

SEPTEMBER 23, 2021



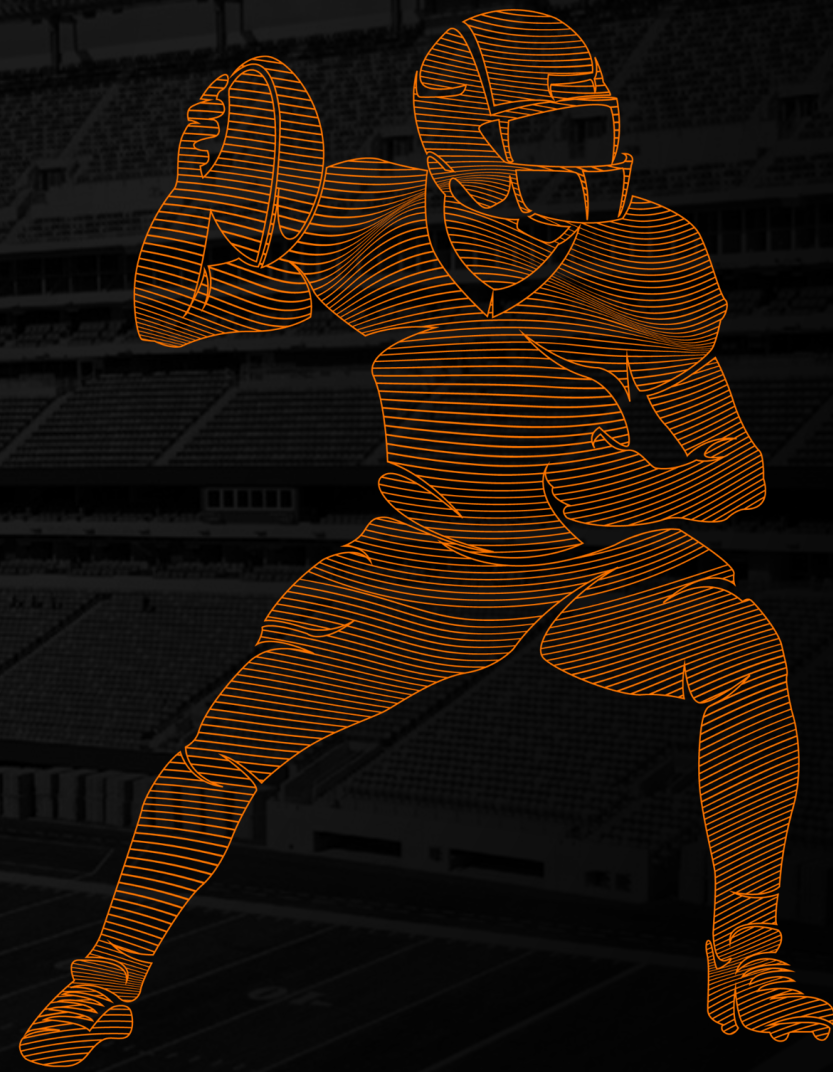
Kellogg's Guide To Cash Excellence

By Driving Data-Driven Customer Experience

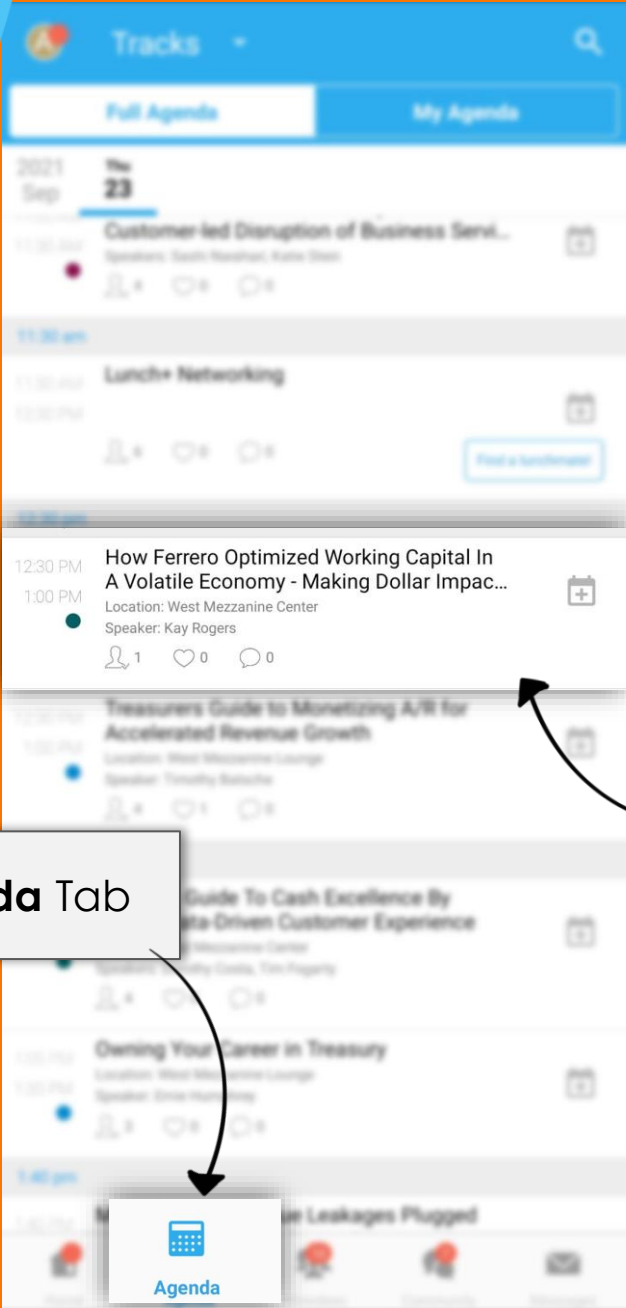


