

SEPTEMBER 23, 2021



A/R Automation at WESCO: Key Milestones, Challenges, and Successes



Karen Koenig

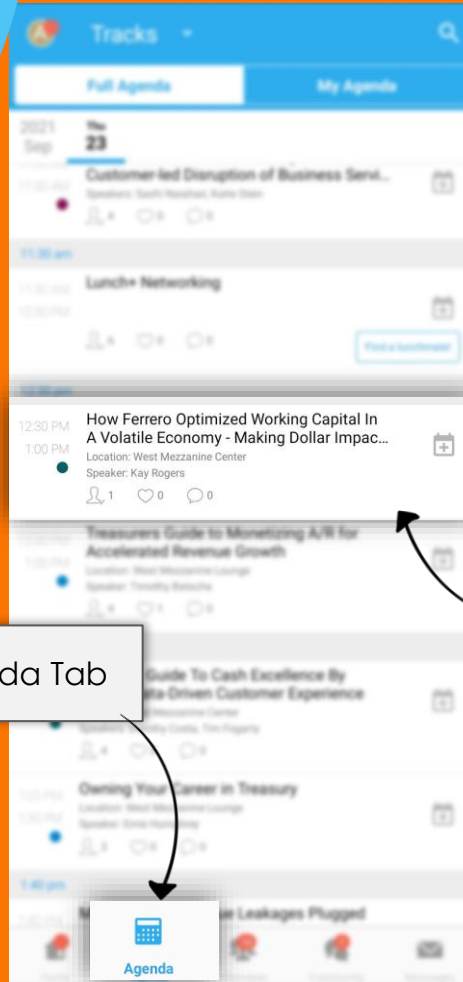
Vice President, Customer Financial Services



How Can I Register My Vote Through the *Ukova* App?

1

Select the Agenda Tab

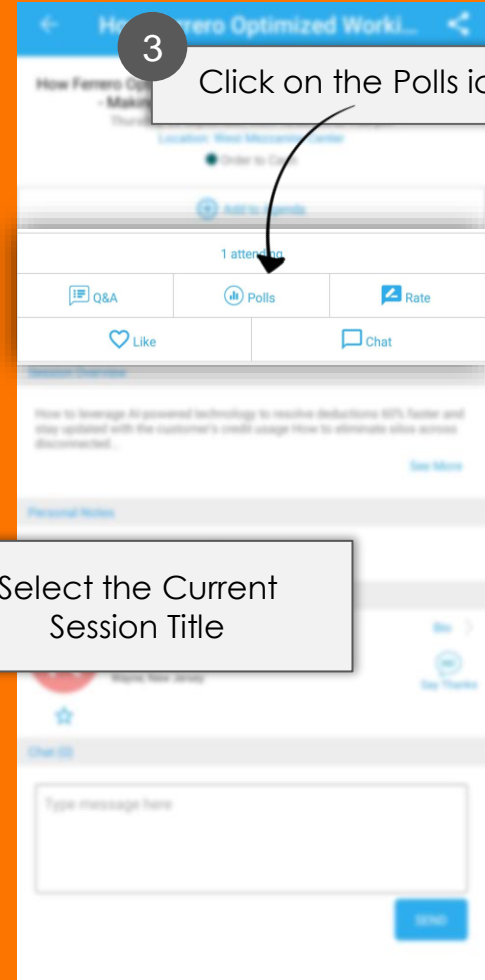


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Click on the Polls icon



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About WESCO



WESCO International, Inc is a publicly-traded FORTUNE 500® company headquartered in Pittsburgh, Pennsylvania

WESCO|Anixter

We build, connect, power and protect the world.

With nearly 100 years of excellence, we have the expertise to understand customer needs, the broad product and services portfolio to meet them, and a customer-first approach to ensure their long-term success.



