

Case Study: Exide Technologies



Exide Technologies, a global leader in stored electrical energy solutions with operations in over 80 countries and one of the world's largest producers and recyclers of lead-acid batteries.

In Feb 2009 Exide came to Cashbook looking for an automated solution for their Lockbox process. Exide receive one daily lockbox file containing data from two bank accounts and also numerous batches within the file. They had a number of specific requirements which Cashbook incorporated into the final solution, which included:

- Receipt filter options based on certain criteria
- Creation of separate batches based on the batch numbers assigned by the bank
- Specific reporting requirements for work assignment purposes

Here was the business process before our solution was implemented:

- Bank lockbox file downloaded from banking software into excel manually
- Individual customer remittances manually allocated in ERP System
- Manual creation of deductions for unearned discount taken by customers
- Customer remittances received in various formats
- Electronic payments did not contain remittance information
- Excessive time taken to gather electronic payments remittance information

Solution

Exide Technologies Ltd went live with Cashbook V4.2 AR Bank Lockbox solution integrated with their existing ERP, JDE. Using a scheduled overnight job, Cashbook takes the bank lockbox file and through the file upload process automatically runs the various matching rules which have been customized for Exide such that users only have to work with the exceptions at the start of each day. Using a combination of algorithms i.e. matching against Invoice No. and/or Sales Order No., has proved highly successful for Exide who are achieving a high hit rate against open AR data. A large bank lockbox is subdivided into Cashbook journal records corresponding to actual bank batches facilitating Exide's work assignments and enabling the one lockbox file to be worked on by a number of users. A control report is produced for the Upload to facilitate work assignments with metrics before and after Users start working in Cashbook.



“With the assistance of Cashbook, we have been able to reduce the amount of time it takes to apply cash by 50%”

Karen Snyder, Cash Application Supervisor,
Exide Technologies



Exide are using standard Cashbook functionality for On Account payments, Chargebacks and Discount functionality in order to process all AR receipts received through the bank lockbox file. Cashbook functionality updates the F0311 file (Accounts Receivable file) and standard dream writer functionality coupled with a modified batch A/R update is used to post batches to GL. This allowed Exide continue using JDE existing internal GL posting process. Exide also needed specific user access to ensure segregation of duties which is controlled though the Cashbook menu options.



The key features of the solution are:

- Automation of Bank Lockbox
- Control reports facilitate work assignments with metrics
- Matching algorithms match based on a combination of invoice number and sales order number.
- Automatic integration with JDE environment and its processes
- User retains full control and may review all details before posting the Cash to AR and GL

Key benefits of this project included:

- Automated match rates average between 70% and 80%
- 50% time saving in Cash Application process
- Immediate knock on improvement in DSO (Days Sales Outstanding)
- Reduction in value of unallocated cash
- Massive time and monetary savings.

Customer Comment:

"With the assistance of Cashbook we have been able to reduce the amount of time it takes to apply cash by 50%. The addition of Cashbook has been very beneficial to the continued success of our department"

Karen Snyder, Cash Application Supervisor, Exide Technologies.



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