TIM FOGARTY

Director – Digital Transformation

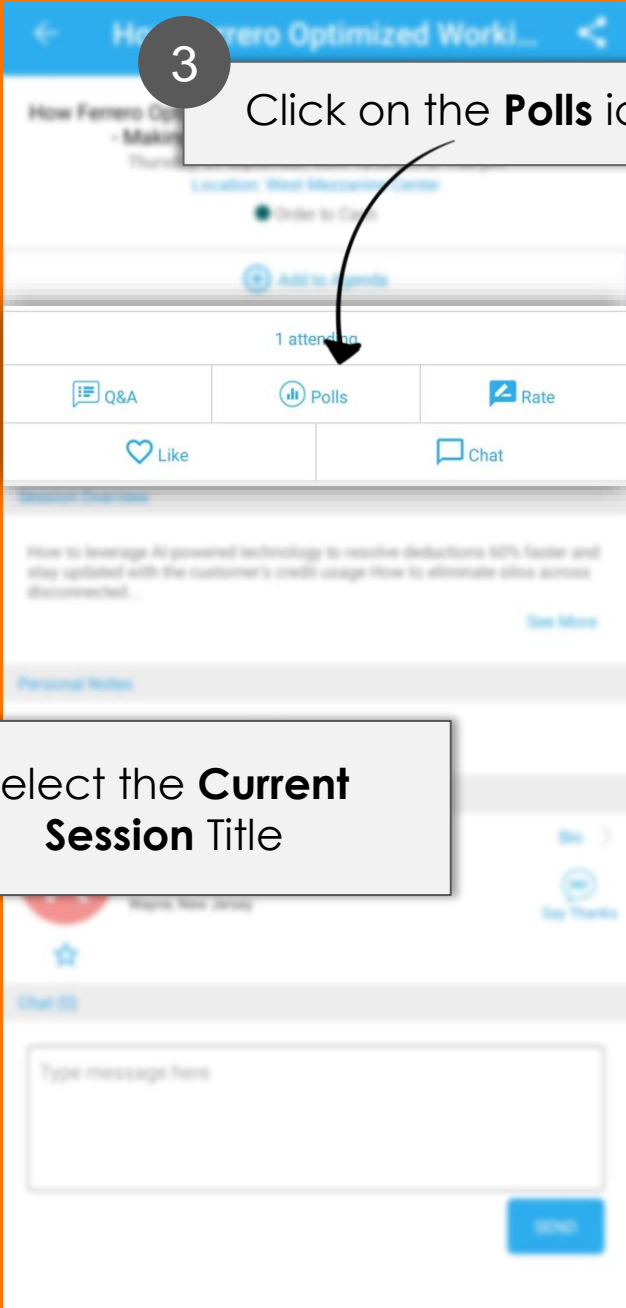


How Can I Register My Vote Through the *Ukova* App?