Electrical and
Electronics Solutions



Communications and
Security Solutions



Utility and
Broadband Solutions



Single Source for All of
Your Product Needs



Technical Excellence
and Specialization



Global Reach, Local
Expertise



Comprehensive
Value-Added Services



Smart, Digital
Solutions

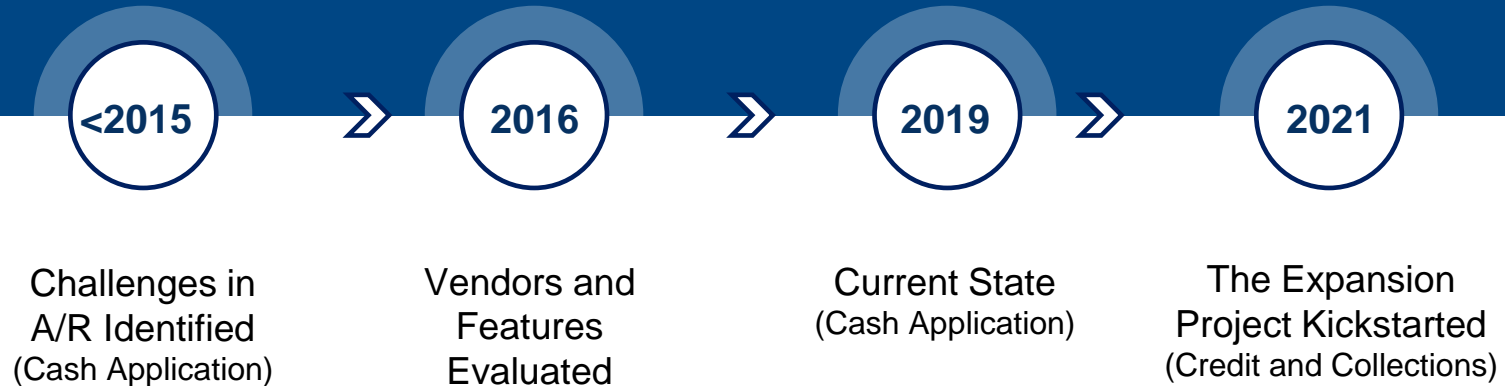


800 branch locations in 50 countries.

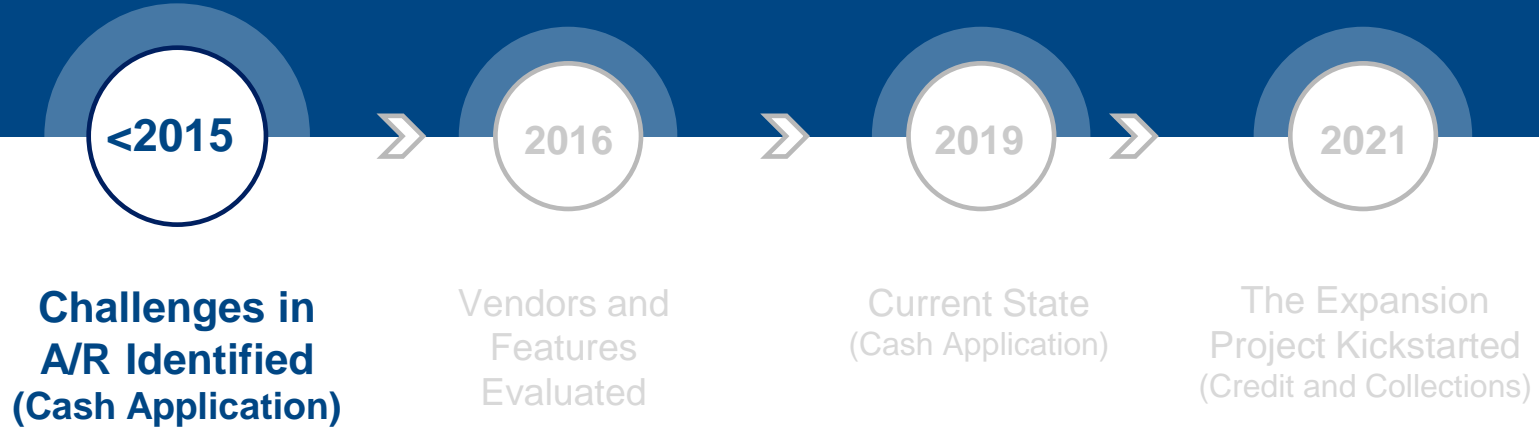
Relationships with over 30,000 suppliers and serves more than 150,000 customers worldwide.

