



Kolcraft Takes Charge of Deductions, Cash Application With 9ci

Faced with mounting chargebacks and deductions exacerbated by lagging cash application times, this Chicago-based manufacturer was able to slash processing time while boosting credit and A/R performance using an automated solution.



By the turn of the century, Kolcraft Enterprises Inc., a manufacturer of crib mattresses and other quality children's products, found itself in the same situation as many manufacturers without an automated deductions management system in place. As purchasing and payment methods became more sophisticated, Kolcraft saw its chargebacks rise dramatically as customers discovered deductions as a means to drive profits. "Prior to implementing 9ci, admits Theresa Hecker, Chargeback Manager for Kolcraft, "we didn't have any mechanism to track chargebacks and deductions, or make notes to flag unique circumstances. We had to do the best we could with our A/R module, but we couldn't track specific chargebacks or deductions, or get the reports that we needed. "We had been discussing putting an

automated deductions system in place for a while. Six or seven years ago, when deductions became a major profit center for a lot of companies, we saw the volume of our chargebacks increase tenfold, and we became so overburdened with them that we had to address the issue.

Kolcraft decided to take control of the problem by implementing 9ci's Dispute/Collection & Deduction System (DCS). "This situation has improved greatly with 9ci," says Hecker. "9ci was actually recommended to us by our bank, and based on that and our initial meeting, we were favorably impressed. Our hope was that the system would allow us to identify deductions, lock them in

CUSTOMER

Kolcraft
www.kolcraft.com

CORPORATE PROFILE

Headquarters

Chicago, Illinois

Type of Business

Hard Goods Manufacturer

SYSTEM PROFILE

9ci Modules

- Auto Cash Application
- Dispute & Collections
- Business Insight

CHALLENGE

Tracking specific chargebacks and deductions, long cash application time and difficulty pulling reports.

SOLUTION

9ci's Automated Cash Application (CAS), Dispute/Collection & Deduction System (DCS) & Business Insight integrated into existing Friedman.

RESULTS

Decreased open chargebacks, better visibility into the data, saved 2 to 3 hours a day in human manual processing time.

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Chargeback Manager
Kolcraft

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About a year after going live with DCS, Kolcraft began using 9ci’s CashApply System (CAS) to simplify and automate its cash application processes. “Our main problem was getting cash applied on a timely basis,” says Patricia Duffee, Kolcraft’s Credit Manager. “We routinely found ourselves anywhere from two weeks to a month behind in cash application, which as you can imagine made tracking deductions difficult because we didn’t know the deductions were there until almost a month later. This situation made collections more difficult too, and this impacted our cash flow. There were a lot of manual processes involved with applying our cash under the previous system, which we were obviously looking to move away from. “Once CashApply was in place, we were able to cut down processing time for two of our large vendors, which used to take anywhere from a day to two days for a check to apply. Now it happens in a matter of ten to fifteen minutes. We also saved a good three to four hours a day in human manual intervention processing time. Not only has that helped accounts receivable, it has helped our collections department too – we used to have to do a lot of manual reporting since our A/R was never up to date. So CashApply has allowed us to use the reporting features that we have, since

the reports are more accurate. It has helped our collection calls and it has helped our bottom line. “One of the reasons that we went with 9ci is that we felt really comfortable with not only their product, but 9ci as a company,” continues Duffee. “They were able to work with us patiently, from a user perspective, and provide solid training to basically non-technical people. That relationship was very important to us. They enabled our staff to actually use the system instead of being intimidated by it and ultimately rejecting it, thinking, ‘this is just another headache we have to deal with.’” “9ci was very good about that,” agrees Hecker. “Especially my department – we’re very non-technical, and the patience 9ci displayed during the training period made a big difference. We still call them with questions here and there.”

Although the combined impact of 9ci’s products has been significant to say the least, Kolcraft plans to take advantage of even more of its unique features in the coming months. “In the future we hope to take advantage of [9ci’s] functionality that will allow us to write letters directly from the chargeback screen,” adds Hecker. “We would also like to do more reporting using Business Objects to analyze our credit data.” “We’re very happy with the way 9ci’s products have worked for us,” says Duffee. “They have made our jobs a lot easier and cut down on a lot of processing time.

About Kolcraft

Kolcraft is the number-one manufacturer of crib mattresses and also one of the nation’s leading suppliers of strollers, playards, high chairs, swings, walkers and bassinets



800-397-6952
www.9ci.com

9ci’s Credit-to-Cash Solution

Auto Cash Application

Collections/Deductions Management

Deductions & Dispute Prevention

Trade Promotion Management

Business Insight