



CLIENT LOGIN

TREASURY RESOURCES

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This presentation was originally given by:

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At the B2B E-Commerce Conference

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Receivables Management in the Digital Economy

B2B E-Commerce Conference



WACHOVIA

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Presentation Objectives

- Define Digital Collections
- Current Outlook
- Understand Context of (Digital) Collections
 - Within Collections Management
 - Within Overall Supply Chain
- Understand Opportunity of Emerging Business Models
- Understand Challenges of Emerging Business Models
- Discuss Approach for Realizing Opportunity

Collections - Evolutionary Overview

● Legacy Collections Processes

- Point of Purchase
- Credit Manual Field Deposit
- Credit Manual Mail
- Credit Manual Mail with Lockbox
- Credit Electronic EDI (Direct v. Indirect)
- Point of Purchase/Credit Manual Check Truncation

● Digital Collections

- Receiving and reconciling financial payment for goods and services stemming from e-Commerce business models.

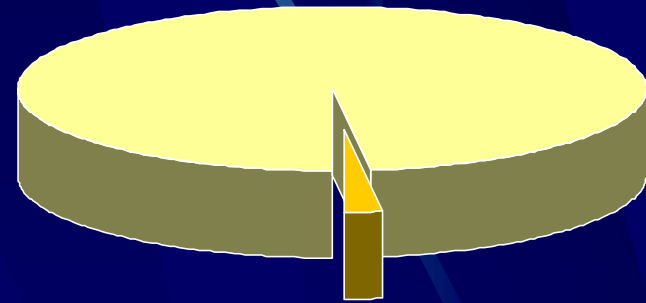
Digital Collections - Acceptance

- What percentage of all collections could be defined as “digital” using this definition?

“ . . . around 2% of all US businesses will bill customers through the Internet this year . . . ”

