



LEADING ELECTRONIC MANUFACTURER LOWERS DAYS SALES OUTSTANDING WITH AVANTGARD RECEIVABLES

With the help of AvantGard Receivables, FCI has unlocked cash that was once tied up in covering overdue payments and improved visibility into accounts receivable.

Background:

With operations in 30 countries and sales of 1.30 billion euros, FCI is a leading global manufacturer of electronic connectors. FCI's 14,200 employees are committed to providing customers with high-quality, innovative products for a wide range of consumer and industrial applications. The company designs and manufactures connectors for numerous markets, including: motorized vehicles, telecommunication infrastructures, consumer electronics, data storage, energy, power and utility operations and the industrial, instrumentation and medical fields.



Structure:

FCI's credit and collections department is structured in a regional manner, with each subsidiary in the Europe, North America and Asia regions holding individual responsibility for their own receivables activities. A team consisting of a total of 44 employees worldwide comprises the credit and collections operations for the organization. FCI utilizes just one enterprise resource planning (ERP) system, this being MFGPRO global manufacturing software.

Problem:

Prior to seeking out a technological solution for receivables management, FCI faced a large amount of past due payments and a high number of days sales outstanding (DSO). This was due largely to a lack of streamlined processes surrounding the order-to-cash cycle of its day-to-day transactions.

Additionally, because of the organization's decentralized approach to credit and

FCI

- Industry:** Electronic Connector Manufacturing
- Environment:** Decentralized
- Location:** Global Organization
- Revenue:** €1.3 Billion

SOLUTION BENEFITS DERIVED:

- Reduced DSO by 5 days
- Reduced past due A/R (accounts receivable) by 8% to 20% (depending on region)
- Increased visibility for better decision-making and forecasting
- Improved productivity via automation and workflow

collections processing, it was not always easy making customer contact. FCI therefore, required a solution that could establish an organized workflow for the end-to-end processing of transactions, as well as provide a centralized and clear view of what was being collected.

“Thanks to the AvantGard Receivables solution we have been able to dramatically lower DSO, as well as reduce the number of past due payments. ”

Donald Callahan, Director, Cash Management and Treasury FCI USA, Inc.

Compounding these issues, FCI lacked a standard approach to reporting around trade receivables. This proved to be a challenge because it prevented the organization from gaining a comprehensive and accurate picture of its account receivables at any given time. Therefore, a key consideration for the organization was locating a solution that would provide enhanced reporting, which would aid management in making better-informed business decisions, as well as contribute to more precise business forecasting.

Solution:

Upon considering FCI’s specific set of business concerns, SunGard recommended AvantGard Receivables to support the company in streamlining its order-to-cash processes. This comprehensive credit and collections software is designed to drive automation, workflow and collaboration across the order-to-cash cycle, helping organizations gain visibility and control around their accounts receivable.

Through depending on the automation of AvantGard Receivables, FCI hoped to attain a significant reduction in the amount of overdue receivables, as well as considerably lower its DSO by achieving improved data accuracy rates and a more methodical approach to collecting overdue funds. By relying on the solution’s proven ability to

automatically generate strategic and highly organized work queues and then produce resulting mass correspondence based on this information, FCI expected dramatic cost-savings and a quick return on investment (ROI). In addition, because the company’s reporting capabilities proved to be ineffective at providing management with the degree of insight they needed in order to make the best possible business decisions, a solution that could provide the company with sophisticated and detailed reporting was a main priority.

Results:

Initially, FCI choose to implement the AvantGard Receivables solution because the company was drawn to the straightforward functionality of the product, as well as impressed by the expertise and helpfulness of the SunGard staff, who were eager to answer any questions and effectively supported them in getting the system up and running. FCI was pleased to find that the project was completed within the limits of the budget that management had allocated.

Currently, FCI uses the collections and dispute resolution application, as well as the concise reporting functions available in AvantGard Receivables. The company has been pleased with how well the solution fits in with its set of business requirements. AvantGard Receivables was initially implemented in two FCI operations, however the success was such that the company was



compelled to expand usage to its additional credit and collections department locations globally.

Thus far, the electronic manufacturing organization has seen positive results stemming from utilizing AvantGard Receivables. Its areas of greatest concern, including lowering DSO and improving reporting, have been significantly enhanced.



As a result of these operational improvements, FCI has unlocked cash that was formerly tied up in covering overdue payments. In addition, the company has experienced remarkable cost-savings resulting from the sophisticated reporting functionality of AvantGard Receivables, which has provided management with an accurate snapshot of essential credit and collections data at any given time.

“We have been more than pleased with the helpfulness and expertise of the SunGard AvantGard consulting team. They were highly professional and willing to help us at every stage of our implementation.”

Donald Callahan, Director, Cash Management and Treasury FCI USA, Inc.

ABOUT AVANTGARD RECEIVABLES

AvantGard Receivables helps companies manage strategic and major accounts as well as order life-cycle, credit risk, collections, dispute resolution, cash application, dashboards and reporting for all accounts. Additionally, AvantGard Receivables provides collaborative solutions for sales and customers.

ABOUT AVANTGARD

SunGard's AvantGard is a leading liquidity management solution for corporations, financial institutions and the public sector. AvantGard provides chief financial officers and treasurers with realtime visibility into cash flows and increased operational controls around treasury, receivables and payments management. The solution aggregates data for a single view of cash, drives productivity through automation, and fosters collaboration between trading partners. For more information, visit www.sungard.com/avantgard.

ABOUT SUNGARD

With annual revenue of \$5 billion, SunGard is a global leader in software and processing solutions for financial services, higher education and the public sector. SunGard also helps information dependent enterprises of all types to ensure the continuity of their business. SunGard serves more than 25,000 customers in more than 50 countries, including the world's 50 largest financial services companies. Visit SunGard at www.sungard.com.

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