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ORIGINAL → ESSENTIAL → UNBIASED → INFORMATION

Getting the Pain Out of Payments

USING THE CLOUD TO DEAL WITH PROBLEM PAYMENT STREAMS

Presented by:

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Jim Crawford, Director Finance and Accounting Services

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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

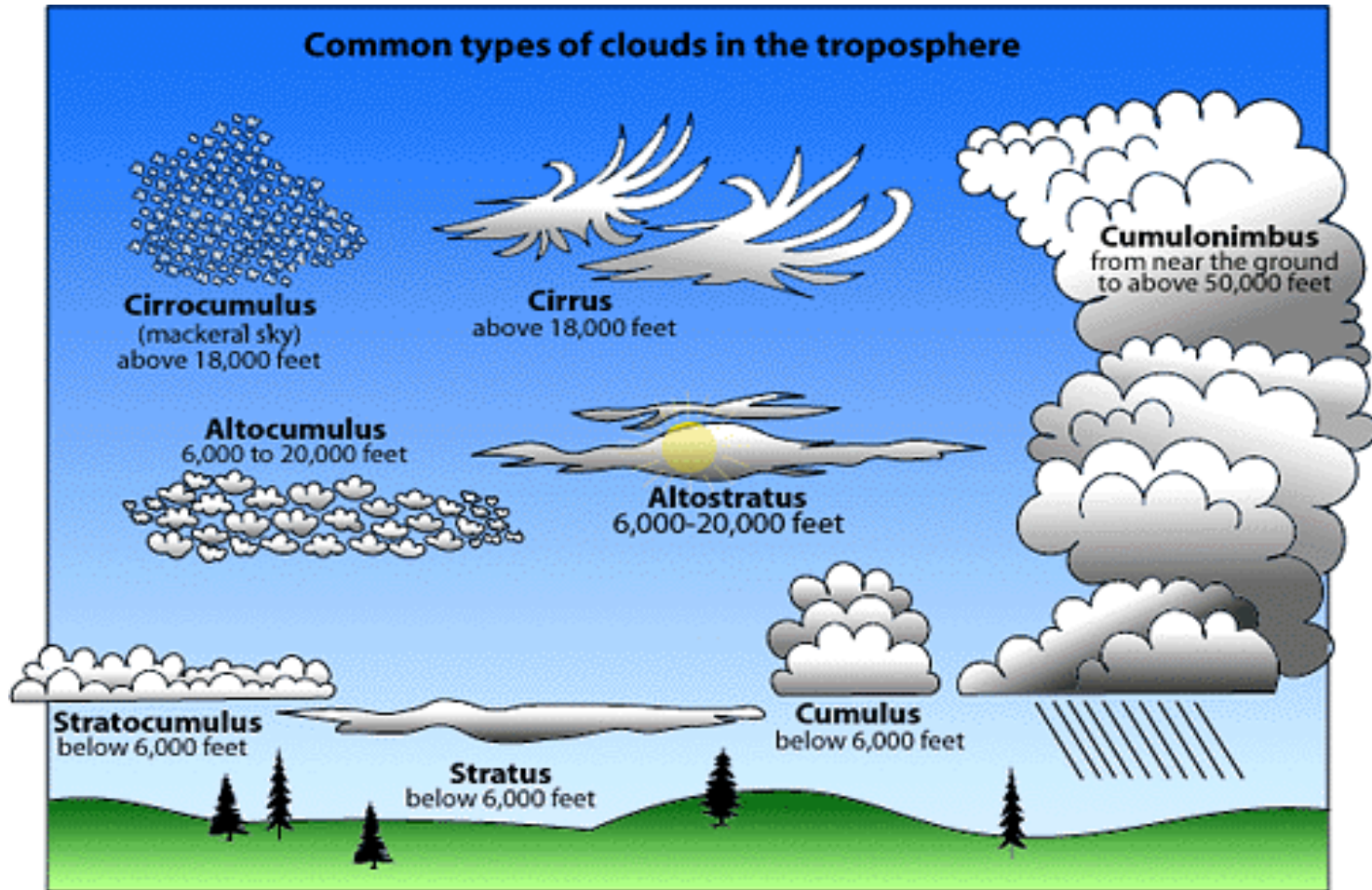
- ✓ \$8 Billion+
- ✓ 164,000 employees
- ✓ 20% annual growth
- ✓ Business Process Services
 - ✓ *Vertical specific processes*
 - ✓ *Finance and Accounting*
 - ✓ *Cloud based Accounts Payable Solutions*



