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Case Study

Industry: Information Management Services; Storage, Retrieval, Conversion, Disposal
Solution: RMS Cash Application and 1st Party Collections
Results: After 1 Month, RMS was Clearing \$8.1M in LockBox Receipts a Month and the 1st Party Collections Team Exceeded their 12 Month Goal of \$1M in 6 Months

Summary

This company realized their time-consuming, traditional, cash application methods were both costly and inefficient. They needed to streamline their lockbox receipt exception processing for their domestic (U.S.) customer base and reduce their overall TTP (Time-To-Process). They also needed assistance improving their cash flow on small account and low dollar portfolios. Delinquency, in some cases, had exceeded the 360 day mark.

Customer Profile

As one of the world's largest information management firms, this company stores, retrieves, protects, converts, and securely destroys important documents and data for their clients. Servicing over 75,000 customers, they have more than 275 facilities around the world supporting a wide variety of industries including healthcare, banking and financial services, legal, government, insurance, engineering and real estate.



RMS Solution

With two distinct problems to address, RMS assigned two separate groups of specialists to analyze the existing situations and then develop a resolution program and implementation plan utilizing a blended on-shore/off-shore solution. Both teams had to first review and document the existing process flows to discover any pitfalls.

Cash Application:

- Develop and implement a new process
- Attack the backlog
- Provide daily audits and reconciliations to monitor productivity and metrics - adjust processes and procedures as needed to meet SLAs

1st Party Collections:

- Develop a calling and treatment matrix, to include skip tracing and verification of outstanding credit balances, to minimize delinquency on a 'go forward' basis
- Implement dialer-based outbound call campaign to maximize coverage of the portfolio

Results

Cash Application:

- RMS established and implemented clear and explicit cash application policies as a team working with the client's own internal personnel
- Reduced the TTP (Time-To-Process) from +72 hours to within RMS' standard of 24-48 hours
- Within one month, RMS was clearing 100% of the lockbox receipts which were not auto-clearing within 24 hours
 - +8,800 Receipts a month (average)
 - Cleared over \$8.1M a month (average)

Lockbox Receipts - 6 Month Processing Analysis



1st Party Collections:

- Skip tracing was done on the entire portfolio to verify or obtain telephone numbers
- Investigations conducted and documentation reviewed to verify the open balances in order to resolve past due accounts
- A dialer-based call campaign was implemented
 - Customer specified/expected a \$1M increase in cash flow after 12 months
 - RMS exceeded the \$1M mark in only 6 months!

For more information, please contact:

Darrel Hewson
 RMS Vice President-Business Development
 240 Emery Street, Bethlehem PA 18015
 Tel: 484-242-6685
 Email: darrel.hewson@rmsna.com