Getting the Pain Out of Payments

USING THE CLOUD TO DEAL WITH PROBLEM PAYMENT STREAMS

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Getting the Pain Out of Payments

✓ Speaker Introductions
✓ What is a cloud?
✓ Payments in the cloud
✓ Adecco Moves into the Cloud
✓ Questions
Christina Falcone

☑ Director of Shared Services and Treasury at Adecco Group North America
☑ Worked for 10 years as Asst. Treasurer at Staff Builders
☑ Worked for Deloitte and Touche
☑ MBA, CPA, CGMA, member of AICPA
☑ Graduate of Pace University
Adecco Group

- World's largest provider of HR solutions and is a leading global employer
- Parent based in Zurich
- 5,200 locations
- 60 countries
- 31,000 FTE
- Connecting 700,000 associates with more than 100,000 clients every day

North America:
- More than 500 locations in virtually all 50 states servicing 25,000 clients
- 6,000 colleagues and 100,000 associates
Jim Crawford

✓ Cognizant, Director – Finance and Accounting, Business Process Services

✓ 30 years experience in outsourcing:
  ✓ Document Management
  ✓ Human Resources, Benefits, Payroll
  ✓ Accounts Payable Services
  ✓ Finance & Accounting

✓ Based in Chicago
Cognizant Overview

✓ $8 Billion+
✓ 164,000 employees
✓ 20% annual growth
✓ Business Process Services
  ✓ Vertical specific processes
  ✓ Finance and Accounting
  ✓ Cloud based Accounts Payable Solutions
What is a cloud?

Can you name the different types of Clouds?
Types of Clouds

Common types of clouds in the troposphere:

- **Cirrocumulus** (mackerel sky) above 18,000 feet
- **Cirrus** above 18,000 feet
- **Altocumulus** 6,000 to 20,000 feet
- **Altostratus** 6,000-20,000 feet
- **Stratocumulus** below 6,000 feet
- **Stratus** below 6,000 feet
- **Cumulus** below 6,000 feet
- **Cumulonimbus** from near the ground to above 50,000 feet
Typical Cloud

Cloud Computing

Application
- Servers
- Monitoring
- Content
- Collaboration
- Communication
- Finance

Platform
- Object Storage
- Identity
- Runtime
- Queue
- Database

Infrastructure
- Compute
- Block Storage
- Network

Laptops
- Desktops
- Phones
- Tablets

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History of Cloud Computing

• Grew in 2012 by 19.6% to $109 Billion (Global)
• “Our industry is going through quite a wave of innovation and it's being powered by a phenomenon which is referred to as the cloud.”
  Steve Ballmer, CEO - Microsoft
Advantages - Disadvantages

Pros and Cons

- Scale and Cost
- Choice and Agility

- Security
- Lack of Control

- Lock-in
- Reliability

- Encapsulated Change Management
- Next-Generation Architectures

From http://blogs.zdnet.com/Hinchcliffe
General Advantages

- Lower start up and ongoing costs
- Implementation with fewer dedicated IT resources
- Low cost customization
- Ahead of the curve technology
- Transfer risk (back up, recovery, etc.)
Limitations/Concerns

- Vendor Management – SLAs
- Security is a growing concern
Future – Trends in the Cloud 2015

- Fewer reasons to maintain applications on site
- Predictions for rapid increases in use
- Move toward “Private Clouds” for B2B
- 2013 Mobile devices overtake PCs for accessing web
- 2015 = 50% of all computers will be tablets
- IT departments shift from providing services on premise to managing vendor relationships

- Ability to manage a variety of suppliers
- Enforce a host of widely disparate SLAs
- Evaluate varying levels of performance
- Prepare for different disaster-recovery scenarios
- Implement a variety of support and escalation processes

- Accommodate different subscription and billing models
- Advent of Cloud Brokers to offer services
Payments in the Cloud
Payments Advantages

✓ Platform configured for each client:

  ✓ Client specific terms, fields
  ✓ Client specific data beyond payment information
  ✓ Client defined workflow
  ✓ Unlimited users
  ✓ Custom client inquiry, reporting
  ✓ Attach documents, images, etc.

✓ Powerful customer service tool with all client information in one place

✓ Low implementation cost (compared to custom software)

✓ Security, backup, recovery, controls, redundancy and audit – all provider responsibility

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Payments Limitations

- Initial implementation may be longer and more expensive than traditional bank platforms
- May not integrate with all other bank platforms
- May be additional ‘hosting’ or management costs
- New concept/tool for users in finance and customer service
Cloud Payments – Typical Workflow

- Platform configured for client
- Data received from client
- Data, check images, workflow, all in one place
- Data validated – workflow for exceptions
- Payment proposal generation, review, approval
- Platform generates file to create checks, ACH, wires, etc.
- Encashment data and cancelled check images also sent to platform
- Service model offers returned check processing and escheatment
Adecco moves into the cloud
Adecco Case Study

- Accounts Payable Metrics Previous
  - 250,000 Annual Invoices
  - Mix of Paper, EDI and Excel uploads
  - 24 Person Staff in AP/Shared Services
  - Majority of invoices = Non-PO
  - VERY paper intensive-80 file cabinets of paper, offsite storage is costly and to get a box back is even more costly
Adecco Case Study

Previous Process

- National Contracts—invoices sent direct to corporate
- Purchase orders in place for large purchases
- Invoices sent to field offices or corporate
- Reviewed and matched against procurement and/or contract terms
- Coded and approved for payment
Adecco Case Study

- Field Invoices – 500 Locations

- Purchases made at individual locations
- Invoices sent to individual locations
- Invoices coded and approved at locations
- Invoices forwarded to corporate for payment
- Corporate AP review, handle exceptions, and route for further approval if the invoice is above a preset authorization limit
Adecco Case Study

- Issues with Previous Process
  - No visibility into purchases until invoices forwarded
  - No controls over purchases prior to invoicing
  - No control over timing of field approvals and routing
  - Inconsistent coding and approvals
  - AP staff unsure of approval limits
  - A/P clerks had to be hand-writing experts
  - Difficulty auditing field processes
  - Lack of compliance with corporate procedures
  - 6 week back log
  - Paper, paper, paper, and more…paper
  - Research was extremely time consuming for large projects
Adecco Case Study

Project Objectives

- Improve AP controls
- Automate and tighten SOX compliance/internal controls
- Eliminate backlog
- Gain access to scanning/imaging and workflow technology
- Improve access to information – spend, process, etc.
- Improve levels of service and quality in AP
- Increase volume with no/minimal head headcount
- Reduce costs
- Reduce/Eliminate paper
Adecco Case Study

- Outcomes - Results

- Current invoice processing
- Staff reduced by 3
- Three back office consolidations with no additional headcount—increased transactions by 25%
- Additional savings from AR
- Better vendor relationships
- Additional savings in other areas
- Full AP automation and electronic documentation
- Centralized receipt – data capture within 48 hours – immediate access to data, including payment information
- Accounting reports available for month end close
Questions?

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