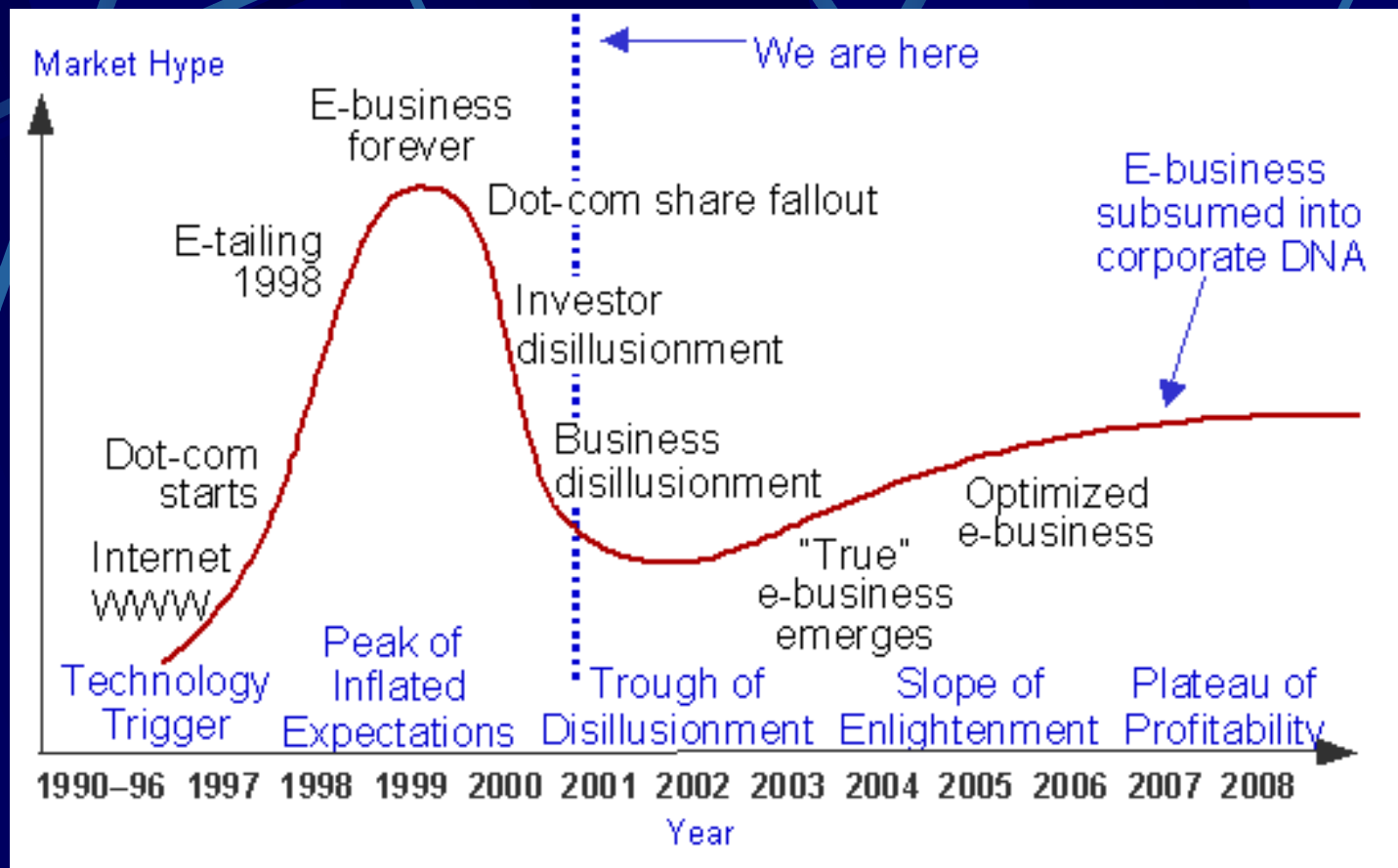
Tower Group

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e-Business Viability - Forecast



Source: Gartner Research

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Benefits of Digital Collections

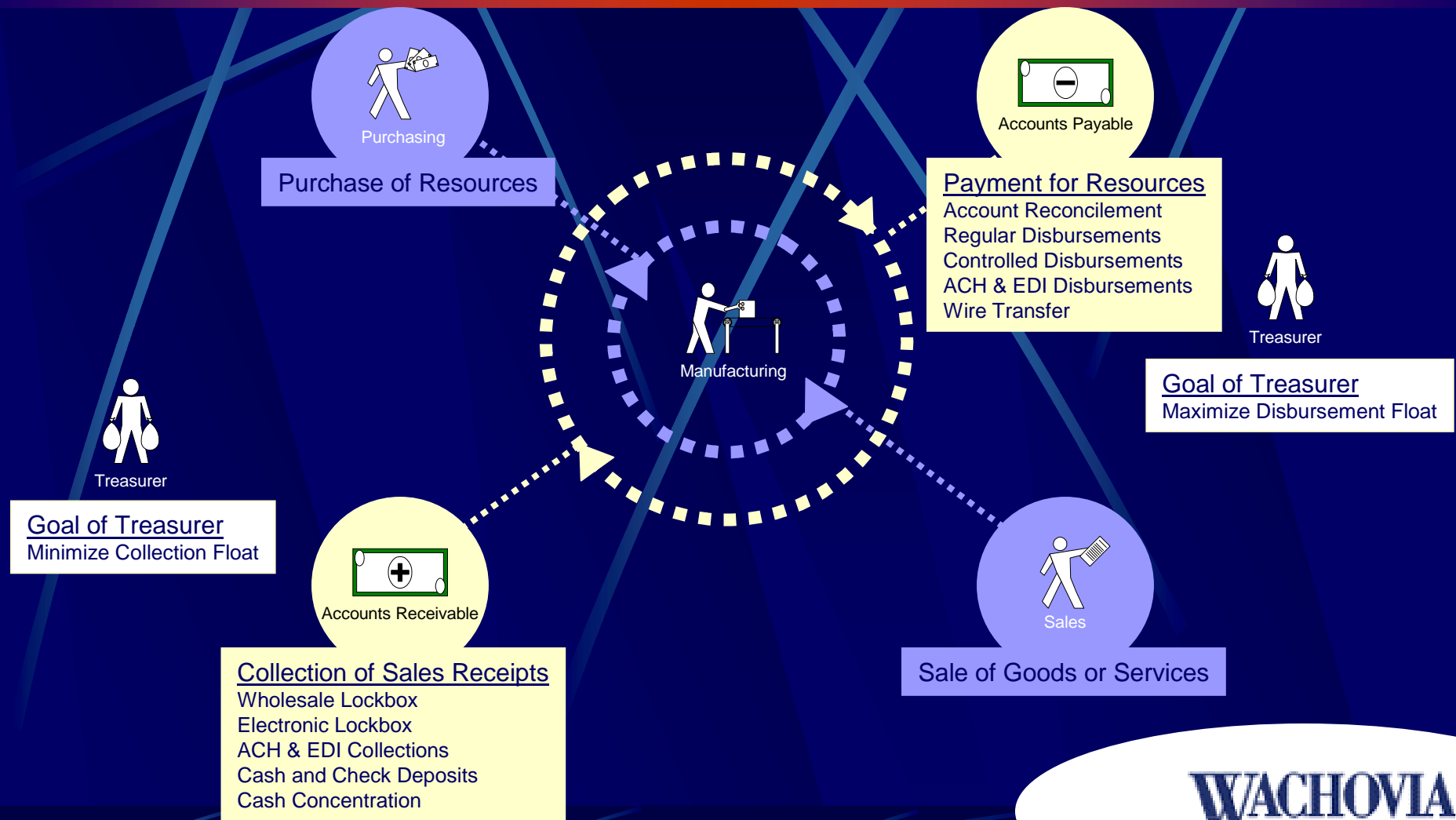
● To Biller

- Increased Visibility into Collections
- Decreased Days' Sales Outstanding (DSO)
- Decreased Processing Costs
- Increased Straight-Through Processing

