Improving Billing To Improve Operations

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No matter what business you're in, billing is a key part of your operation. An efficient billing strategy can increase your customers' satisfaction, improve your company's cash flow, and significantly lower operating expenses throughout your organization.

Whether your company is a complex operation with multiple billing entities or you run a smaller enterprise and simply prefer to focus on your core competencies, bringing a dedicated billing outsourcer into the equation can enable you to reallocate internal resources to focus on more strategic, revenue-generating tasks. The right billing partner can also support your company as it goes through organizational changes, including consolidation of billing entities and other significant alterations related to scale.

The relationship between Oldcastle, one of North America's largest building products and materials manufacturers, and Billtrust, the premier provider of outsourced billing services [1], demonstrates how an effective billing strategy enabled by outsourcing professionals can transform company operations. Oldcastle is a division of Ireland-based CRH, plc and is a major supplier of building materials of all types.

Offering a vast array of products, Oldcastle operates as a federation of companies. The organization has four major divisions, and many separate operating companies that sell products on the market directly as well as through partnerships with small and large retailers, including major brands such as Lowe's and Home Depot.

With a large, geographically dispersed manufacturing footprint and a giant distribution network, the company is able to serve markets worldwide, and Oldcastle has achieved marketplace leadership in every category in which it competes. However, the organizational structure poses unique challenges for the company's billing operation. Adding to the complexity is the fact that many Oldcastle operating companies maintain separate billing processes and systems.

Streamlining Administration through Outsourcing

In 2008, key leaders in Oldcastle's Architectural Products Group developed a strategy designed to streamline the divisional administration and improve overall efficiency by deploying an ERP platform and creating a Shared Services business unit. The Shared Services organization would consolidate and manage back-office operations, handling billing functions, and other key tasks. As a part of these changes, the division outsourced invoicing to a print and mail facility.

Soon after outsourcing the invoice function to the print and mail provider, Shared Services Manager Tracy Garrett began to receive customer complaints about

misdirected invoices. Since the division uses approximately 20 separate logos, numerous different billing addresses and generates invoices to more than 20,000 companies, many with various billing locations, invoicing is a complicated process, and the original print and mail outsourcing partner was not able to handle Oldcastle's unique requirements.

The Shared Services group began exploring alternatives, researching a variety of potential outsourcing partners capable of handling more complex billing needs, including Billtrust. After confirming that Billtrust offers a comprehensive array of billing solutions, including electronic and paper billing, invoice design services, and a web-enabled customer portal to view and track payments, the team placed Billtrust on the company's short list of potential outsourcers.

Since Oldcastle's original experience with outsourcing the invoicing function produced less than ideal results, Ms. Garrett wanted to be absolutely certain that prospective outsourcing partners were able to handle Oldcastle's unique requirements. To test Billtrust's capabilities, Ms. Garrett provided the Billtrust representative with a number of complex billing files, creating a test that included a range of different operating companies, unique logos, separate billing addresses and special customer requirements.

Within two days, Billtrust favorably impressed Ms. Garret by returning accurate, highly readable invoices in a professionally designed format. The new invoices fully accommodated Oldcastle's multiple billing companies, facilities, addresses, and customer requirements. The successful demonstration of Billtrust's ability to handle their complex requirements persuaded Oldcastle to partner with Billtrust.

Implementing a Comprehensive Solution

Ms. Garrett and the Oldcastle Shared Services team worked with Billtrust to implement a comprehensive solution that included electronic billing, US Postal Service mail options, web-enabled bill archiving, and a customer service portal to allow Oldcastle clients to view and track invoices in real time. The Billtrust solution integrated with Oldcastle's consolidated ERP platform, an important advantage.

The new solution empowered Oldcastle to submit invoices from the ERP as a single file. It also allowed the Oldcastle Shared Services team to review and approve invoices prior to delivery. This was a key feature since the company values the ability to proactively monitor quality as it seeks to continuously improve customer satisfaction. Ms. Garrett reports that with the Billtrust solution in place, even the most complex invoice files are consistently produced in a timely, accurate manner.

Improving Operations, Cash Flow and Customer Satisfaction

The Oldcastle Shared Services team has seen a number of operational improvements since implementing the Billtrust solution. One major benefit has been an increase in the use of electronic billing. Ms. Garrett advocates electronic billing since the practice is more efficient and cost-effective, and Billtrust's special program to promote electronic billing resulted in a dramatic increase in the number

of customers who were willing to make the switch from paper billing:

“The Billtrust e-Adoption program has encouraged many of our customers to migrate to electronic billing,” she notes. “Today, about 30% of our customers use electronic billing and track payments on the CustomerCare portal. Before we partnered with Billtrust, fewer than 10% used electronic billing.”

The increase in the use of electronic billing has not only improved efficiency, it has translated into major savings for Oldcastle. Ms. Garrett estimates that the company has saved approximately 25% on postage fees by achieving 30% acceptance of electronic billing, and that number is expected to rise as more customers opt for electronic processing. Given the scale of the operation, the postage fee savings are significant.

Oldcastle has also been able to reallocate internal resources since partnering with Billtrust, which contributes to operational efficiency gains. Prior to the Billtrust implementation, the company had to dedicate internal resources to printing and stuffing invoices. Since Billtrust now handles those tasks and much more, the Oldcastle team can redirect internal resources to key business functions such as collections and customer service. The result has been greater customer satisfaction, increased revenue and decreased billing expenses.

Another major plus for Oldcastle has been Billtrust’s ability to scale its solution to accommodate changes as Oldcastle rolled out additional ERP functions. As back-office operations changed, Billtrust was there to support Oldcastle every step of the way:

“Billtrust can handle anything,” Ms. Garrett said. “We completely transformed our back-office operation, consolidating a federation of companies to form one entity. Billtrust provided support that helped us gain significant savings while streamlining processes and generating high levels of customer satisfaction.”

Better Billing Solution = Better Operations

As Oldcastle’s partnership with Billtrust illustrates, a comprehensive billing solution can help companies operate more efficiently and effectively. Companies can achieve major cost savings by reducing or eliminating postage fees when customers opt for paperless billing, and businesses can streamline core processes with billing tools that are integrated into the organization’s ERP platform.

If you’re looking for ways to save money and time in your business operations, it is worth taking a look at your billing process and exploring ways to gain cost and time efficiencies. Not only can you streamline operations, you can transform your company.

For more information on Oldcastle visit www.oldcastle.com *[2]or Billtrust visit* www.billtrust.com *[1].*

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