



Case Study: Water Supply Company

Integrated Receivables Case Study

Water Supply Company is a regional provider of bottled water to businesses, medical centers, government agencies and consumers. Customers are serviced from three main locations in the Oklahoma area. Customers are typically invoiced monthly for their water services, however, some customers must be invoiced at time of delivery. Monthly invoices are mailed to clients or delivered online through a third party service. Water Supply receives approximately 5,500 payments a month and their payment mix is approximately 50% checks, 20% cards and 30% ACH payments.

The biggest problem for Water Supply Company was the amount of staff time required to apply check payments. The owner also lacked visibility into the current receivables as checks were received at all three locations and deposited into three different bank accounts. Their current banks did not offer any treasury management services, like Integrated Receivables to solve this growing receivables problem.

Local Bank Brings Innovation

RCB Bank had recently implemented Clearingworks - Integrated Receivables and understood how this solution could help businesses like Water Supply. RCB Bank calling officers were trained on key customer benefits of Integrated Receivables and how to identify potential candidates for this solution. This training enabled the RCB calling officer to identify Water Supply Company as a prime target for this solution.

After several discussions between Water Supply Company owner and staff, the RCB calling officer and the RCB treasury management support team an approach was outlined to meet the success criteria and win new business.

Success Factors

Key success factors for the implementation were:

- Increased automation of cash without sacrificing accuracy
- Improved visibility of mailed in payments
- It had to be easy and done right

Based on the success factors, it was agreed to start the pilot process a week following Water Supply Company's acceptance of the proposal.

The Solution

RCB Bank Treasury Management Officer identified the solution by talking with the prospect. A product demonstration was given and the detailed implementation process outlined. US Dataworks assisted by coordinating with the accounting system provider Water Software to confirm the process and format for getting open receivable files and the monthly print file that is sent to the print and mail supplier. This analysis revealed invoice matching was the preferred cash application method for most customers. However matching to account would be accepted for certain customer accounts and Water Software had a waterfall process for accurately applying the cash. In addition, roles and responsibilities were outlined between Water Supply Company, RCB Bank and Water Software to determine process flows and scheduled times for deposit cut offs.

Implementation Process

The US Dataworks Integrated Receivables was implemented as a pre-deposit solution, allowing the customer time to address any exceptions before submitting the payments for deposit. RCB Bank and Water Software agreed to an afternoon cutoff time for correcting any exceptions. Exceptions not corrected would have the account number filled with 1's to force the payment into Water Software's suspense account for continued processing the next day.

A two-week pilot was conducted where Water Supply Company sent in their monthly billing print file and daily open invoice report. RCB Bank sent 10% of their check payments through the Clearingworks – Integrated Receivables solution for processing. This provided Water Supply Company with time to learn the system, establish procedures for uploading and downloading files and validate the Receivables Posting File.

A production readiness meeting was scheduled the week before full production would start. This provided one additional opportunity to review processes and procedures, answer questions and validate data quality of the posting files.

Results

Water Supply Company had been advised that the first month of the service would require more manual intervention while the Clearingworks system learns about the payments received and the Water Software posting requirements. The expected straight through processing rate was estimated to be 50%. However, after processing checks from the first major billing cycle Clearingworks actually achieved an 80% straight through processing rate. Clearingworks image analysis process found account numbers off of remittance documents and checks and matched these to the open invoice file. In addition, a high percent of Water Supply Company's customers paid the exact amount of the invoice, which further assisted with automation.

Based on this success, RCB Bank has a happy new customer, Water Supply Company's owner has good visibility on his current receivables and the operational team has reduced the amount of time required to apply cash by 70%.

For More Information

For more information about US Dataworks products and services, visit our website at www.usdataworks.com or contact us by email at info@usdataworks.com or by phone at 281-504-8000.

This case study is for informational purposes only.