

SEPTEMBER 23, 2021



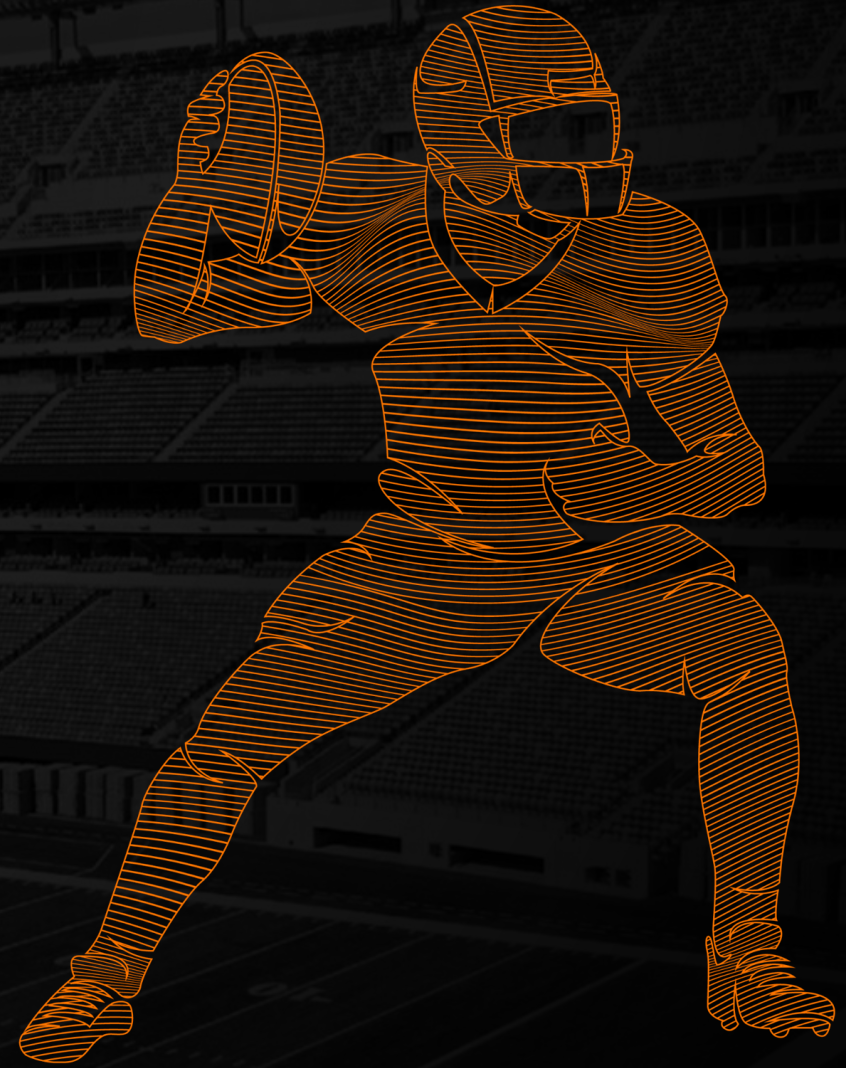
The Ferrero Strategy to Maintaining Positive Cash Flow in an Unpredictable Economy