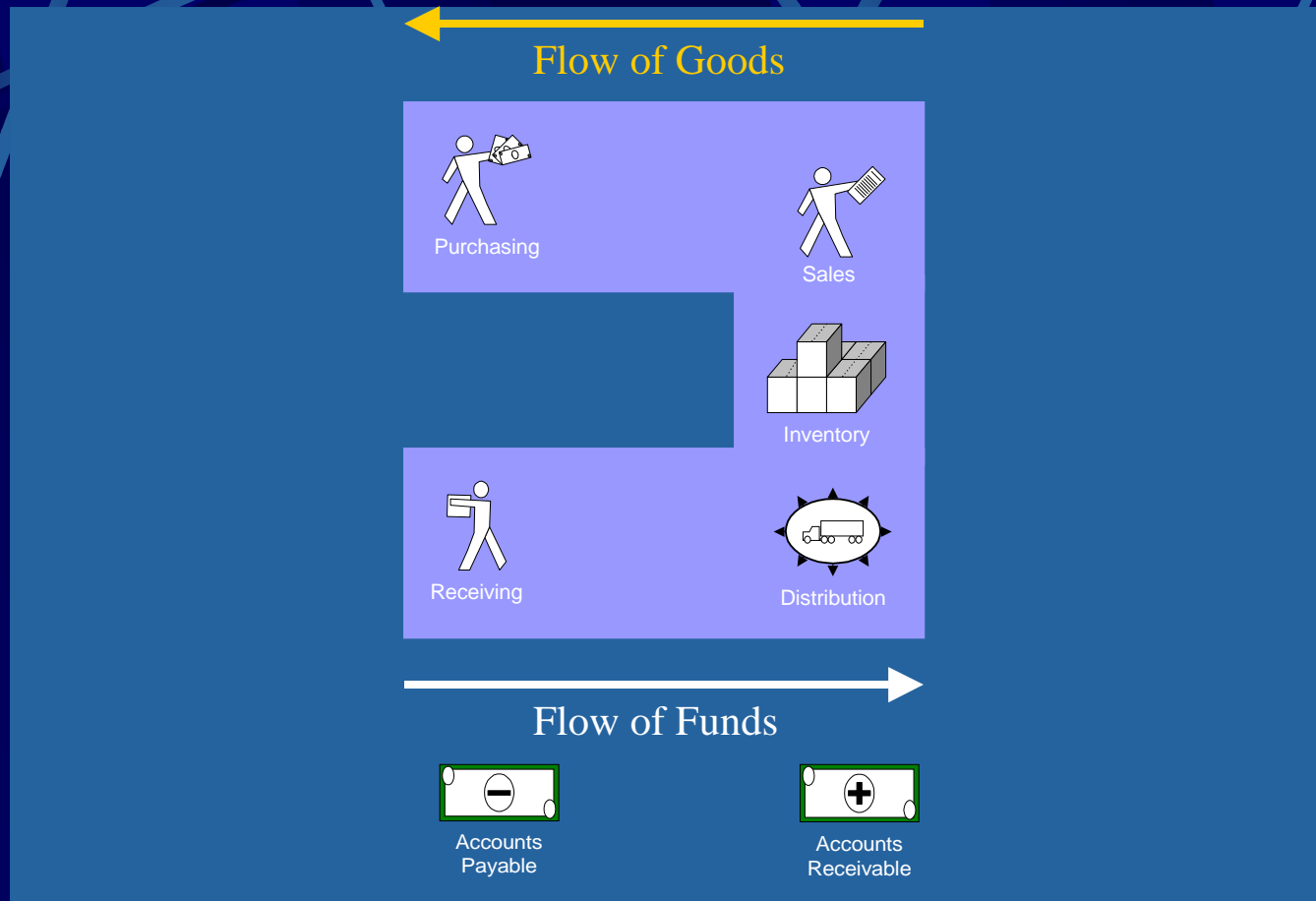
● To Payer (Biller's Perspective)

