



Sonepar Canada Improves DSO and Customer Service

Global distributor increases efficiency with Receivables Intelligence from Dun & Bradstreet

Sonepar Canada is a large division of the global leader in the B2B distribution of electrical products and services. The company has seven different operating companies within its Canadian territory – Lumen, Texcan, Gescan, Vallen, Sesco, Dixon Electric, and MGM Electric – supported by approximately 2,000 associates.

CHALLENGE

Sonepar Canada had a complex corporate environment with high-volume transactions but little automation.

SOLUTION

Automating A/R processes helped to radically improve DSO while dramatically reducing both severely aged receivables and bad debts.

Sonepar Canada's+ environment is complex, including issues such as a multi-company structure, over 100 locations, dual languages, multiple ERP software systems, and staff spread across a wide geography. Sonepar Canada uses all three applications of Receivables Intelligence from Dun & Bradstreet – Collections Management, Payment Portal, and Cash Management. The platform provides advanced workflows that allow optimization of the credit risk, cash application, and customer self-service portal functions.

Prior to the implementation, Sonepar Canada managed its accounts receivable and cash application functions with little automation. The credit risk and cash application teams worked on multiple disconnected billing systems and relied on spreadsheets with mostly manual processes. The many inefficiencies throughout the entire workflow were negatively affecting its cost to service, its working capital cash flows, and the customer experience. So much so that Ken Young, CCE, the Director of Credit at Sonepar Canada, knew he had to spearhead a solution.

“We process millions of transactions per year. I knew we needed to find and implement a platform that could integrate large volumes of information from multiple systems, automate otherwise manual processes, and generally make it easier for our customers to do business with us.”

— Ken Young, CCE, Director of Credit at Sonepar Canada



PRODUCTS USED:

Receivables Intelligence for Dun & Bradstreet

The platform is highly configurable and was easily customized to meet each operating company's unique business needs. Its intelligence engine workflows provided team associates with significant automation, functionality, and drill-down capabilities to effectively and efficiently manage their responsibilities.

Moving the diverse operating companies onto a single workflow platform enabled the codification of best practices into the daily workflow of all staff. Customer contact management, cash application, deductions management, and doubtful accounts management all became areas of strength, instead of weakness, after the implementation.

Payment Portal Improves Customer Experience

Payments can now be taken in real time while credit associates are speaking with customers on the phone. Little detail is required from the customer other than the payment amount, and an automated receipt is sent to the customer immediately. It creates a superior customer experience that meets the needs of many of its customers, particularly the contractors who are often out of the office during the day.

"This is a core functionality that eliminates communicating sensitive credit card data each time a payment is made. It also provides functionality to store the credit card and banking data for future payment transactions in a highly secure manner that meets privacy law requirements. It's a must-have in today's world and a major plus that we didn't have before implementing Receivables Intelligence," Young said.

Dunning capabilities, either automated as part of targeted predetermined contact strategies or done ad hoc, improve the quantity and quality of timely contact with customers. "Customer contact activities that used to take 15 minutes now take 15 seconds," Young said. "The efficiency improvements are profound."

Receivables Intelligence has also helped improve the internal collaboration between the A/R teams, branch offices, and sales teams. Routine, targeted, and automated communication of disputed transactions between credit and sales staff has significantly decreased dispute resolution times with a corresponding reduction of the overall dispute balance. Also, real-time decisioning and releasing of orders on credit hold reduce order process bottlenecks at the branch operations.

In addition, Sonepar's customer portal is a self-service function that is integrated with their e-commerce sites. Customers can log in to their existing Sonepar e-commerce account and make payments, print statements and invoices, and update their information (such as a change of address).

Customers don't have to remember yet another password, making it easier for them to access this feature. "Our IT group worked closely with Dun & Bradstreet to provide secure encryption and to ensure that access to the payment portal took only a single keystroke by the customer. Dun & Bradstreet configured the portal to ensure the design of the visual layouts looked identical to the e-commerce sites," Young said.

Challenges With Receivables and Cash Management Resolved

In summary, Receivables Intelligence has significantly helped Sonepar Canada in resolving its challenges with receivables and cash management.

"Overall, Receivables Intelligence has enabled us to radically improve our DSO while dramatically reducing both our severely aged receivables and bad debts. In fact, despite the massive disruption in the economy due to COVID-19 and oil patch issues – including complete economic shutdowns in some of our key markets – we continue to set all-time KPI records even five years after the implementation of Receivables Intelligence. We could not possibly have achieved this level of success without Receivables Intelligence," Young said.

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