KAY ROGERS

VP – North America Financial Transactions

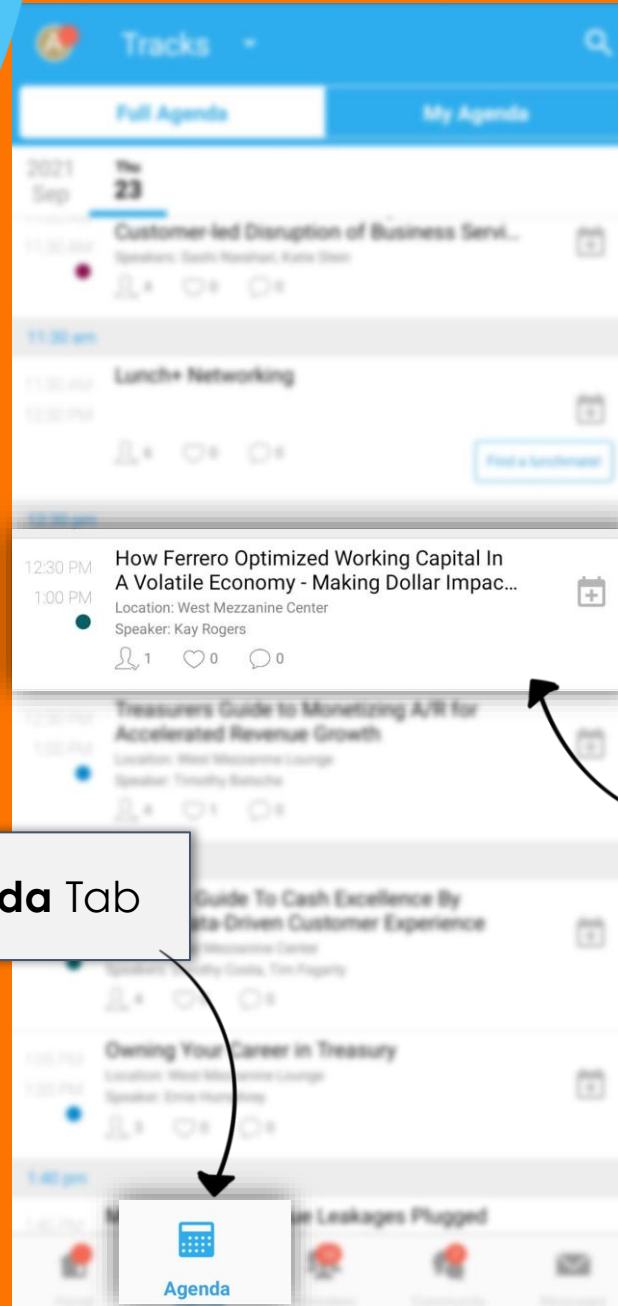
FERRERO



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

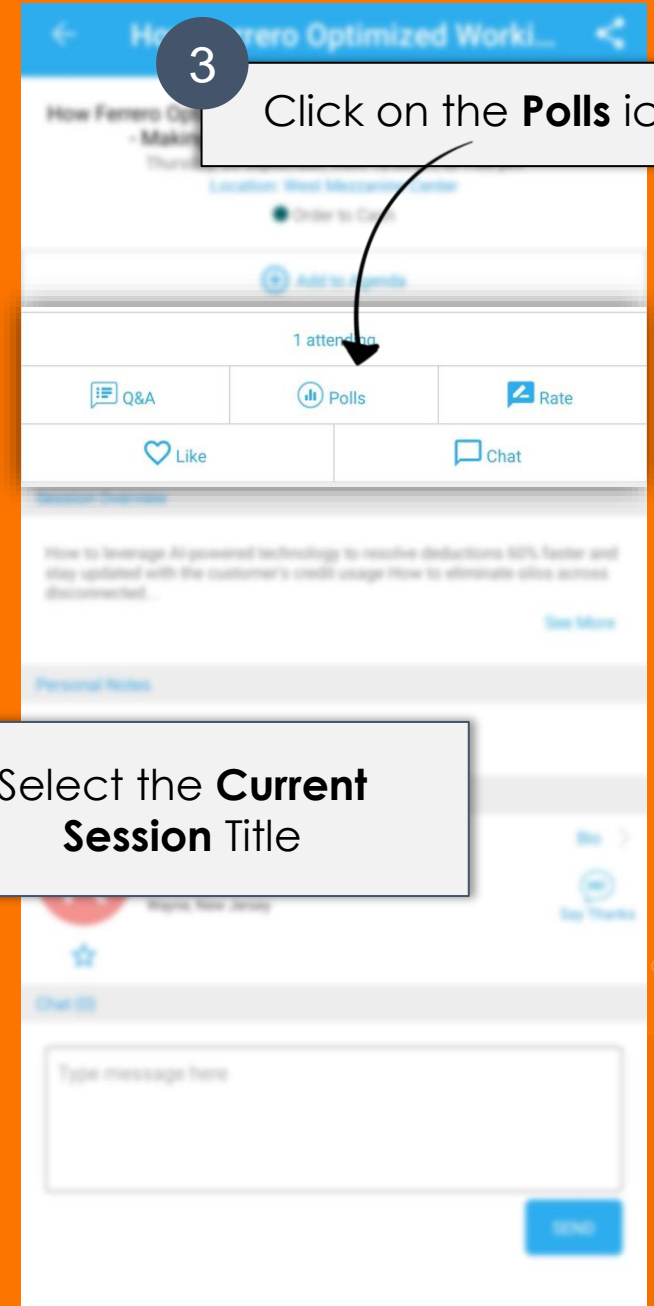
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