- More Convenient
- Better Servicing
- Increased Straight-Through Processing

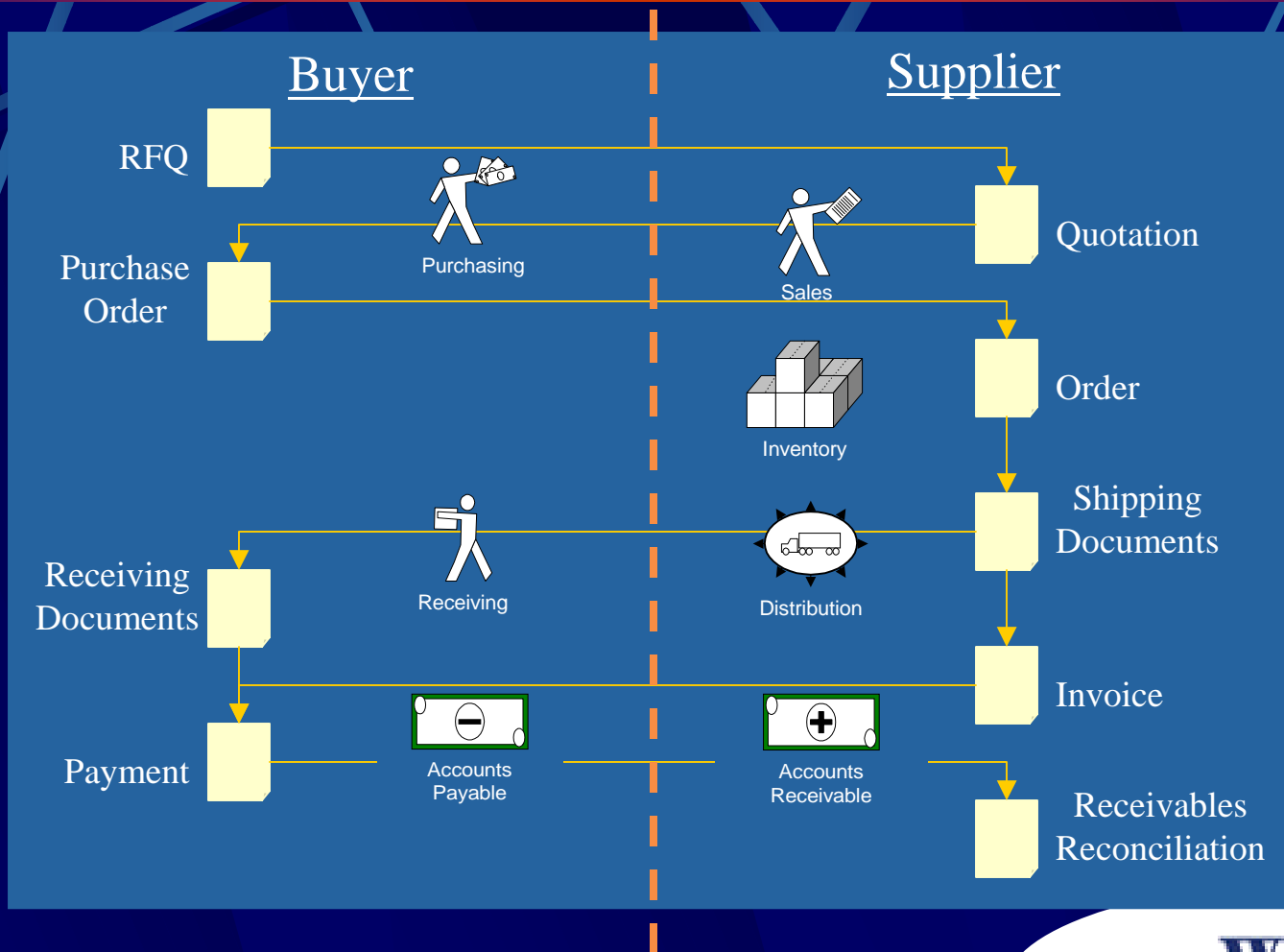