As a lean organization, WESCO is always on the lookout for means to improve processes

A/R Automation Milestones at WESCO



Before 2015 : Challenges in A/R Identified





Cash Application Challenges at WESCO Before HighRadius



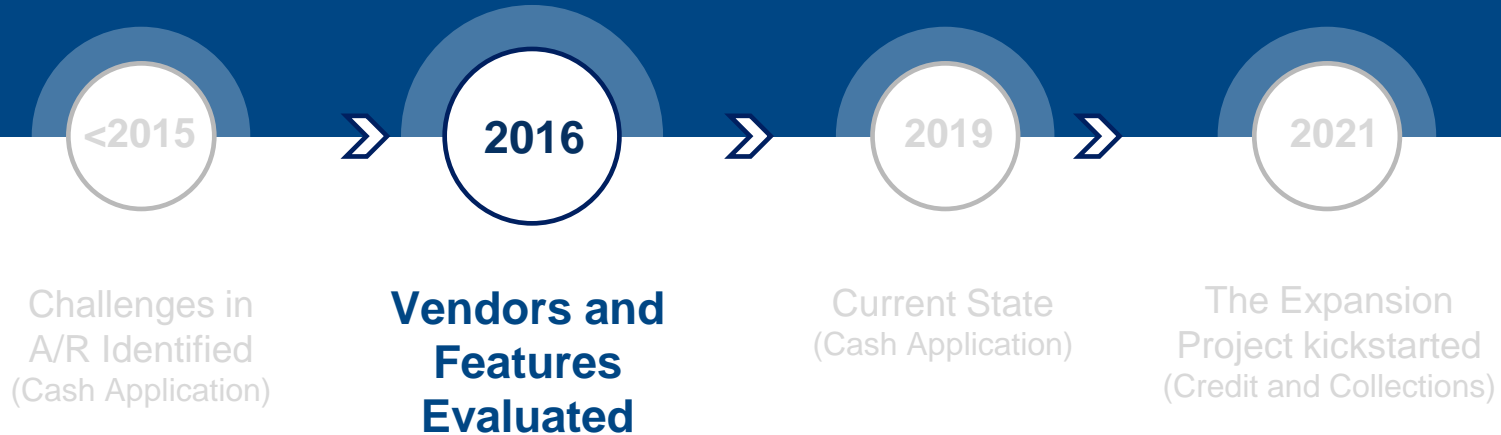
- **Decoupled Remittance – Searching for remit for ACH Payments**
- **Manual keying of excel / electronic remittance data**
 - *Started transition with “spreadsheet upload to Oracle”, but employee adoption lagged*
- **Multiple remittance and payment formats increased process complexity**
- **ERP systems were designed to match based on invoice number only**
 - *ERS remittances (referencing purchase orders, packing lists, etc.) were a huge challenge*

Cash Application Hit Rates For Various Payment Types

 Payment Format	Auto-Cash Posting Hit-Rate Pre-HRC	Challenges
	Electronic Funds	11% <ul style="list-style-type: none">• Using MS Outlook folders and auto-forward rules to organize remittance by customer; reached capacity• Customer shifting to ERS – Evaluated Receipt settlement and not referencing Invoice numbers
	Credit Cards	33% <ul style="list-style-type: none">• Consolidating remittances from decentralized processing
	Checks	93% <ul style="list-style-type: none">• Fear of switching to new system; did not want to lose efficiency due to repeating 6-digit invoice number across locations• Still some manual work to maintain templates / “rope and zone”

- 
- Difficult to find qualified candidates with cash application experience
 - Cash transactions don't stop during peak vacation, holiday and month-end close periods

Vendors and Features Evaluated



Poll Question

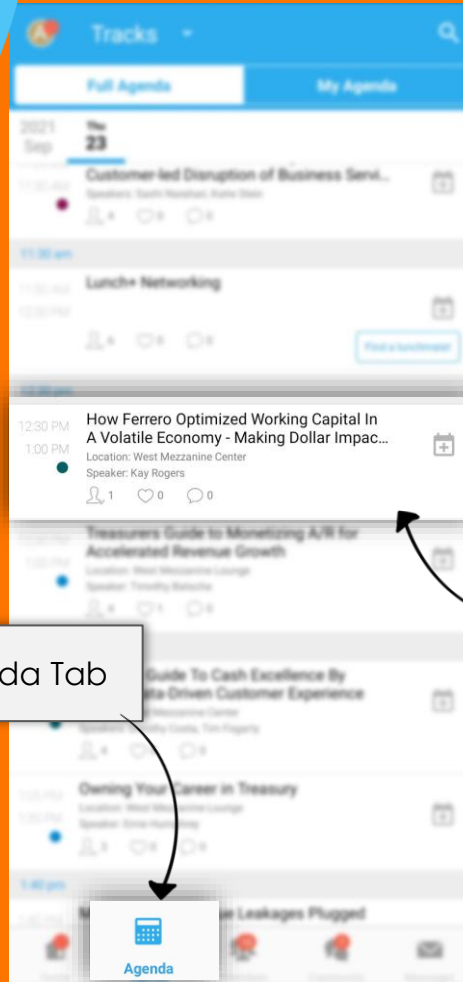
What is your top consideration while evaluating an A/R automation vendor?

