Receipting and Accounts Receivable: Process Improvement

Problem description

The receipting and accounts receivable process was inefficient and error-prone.

- Majority of payments received and processed by costly, often unreliable third-party service provider.
- Many customers received inaccurate notices of late payment.

Background

The program sought to:

- Automate processing, payment data and posting to customer accounts
- Reduce costs
- Shorten time between processing and posting
- Improve accuracy
- Reduce required adjustments and problem-solving

Baseline measurement

Initial payment receipt to posting:

- 34 days in 2010
- 41 days in 2011

Initial unit cost:

- About $10.00 per check

Results

With a new service provider and redesigned business process, current payment receipt to posting:

- One day process - to - post
- Lower cost per check
- Increased accuracy