Interaction of Production and Cash Flow



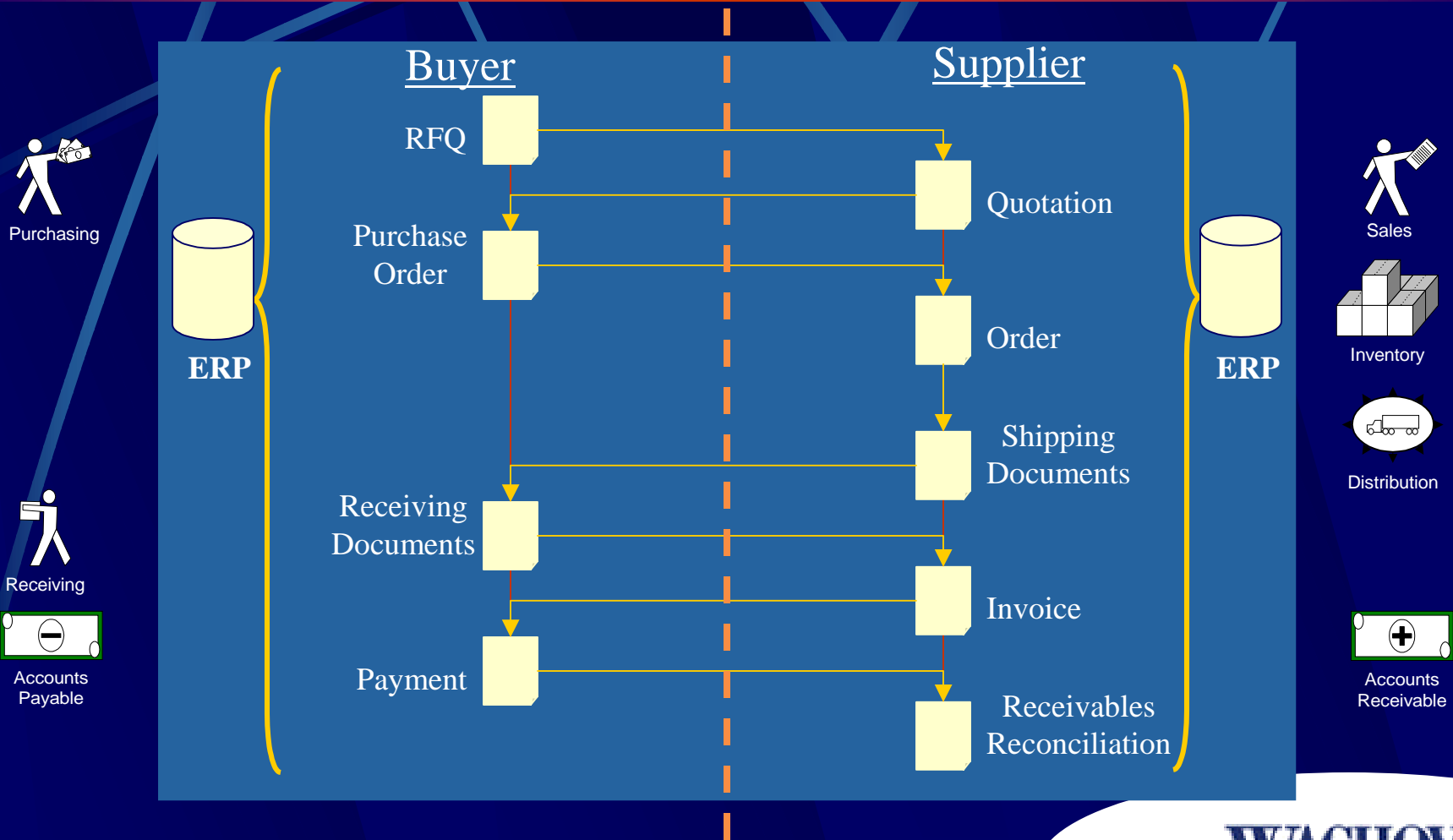
Supply Chain - Foundation