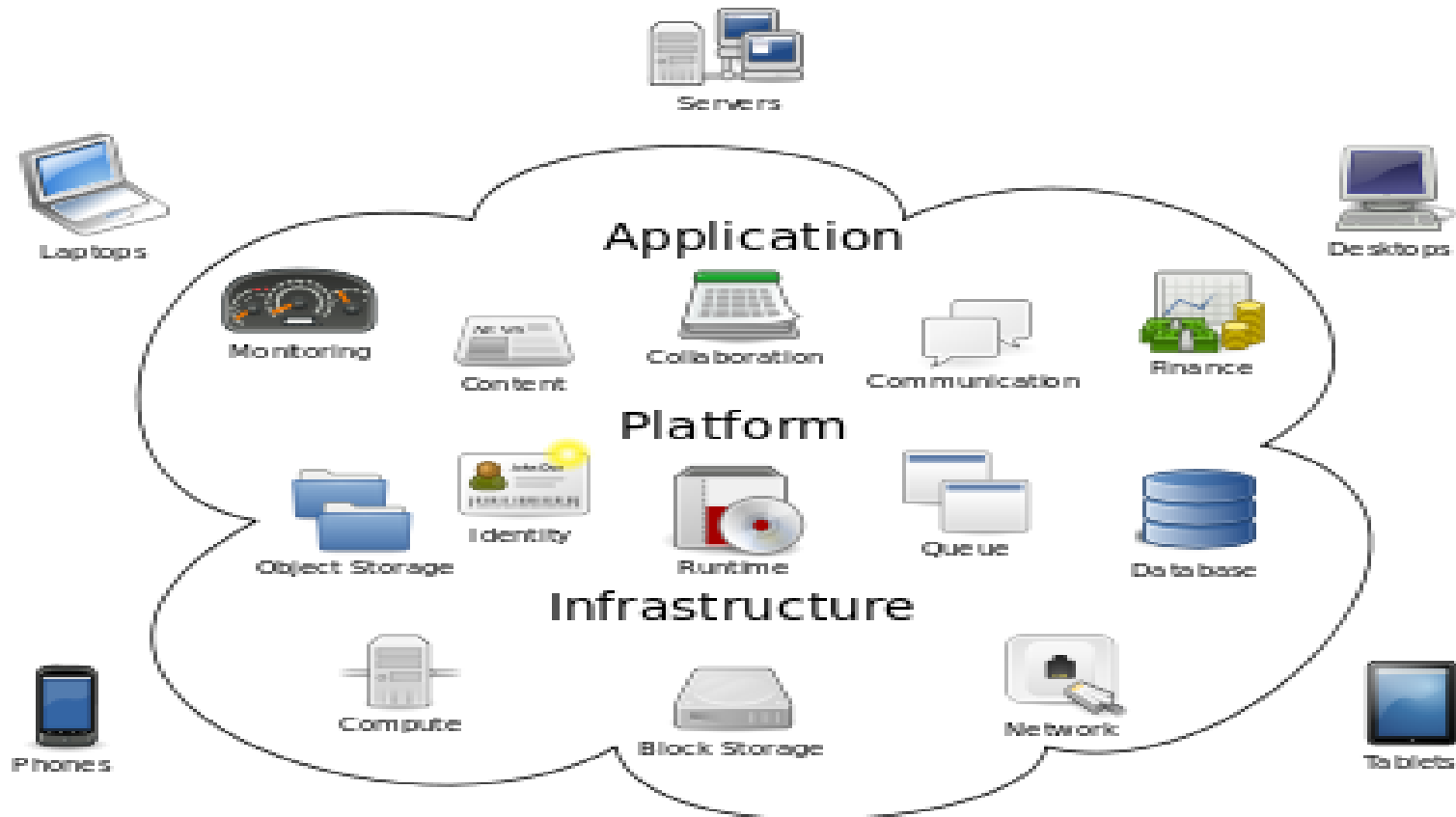
What is a cloud?