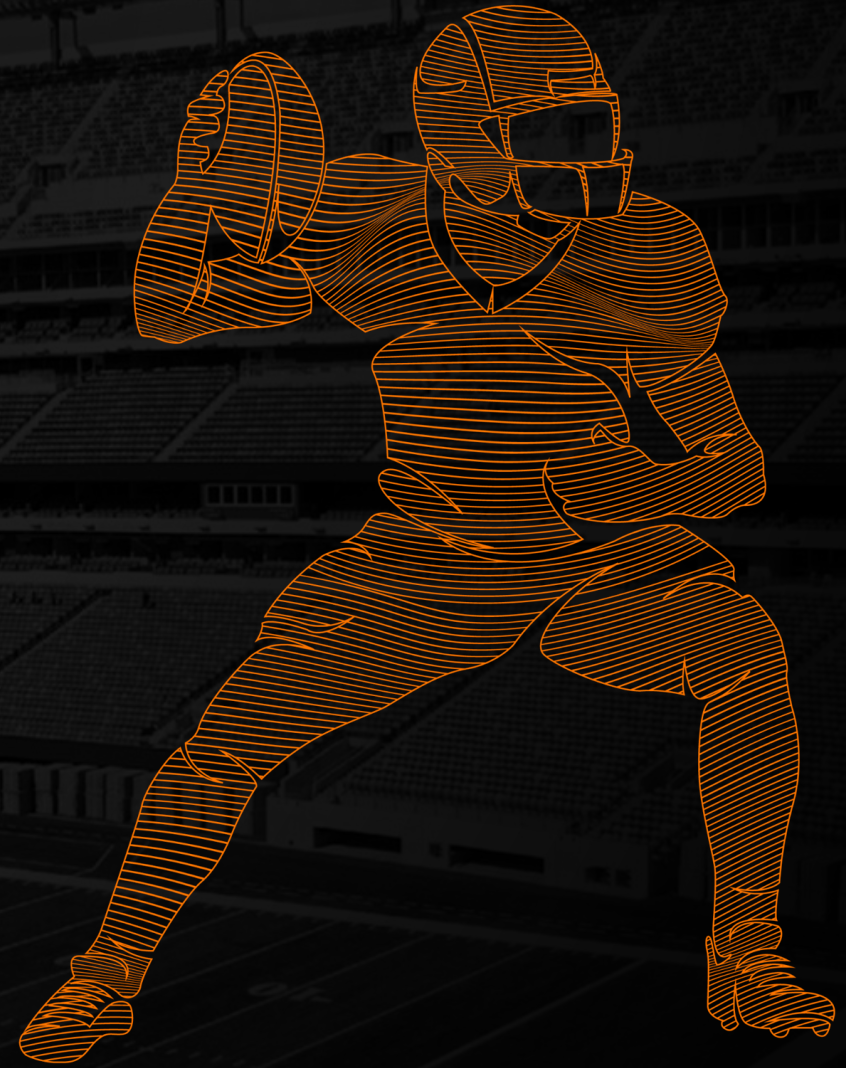
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FERRERO



The Ferrero Journey



With HighRadius Integrated Receivables

FERRERO



For over 70 years, Ferrero has been creating products loved by generations.

