



Case Study



Schindler

Background

Schindler lifts provide reliable mobility in all types of buildings, from high-rises to shopping centres, in residential and commercial settings.

The problem

In order to ensure they deliver their net working capital targets and reduce both their bad debt allowance (BDA) and cost-to-serve, Schindler UK invested in implementing a credit and collections automation system MIA.

The system would provide them with the data insight and analysis to make more strategic decisions on how best to manage each individual customer based on their historic payment behaviours avoiding unnecessary calls and nudging those accounts that would need it – ensuring optimal efficiency in their credit and collections processes.

However, post-implementation Schindler UK were still not seeing the results they desired. Analysis of data from MIA uncovered that the credit-control team were still not picking up the phone when the MIA workflows identified this as the next appropriate step. This meant they were still only touching key accounts / more demanding customers, whilst the rest of the ledger remained untouched.

The 4D Contact Solution

Schindler engaged 4D Contact to provide an outsourced white-labelled credit-control service. Their primary objective was to improve cash collection and reduce BDA through increasing the level of customers receiving a voice-led credit-control contact. This would also allow their inhouse team to focus on the areas where they could most add value – their key accounts and dispute resolution.

Results

The project has been an outstanding success and has been extended from an initial pilot to an ongoing contract.

Exceeded financial targets

Since engaging 4D Contact in April 2018, Schindler has seen 290% improvement in networking capital. In addition to exceeding their net working capital targets, with 4D Contact’s white-label credit-control support Schindler also saw substantial improvements in their cash collection, BDA and aging buckets as outlined below:

Financial Results	April 2018 – August 2020
Increase in net cash collected	581%
BDA reduction	4.2%
Reduction in 180+ aging buckets	11.5%



Improved customer service

Whilst the financial metrics outlined above speak for themselves, it is the effect on Schindler’s customer relations which can arguably be considered the most impactful. The increased level of customer contact uncovered significant upstream issues with invoicing and billing that were generating customer frustration.

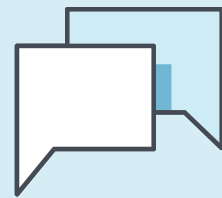
By engaging 4D Contact and ensuring these customers received the contact required, Schindler UK were able to not only resolve these disputes and secure payment, but also work with the relevant internal teams to get these issues permanently resolved.

Increased user engagement with software system

In addition, with the 4D Contact team utilising the MIA system as it was intended, the inhouse team could see how effective the system was at improving the efficiency of their collections activity. With the 4D Contact agents providing a best-in-class example, the Schindler inhouse team increased their engagement with the system. This led to improvements in the cash collection from the key accounts, further supporting the outstanding financial results.

Conclusion

Through the strategic use of credit-control outsourcing, Schindler UKnot only helped manage their front-line staff transition smoothly into better working practices, but also achieved their overall commercial objectives of improving their process efficiency, customer service and cash flow.



Further to engaging 4D Contact to support our credit-control function, Schindler UK has achieved our aim of negative working capital, three years ahead of plan. We also significantly reduced our 180+ ageing buckets and resolved our in-house issues over user engagement with our accounts receivables software system MIA. This has enabled us to redeploy staff to other tasks within the finance function, delivering even greater efficiencies, as well as maintaining our valued headcount.

Richard Clow, Head of Controlling
Schindler UK



4D CONTACT

4D Contact provide outsourced cash collection solutions to support the finance divisions of many global businesses – from white-labelled credit-control, through debt collection to managed legal services. Whether a business is looking for an end-to-end outsourced solution or support within a specific area, 4D Contact can provide a solution. Leveraging, our extensive experience in credit and collections transformation arena, we specialise in helping businesses identify and overcome issues that can, and will, arise during any transformation of their cash collection function.



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