DEANE
CORPORATE FINANCE

Client Success Story

Aligning commercial, operational, and financial processes to minimize customer credit losses

Customer Profile:

High growth public company

Industry:

SaaS

Location:

Boston, MA

CLIENT'S CHALLENGE

Our client, a $500M SaaS business, approached Deane Corporate Finance with issues concerning their commercial, operational, and financial practices around customer credit, account management, and credit losses. Their primary challenge was the volume and magnitude of credit losses recorded in their financial statements, which was exacerbated by an inability to perform meaningful financial and non-financial analysis to diagnose and address the issues.

SERVICES PROVIDED

- Budget and forecast process improvement
- Commercial, operational & financial process alignment
- KPI identification and development

PROJECT EXECUTION

Within six weeks, we conducted interviews, reviewed internal process materials, and evaluated financial documents in order to develop an understanding and to diagnose the core issues. Based on the information received, Deane Corporate Finance identified a series of opportunities to revamp their commercial, operational, and financial processes comprising their customer credit and credit loss processes. Our recommendations addressed opportunities to:

- Shorten credit and collection cycle times
- Strengthen criteria for extension of customer credit
- Align the timing of account suspension, collections, and finance processes to a common queue
- Better align the mechanisms used for financial planning and forecasting to those employed for financial accounting
- Automate elements of financial accounting and reporting processes around customer credit and credit losses

We presented our recommendations to our client's finance leadership team, provided a detailed implementation plan, and inventoried all financial and non-financial data points to be aggregated and harmonized in support of our recommendations and implementation plan.

VALUE ADDED

Once fully implemented, our recommendations are expected to yield a 20% reduction in credit losses through modification of credit extension policies. We expect to reduce collections and credit loss cycle times by 40% by moving key activities further upstream. We expect to eliminate as many as 30 days from the credit loss accounting cycle by automating key elements of data aggregation and synthesis. Lastly, we anticipate significantly reduced forecast to actual variability as a result of the alignment of planning and forecasting and accounting mechanisms.