

AUGUST 19, 2021

RADIANCE ON THE ROAD

HOUSTON

DXP's Collections and Cash Transformation Story:

Implementation Roadmap and Best Practices



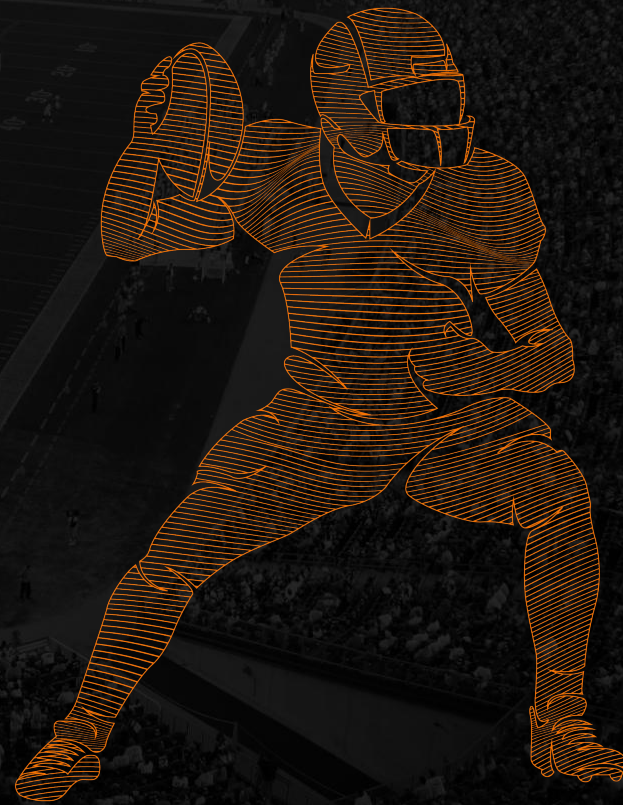
Joseph Grass

Director of Credit and A/R



Chason Dancer

Credit Manager



How can I register my vote during polling sessions?

1

Tracks

Full Agenda My Agenda

2021 Thu 19 Aug

10:50 am

10:50 AM The Future of Enterprise Finance Software
Speaker: Sashi Narahan

11:20 am

11:20 AM Lunch+ Networking

12:20 pm

12:20 PM **Proven Strategies to Ensure the Success of Your Finance and A/R Transformation ...**
Speakers: Shawn Ryan, Jennifer Johns, Snidhar Loke

12:20 PM Are Treasury Managers Future-Ready? Must-have Skill Sets in the Age of AI
Speaker: Taylor Heron

12:55 pm

12:55 PM FP&A is Falling Short of CFO Expectations: Bain's Strategy to Become Best-in-Class
Speaker: Stephen Beam

12:55 PM Where's My Cash? Fundamentals of Building a Global Forecast
Speaker: Jeremy Reedus

1:30 pm

Home Agenda Attendees Community Messages

2

Proven Strategies to Ensure t...

Proven Strategies to Ensure the Success of Your Finance and A/R Transformation Project

Thursday, 19 August, from 12:20 pm to 12:50 pm

Order-to-Cash

+ Add to My Agenda

15 attending

Q&A Polls

Like Chat

Session Overview

To answer the poll question, click here...

See More

Personal Notes

Take Notes

See More

3

Proven Strategies to Ensure the Su...

To answer the poll question, [click here](#)

click here

ABOUT DXP



THE INDUSTRIAL DISTRIBUTION EXPERTS

- Founded as **Southern Engine and Pump Company in 1908** and re-chartered in 1979 as Sepco Industries.

- **Renamed to DXP Enterprises, Inc in 1996**

Over the years, we have strengthened our ability to support our customers by acquiring a diverse group of companies with a powerful corporate focus on product expertise, technical services and Industrial MRO supply chain management

- **A publicly traded professional distribution management company** that provides products and services to a variety of industries through its Innovative Pumping Solutions (IPS), Supply Chain Services and MROP Products and Services
- **Headquartered in Houston, TX** we have **2600 employees** who operate out of over **300 locations across US, Canada and Dubai**

DXP's A/R Transformation Story

We Identified a Large Gap Across Distinct Areas In our A/R department



\$30M

Monthly gap in collections process which was arduous and time consuming

- We had breakdown in **process efficiencies** around cash posting and collections.
- We were looking for improvements across our people, processes and performance
- Our Leadership was convinced that there was an opportunity to not only **collect faster** but also to clear the **receivables faster** by **automating cash posting**

slido



What is the most important aspect of a vendor that you would evaluate for a finance transformation project?