We've grown from a bakery in Alba into the third largest confectionery in the world.

Ferrero entered the U.S. market in 1969 with Tic Tac® mints and continues to win hearts and share joy with Ferrero Rocher®, Nutella®, Kinder® and Fannie May chocolates. Ferrero Group expanded its chocolate portfolio with the addition of legendary brands, including Butterfinger®, Crunch®, Baby Ruth®, Raisinets®, and other legendary chocolate brands which are now part of the Ferrero U.S. portfolio.

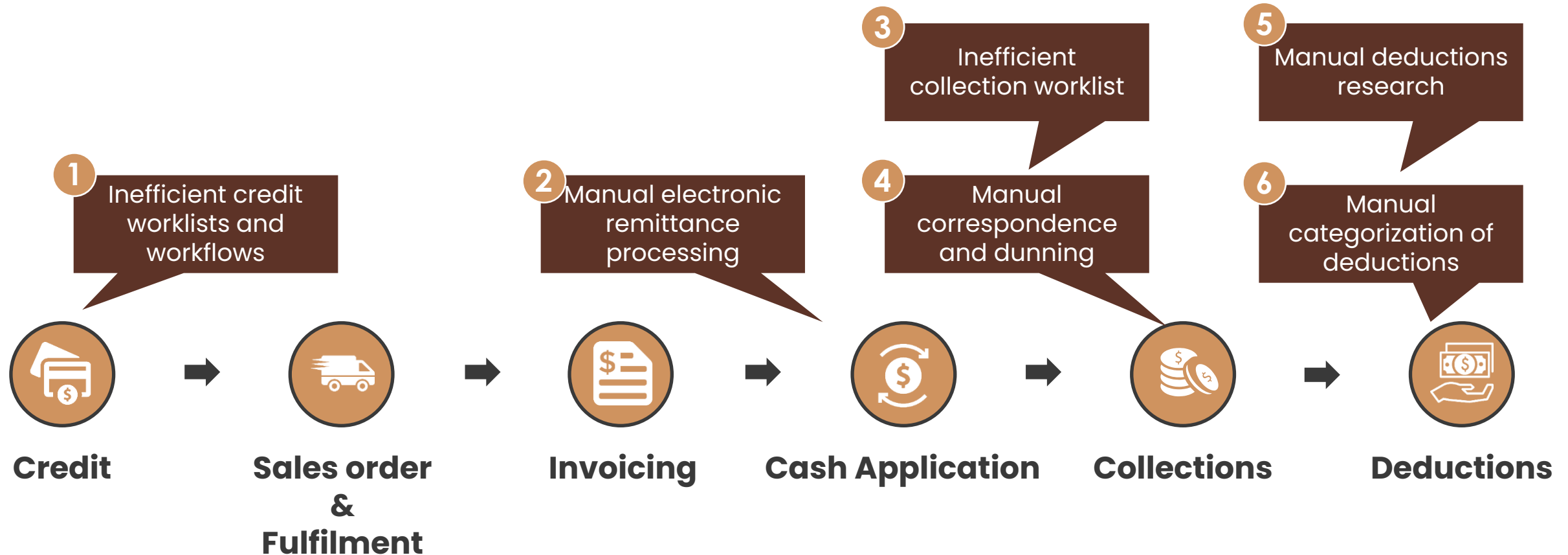
We're proud to be a family-owned company with 3,000 employees in eight offices and ten plants and warehouses in the U.S., the Caribbean and Canada.

Instilled in every aspect of our business at every level is the entrepreneurial spirit of our founders, and we work together as a family to bring the Ferrero passion for quality, creativity, and innovation to life every day.

