Accounts Receivable Process Management - What Can Be Done Differently?

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US Foodservice Profile

- One of America’s largest foodservice distributors.
- Distributes food and related products to more than 250,000 customers, including restaurants, hospitals, hotels, schools, and governmental institutions.
- Employs over 26,000 employees in the best jobs in the food distribution industry.
- Operates over 60 distribution centers strategically located across the country.
- Services customers with a sales force of nearly 5,000 employees.
- Offers more than 300,000 fresh, frozen, dry, and non-food products from every national brand, plus a robust line of its own exclusive brands.
- Purchases products from 6,000 national brand and exclusive suppliers.
- Operates and maintains one of the largest private refrigerated transport fleets in the United States with more than 6,000 tractor trailers.
US Foodservice Before OPEN SCAN®
USF Sales Reports Before OPEN SCAN (Process for Each Branch)

Checks Received with Delivery or from Sales Reps

Sales Reports Filled out (Similar to a Remittance)

Deposit Checks Locally

_manual Cash Application

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US Foodservice Before OPEN SCAN (Lockbox Process)

Mail Arrives at PO Box

Mail Opened at the Bank

Funds Deposited

Data Keyed Manually

Autopost

Manually Reconcile Exceptions

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US Foodservice Adopts OPEN SCAN

July 2008
US Foodservice With OPEN SCAN

Mail Arrives at PO Box

Mail Opened at the Bank

Funds Deposited
All Documents Scanned
Image Transfer
Automated Processing

AFP® Annual Conference
USF Sales Reports With OPEN SCAN
(Process for Each Branch)

Checks Received with Delivery

Sales Reports Filled out Excel Report

Deposit Checks Locally at a National Bank

Sales Reports are transmitted to the Shared Service Center

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US Foodservice Payment Model

From Compartmental

To Collaborative

Shared Service Center

Branches

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OPEN SCAN System Detail

- Auto Data Extraction
- Auto Data Validation
- Exception Review
- Post to ERP

Images

ERP

AFP® Annual Conference
Coordinated the bank lockbox feeds.

Created the Validation file feed to OS and setup a server environment.

We linked in the existing batch posting on the mainframe (EDI 823).

Our Shared Service Center business stakeholder provided overall coordination.

### Project Implementation Schedule

<table>
<thead>
<tr>
<th>Task Description</th>
<th>Primary Responsibility</th>
<th>Standard Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signed Agreement &amp; Initial Milestone Payment</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Generate Bank Files (Index &amp; images) and Open A/R Invoice File (Mapping &amp; sample)</td>
<td>✓</td>
<td>4 weeks</td>
</tr>
<tr>
<td>Requirements Gathering and Create Specifications</td>
<td>✓</td>
<td>4 weeks</td>
</tr>
<tr>
<td>Configure &amp; Test Product</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Create System Documentation (User Guide, Training Materials)</td>
<td>✓</td>
<td>3 weeks</td>
</tr>
<tr>
<td>Install Product &amp; Conduct Training</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Perform UAT</td>
<td>✓</td>
<td>2 weeks</td>
</tr>
<tr>
<td>Production “Go Live”</td>
<td>✓</td>
<td>Go Live</td>
</tr>
</tbody>
</table>
Concerns / Goals by Role

For Treasurers
- Banking Relationship Concerns
- Save Bank Keystroke Fees
- Reducing Checks Arriving at Distribution Centers

For IT
- Ongoing Support
- Validation File Creation

For A/R and Credit & Collection
- Timely and Accurate Data
- Customer Service Issues
- Handling Cash on Account

For CFO
- Reduce cost per transaction
- Return on Investment