① Start presenting to display the poll results on this slide.



Previous experience with HighRadius:
Impressed with their solution capabilities



Highradius has an ***in-house implementation team***, thus minimal additional efforts were needed on our end

Selecting highradius As Our Transformation Partner

HighRadius' cutting edge technology makes them the vendor of our choice

February 2020

*AS-IS Analysis and
Scope Identification*

May 2020

*Product
Demonstration*

June 2020

*Business Case
Creation*

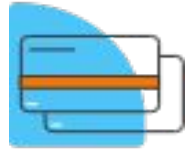
September 2020

*Referral and Final
Contracts*

Solutions Deployed



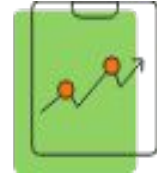
Collections Cloud



EIPP Cloud



Cash App Cloud



Cash Forecasting Cloud
(Treasury Management)

The Implementation Roadmap

Prepare (2-4 weeks)



- Introduction
- As-Is sessions
- Data collection for analysis
- Blueprint preparation
- Setup program governance
- Finalize design plan
- Draft project plan

Data Analysis

Design (3-8 weeks)



- Blueprint design
- Demo using best practices account
- Design review
- Value alignment
- Conversion & deployment strategies
- Design approval
- Confirm project plan

Design SignOff

Realize (6-10 weeks)



- Configuration
- Write FS (optional)
- Code interfaces & enhancements
- System demo
- Test/Train strategies
- Develop cutover plan
- ERP Data load & Interface test
- Prepare test scripts
- Hypercare strategy

Testing Readiness

Test (3-8 weeks)



- End to end tests
- Setup batch jobs
- UAT
- Issue fixing
- Share training material

Go / No-Go

Deploy (3 weeks)



- End user training
- Cutover activities
- Support information
- **Go-Live**

Go-Live

Hypercare (2 weeks)

