

TCL CORP REVEAL THEIR SECRET APPARATUS FOR ACHIEVING 94% TOUCHLESS CASH POSTING WITH AI

Learn how TCL Corp went for an automated cash application to enhance the workflow, the timeline for cash posting into ERP, with OCR Engines they are able to eliminate the maintenance cost of Lockbox with the help of AI-Powered HighRadius Cash Application Software.



IMPACT ACHIEVED AT TCL Corp

94%

Invoice level Hit Rate for Cash Allocation

73%

Deductions Auto Coded

100%

Elimination of Bank Lockbox fees

ABOUT TCL CORP

INTO THE WORLD OF THE 3RD LARGEST TELEVISION PRODUCER IN THE WORLD



\$16.4bn+

Total Revenue

120k

Total Employees

28

Research Units

TCL CORP (Telephone Communication Limited) is a Chinese multinational electronics company founded in 1981.

It designs, manufactures and sells television sets, mobile phones, refrigerators and small electronic appliances.

TCL is a fast-growing consumer electronics company and leading player in the global TV industry.

MANUAL CASH APPLICATION PROCESS BECOMING A MAJOR LAGGARD

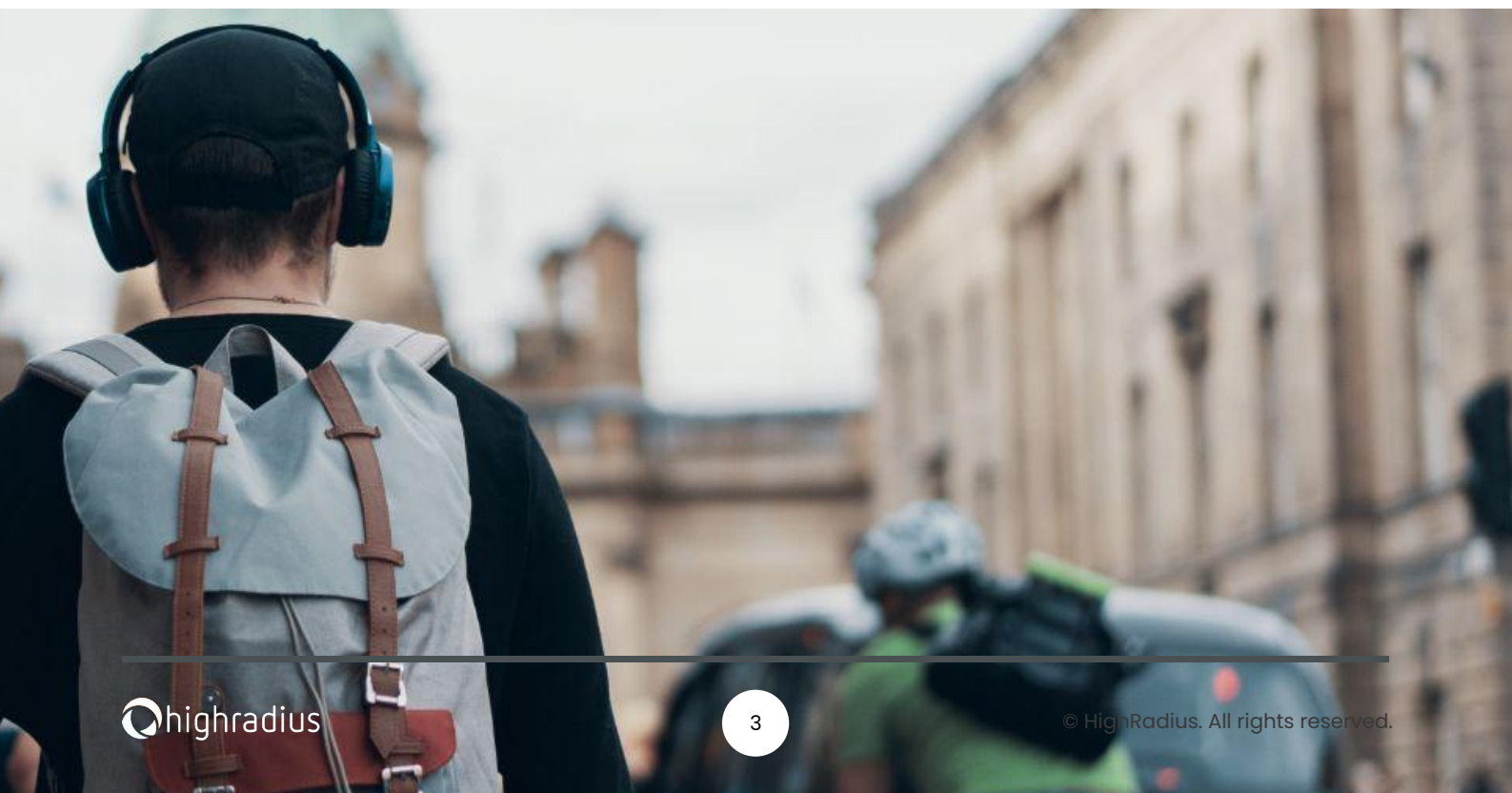
TCL Corp's cash application process was completely based on manual efforts, there were no autowrite-off programs, they manually cleared the payment with a specific invoice and created payment receipts.

MANUAL PROCESSING LEADING TO AN EXTREMELY LOW HIT RATE OF 21%

Before exception handling, the overall Header Level Hit Rate was 21% for Electronic Fund Transfers (EFT). Due to the non-availability of remittance data, and non maintenance of alias, the hit rate for EFT payments was accounted to be very low.

