



R·M·S

# Case Study

Industry: Medical and Hospital Equipment  
 Solution: RMS 1st and 3rd Party Collections, Cash Application, Dispute Management  
 Results: TTP reduced to 24 hour turn-around, Lockbox receipts now processed same day, COA reduced by \$2.6M (65% improvement)

## Summary

This leading provider of high tech medical equipment to the health care industry realized that in their North and South American markets, they were experiencing accounting staff and resource limitations resulting in reduced cash flow. They were looking for an experienced company to team with to reduce their bad debt, and days sales outstanding, so that cash flow could be improved. The company selected must be able to change and adapt as their business continues to grow and change.



## Customer Profile

This leading, global company provides hospital and medical equipment designed to optimize its clinical application for both better and faster use. The company is involved

in the development of the equipment through the sales distribution, servicing, and support processes.

## RMS Solution

A team of collection experts from RMS' U.S. and India offices would create a customized plan of action utilizing RMS' on-shore/off-shore blended solution for maximum efficiency and cost effectiveness.

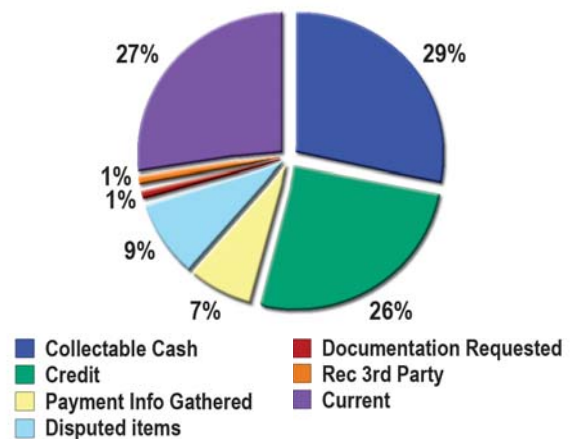
- Identify and organize existing customer disputes for prompt resolution
- Develop and implement a treatment matrix based on total receivables and a 120 day time frame:
  - A verification call before payments are due to ensure data accuracy and confirm receipt of invoice
  - Escalation plan for calls and letters to the debtors based on the dollar amount owed and time outstanding
  - Third Party Collections review and then placement as needed
- The client's new accounting software platform was one RMS already used, meaning that as work was transitioned over, it would be organized and formatted by RMS' experienced team for immediate integration with the customer's new software

## Results

Improvements were implemented across several platforms that resulted in the customer achieving not only a more efficient process but a significant reduction in debt and increase to their cash flow. RMS utilized both their U.S. and India teams to provide maximum efficiency and cost effectiveness.

- Time-to-Process (TTP) was reduced from a 3 day backlog to a consistent 24 hour turn-around
- Lockbox receipts were now being processed the same day they were received
- In just 6 months, Cash-on-Account (COA) was reduced from \$4M to \$1.4M

Average Number of Invoices by Root Cause



To maintain the achieved levels of service and support, various root cause analysis reports were generated and reviewed monthly to ensure efficiency. These reports detail the status of RMS' collection efforts, down to the invoice level, thus allowing for business shifts or changes to be caught early and addressed pro-actively.

## For more information, please contact:

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