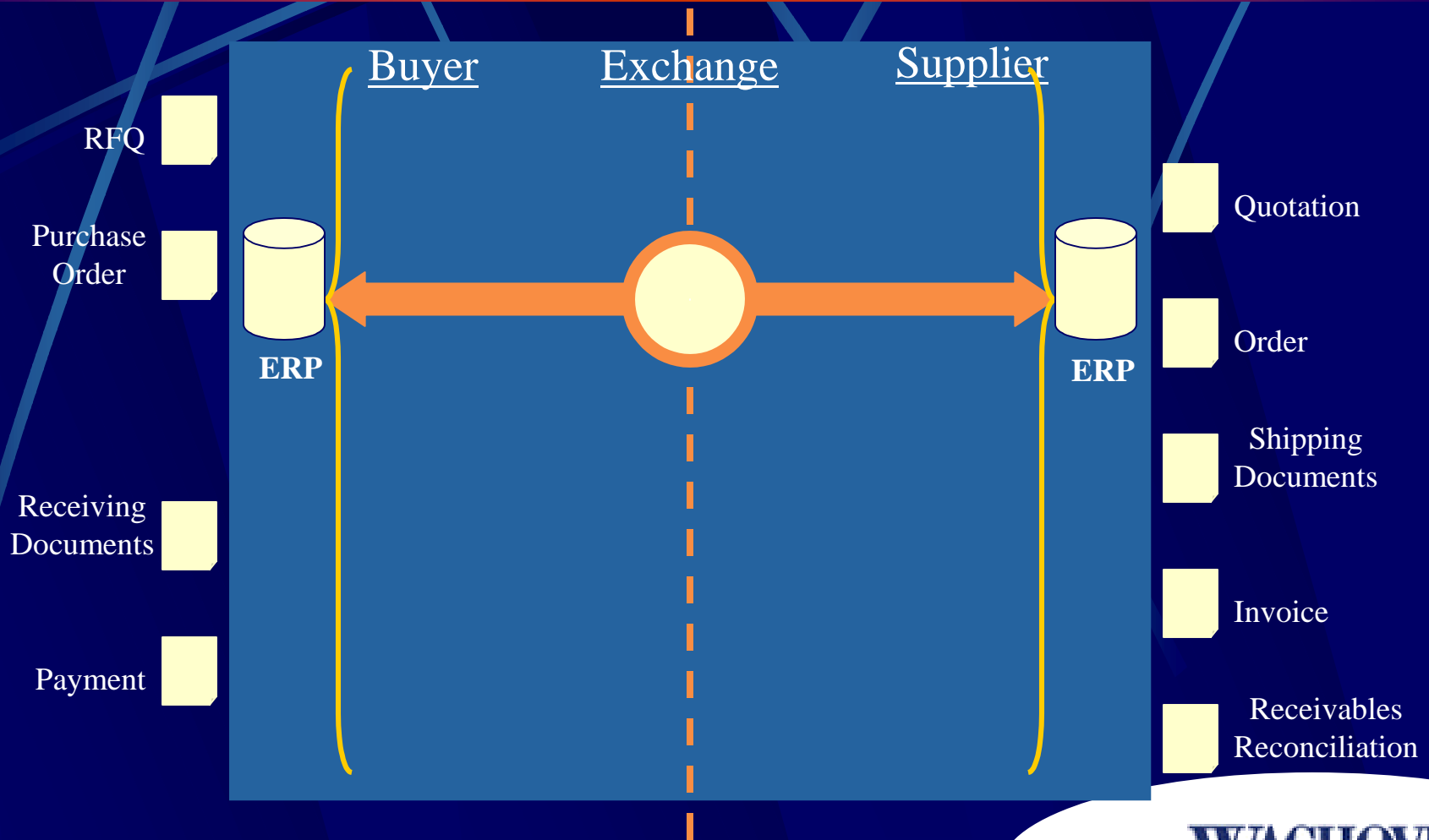
Supply Chain - Manual Flow



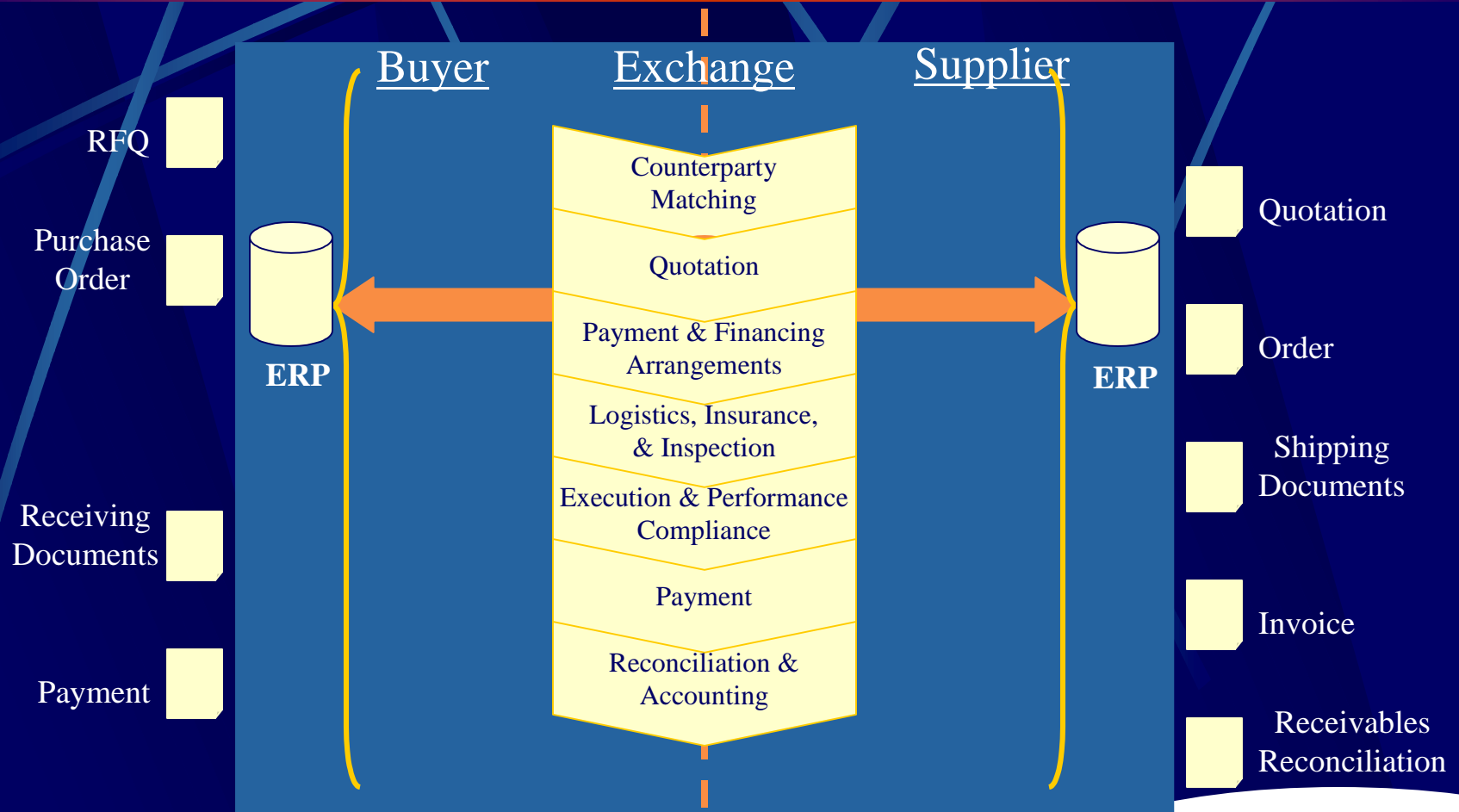
