

Case Study: Sennheiser



Sennheiser Electronic Corporation (SEC) is the U.S. and Latin America wholly-owned subsidiary, with headquarters in Old Lyme, Connecticut. SEC represents all Sennheiser products in the United States. It distributes a variety of other premium pro audio lines, including Neumann Microphones, and K-Array Speakers. Our commitment to the world of audio is simple: we offer products that provide the finest combination of performance and value available anywhere, and back them up with superlative service.

Challenge

Prior to implementation, Sennheiser's collection processes were manual and involved using PDF reports derived from their JD Edwards system. Collection efforts are separated into 4 territories: East, Central, West, and Latin America. Each territory used Crystal Reports to generate a PDF aging report. The resulting collection process was entirely manual. Collectors had to spend time paging through the printed PDF reports to identify collection calls to make.

The current ERP also lacked the ability to create reminders or letter activities and required collectors to navigate through multiple screens in JD Edwards in order to complete any collection function. This greatly decreased department productivity and limited the number of customer touches.

Solution

Cforia's AR Workbench provides Credit, Collections, Disputes and Order Management from a single system. All follow up activities and customer AP contacts are housed within their Cforia system. Running all AR related activities from the Workbench doubled call volume per collector. Cforia's prioritized call queue creation improved the quality of calls that were made by assuring that all customers who need to get called are contacted, while avoiding bothering customers who will pay anyway without dunning.

From a credit manager standpoint, pulling aging reports by territory was a huge pain point for Sennheiser. Cforia's AR Workbench automatically segregates accounts by territory. The Workbench also allows management to measure and assign accounts to obtain proper workload leveling between collectors.

Sennheiser's Cforia system provides Days Beyond Terms aging that is lacking from their JD Edwards ERP. DBT aging allow Sennheiser's AR staff to focus their efforts on the accounts that need the most attention.

Key Benefits:

- Increased A/R visibility assures that no receivables fall through the cracks
- Doubled call volume
- Overall company revenue increased by 30% since implementation with no added staff

Before State- January 2009	After State- April 2013
\$300-\$400K in Open Deductions	\$50-\$100K in Open Deductions
% Current Receivables:77.9%	% Current Receivables:94.8%
Accounts over 30 Days Past Due: 11.2%	Accounts over 30 Days Past Due: 1%



"Cforia Software conservatively doubled the call volume of our collectors while prioritizing to assure that every customer who needs to be called gets contacted. This has resulted in Sennheiser decreasing greater than 30 days past due receivables from 11.1% to under 1% during a period where we increased sales by 30%. We achieved these excellent results without increasing headcount."

Mark Tomasi, Credit Manager Sennheiser



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Key Features of the Solution are:

- Real-time integration with JD Edwards
- Cforia Software's A/R Workbench includes Order, Credit, Collections and Deductions Management from a single platform
- Includes extensive reporting to automate cash forecasting, measurement of corporate and individual collector key AR metrics
- Consolidated a number of manual and disparate processes from JD Edwards, Lotus Notes and Crystal Reports into one screen
- Summary Aging Reports based on 4 different territories (East, Central, West, and Latin America)
- Increased visibility over collection activities to allow managers to see MTD touches by account as well as all other collection efforts
- Deductions workflow supports collaboration between the A/R Department and salesperson assigned to a particular account
- Customized Letter Templates and Statements to fit particular business needs

Key Benefits:

- Doubled call volume per collector
- Decreased greater than 30 days past due receivables from 11.7% to less than 1%
- Increased current receivables from 77.4% to 94.8%
- Allowed Sennheiser AR staff to create over 50 letter templates without programmers or consultants
- Provides immediate electronic delivery of letters via facsimile and email
- Supported 30% revenue growth without increasing AR staff

About Cforia Software

Cforia Software is a global company that provides leading Order to Cash Automation that is used to manage over \$200 Billion in yearly A/R. Our rapid growth is driven by superior technology that includes near real-time integration across multiple ERP systems, currencies, languages and business units.

Cforia Data Integration Connectors facilitate rapid real-time integration within your corporation's existing IT infrastructure including ERP systems, document imaging, third party credit data, email and facsimile servers. Pre-packaged data integration connectors greatly shorten project timing and risk by avoiding custom data integration.



"Consolidating all of our collection and follow-up activities into Cforia's workbench not only improved our visibility, but it allowed us to create a more efficient workflow. In working with multiple sales territories the Deductions Workflow was key in collaborating between salesperson and the A/R Department which ultimately resulted in an 80% reduction in overall open deductions."

Mark Tomasi, Credit Manager
Sennheiser



"Cforia's Letter Engine is extremely flexible and easy to use. It has allowed us to create 50 different letter templates within the AR Department without the assistance of any IT programmers or consultants. We used this tool to design our own invoice reprints that look more professional than the standard invoices reprints from JDE. The Letter Engine also supports our annual tax audits. We designed a custom letter for verifying A/R and invoice amounts and send these letters out with our auditor's letterhead."

Mark Tomasi, Credit Manager
Sennheiser