



Royal Appliance enhances Oracle's A/R with 9ci

The challenge of replacing a software system, especially the code, has been a monumental hurdle. To make matters worse, non-core functions such as credit and collections management are routinely overlooked.

This situation is the challenge that faced the manufacturer of Dirt Devil vacuums, Royal Appliance Manufacturing Corporation. "To achieve our strategic corporate goals, Royal decided to move to Oracle 11i from our legacy system. Although Oracle 11i is an excellent ERP package, it did not offer all of the functionality we currently had in our accounts receivable, especially in the areas of cash application and deductions," explains Margaret Thur, Royal's Credit Manager.

As many credit pros are aware, the current off-the-shelf ERP or financial software systems available on the market today generally do not do a good job with credit and collections. To compensate for this lack of functionality, Royal turned to the bolt-on software solution for cash application, deduction control, collection management, and analysis provided by 9ci, Inc. Schaumburg, IL.

The Challenge Defined

Migrating from a legacy system to an A/R module associated with a

new enterprise software package typically leaves a void in terms of collection, deduction, and cash application processes. Unless new automated processes are created, either external or internal to the new software being installed, the credit department will be forced to fill the void with inefficient manual processes. Coping with these process interruptions places a seemingly insurmountable strain on existing credit department resources, and causes department performance to plunge even if staffing can be increased.

Getting the new system up and running is another difficult challenge. Doing this diverts time and attention from the ongoing task of managing trade receivables. It further compounds the problem of routine credit and collection tasks taking longer to accomplish because of the loss of credit and collection functionality. Without a comprehensive solution,



CUSTOMER

Royal Appliance
www.royalappliance.com

CORPORATE PROFILE

Headquarters
Glenwillow, Ohio

Type of Business
Appliance Manufacturer

SYSTEM PROFILE

9ci Modules

- Cash Application
- Dispute & Collections
- Business Insight

CHALLENGE

Lack of functionality in credit and collection management with their current ERP system.

SOLUTION

9ci's Cash Application, Dispute & Collections, & Business Insight interfaced with Oracle.

RESULTS

Royal was able to circumvent the problem caused by Oracle's lack of credit and collection functionality.

“9ci’s suite offers the necessary functionality we require to enhance our automated cash application and aggressive dispute and collection management processes.”

Margaret Thur
Credit Manager
Royal Appliance

the credit staff’s attention is divided between finding a way to make the new system work, and working with a system that is much less efficient than the old system it is replacing. In order to get the new system up to speed, credit and collections processes must be redefined in the context of the new software system. At that point, custom programming enhancements can be specified. The problem with this approach, however, is that all internal and any available external IT resources are usually focused on the core processes for which the new software was chosen. Without sufficient IT support, credit has no choice but to contrive manual procedures, usually inefficient, to fill in the gaps.

In many cases, the credit department must also deal with the loss of historical performance data that gets left behind with the legacy system. So besides trying to get the new system to work efficiently, all the while trying to keep up with the daily credit approval and collection routine, the credit staff must endure an information vacuum that is certain to affect their capacity for making both timely and good decisions. As a result, performance suffers during the software transition, and will continue to suffer unless labor-saving functionality is added to the new solution.

The Bolt-On Solution

We began to search for a bolt-on software solution and found 9ci through contacts in our credit groups who also deal with retail deduction offenders. 9ci’s suite offers the necessary functionality we require to enhance our automated cash application and aggressive dispute and collection management processes,” noted Thur. By moving to this bolt-on software solution, Royal was able to circumvent the problem caused by Oracle’s lack of credit and collection functionality with relative ease.

Bolt-on systems can provide dramatic improvements in productivity, especially if you are moving from processes that are for the most part manual. Automated cash application can save 75 percent of your labor costs while delivering a 90 percent or better automated hit rate. Collection software will more than double the number of debtor contacts

your staff can make, plus provide the analytics to drive a more proactive approach to collecting past due receivables. Likewise, deduction processing software can significantly reduce the dispute resolution process, especially when dispute identification is tied into an automated cash application process, as well as provide better analytics for focusing in on recurring deduction problems that can be prevented by process improvements.

Because it is focused only on specific credit or collection processes, bolt-on software is relatively easy to configure in support of each companies’ unique credit and collection needs. This was born out by Royal’s experience. “It was imperative that any bolt-on solution acquired by Royal could be tightly integrated with Oracle Financials. Not only did we want to keep the legacy A/R functionality, but we also wanted to enhance it with a bolt-on solution to achieve further cost savings. The 9ci consultants worked well with our information technology and credit departments, as well as the PWC Oracle specialists, to bring all system live together under an extremely tight time frame,” states Chris Fisher, Royal’s Vice President of Technology.

About Royal Appliance

Royal Appliance Mfg. Co., a subsidiary of Techtronic Industries Co. develops, assembles and markets a full line of floor care products for home and commercial use under the Royal(R), Dirt Devil(R), Regina(R), and Vax(R) brand names.

About 9ci, Inc.

9ci, Inc. provides software solutions to businesses directly affecting their revenue, profitability, and efficiency. 9ci, Inc. develops customized applications in automatic cash application, collections and deductions management, deductions and dispute prevention, trade promotion management, and business insight.



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9ci’s Credit-to-Cash Solution

**Auto Cash Application
Collections/Deductions Management
Deductions & Dispute Prevention
Trade Promotion Management
Business Insight**