Follow us on @FerreroNACorp on Twitter and Instagram and [LinkedIn](#).

FERRERO®

Manual Order-to-Cash Function At Ferrero



Silos In Order-to-Cash

Inability to take real-time action

Disconnected, siloed systems. No flow of information between systems

Lack of inter-team visibility to customer communication



Credit



**Sales order
&
Fulfilment**



Invoicing



Cash Application

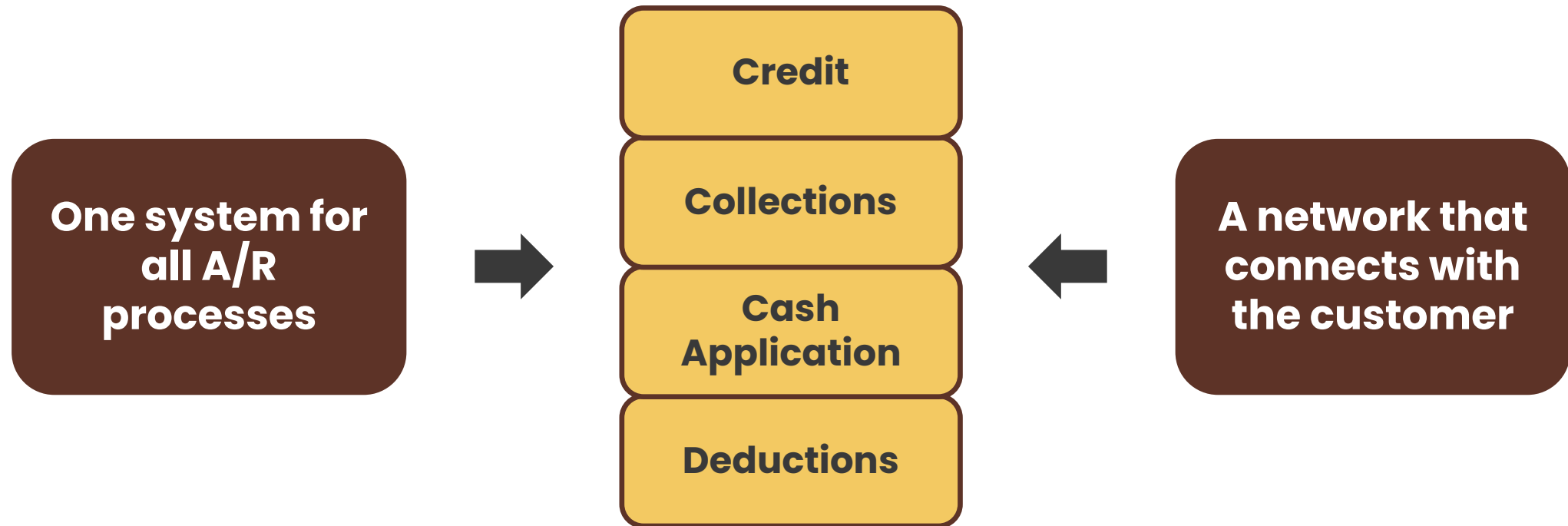


Collections



Deductions

Maintaining Data Integrity by Breaking the Silos



Same system: Eliminates the issue of information flow between systems

Automating The A/R Processes

With HighRadius Integrated Receivables

Cash Application

Aggregate remittances from multiple sources in multiple formats

Credit

Evaluate credit worthiness through credit scoring formulas

Collections

Shift to a proactive collections approach with a prioritized worklist

Deductions

Enable faster dispute resolution to save the analyst's time



Results Achieved

With HighRadius Integrated Receivables

Cash Application

85%

straight-through processing

Credit

40%

auto-initiation of credit reviews

Collections

70%

increase in collector's productivity





Deductions

60%

increase in average days to resolve



Time And Resource Investment in an Ideal V/S Real World

Components of an A/R process	 Repetitive Standardized Work	 Collaboration	 Data-Driven Decisions	 Human-insight Based Decisions
	Ideal World Time and Resource Investment	5%	55%	75%
Real World Time and Resource Investment	55%	25%	15%	5%



Automation enabled us to move to a more ideal state by taking over all the repetitive & manual tasks. Thus, allowing more time for strategic decision making.