Supply Chain - ERP Integration Flow



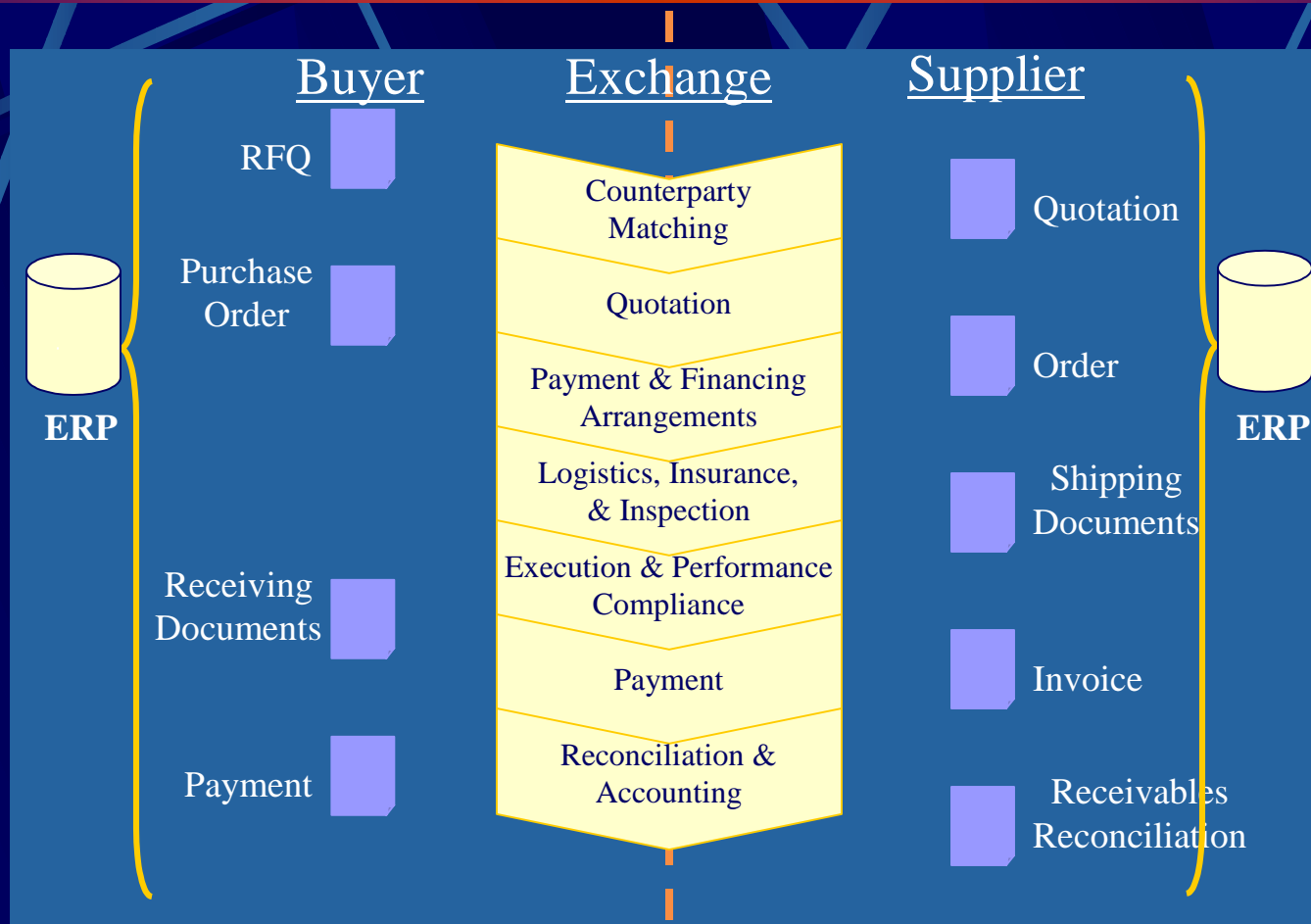
Supply Chain - Digital "Flow" Theoretical