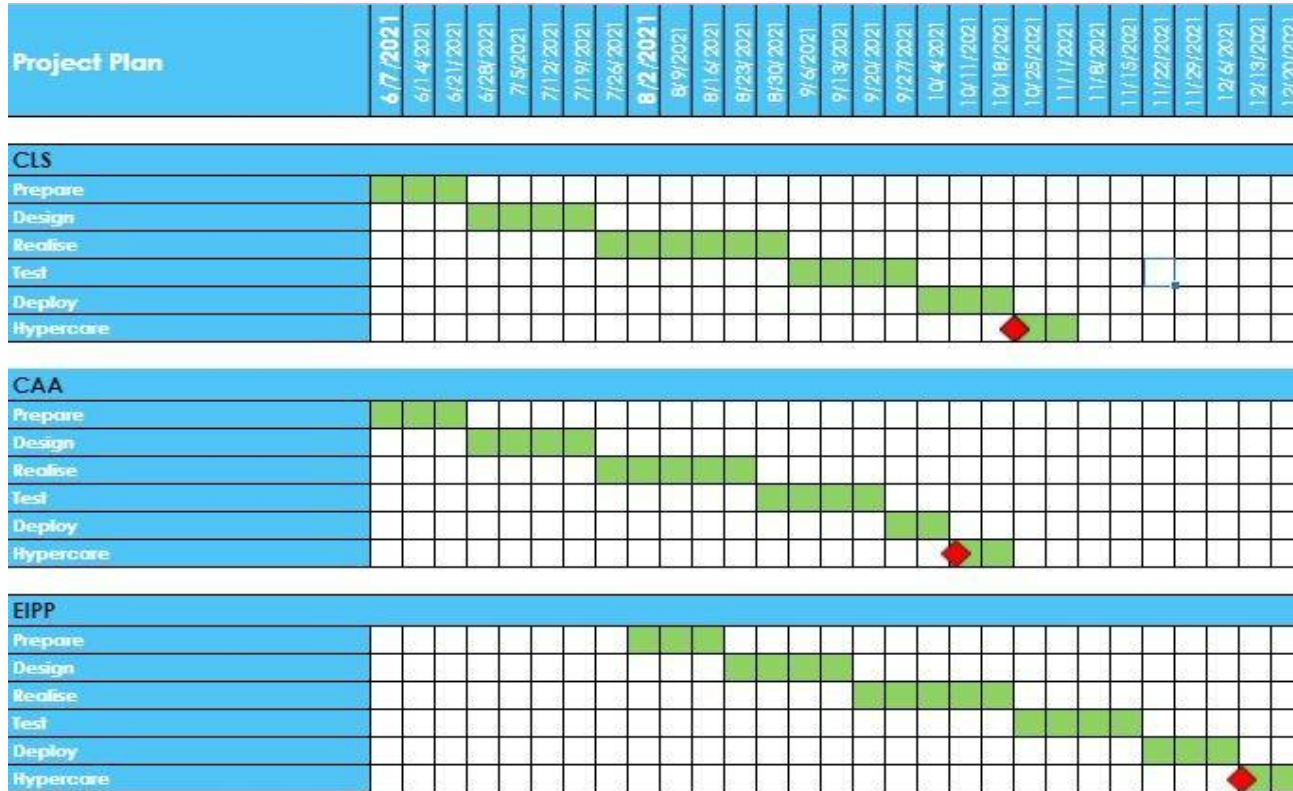


- Hypercare support

Project Closure

Our Big Bang Deployment Approach

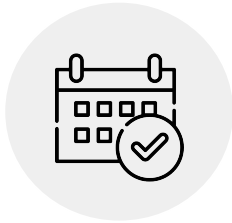
We are building and deploying all three solutions simultaneously instead of doing it one at a time



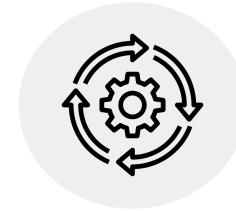
Red Indicates Holiday weeks

Why Big Bang Approach

On the whole we believed this approach would help us get the biggest bang for our buck



The timelines in this approach ***aligned with our other internal initiatives and upgrades***



Knowing that ***HighRadius had an in-house team***, we were confident that we would meet our goal

Expectations From HighRadius

We do not need a lot of customizations, but we did have some expectations that we wanted the HRC team to deliver on

1. Adherence to security compliances

- We wanted HighRadius to work with our IT team to establish control and compliances

2. Integrated System feeding information to the ERP

- Cash Application and EIPP solutions are integrated and feed information to the ERP

HighRadius and DXP Work Together as Partners

Communication	Project Tracking
<ul style="list-style-type: none">● Weekly Meeting with Project Team<ul style="list-style-type: none">- Highradius and DXPE Implementation team- DXPE Business SMEs & Project Manager● Monthly Steering Committee Call<ul style="list-style-type: none">- Highradius and DXPE Delivery Executives● <i>Additional meetings as needed (Ad-hoc breakaway sessions as per client requirements)</i>	<ul style="list-style-type: none">● Project Plan: <i>To track all planned project activities and progress</i>● RAID Log: <i>To track Project Risks, Actions, Issues, and Decisions</i>● Change Log: <i>To track design Changes and Enhancements</i>● Defect Log: <i>To track testing defects</i>

How the HighRadius Team Supports DXP

1. Attempts to dive deep into how DXP works and ***offers suggestions and best practices***
2. Makes tasks easier for IT team at DXP when building ***data extracts for mapping across multiple solutions***
3. Allows ***better use of time for meetings*** and ***eliminates the redundancy*** of reviewing similar data and tasks
4. Facilitates ***breakaway sessions for ad-hoc requirements*** as needed

Areas That We Are Working Through

1. Implementation team is 10.5 hours ahead so calls start early for us but we are adapting
2. Our internal IT resources were limited so meeting all the HighRadius ***data requests can be a bit challenging at times***
3. ***Staying on course can be challenging.*** Since each module is phases and layered in sync with the next we have to work hard so as to not delay the projects timelines

A Quantitative Overview of What We are Expecting

Cash App Cloud Simulation Hit-Rate

76%

All Payments

80% Checks, 72% EFTs

Projected Hit-Rate Post Go-Live

75-80%

Overall

80-85% Checks, 75-80% EFTs

Final Recommendations and Best Practices

1. Make sure both you and your vendor are highly responsive at all times
2. During implementation, ***plug in sales partner*** and ***give continuous feedback***
3. ***Be realistic while defining your goals and end outcomes to the vendor***, so that they can help you achieve the same in terms of all- people, performance and process

Q&A

DXP

NEXT SESSIONS



Founder's Keynote

The Future of Enterprise Finance Software

Sashi Narahari, Founder and CEO

10:50 AM CT | Main Stage

LUNCH + Networking

11:20 AM CT | Concourse/ Field

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