Poll Question

01

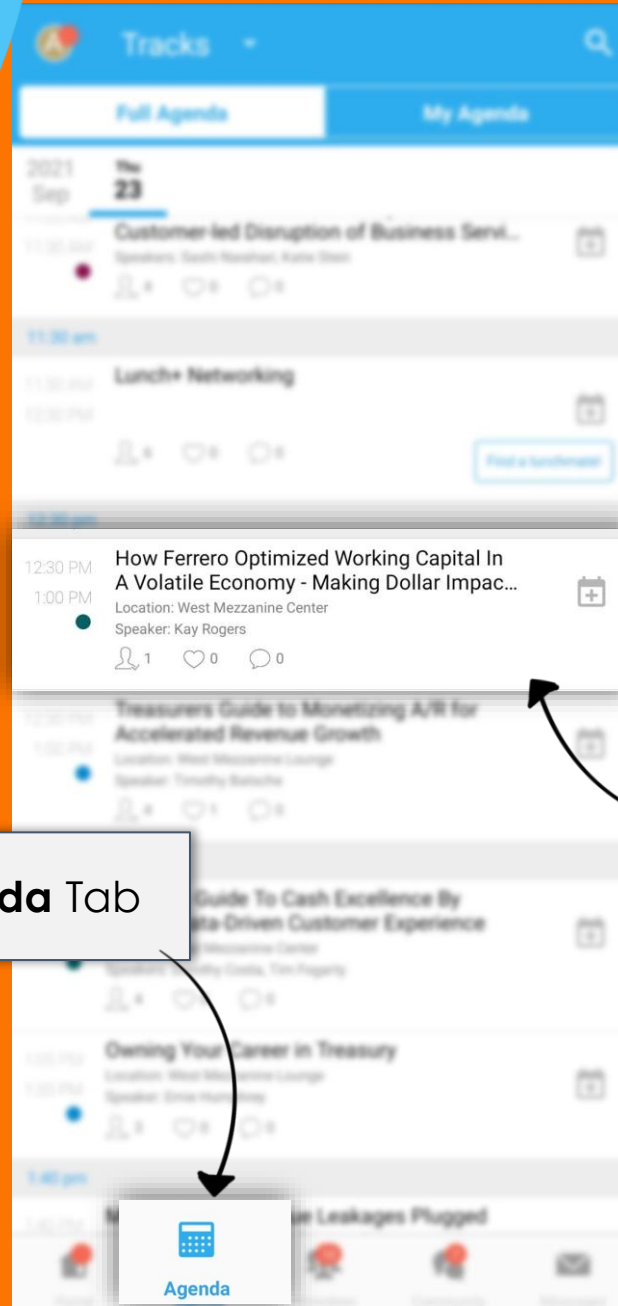
What is one area in your A/R that was the most impacted by the changing business dynamics?

- A. Credit and Collection activities
- B. Deduction/dispute claims validation
- C. Cash posting
- D. None of the above