Supply Chain - Digital "Flow" Interrupted



Supply Chain - Digital "Flow" To Date

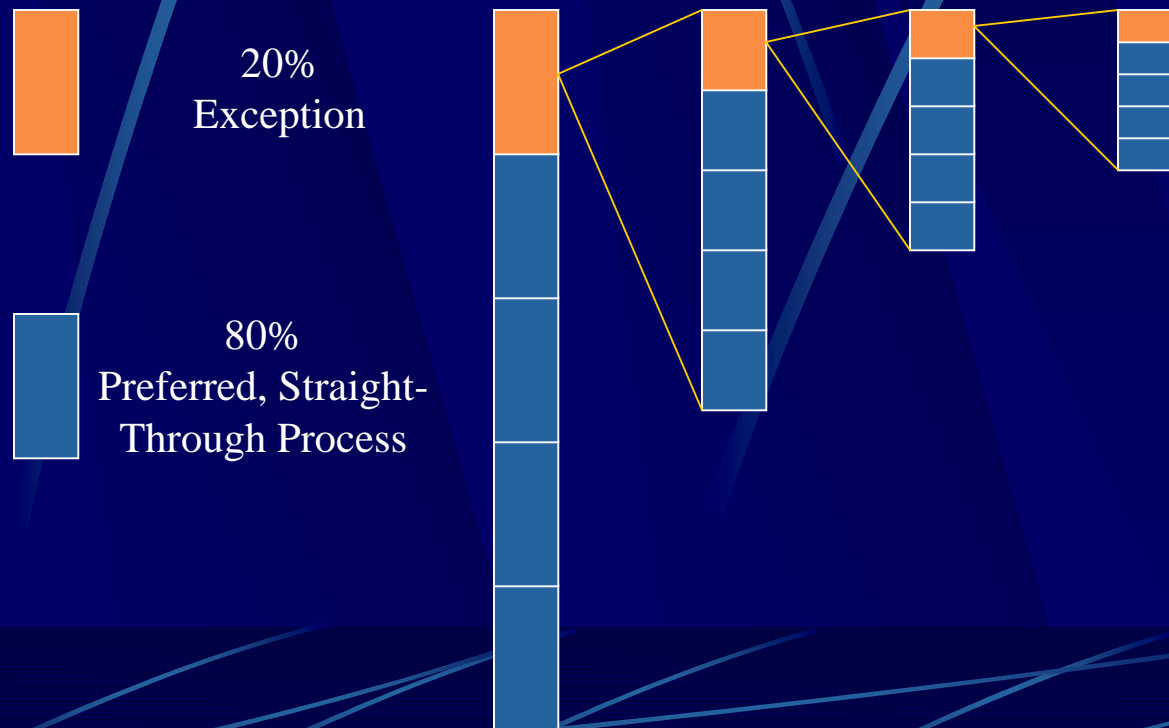


Realizing the Digital Economy

- Set Realistic Expectations and Rewards
- Revisit Goals of Impacted Lines of Business to Ensure Compatibility
- Recognize eBusiness Initiatives as Business Owned with Technology Implications
- Employ Partner-Friendly Practices
- Seek and Encourage Compatible Partners
- Create Solutions With a Global Scope

Focus on Predictable & Desirable Processes

- Define Fast-turn, Straight-Through Processes
- Identify Most Prevalent Exceptions to STP and Create Management Processes



Create an Application Integration Strategy

● Approaches to Integrating Applications

EAI Defined - *Webopedia*

- Application linking: the enterprise shares business processes and data between two or more applications.
- Database linking: databases share information and duplicate information as needed.
- Data warehousing: data is extracted from a variety of data sources and channeled into a specific database for analysis.
- Common virtual system: the pinnacle of EAI; all aspects of enterprise computing are tied together so that they appear as a unified application.

The Digital Economy - Future Look

- More Industry-Specific “Vertical” Solutions
 - Goals are Narrowly Focused and Universally Embraced by Participants
 - Business Processes Standardized
 - Business Processes not Thought of as Proprietary
- More Robust Collaborative Commerce Solutions
- ERP II
- Decreased Focus on Point Solutions
- More Failure and Struggle



- Questions

- Comments

- Thoughts

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