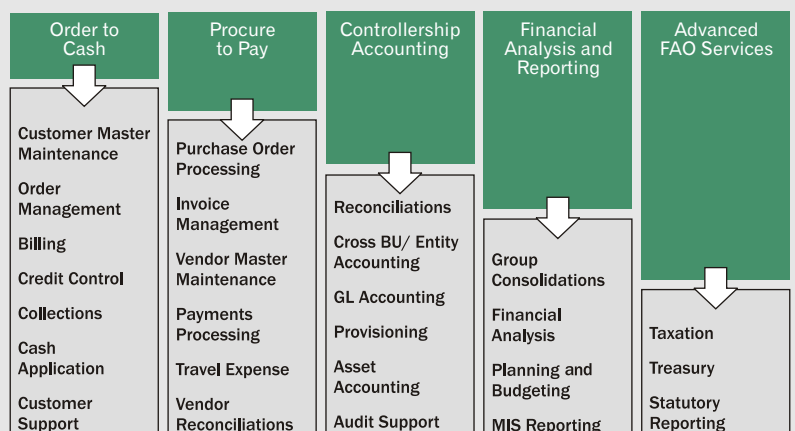
Opportunities

- Finance and Accounting Outsourcing helps you centralize and manage day-to-day finance functions, improve controls and service levels, reduce cost of operations
- Outsourcing enables segregation of duties, improved financial reporting, real-time information to users and improved quality of financial

HCL Solution

HCL's domain expertise in the Finance and Accounting area coupled with retail industry experience helps to meet specific Client requirements.

Service Offerings



HCL Advantage

- Blended delivery model combining onshore and low-cost offshore locations
- Ensures seamless relationship between outsourced and retained processes and staff
- Experience in handling commodity processes (accounts payable/receivable) as well as complex accounting services (core operational accounting, inter-company reconciliations and management, statutory and tax reporting)
- Investment in delivery platforms for enhanced performance management and workflow mechanism
- Leverages leading automation technologies while offering extensive applications and IT infrastructure management as well as a wider back-office solution combining finance, HR and procurement
- Team of professionally qualified accountants

Business Benefits

- Improved efficiency and speed of access to financial information
- Substantial reduction in operating costs
- Flexibility through a variable cost structure
- Transparency into F&A processes
- Superior controls and risk management

Case Study

Client Background: UK based Multinational Consumer Product Company

The client is a subsidiary of USD 7 Bn consumer products conglomerate and is the largest water distribution company in UK.

Drivers for Outsourcing

- Reduce Day Sales Outstanding (DSO)
- Reduce the cost and increase coverage of outbound collections
- Reduce customer churn through reduction in dispute management
- Reduce cycle time and ensure accuracy in receipt posting

Benefits

- Day Sales Outstanding brought down to 68 days from 180 days
- Customer complaints reduced to 1% from 8%
- Significant reduction in customer churn
- Accurate and improved turnaround time in receipt posting activity
- On-account receipts brought down to 1% from 12%
- Developed Automated System for Payment Reconciliation and Posting
- Turn Around Time – 48 Hours < 24 Hours
- Quality Accuracy – 92% > 95%
- Fatal Error Accuracy – 100% = 100%

HCL Solution

- **Credit control and dispute management:** Handling diverse product and service customer queries i.e disputes in billing, discrepancies in invoice and credit notes etc.
- **Collections:** Pre-calls made to customers to ascertain invoice accuracy and ensure timely payment, early stage collection calls to bring down overdue debt, late stage collections, generation of dunning letters etc.
- **Sales Ledger Maintenance:** Lockbox receipts exceptions handling, Receipts Posting and Allocation, Customer Account Reconciliation

Give your company the advantage of HCL's Retail F&A solutions.

To schedule a meeting or to set up a pilot, email to: marketing.bpo@hcl.com



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