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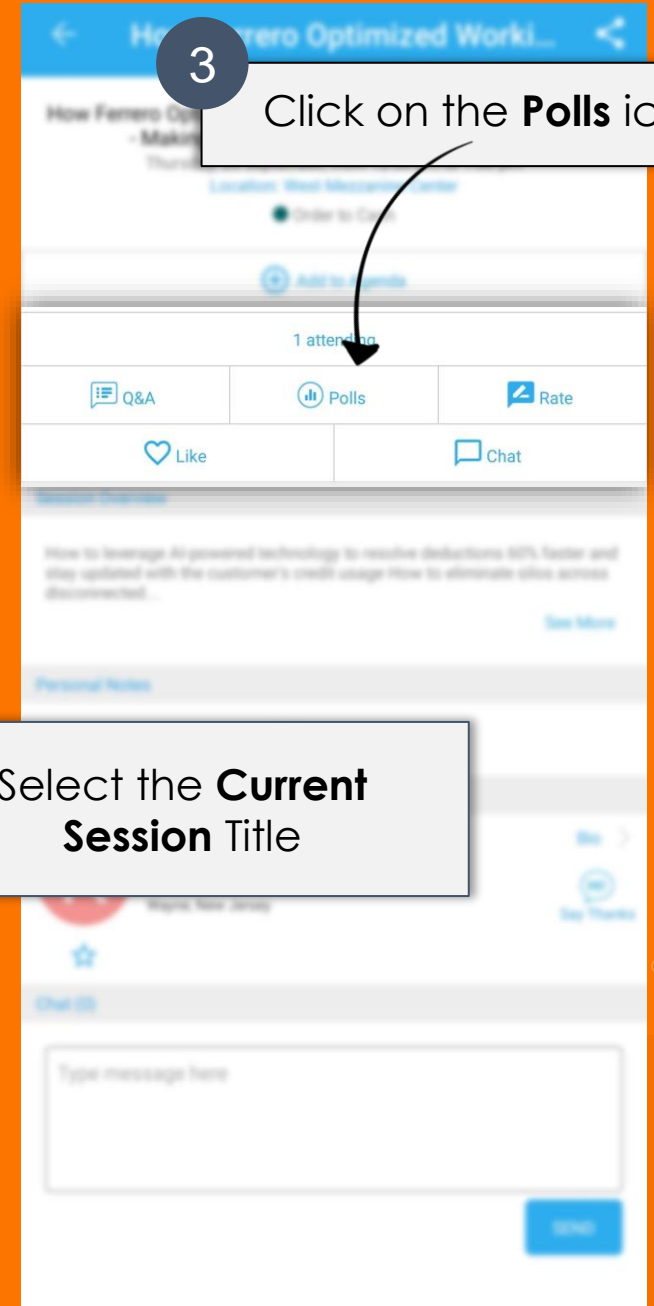
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How Ferrero Mitigated The Volatile Economic Impact

Challenges and Strategies

FERRERO



1. Enabling Better Visibility For The Senior Management



Working capital reports shared monthly with the executives to collect their insights



Reports focused on high-value and high-risk accounts, their past-dues and balances

2. Balancing Customer Expectations With Business Objectives

- ✓ Identify customers with genuine cash flow constraints against those who use the crisis as an excuse to delay payments
- ✓ Study the impact of the COVID crisis on different customer segments to create targeted collections strategies
- ✓ Find an alternative that suits the interests of both the parties at all times

3. Ensuring Collaboration Between A/R, A/P & Treasury Teams



Automation and technology to align A/R, A/P and Treasury teams across six different business units in North America



97% accurate cash forecasting enabled more informed decision-making

4. Remote Workforce Enablement and Management

- ✓ Managed to maintain existing KPIs which were better than industry averages
- ✓ Aggregated information from multiple sources to make informed decisions
- ✓ Gained visibility into any factors which could contribute to a change in the KPIs through the integrated system

5. Leveraging Automation Capabilities to Elevate the A/R Team

- ✓ Automated correspondences and follow-ups for collections
- ✓ Deployed different rules to put orders on hold for customers belonging to different risk segments
- ✓ Applied payments in real-time with no lag
- ✓ Identified customers who raised deduction claims to manage their own cash flow