1 Select the **Agenda** Tab

2 Select the **Current Session** Title



3 Click on the **Polls** icon

SEPTEMBER 23, 2021



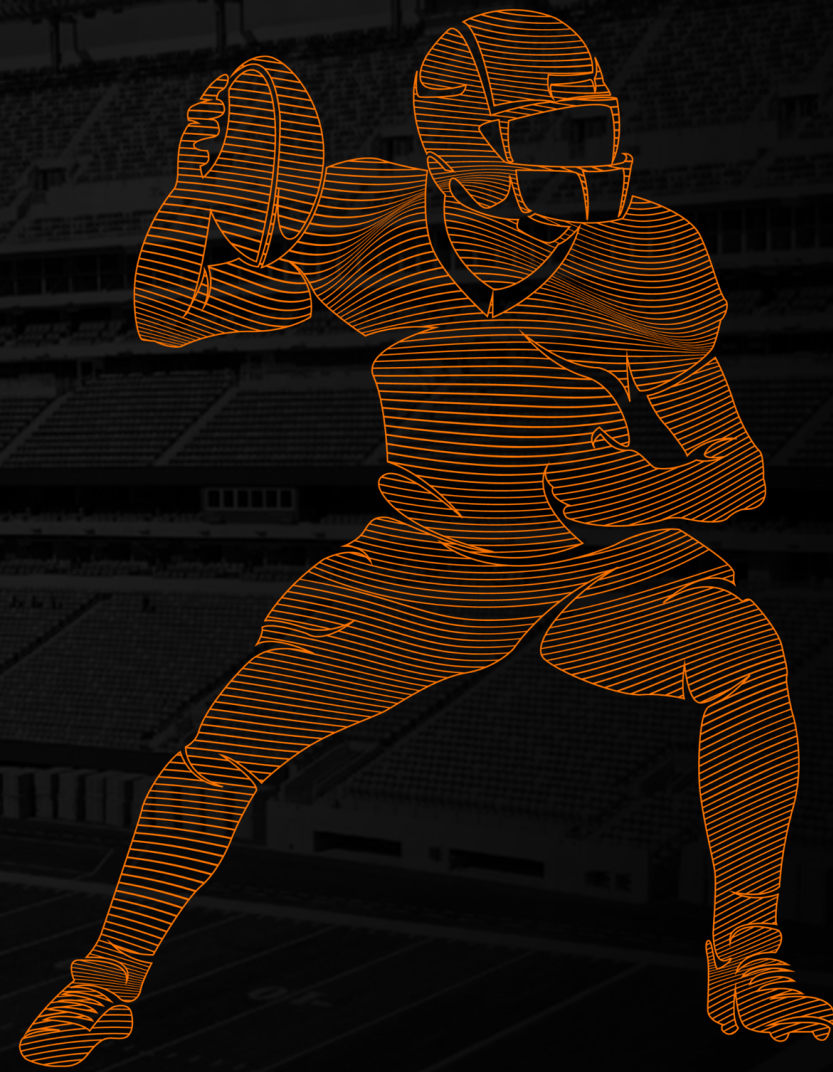
Kellogg's Guide To Cash Excellence

By Driving Data-Driven Customer Experience



TIM FOGARTY

Director – Digital Transformation



KELLOGG'S A/R LANDSCAPE

60,000+ Global Customers

200+
A/R Team Members



3
Regional Business Centers



THE GOAL AT KELLOGG'S

“ **Correlating better customer experience with improvements in cash flow** ”