1. Ability to integrate with your existing systems
2. Ability to support custom business requirements
3. Customer-centricity: Will they really “partner” with you?
4. Their Solution Suite: Key Capabilities and Scalability

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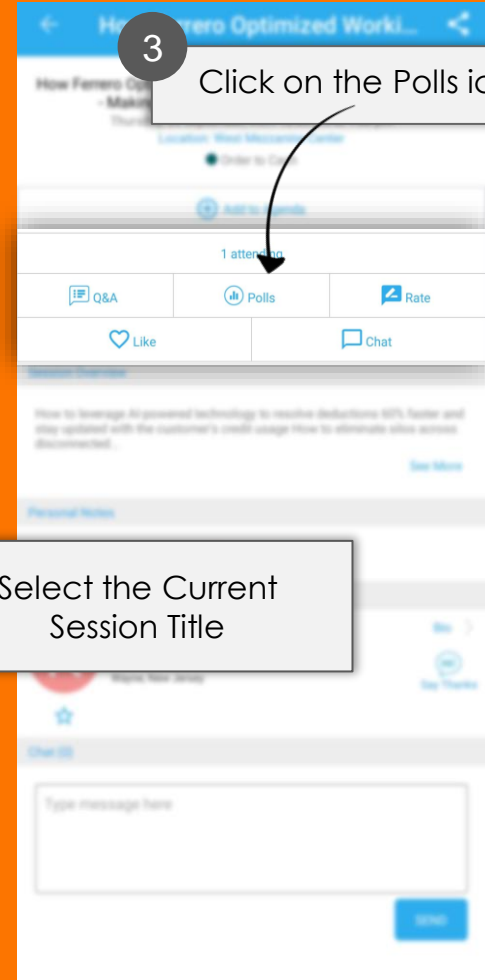


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Why We Chose HighRadius

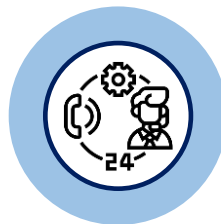
We opted for the HighRadius Cash Application cloud to make our process more scalable and sustainable



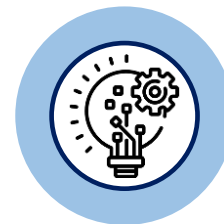
'Umbrella' system to sit atop multiple ERPs



Highly configurable to meet specific business requirements



Credit & Collections solutions- Ability to go beyond just Cash App



Technology solution for EFT / Decoupled Remits
+
Continuously evolving technology to support scale

Why We Chose HighRadius Cash Application Cloud Solution

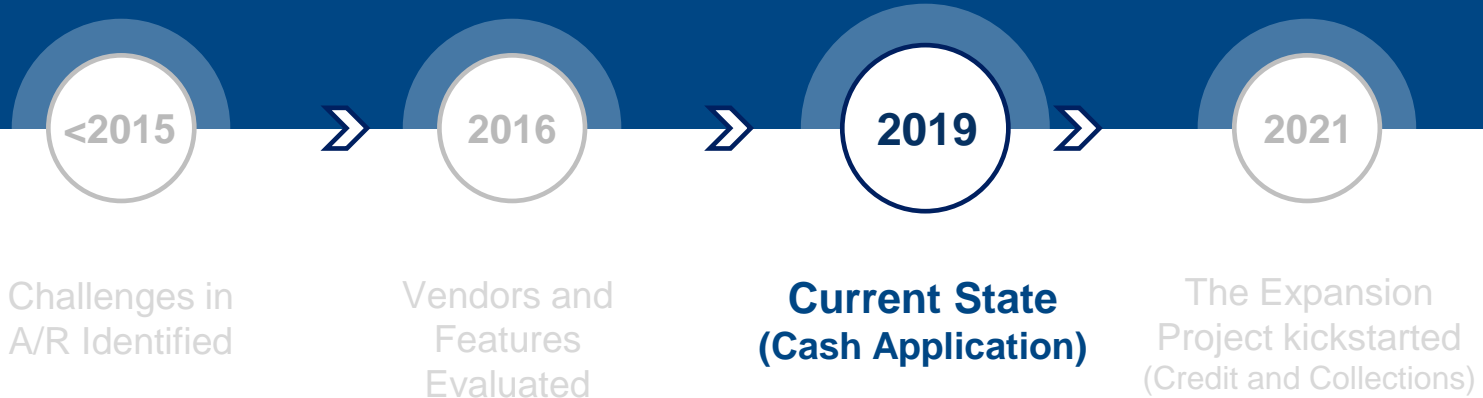


- Remits accessible throughout the A/R department
- Remits could be matched based on multiple fields like P.O. number, receipt or receiving date
- Better visibility across multiple ERPs
- Faster and accurate cash application at lower costs
- Cash App is key building block for future HRC deployments (Credit/Collections)



