When the Going Gets Tough, Companies Turn to A/R to Get Going

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Accounts Receivable Challenges

- Improve efficiencies
- Employ technology to achieve straight-through processing (STP)
- Accommodate increasing number of payment options / channels
- Strengthen internal controls to manage credit risk & mitigate fraud
- Increase usability / visibility of data and information
How satisfied are you with your company’s receivables and payments application process?

Source: Aite Group, LLC, “Insights Into Corporate Receivables” August 2010
Factors Influencing Receivables Satisfaction

What percentage of your receivables are processed as STP?

- <50%: 55%
- 50-69%: 15%
- 70-89%: 10%
- >90%: 7%

Days Sales Outstanding (DSO)

- 0 to 15: 15%
- 16 to 30: 10%
- 31 to 40: 20%
- 41 to 50: 28%
- 51 to 66: 17%
- 66 to 75: 7%
- More than 75: 3%

Source: Aite Group, LLC, “Insights Into Corporate Receivables” August 2010
Factors Driving Accounts Receivable Reengineering

- Drive for efficiency
- Need to enhance liquidity management
- Increased competition
- Aspiration for convenience & simplicity
- Availability of technology solutions
Accounts Receivable Initiatives

- Standardize processes and workflow capabilities
- Employ technology and automation
- Implement shared service centers
- Increase electronic invoices & payments
- Actively manage DSO
- Develop credit management specialization
- Enhance visibility into data and information
Paging Billy Thomas
Paging Billy Thomas
Case Study Agenda

1. Who Is Cox Enterprises?
2. Our A/R Challenges
3. Being Billy Thomas: A Corporate Treasury Perspective
4. Meeting those Challenges: A Divisional Perspective
5. Results, Next Steps, Q&A…
Incorporated Is…

... more than 50,000 employees working for 300 businesses in six major operating subsidiaries.

More than 6M residential + commercial cable customers

8M vehicles touched; operates in 15 countries

More than 16M viewers; 14M qualified buyers, 3M car listings

8 dailies, 16 non-dailies; 40M Valpak homes each month

15 stations reaching > 30M viewers

85 stations reaching 16.1M weekly listeners
Who Is Cox Treasury Services?

LED BY ANITA PATTERSON

PROJECTS – ANALYSIS – PROCESS IMPROVEMENTS

CASH POSITIONING

50K EMPLOYEES SERVED

SIX DIVISIONS

THREE PERSON TEAM

CENTRALIZED IN 2009

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Our Accounts Receivable Challenges
Our Accounts Receivable Challenges

Our Top Account Receivable Processing Challenges Are:

1. Systems & Technology Shortcomings
2. Timeliness of payments from payers
3. Matching & reconciling payments to invoice
Our Accounts Receivable Challenges

The Primary Cause of Our Integrated Systems & Technology Challenges Are…

1. Large and Growing Number of Exceptions and Returns.
2. Increasing number of channels that payments are received

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Our Accounts Receivable Challenges?

Satisfaction with Our Receivables Process?

- 85% of our divisions are satisfied with our company’s receivables, payments and cash application processes!

“"This is Roseoe. He’s in Accounts Receivable."”
Our Accounts Receivables Initiatives

What’s Driving Our A/R Reengineering Today?

- Efficiencies, Standardization, Automation…

- Strong Liquidity = Bleeding Edge Of Technology

- Divisional flexibility
  - We’re copycats
  - Supportive proactivity
Meeting the Challenges: From a Corporate Treasury Perspective
Being Billy Thomas

Go the extra M.I.L.E.

Mentor
Inspire
Lead by Example
Empower
Going the Extra Mile

We Encouraged and Accelerated Cox Media Group’s Success

**Mentor:** Connected them to internal guidance before the process began

**Inspire:** Initiated & conducted bank value sessions

**Lead by Example:** Centralized and consolidated our team and efforts successfully

**Empower:** Scaled back at the implementation phase
# Being Billy Thomas

## Mentor
1. Educate at every opportunity
2. Frequently sponsor corporate webinars & specialized training
3. Commit to one person a day
4. Keep asking “why?” and the “right” questions

## Inspire
1. Show value by offering quantifiably sound solutions
2. Share knowledge cross-divisionally
3. Inform of successes cross-divisionally

## Lead
1. Clean your house first
2. Be the change they seek
3. Attract them with an undeniable track record of great service and success

## Empower
1. Guide them though brainstorming, selection and initiation phases
2. Scale back at implementation
3. Maintain contact throughout the process

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Meeting the Challenges: From a Divisional Perspective
CMG’s Finance Transformation Plan

- Simplify, standardize and streamline back-office functions, systems & processes
- Right-size the finance organization
- Focus more resources on analytics and value-add activities
- Improve cash flow and profitability to devote dollars for growing the business
This led to our Accounts Receivable Management (ARM) initiative, which was launched in 2011 . . .
What is ARM?

- Credit
- Billing (invoicing)
- Customer payment processing
- Collections
So, Where Are We?
Nutshell Objectives for ARM

- Standardize
- Centralize
- Automate
- Continue to improve
Credit

Centralized functions into shared service centers (newspaper and broadcast)

Launched online credit application

Centralized account setup and maintenance

Consolidated use of outside vendors
Billing

Centralized functions into shared service centers (newspaper and broadcast)

Implemented common revenue and billing system for newspaper sites

Identified internal best practices and process improvements

Standardized look and feel of invoices and outsourced printing / distribution
Customer Payment Processing

Centralized functions into shared service centers (newspaper and broadcast)

Implemented more payment channels, including single lockbox solution
Centralized functions into shared service centers (newspaper and broadcast)

Consolidated customer data to enable better view of spend, payment and risk
Takeaways
The Keys to Your Success

1. Decide to do something
2. Commit to change
3. Find solutions
4. Asking the right questions
5. Go the extra M.I.L.E.
6. Go even more M.I.L.E.S(upport)
Being Billy Thomas...

YOU identify solutions...  They initiate efforts...

We change together...
Results and Success Stories

- Reducing costs overall for all ARM functions
- Stopping unnecessary, low value-added tasks
- Created foundation for “one view of the customer” across CMG for credit risks, spend and collections analysis
- Standard look and feel of invoices, which makes us more efficient and brings consistency to the customer
- More payment options and channels for customers
- Resolve collections issue for multiple sites in 1 phone call
Next Steps

- Implementing additional locations
- Measuring against KPI’s to monitor effectiveness
- Building upon lessons learned
- Making continuous improvement
Any Questions?
Want to Chat?

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