Analyzing the customer payment behavior



Arranging them into risk buckets



Creating targeted dunning strategies



Meeting the customer's needs



Getting paid faster and closing open A/R



Improving the cash flow



3 CUSTOMER CENTRIC METRICS

A/R Leaders Need To Create Working Capital Impact

- Payment Terms trends
- Dispute Management trends
- Aging Receivables trends

ROADBLOCKS FOR THE A/R TEAM WHILE DRIVING GOOD CX



Inability to make informed credit-collections decisions about the customer



Inability to manage electronic invoicing for the customers



Inability to update the customer's details in real-time

Poll Question

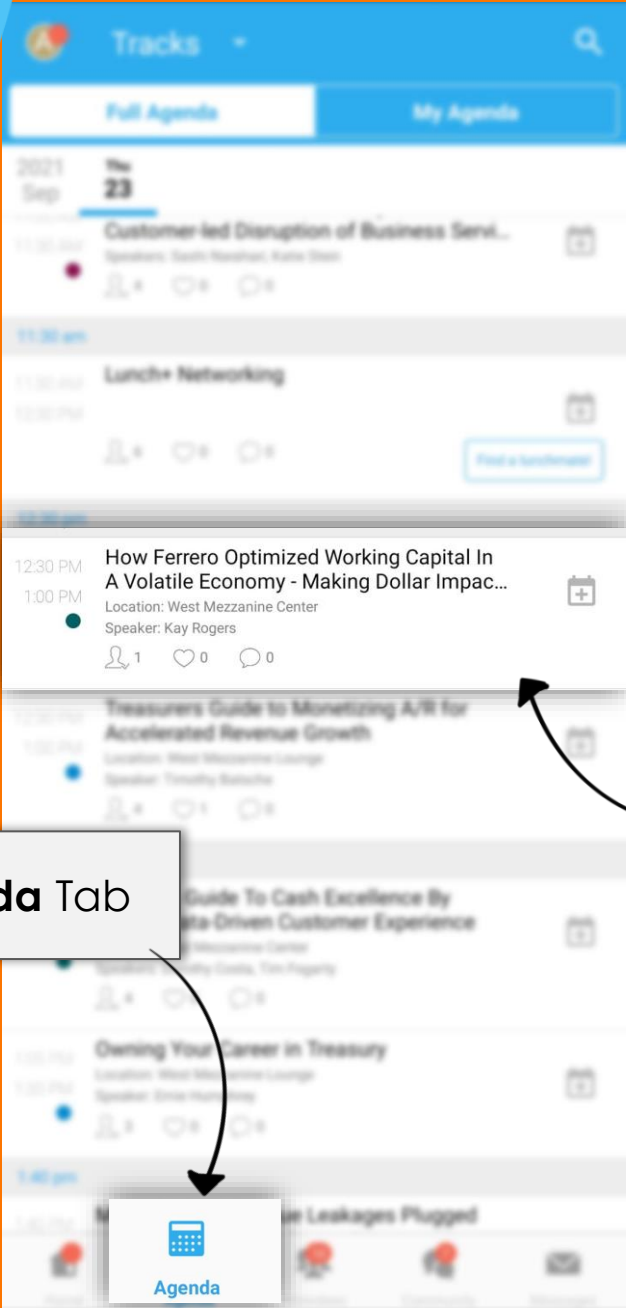
01

What was your A/R team's strategy to deal with the impact of the evolving business dynamics?

- A. Having stringent credit control and practicing aggressive collection
- B. Faster deduction/dispute claims validation
- C. Focusing on strengthening customer relationships
- D. None of the above

