SUNGARD AVANTGARD RECEIVABLES

AvantGard
Order Life-cycle
Management

ORDER LIFE-CYCLE MANAGEMENT

Invoice and dispute analysis has suggested that 20 to 40% of invoices are inconsistent with the buyer's expectations. These inconsistent invoices fail the 3-way reconciliation test of the buyer's A/P and Procurement departments, and are blocked and queued for further research.

Blocked invoices languish until your collectors begin to call, often 30 to 40 days after the invoice due date. Thereafter, it can take another 40 to 60 days for your A/R and the buyer's A/P to resolve these inconsistent invoices. While consistent/clean invoices typically result in a DSO between 30 and 40 days, inconsistent/defective invoices often double this figure.

The specific root causes of inconsistent invoices vary by organization. And these root causes change and evolve over time as the complexity in the Order-to-Cash cycle increases. Breakdowns in order processing (manual errors, change orders, validating orders, price changes, discounts, deductions) and order fulfillment (stock-outs, shipping delays, engineering change orders, returns) create numerous opportunities for errors.

In addition, the Order-to-Cash cycle spans disparate enterprise systems, and multiple departments, geographies, and third party providers. These fragmented processes and information flows often result in invoice inconsistencies.

A proactive and holistic approach aimed at intelligently detecting and correcting inconsistent invoices, early and upfront in the Order-to-Cash cycle. The AvantGard Receivables approach to Order Life-cycle Management begins with a rigorous analysis of your Order-to-Cash processes, including document sampling, to quantify the magnitude, frequency, and specific root causes of invoice inconsistencies. This analysis identifies opportunities for meaningful and achievable DSO reduction through deployment of the AvantGard Order Life-cycle solution.

Key Challenges:

- Errors in Invoicing Process
- Increased Dispute Volume
- Poor Visibility to Dispute Root-cause
- Increased Customer Issues

AvantGard Order Life-cycle Management:
Highly sophisticated, web-based solution for order and invoice cleansing, reconciliation, and exception management.

Benefits:

- Enhance Customer Service
- Lower DSO
- Increase Productivity
- Reduce Dispute Cycle Time
- Root-cause Analysis
- Internal Process Improvement

BENEFITS OF ORDER LIFE-CYCLE MANAGEMENT

Reduce Errors in the Financial Supply Chain

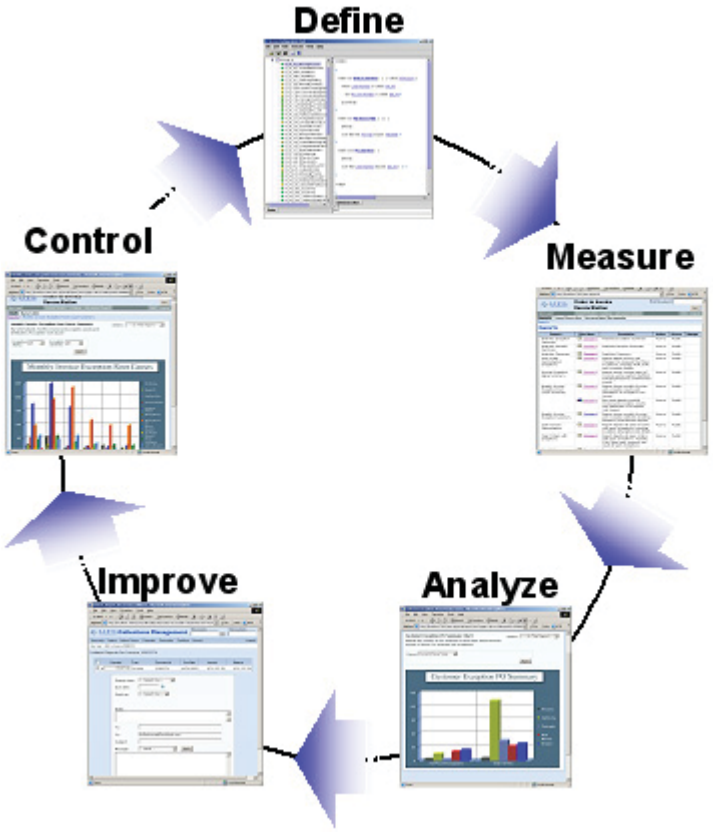
Using AvantGard, organizations can intelligently detect orders with errors. Users can quickly identify erroneous transactions and pinpoint the root causes. In addition, drill-down reporting – by division, customer, site, etc. – offers increased visibility.

Improve Productivity and Reduce Operational Costs

With a centralized repository of data, users can streamline research and reconciliation by organizing all order-related business documents, data, and events into electronic "manila" folders, eliminating the need to toggle back and forth between different systems and screens to piece together the sources of order inconsistencies.

Enhance Customer Service

Productivity-enhancing tools assist in the day-to-day work of prioritizing and tracking inconsistent and delinquent invoices, finding documents to resend to customers, following up with customers, maintaining contact information, and tracking notes.



ORDER LIFE-CYCLE PROCESSING

The AvantGard Order Life-cycle solution is a highly sophisticated pre-invoice dispute prevention system. The flexibility afforded enables easy creation and modification of reconciliation rules as business processes and improves performance over time.

The methodology consists of four distinct components:

Information Capture

The first step is to capture information from disparate systems, examples include order entry systems, purchase order systems and trade funds management solutions.

Data Consolidation & Centralization

The second step is to organize that information into online "manila"folders, resulting in a single, centralized repository of all pertinent data.

Automated Evaluation & Cleansing

Next, the system applies reconciliation algorithms and business rules (which have been developed to specifically meet your business requirements and matching needs). This step helps to proactively identify invoice defects.

Identification & Reporting

Once the invoice defects have been clearly identified and isolated, this data is output to represent all inconsistent invoices. These invoices are then treated as exceptions and managed early via an exception queue. This process helps to mitigate customer issues and proactively drives down days sales outstanding (DSO).

As an example, if the system identifies 20 erroneous invoices out of 100 total invoices, effectively solving the "needle in the haystack" problem, these 20 invoices will be treated proactively helping to mitigate future disputes or late payments.

In addition, the AvantGard Order Life-cycle Management solution pinpoints the specific root causes of invoice inconsistencies allowing for improved internal processes.

For those invoice disputes not proactively prevented, the AvantGard Order-to-Cash automation and workflow solution facilitates owner assignment, notification and tracking for expedited resolution and collection of payment.

Embed Policy to Drive Best Practices

Through the use of advanced reconciliation algorithms and flexible business rules, the AvantGard Order Life-cycle Management solution enforces Best Practice processes and ensures that your orders are accurately fulfilled and billed, eliminating disputes and inconsistent invoices before they occur.

Customers can realize immediate improvements in operational efficiency, operating cash flow, and customer satisfaction, as well as significant reductions in DSO, rework, and overall transaction processing costs.

Highly Configurable Business Policy Creation

Using a point-and-click business policy creation tool, business analysts can define and enforce Order-to-Cash policy rules. The business process monitoring engine interfaces with transactional systems (e.g. CRM, EDI, OMS, ERP, WMS, etc.) through a set of lightweight, read-only event probes designed to integrate into any environment.

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