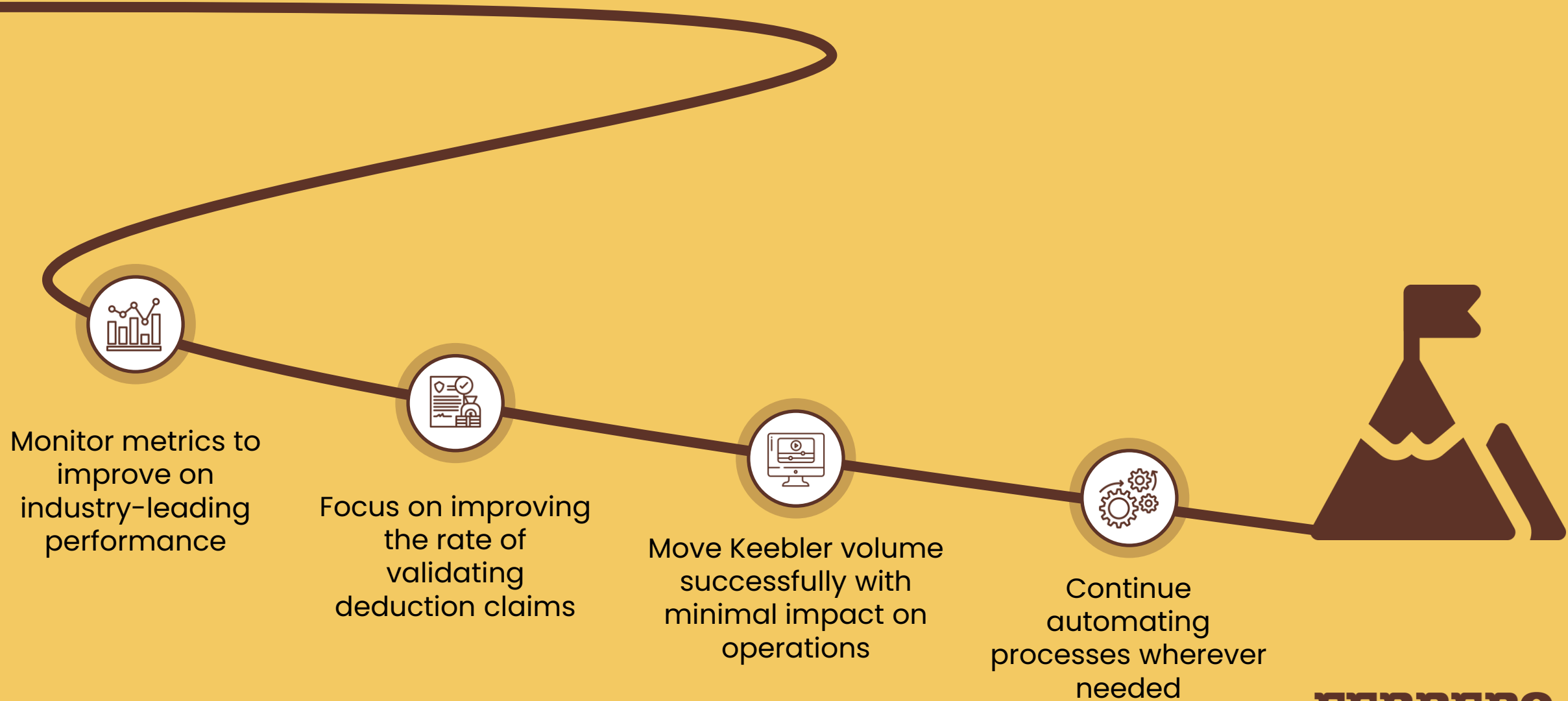
The Way Forward From Here



How Ferrero Sees It

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The Road Ahead for the Ferrero A/R team in 2022 and Beyond



FERRERO



Q&A

KAY ROGERS

VP – North America Financial Transactions

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Thank you!



NEXT SESSIONS



O2C

*Kellogg's Guide To Cash Excellence By
Driving Data-Driven Customer Experience*

01:05 PM EST | West Mezzanine Center



TREASURY

Owning Your Career in Treasury

01:05 PM EST | West Mezzanine Lounge

