



AUTOMATED COLLECTIONS MANAGEMENT DOES THE HEAVY LIFTING TO SIMPLIFY ACCOUNTS RECEIVABLE

Esker delivers visibility and a sense of achievement for the Whale Logistics Finance Team

AT A GLANCE

Whale Logistics



Freight forwarding company



Part of a global supply chain group with offices throughout Asia, U.S., New Zealand & Australia



20+ employees in Australia office & 10+ offshore



AU\$ 75m p.a.



330+ regular clients



Expedient ERP

CHALLENGES

Traditional industry procedures do not work in the 21st century

International freight forwarding company Whale Logistics Australia is based in Sydney and provides supply chain services for importers and exporters worldwide. The company is proud to take a leadership position in being a 21st century freight forwarder by providing its customers with digital solutions for their needs.

Freight forwarding companies have clung to paper-based processes much longer than other industries, but Whale Logistics Australia decided in 2018 to fully embrace digitalisation and use AI technologies to improve not only its customer experience but the backend processes as well. Once the COVID-19 pandemic struck, it quickly became clear that digitalised process automation would come to the rescue of many businesses. In logistics, a paper-based customer file usually contains upwards of 15 sheets of paper per shipment, making it nearly impossible to send all current customer files home with staff.

Elaine Huang, Financial Controller at Whale Logistics, had additional reasons to automate financial processes, even pre-pandemic: the lack of visibility over accounts receivable (AR) and accounts payable (AP) processes combined with staff turnover made automation of the financial operations a high-priority project. The pace of invoicing turnaround is fast at Whale Logistics, with invoices sent on a daily basis rather than collectively at month's end. Reporting needs to be able to keep up with this pace, but in a paper-based process, reports assembled on a Monday would be outdated within 48 hours.

In an organisation that is heavily dependent on cashflow control, the situation was untenable.

The lack of visibility also impacted team members: it was extremely difficult to forecast and manage the workload, requiring multiple manual procedures to maintain continuity within the department. Since the knowledge was not maintained in the business, it was challenging to service customers and work with vendors in a productive manner.

OBJECTIVES



Become a modern, technology-based logistics company



Improve workload management



Gain visibility over AR processes and performance



Retain business knowledge in one unified platform



The Esker dashboards provide an executive summary with vital information for all stakeholders to understand our AR performance as well as workflows.

Elaine Huang

Financial Controller, Whale Logistics (Australia) Pty Ltd

SOLUTION

Collections management becomes the focal point for optimisation

Whale Logistics set out to find an automation solution that would yield visibility with strong reporting features to assist in understanding and reducing business costs while also accommodating rapid growth. Using traditional reporting systems, all the business knowledge would leave with a departing employee, so it was critical to have a strategy for maintaining this information. The company's ERP system was not able to satisfyingly report on AR performance and cashflow, yet as a fast-growing business, having a deep understanding of the current cashflow position as well as the ability to accurately forecast is critical to managing and maximising working capital. These insights were then to be passed on to both business operations and sales, to improve their ability to provide a better customer experience. With annual growth of around 35%, the company required a scalable solution to grow with their needs.

When Whale Logistics set out to find an automation solution, they were not even focused exclusively on AR, let alone collections management. But once the Esker team identified collections as a critical first step in the automation process for Whale Logistics, solution roll-out could get started.

Since the previous implementation of a new ERP presented a few challenges, Whale Logistics was looking forward to a simpler and smoother deployment for Esker's Collections Management solution. It quickly became clear that with Esker's guidance and professionalism, the company managed a seamless transition to automating its collections management.



The first phase was focused on the internal processes at Whale Logistics, while the second phase included the setup of the customer portal. Although it took the clients a little bit of time to get used to this new tool, they soon realised that the 24/7 information availability and improved communications would reduce both the time to get questions answered as well as friction about payment issues. The customer portal was received so well, in fact, that Whale Logistics received an unsolicited 100% satisfaction rating from a customer only a couple of weeks after implementation.

RESULTS

Esker's solution outperforms on its promises

Even in the early days after solution implementation, the feedback was unequivocally positive. The AR staff, with over 30 years of experience, said they had never seen a system like Esker's Collections Management solution. "It is very easy to use, very clear, very simple, and I know exactly what I need to do every day", said Anne Kelly, Accounts Receivable Officer at Whale Logistics. She can see exactly how many collections calls need to be made every day and is able to work through that list quickly and efficiently due to the prioritised call list based on predefined rules.

The removal of manual, paper-based tasks has brought clarity and calm to the workday. Despite the increase in sales volume, staff are not struggling, but instead have taken on additional responsibilities. Another notable benefit of Esker's solution was the improvement in the relationship with customers. Esker's customer portal eased previously tense exchanges considerably due to the improved visibility on both ends. Whale Logistics is now able to look at customer data and rather than ask where an outstanding payment is, they can engage in real conversations. Where customers would perhaps complain in the past, Whale Logistics has not received any complaints related to collections since implementation. As everything is tracked in the system, Whale Logistics can make good on its promise to have customer issues resolved within 24 hours.

For Mrs. Huang, this is just one of the outstanding benefits she sees. The solution has enabled Whale Logistics to have confidence that AR is under control. DSO was reduced by 30% compared to the same

period of the previous year, and this improved AR performance enables Whale Logistics to focus on cashflow security. Mrs. Huang declared her favourite feature of Esker's solution to be the dashboards and reports, and expressed amazement at the 90% accuracy of the forecasting, which enabled her to work that into her cashflow modelling.

Luckily, the solution was up and running by the time the pandemic struck. To complicate matters even more, a new AR staff member was still in training right before the first lockdown was instituted in Sydney. This, however, proved to be no problem at all, since Esker's straightforward user interface eased both training and user uptake of the solution. The entire department was able to proceed into remote work within two days.

Additionally, Mrs. Huang used to be heavily involved in the training process but can now spend time focusing on more strategic planning. Also, while other business units have increased their headcount to meet the rapid growth of the organization, the Finance Department was not only able to maintain their staff numbers, but instead voluntarily took on additional tasks.

Implementing Esker's Collections Management solution was one of the stepping stones for Whale Logistics to become an industry leader in digitalised processes by speeding up communications and creating audit trails. After starting with Collections Management, Whale Logistics is now live with Esker's Accounts Payable solution.

Mrs. Huang also offered advice to other companies looking to automate their AR processes: it is imperative to understand exactly what the needs of the business are and have a detailed project plan. A solution provider that is knowledgeable and enables a collaborative environment will successfully accompany a business on its path to automating processes and workflows and creating an agile organisation that is ready for the challenges of the 21st century.

RESULTS



Overdue ratio reduced by 35%



DSO and CEI improved by 30%



Customer issues resolved within 24 hours



Over 90% accuracy in collections forecast



Esker's solution provides our staff with a sense of achievement; they are also now able to connect with clients on a human scale rather than just discussing tasks.

Elaine Huang

Financial Controller, Whale Logistics (Australia) Pty Ltd

Want to automate your collections management process like Whale Logistics?

Our team is at your service.

GET IN TOUCH WITH ESKER

ABOUT ESKER

Esker is a global cloud platform built to unlock strategic value for finance and customer service professionals, and strengthen collaboration between companies by automating the cash conversion cycle. Founded in 1985, Esker operates in North America, Latin America, Europe and Asia Pacific with global headquarters in Lyon, France, and U.S. headquarters in Madison, Wisconsin.

Our customers use our cloud solutions to increase the efficiency, productivity and visibility of their Procure-to-Pay (P2P) and Order-to-Cash (O2C) processes.

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