



HOW HENKEL IMPROVED OPERATIONAL EFFICIENCY AROUND THE ORDER-TO-CASH CYCLE WITHIN ITS SHARED SERVICE CENTER OPERATION

Henkel decreased past due accounts receivable and centralized its order-to-cash operations with AvantGard.

Background:

Henkel is a German based company that is organized into three unique operating sectors, including: laundry and homecare products, cosmetics and toiletries, and adhesive technologies. The manufacturing and technology company sustains about 52,000 employees worldwide and utilizes shared service centers located in Connecticut (USA) and Manila (Philippines), which are responsible for managing its North American business activities. Henkel services approximately 30,000 customers in North America alone.

Structure:

When Henkel of America first approached SunGard in its pursuit of locating an



automated solution, its collections environment was decentralized and comprised a team in excess of 70 individuals. A total of 15 separate systems housed credit operations information and the majority of processes and communications were manual in nature.

Problem:

As a global organization with a number of different locations, Henkel found that it was unable to gain the visibility that it desired into key information required to perform cash forecasting and risk analysis surrounding the order-to-cash life cycle. Because information was located in 15 disparate systems, credit and collections employees were receiving a disjointed view of data and customers, which in turn hindered the efficiency and accuracy rates at which transactions could be processed and settled.

Henkel's credit and collections processes were entirely manual, which meant that there was greater possibility for costly inaccuracies

HENKEL OF AMERICA

Industry: Manufacturing & Adhesive Technologies

Environment: Decentralized

Location: Germany

Revenue: \$6 Billion for North America

SOLUTION BENEFITS DERIVED:

- Decreased the past due account receivables by 20%
- Achieved return on investment (ROI) within two months
- Centralized operations
- Organized workflow
- Reduction in full-time equivalent (FTE) by 45%

to arise that could potentially be associated with human error. Also, the processing of data by hand is a highly tedious activity that was requiring the attention of a large number of staff members and monopolizing valuable time that could be spent on supporting more goal and revenue driven activities.

“With the help of the AvantGard Receivables solution, we have been able to measurably improve our productivity through centralizing our credit and collections operations.”

Scott M. Miller, Vice President of Finance, Order-to-Cash, Henkel of America

These factors were causing the organization to reach a point where business growth could not efficiently be facilitated without adding employees to process the increasing quantities of transactions. Reporting was another area that needed improvement, as Henkel did not have the level of detail or real-time view into information that it needed in order to make the best possible business decisions and forecast as precisely as desired.

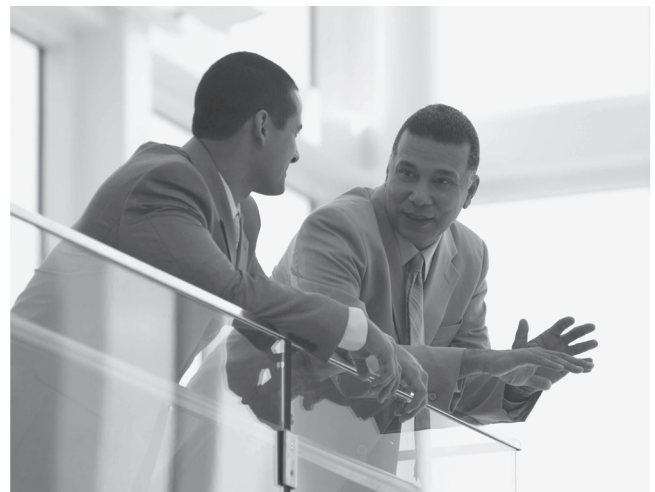
Solution:

When Henkel set out to locate an automated solution, the company went through an in-depth analysis of available vendors that included taking into consideration its own functional and technical guidelines as they compared with each individual technological offering. Some specific requirements that Henkel put forward included: a quick implementation time frame that would not interfere with ‘business-as-usual’ activities, seamless integration with its ERP system, process automation, real-time visibility into data, a consistent approach to collections, significant ROI and lastly, sophisticated reporting capabilities. In the end, Henkel choose to go with SunGard as its provider because the vendor proved most capable of precisely accommodating the organization’s overall collections needs.

Upon a thorough evaluation of Henkel’s business situation, SunGard implemented

AvantGard Receivables to offer the company increased control and an automated approach to managing accounts receivable, as well as a centralized repository for data storage and manipulation. Some benefits that the AvantGard solution has offered Henkel include:

- Improved productivity via automation & workflow integration
- Increased visibility into data surrounding the order-to-cash cycle
- Centralized location for data to be stored and controlled
- Scalability to handle large transaction volumes
- Workflow controls for duty segregation



Results:

Henkel currently utilizes AvantGard Receivables solution in its Shared Service Centers to help drive cash flow and to support operational efficiency across the order-to-cash life cycle. The company was pleased with the implementation, including the swiftness with which the solution was up and running, as well as the expertise that was demonstrated by SunGard staff.

Henkel has thus far experienced considerable improvements in receivables management, perhaps the most significant of these being

increased cash flow stemming from enhanced visibility and control over credit and collections data. Reporting was another area that Henkel hoped to develop and with the help of AvantGard, the goal of gaining exceptional reporting capabilities has been attained, improving the organizations forecasting and providing root cause analysis.

“Adopting automated technology has allowed for increased efficiency in processes surrounding the order-to-cash cycle, as well as invaluable tracking and reporting capabilities that have provided us with an enhanced means of forecasting and monitoring financial trends.”

*Scott M. Miller, Vice President of Finance,
Order-to-Cash, Henkel of America*

Another valuable asset of the solution has been its ability to improve productivity throughout the order-to-cash cycle. This has been accomplished through automation of processes that had previously been performed manually, as well as the added benefit of increased levels of collaboration across the enterprise. Various business units and departments are now communicating better and therefore employees are gaining a clearer sense of the bigger picture.

Looking Forward:

Henkel has been pleased with the benefits realized since putting AvantGard Receivables into place; therefore the company has instituted plans for furthering its relationship with SunGard through deploying the AvantGard Receivables Dashboard in the



North American Shared Service Center in the coming months. Henkel also anticipates expanding the usage of AvantGard Receivables through implementing it in its European Shared Service Center in the near future.

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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