



Case Study: Life Sciences

Global Pharma Manufacturer Improves Cash Flow with Emagia

Digital transformation and accounts receivables automation aimed to leapfrog Order-to-Cash to the digital age.



Company Overview:

Leading pharma company providing integrated services, superior drug delivery technologies and manufacturing solutions to help life science innovators develop and launch pharmaceuticals, biologics and consumer health products, has transformed its order-to-cash cycle and has become ready for the digital age with Emagia. This global leader with over \$2.8 B in revenues and 11,000 employees who support over 7,000 products for over 1,000 customers all around the world, aimed to transform its global accounts receivables operations to gain control, accelerate cash flow and improve customer experience.

The Need:

- Best in class O2C digital platform to drive – 35% efficiency gain, 15-20% improved DSO and more than 90% auto cash application.
- Need cash forecasting, reduce bad debt write-off and improve compliance.
- Reduction in disputes.

Maintaining strong relationships with customers is key in the highly competitive pharma manufacturing industry. To deliver value to end customers, our client focused on strong working capital management and reducing cost. To achieve these objectives, the client had to review its existing global operations spread across 35+ locations.

Key issues included:

- Multi ERP instances—JD Edwards, Oracle, MYOB and Change Point.
- Fragmented customer master—hierarchy was maintained in Excel.
- Lack of visibility in global AR portfolio, open disputes at customer/parent level.
- 25% of the invoices involved deductions/disputes and were maintained in Excel.
- Manual collaboration with sales and internal teams with phone calls, emails and updating notes in Excel.
- Manual collection process—limited collection strategy, limited follow-up rigor, high DSO.
- AR past dues above 25%.

At a glance:

Emagia deployed a global integrated order-to-cash platform providing real-time, end-to-end visibility of all accounts receivables operations. Emagia brings automation, analytics and AI together to empower order-to-cash for exponential efficiency gains. Emagia AI-powered Digital Receivables Platform – AR, Collections, Deductions and Analytics. Deployed as a single unified global order-to-cash platform over 4 ERP systems including Oracle, JD Edwards and multiple legacy systems. Emagia provided a Customer 360 view of receivables for over 1,000 customers, 7,000 product lines in multiple countries. Client today is 100% digital in collections and disputes resolution. Streamlined and automated deduction and dispute resolution to improve customer experience, Days Sales Outstanding (DSO) and working capital.

Centralized and Intelligent Order-to-Cash Process Management:

Emagia deployed a global platform to implement best practices in standardizing customer master data that provided a three-tier business performance outlook. In addition, the Emagia Ai-powered Order-to-Cash platform streamlined collection strategy globally and provided much needed visibility into collections and the dispute resolution process. The agility of this platform also helped the client reduce manual touch points and connect existing repositories for easier access to upstream, downstream and adjacent processes. Some of the key aspects of Emagia's platform that helped the client achieve success are outlined below.

Touchless Operations with Configurable Collections Strategies

Emagia's Collections Management application feature allowed the client's collection managers to automate specific strategies and procedures for their respective departments based on collections risk. The ability to dynamically modify collection strategies based on parameters such as type of account, customer payment trend, balance, period, aging, customer, etc. helped achieve increased customer coverage and collector performance. All of these directly translate to follow-up tasks for individual collectors, ensuring collector activities consistently align with defined goals and strategies.

High-Efficiency Collector Workbench

All key data points were made available to the client with a single click that includes invoices, sales, shipping, contract details, contact information, payment trends and available credit. This, coupled with an easy-to-use task-oriented workspace, makes collectors hyper-efficient.

Guided and Prioritized Task Lists

This feature in Emagia's Order-to-Cash platform facilitates prioritizing strategy-driven tasks, ensuring that collectors' efforts are focused on prioritized tasks that have the most positive impact on collections performance. The feature of highlighting payment trends and broken promises-to-pay ensures timely follow-up, improving overall process efficiency.

Automated Reminder and Dunning Letters

The feature of customizable reminder and dunning letter automation capabilities using predefined customizable templates has helped the client improve communication frequencies depending on the category of the customer templates. A complete history of all letters is maintained, ensuring that collectors have all pertinent information during customer interactions.

Outcomes:

- Improvement in DSO by 15 days.
- 91% reduction in dispute resolution cycle time.
- \$118 Million annual savings in working capital.
- Unified platform across multiple ERP systems providing Accounts Receivable (AR) portfolio visibility.
- Comprehensive audit trail for all collections.
- Enhanced customer experience - streamlined, exception-free order fulfilment and billing.

Collaborative Dispute Resolution

This feature within Emagia's platform equipped the client with customized and structured reason codes in the dispute resolution process. The embedded feature automatically activates the appropriate workflow based on the reason code. Then the collaborative workflow process identifies appropriate personnel in the sales and customer service organization and engages them in faster resolution cycles. Alerts, reminders, escalations and delay warnings are all integrated through email, enabling the AR operations function with zero surprises.

Detailed Audit Trails for SOX Compliance

The ability of the platform to create and archive a detailed audit trail on every resolution greatly enhanced internal controls, reporting and compliance.

Digital Root Cause Analysis

Emagia's Order-to-Cash platform also delivers powerful reporting capabilities on deductions and disputes that help the customer identify root causes and patterns associated with dispute resolution. This information is used to modify and enhance customer management strategies and internal operations.

About EMAGIA

Emagia delivers an AI-powered Order-to-Cash platform for receivables and treasury aimed to modernize finance operations for the digital age. Over a decade, Emagia has delivered highly innovative and award-winning order-to-cash automation platforms for global finance, F&A shared services, and BPO organizations. Emagia brings the power of trifecta - automation, analytics and AI - to empower [digital credit](#), [digital receivables](#), [digital collections](#), [digital deductions](#), [digital cash flow forecasting](#), [digital cash application](#), and [digital billing & payments](#). Emagia provides deep insights from descriptive, predictive, and prescriptive analytics for the entire [order-to-cash cycle](#). Emagia's Gia Digital Finance Assistant is the next-generation conversational AI assistant and is the integral part of the platform. Gia is designed to improve the productivity of the order-to-cash staff and improve the customers financial services experience. Emagia Gia Docs AI is a cognitive document data capture service embedded in the Emagia platform for reading and extracting data from remittance and payment documents. Many companies across the world have achieved significant and sustainable improvements to their costs, compliance, control, and cash flow with Emagia solutions. Emagia solution has been deployed in over 50 countries, in over 25 languages and has processed over \$850B in receivables. Emagia customers include large global companies with high volume finance operations such as Unisys, Siemens, Volt, Xylem, Catalent, Convatec, American Heart Association, Brothers International, Meredith and others.

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