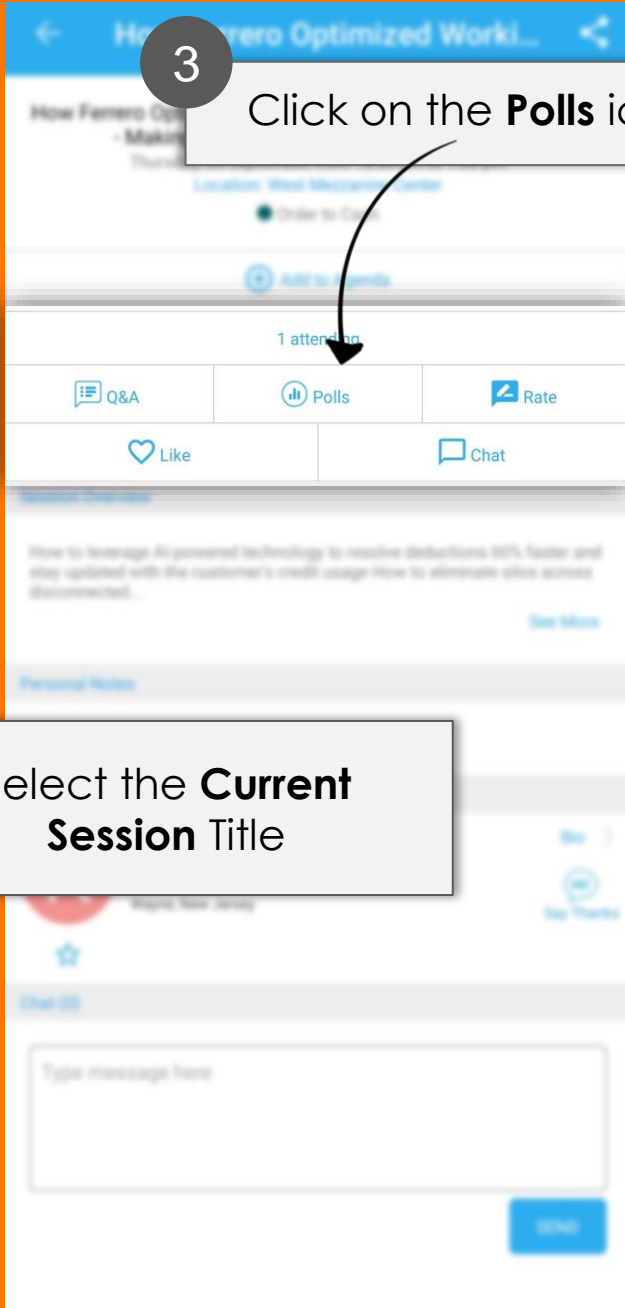
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KELLOGG'S APPROACH TO TACKLE THESE CHALLENGES

01

Having a centralized view of the incoming payments and the disputes raised

02

Doing root-cause analysis of the customer's problems to resolve them faster

03

Presenting the data to the sr. executives visually to draw informed conclusions

THE ROLE OF TECHNOLOGY IN ELEVATING THE A/R TEAM

01

Improved allocation of the team's bandwidth to more strategic tasks

02

More effective management of customer portals and cutting down operational costs associated with it

03

Enhanced visibility with a real-time centralized view of the customer and operational behavior

Kellogg's[®]

An Overview of Kellogg's Dispute Management

P8 KNA Outstanding Deductions		Age Group							Grand Total
Reason Code	Description	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	>180 Days	
Trade	Promotional Activity	21,735,079	9,842,102	5,364,365	4,794,235	2,179,633	1,948,396	5,534,581	51,398,391
Unknown	Reason Code Yet to be Determined	6,220,172	1,558,186	1,142,706	935,115	759,228	524,681	603,424	11,743,512
Shortage	Product was less than amt invoiced	2,311,787	1,680,197	1,460,814	943,674	501,773	607,685	825,830	8,331,759
Pricing	Customer expected Price vs Invoiced	3,077,462	2,422,962	455,439	296,576	590,599	230,021	718,058	7,791,117
Non-Compliance Fee	Failing to fullfill all ordered quantities	714,200	1,114,629	265,138	198,928	189,113	206,211	341,770	3,029,989
Unsaleables	Product that's not fit for sale	116,760	110,218	105,270	77,327	162,351	93,481	160,956	826,363
Return	Short pmt related to returned product	130,778	193,398	131,381	62,539	41,772	57,815	51,773	669,456
Other	Related to another Reason Code	649,520	7,368	4,494	283			1,239	662,904
Freight	Deduction realted to Transit of Order	99,831	255,634	37,786	10,471	45,585	17,912	32,585	499,805
Donations	For Dontated Product	26,022	14,792	20,462	73,260	10,865	12,551	88,955	246,906
Damages	For Product Delivered Damaged	83,417	32,994	10,237	10,058	1,841	15,322	31,633	185,501
CPU Allowance	Customer Picked Up Order	18,851	97,721	24,226	4,208	860	1,739	7,553	155,158
Prime-Warehouse Allowance	AMZ Specific Warehouse Deduction	12,423	21,259	8,109	6,621	8,884	4,252	5,524	67,072
Undertolerance	Deductions Under \$200	21,916	19,376	4,160	2,442	90	350	1,838	50,172
Military Drayage	Military Specific Deduction	18,561	1,351						19,912
Taxes	Deduction for Tax Reasons		1,995	2,077				4,506	8,578
Trade for Non-Kellogg Product	Promotional Activity (Non-Kelloggs)			5,597					5,597
Recall	for Product that was Recalled	990							990
Credits	Repayments, Offsets, etc.	(2,424,731)	(1,506,738)	(1,127,510)	(1,439,552)	(1,130,753)	(1,197,209)	(7,276,413)	(16,102,905)
Grand Total		32,813,037	15,867,444	7,914,752	5,976,184	3,361,841	2,523,208	1,133,812	69,590,277