**Cash
Application**

Current State : Cash Application Automation



Key Solution Features

1

Automatic Processing Of Multiple Remittance Formats



Check OCR Capture

- Paper check remittance fully captured and mapped for customers



Email Remittance Capture

- Digital processing for high quality capture
- No email management required



Web Portal Remittance Capture

- Full integration of website remittance
- No need for the team to intervene

2

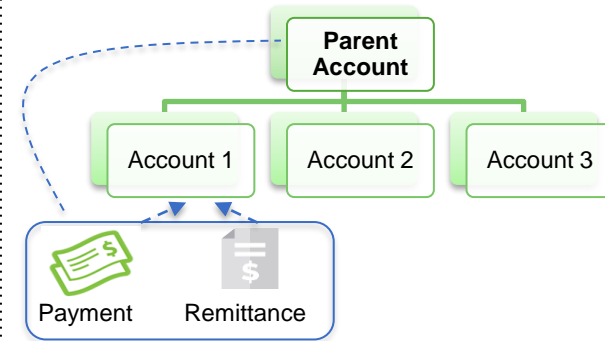
Artificial Intelligence for Remittances Prediction

Remittance Predictions			
Predictions			Probability
Prediction 1			95.30 %
voice umber	Document Date	Due Date	Doc Type
i0083428	Jan 3, 2019 12:00:00 ...	Jan 10, 2019 12:00:00 AM	RV
i0083425	Jan 3, 2019 12:00:00 ...	Jan 8, 2019 12:00:00 AM	RV
Prediction 2			82.00 %
voice umber	Document Date	Due Date	Doc Type

- Attempt auto-match through automation
- Promise-to-Pay as a remittance
- Request more information from customers

3

Enable Configurations To Meet Specific Business Requirements



Business Requirement

- Close invoices at a parent account level
- Post disputes at the customer level

Results Across The Board As Of 2020

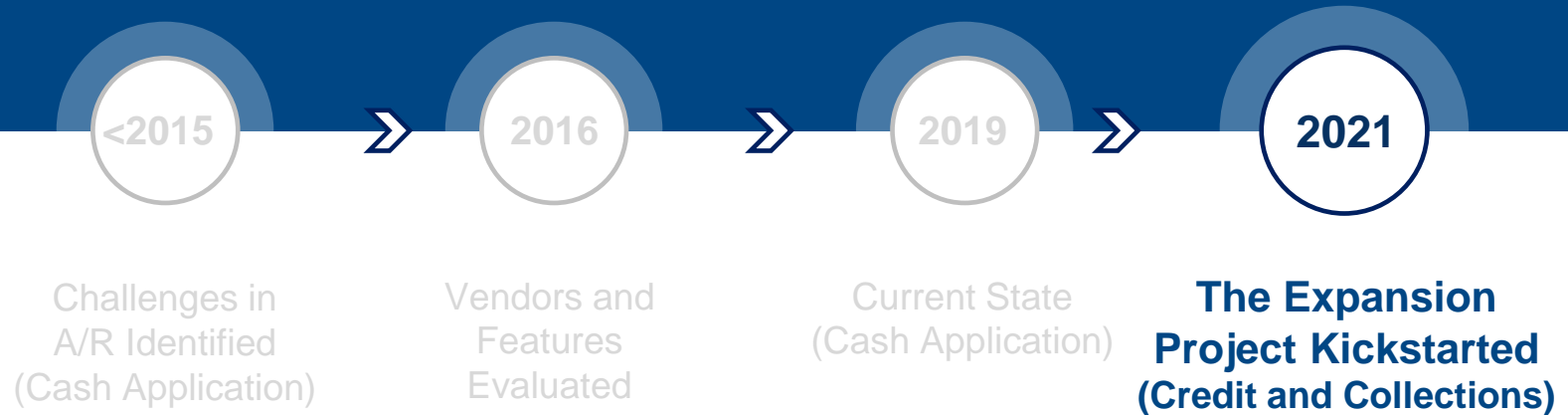
Payment Format	Auto-Cash Posting Hit-Rate Pre-HRC	Auto-Cash Hit-Rate w/ HRC Automation
Electronic Funds	11%	84%
Credit Cards	33%	86%
Checks	93%	96%



