

HCL BPO's AP/AR solution led to processing of Financial transactions of Client.

Case Study

The Client

The Client is a US based leading supplier to the global motor vehicle industry. With revenues of \$ 9.1 billion, 27,500 employees and 121 manufacturing plants, the client operates across 25 countries and five continents.

- **Business Need**
- **Consolidation and Standardization:** With global scale of operations, the company needed to consolidate its operations across business/ plant divisions. This required a creation of F&A Shared Service Center for their two divisions – Light Vehicle and Commercial Vehicle.
- **Process Improvements:** Client needed to streamline the process efficiency and reduce the TAT

HCL's Solution

HCL BPO delivers several services under Accounts Payables and Account Receivables to meet the business needs of the client.

Under Account Payable, HCL performs the vendor master maintenance and regular processing of invoices. HCL's offshore delivery team handles various other AP functions, which are as follows:

- Adding remit-to addresses
- ACH & Direct Deposit forms maintenance
- Vendor invoices-2/3 way matching
- Validation of ERS invoices
- Processing of Utility bills & invoices which are coded/approved
- Employee expense reports reimbursements
- Payment Proposal run and generation of payment register for Check/ACH/Wire transfer payment methods

Similarly under Accounts Receivables, HCL helped the client with Cash Desk management and Cash Application (Lockbox/ACH/wire, inter company & AFI netting payments), Debit Memos/ Credit memo adjustments, charge backs, reconciliation of AR to GL, Corporate Treasury Reconciliation of cash batches and AP / AR help desk services and reporting

Results

The solution resulted in reduction in cycle time for cash posting, which led to around 90% of the receipts getting posted in two business days. Unapplied receipts were drastically brought down from 11 mn to less than 1 mn. Backlog in Lock box bank account reconciliation was cleared and receipt reconciliation process became online. 21 mn suspense cash was reconciled. 98% of the expense reports are now processed within 1 business day and 95% of AP/AR help desk queries are resolved in 1 business day

Value Adds

The entire process is getting automated with the deployment of in-house developed delivery platform, which will help in tracking, monitoring and reporting the process performance and metrics on a real time basis.