An Overview of Kellogg's Dispute Management

P8 KNA Outstanding Deductions	
Reason Code	Description
Trade	Promotional Activity
Unknown	Reason Code Yet to be Determined
Shortage	Product was less than amt invoiced
Pricing	Customer expected Price vs Invoiced
Non-Compliance Fee	Failing to fullfill all ordered quantities
Unsaleables	Product that's not fit for sale
Return	Short pmt related to returned product
Other	Related to another Reason Code
Freight	Deduction realted to Transit of Order
Donations	For Dontated Product
Damages	For Product Delivered Damaged
CPU Allowance	Customer Picked Up Order
Prime-Warehouse Allowance	AMZ Specific Warehouse Deduction
Undertolerance	Deductions Under \$200
Military Drayage	Military Specific Deduction
Taxes	Deduction for Tax Reasons
Trade for Non-Kellogg Product	Promotional Activity (Non-Kelloggs)
Recall	for Product that was Recalled
Credits	Repayments, Offsets, etc.

	Age Group						Grand Total
	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	>180 Days	
	9,842,102	5,364,365	4,794,235	2,179,633	1,948,396	5,534,581	51,398,391
	1,558,186	1,142,706	935,115	759,228	524,681	603,424	11,743,512
	1,680,197	1,460,814	943,674	501,773	607,685	825,830	8,331,759
	2,422,962	455,439	296,576	590,599	230,021	718,058	7,791,117
	1,114,629	265,138	198,928	189,113	206,211	341,770	3,029,989
	110,218	105,270	77,327	162,351	93,481	160,956	826,363
	193,398	131,381	62,539	41,772	57,815	51,773	669,456
	7,368	4,494	283			1,239	662,904
	255,000					32,585	499,805
	14,792					88,955	246,906
	32,994					31,633	185,501
	97,721					7,553	155,158
	21,259					5,524	67,072
	19,376					1,838	50,172
	1,351						19,912
	1,995	2,077				4,506	8,578
		5,597					5,597
							990
	(1,506,738)	(1,127,510)	(1,439,552)	(1,130,753)	(1,197,209)	(7,276,413)	(16,102,905)
	15,867,444	7,914,752	5,976,184	3,361,841	2,523,208	1,133,812	69,590,277