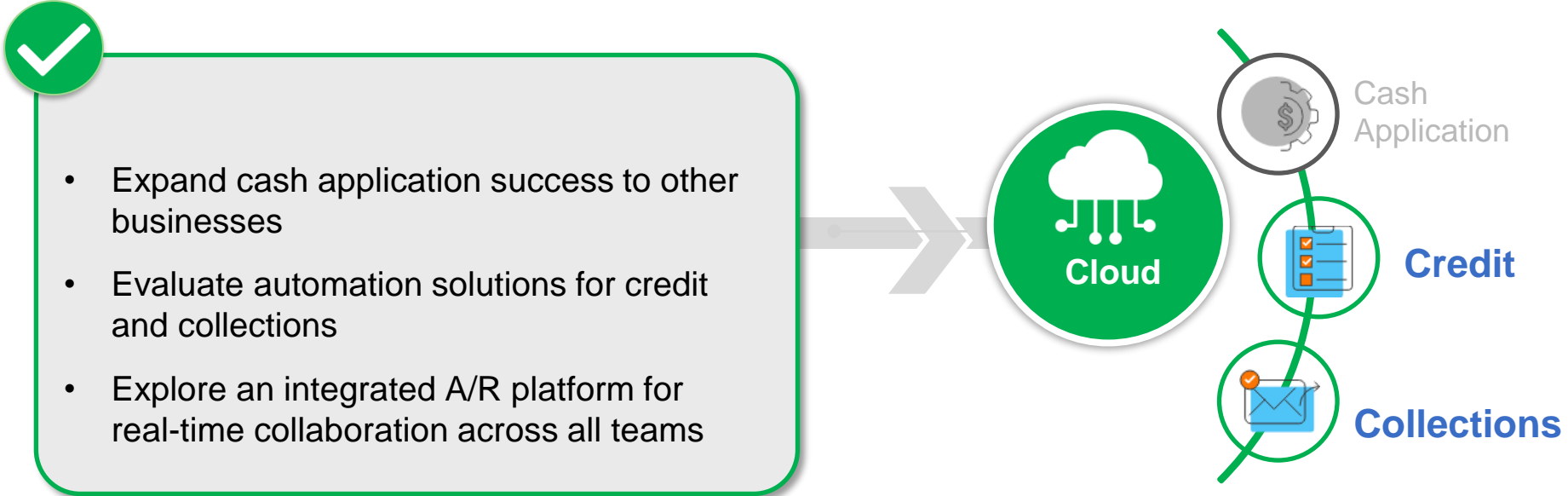
A/R automation software acts like an “umbrella tool” that sits on top of multiple ERP systems

- **Oracle, AS400, etc.**
- *Improved labor management: Shift resources between payment types & ERP's*
- *Increased accuracy and timeliness of cash application*
- *Ability to match on multiple fields vs. invoice*
- *Increased visibility to customer remit across the organization (e.g., read-only access)*

The Expansion Project Kickstarted (Credit and Collections)



HighRadius Cloud Solution For Future Endeavours



Benefits of The Credit Cloud



- Visibility and management of credit limit exposure for “consolidated customer” across multiple ERP’s
- Automation with credit agencies vs. manual retrieval of credit agency reports (35k+ reports per year)
- Automated credit scoring models and decisioning to reduce routine decisions and provide more time for risk analysis
- Automation rules to reduce the number of blocked orders (100k+ blocks per month)

Benefits of The Collections Cloud



- Daily Collection worklists with prioritized work and activity tracking (number of contacts, etc.)
- Proactive reminders and automated correspondence with lower dollar accounts: 70% of accounts < \$50k
- Automation with top customer payment portals for invoice promise-to-pay status (400k+ invoices per month)
- Integration with Outlook emails to link all customer correspondence to customer record for full visibility
- Artificial Intelligence to provide predictive payment behavior to minimize manual collections.



QUESTIONS?

NEXT SESSIONS



O2C

Bain's Proven Strategies for Getting C-Suite Buy-In for Your Finance Transformation Project

03:45 PM EST | West Mezzanine Center



TREASURY

How Treasurers Can Drive Working Capital Optimization

03:45 PM EST | West Mezzanine Lounge