LACK OF BACKUP DOCUMENTATION LEADING TO INCREASE IN UNKNOWN CUSTOMER VOLUME

They didn't keep a backup of the original reference number from the remittance in any field when they applied for cash. When they were unable to determine who made the payment, they post it in the A/R account as an Unknown customer



HUSTLE FOR IDENTIFYING THE RIGHT CUSTOMERS FOR APPLYING PAYMENTS

Once they receive a payment and remittance data, if they were able to find a match, they would post the credits on the customer account and clear invoices. If remittances were not found, they would try to figure out which customer paid for it by scanning through their manual invoice records and try to match the dollar value with them. And then clear the invoices only if the exact customers were identified.

If they don't get remittances and are unable to identify customers, they go to the credit team for some research and see who that customer is. Doing this proved out to be an extremely time consuming process.

COMPLEX A/R SCENARIO: 23 BANK INTERFACES, 60 BANK ACCOUNTS, 4000 INVOICES & 1000 DISPUTES PER MONTH

The Company had 23 bank interfaces with 60 different bank accounts, including HSBC, Sendenta, CTA & Astogen. With over 4000 invoices and over 1000 disputes generated per month, their workload was immense.

A majority of the payment formats they received were wire transfers (electronic way to transfer money) which made up 80%, and the rest 20% were direct debit. Sometimes customers ask for a credit note for a rebate or discount or marketing fee, and then they pay the net balance. These complexities summed together made it extremely difficult for the analysts to increase efficiency while maintaining the expected levels of accuracy without automation.



DEALING WITH HUGE LOCKBOX COMPLEXITIES

Working with so many banks posed unique challenge in itself as there were several instances where the banks did not key-in enough information as required, the file formats received were unusable and extremely high lockbox fees was a drain on expenses that could have been saved and added back to the company's wealth.

TCL WAS LOOKING FOR AN AUTOMATED SOLUTION THAT

- Provided a reliable business platform that could enhance the automation capabilities of their cash application process
- Had the capabilities to auto-aggregate remittance data from checks, emails and other sources
- Ensured a cut down on the additional expenses that were being incurred due to the lockbox fees that was being paid to the banks
- Provided structured workflow to handle exceptions better

94% STRAIGHT THROUGH INVOICE LEVEL HIT RATE POST CASH APPLICATION AUTOMATION

The Cash Application solution leveraged the power of Artificial intelligence by auto matching invoices to payments even in the most complex scenarios of prepayments, missing remittances, inaccurate invoice number and more. This resulted in an overall achievement of 94% invoice level hit rate across all payments.

100% ELIMINATION OF LOCKBOX FEES ACROSS ALL BANKS

TCL account had multiple bank accounts and multiple source remittances, with a wide variety of payment formats. But by applying an AI-based, multi-OCR engine to accurately capture check remittance, auto-extracting remittances from the email body and attachments across all file formats and languages, and deploying web bots to auto-aggregate remittance data securely from customer web portals they were successfully able to eliminate 100% of bank lockbox fees.

ENABLED 73% AUTOMATED DEDUCTION CODING REDUCING ANALYST WORKLOAD

The Cash Application Solution was able to automatically identify the customer to validate the deductions and discounts and map customer reason codes to ERP-specific reasons codes without any manual intervention. Furthermore, the system allowed them to validate the discounts that customers took based on the payments terms and promotional campaign all by itself with minimal human intervention. This resulted in attaining a 73% automated deduction coding taking away of lot of manual work from an analyst's scope of work.



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Invoice level Hit Rate for Cash Allocation

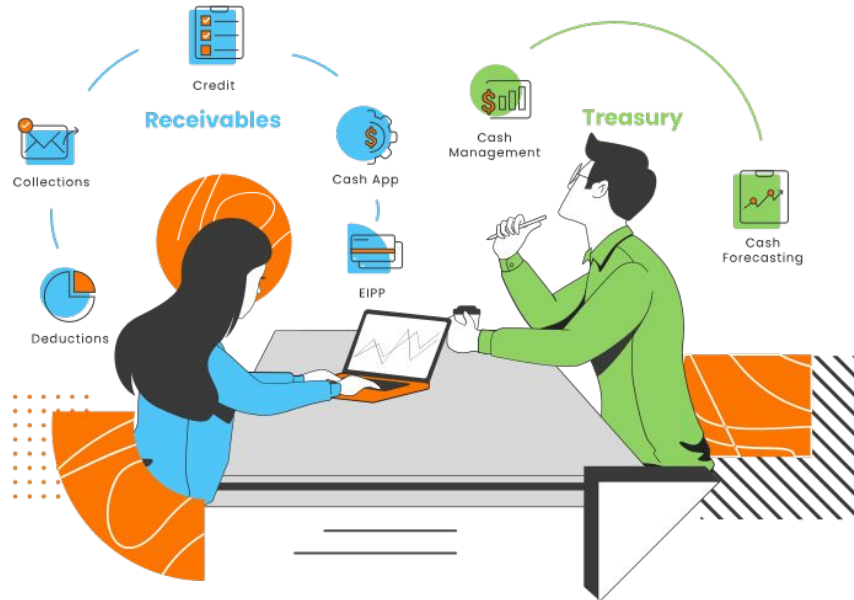
73%

Deduction Auto Coded

100%

Reduction in Lockbox Fees

ABOUT HIGHRADIUS CASH APPLICATION SOLUTION



HighRadius Cash Application Software is the most comprehensive solution available for automating cash application across all payment and remittance formats. Driven by customer-specific business rules, automated on-invoice hit rates of 98%+ are typical with the solution. A cloud-based solution available as software-as-a-service, Cash Application Software is easy and cost-effective to deploy and maintain.

DISCOVER MORE BENEFITS OF HIGHRADIUS CASH APPLICATION SOLUTION

The AI-Powered Receivables Automation Platform
Trusted by 700+ Industry Leading Companies

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