Can you name the different types of Clouds?

Types of Clouds



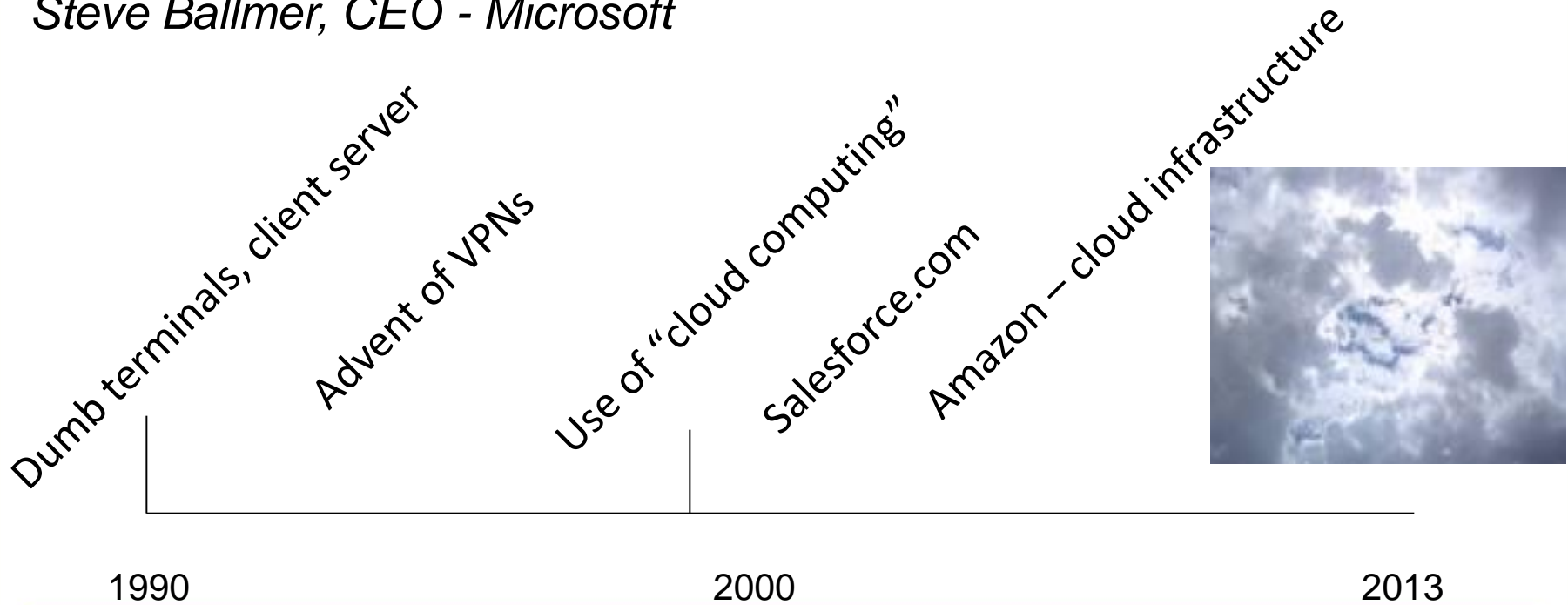
Typical Cloud



Cloud Computing

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



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

Flexibility

Pros and Cons



From <http://blogs.zdnet.com/Hinchcliffe>

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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