These are the set of **Deduction Reason Codes** used at Kellogg's



An Overview of Kellogg's Dispute Management

P8 KNA Outstanding		Age Group							
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	>180 Days	
Trade	Prom								
Unknown	Reason Code Yet to be Determined	6,220,172	1,558,186	1,142,706	935,115	759,228	524,681	603,424	11,743,512
Shortage	Product was less than amt invoiced	2,311,787	1,680,197	1,460,814	943,674	501,773	607,685	825,830	8,331,759
Pricing	Customer expected Price vs Invoiced	3,077,462	2,422,962	1,543,439	296,576	590,599	230,021	718,058	7,791,117
Non-Compliance Fee	Failing to fullfill all ordered quantities	714,200	1,114,629	55,138	198,928	189,113	206,211	341,770	3,029,989
Unsaleables	Product that's not fit for sale	116,760	110,218	105,270	77,327	162,351	93,481	160,956	826,363
Return	Short pmt related to returned product	130,778	193,786	131,381	62,539	41,772	57,815	51,773	669,456
Other	Related to another Reason Code	649,520		4,494	283			1,239	662,904
Freight	Deduction realted to Transport			786	10,471	45,585	17,912	32,585	499,805
Donations	For Dontated Product			32	73,260	10,865	12,551	88,955	246,906
Damages	For Product Delivered Damaged			37	10,058	1,841	15,322	31,633	185,501
CPU Allowance	Customer Picked Up Order			16	4,208	860	1,739	7,553	155,158
Prime-Warehouse Allowance	AMZ Specific Warehouse			9	6,621	8,884	4,252	5,524	67,072
Undertolerance	Deductions Under \$200			50	2,442	90	350	1,838	50,172
Military Drayage	Military Specific Deduction			1,551					19,912
Taxes	Deduction for Tax Reasons			1,995	2,077			4,506	8,578
Trade for Non-Kellogg Product	Promotional Activity (Non-Kelloggs)				5,597				5,597
Recall	for Product that was Recalled			990					990
Credits	Repayments, Offsets, etc.	(2,424,731)	(1,506,738)	(1,127,510)	(1,439,552)	(1,130,753)	(1,197,209)	(7,276,413)	(16,102,905)
Grand Total		32,813,037	15,867,444	7,914,752	5,976,184	3,361,841	2,523,208	1,133,812	69,590,277

These are the different **Aging Buckets** we follow at Kellogg's



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Non-Compliance Fee	Failing to fullfill all ordered quantities	714,200	1,114,629	265,138	198,928	189,113	206,211	341,770	3,029,989
Unsaleables	Product that's not fit for sale	116,760	110,218	105,270	77,327	162,351	93,481	160,956	826,363
Return	Short pmt related to returned product					41,772	57,815	51,773	669,456
Other	Related to another Reason Code							1,239	662,904
Freight	Deduction realted to Transit of Order					45,585	17,912	32,585	499,805
Donations	For Dontated Product					10,865	12,551	88,955	246,906
Damages	For Product Delivered Damaged					1,841	15,322	31,633	185,501
CPU Allowance	Customer Picked Up Order					860	1,739	7,553	155,158
Prime-Warehouse Allowance	AMZ Specific Warehouse Deduction					8,884	4,252	5,524	67,072
Undertolerance	Deductions Under \$200	21,916	19,376	4,211		90	350	1,838	50,172
Military Drayage	Military Specific Deduction	18,561	1,351						19,912
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Credits	Repayments, Offsets, etc.	(2,424,731)	(1,506,738)	(1,127,510)	(1,439,552)	(1,130,753)	(1,197,209)		
Grand Total		32,813,037	15,867,444	7,914,752	5,976,184	3,361,841	2,523,208		69,590,277

This is the grand total amount that is trapped in deductions across all aging buckets

69,590,277



RESULTS ACHIEVED WITH A/R AUTOMATION

Weekly View of Dispute Management Metrics **After Automation**



Auto-retrieval of data from customer portals



Auto-resolution of deduction claims



THE ROAD AHEAD FOR THEIR A/R TEAM



Continue to deliver a **streamlined payment and invoicing experience** for the customers



Leverage data to **build an analytic powerhouse** that helps make better decisions



Continue to **invest in upskilling** the team and **optimizing** the A/R operations



Kellogg's



TIMOTHY FOGARTY

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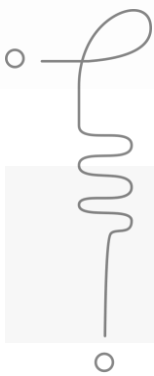
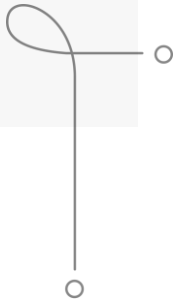




Thank you!



highradius



NEXT SESSIONS



O2C

Million Dollar Revenue Leakages Plugged With Two Deduction Strategies

01:40 PM EST | West Mezzanine Center



TREASURY

[WORKSHOP] How Treasury Measures Success

01:40 PM EST | West Mezzanine Lounge

Food & Beverage Break

02:10 PM EST

