



Automating the Collections Process to Reduce DSO and Improve Cash Management

Freo Group gains visibility with Esker's Collections Management solution, enabling all branches to collaborate effectively.



At a glance

Freo Group



Machinery manufacturing



23 Branches



Approx. 1,000 employees



Headquarters in Hope Valley, Western Australia



Established in 1974



MYOB Greentree (ERP)

Objectives



Gain visibility & improve collections process



Drastically reduce time spent on customer inquiries & reporting



Accelerate collections, reduce DSO & improve cash management



Free up staff to take on higher-value tasks



Improve audit trails

Challenges

Labour-intensive and paper-based collections

Established in 1974, Freo Group is the market leader of mobile crane hire services and project material logistics management in Australia, with a fleet of over 480 state-of-the-art mobile cranes. The company provides crane hire, heavy lifting, and logistics services, including oversize transport, materials handling, warehousing and storage from their strategically located branches across Australia, and supports some of the country's largest blue chip organisations.

Prior to implementing Esker, Freo Group relied on a largely manual and tedious process to manage its collections. The ERP system was clunky, did not support effective collections processes, and information was not readily available when customers contacted them with questions. "We couldn't do our job effectively with the systems we had. We couldn't actively monitor what calls were being made to customers because we were reliant on printing out a trial balance and writing that on a piece of paper," said David Baker, Accounts Receivable Supervisor at Freo Group. The branches couldn't manage their customers proactively or control risks because of the lack of visibility into customer-specific data such as payment status and risk category.

Creating reports was challenging as well and would require hours of research and data assembly. Paper and email were heavily relied on throughout this entire process, with one employee dedicating at least two and a half hours daily to run monthly statements. A lot of cost, time and manual labour went into making collections calls at the appropriate times and to get the reminder letters and the statements out in a timely manner. "We would wait until the end-of-month to report on DSO. Our team of four accountants had to collect data from different parts of the ERP to produce a single report on DSO," commented Mr. Baker.

Freo Group's goal was to find a solution that could automate the inefficient and manual steps that were prevalent in the company's billing and collections processes, provide real-time information, improve its credit control processes, significantly reduce DSO, and offer the level of reporting and support that Freo Group was looking for.

Solution

Replacing a manual workload with collections automation

After researching solution vendors, Freo Group's CFO found Esker by talking to the Australian Institute of Credit Management (AICM). It quickly became apparent that Esker's Collections Management solution would tick many of the requirement boxes, and also included many functionalities beyond expectations.

Complexities identified during the implementation phase were clearly scoped and addressed, resulting in optimised processes and real-time visibility. As all branches have access to Esker's Collections Management solution, the branch managers are able to see any updates in real time — providing a more focused look on their customers. "For instance, when a customer falls behind with payment or shows signs of cashflow issues, the Collections team can react accordingly and also assist the Credit team," added Mr. Baker. Esker has also allowed Freo Group to build more robust credit limit and risk assessment policies.

The reporting capabilities of Esker's Collections Management solution provide better insights into receivables data and have led to significant time savings, since creating a report would previously require hours of research and data collections. For instance, Freo Group has set up customised reports for COD that are automatically shared with the branches on a weekly basis, so they know the amount that needs to be collected in that week or month.

Dashboards and filters are Mr. Baker's favourite solution features. "It's great to get into the solution, read everyone's comments, be aware of every invoice, and know what's outstanding. One can see that list coming down during the day, but also get to see the customer interaction — benefiting both users and customers," remarked Mr. Baker.

"Prior to implementing Esker, we were disjointed between the branches. Now it's much more of a tight-knit group where the stakeholders have visibility into all vital information."

David Baker
Accounts Receivable Supervisor, Freo Group



"I really like the dashboard. It's my favourite solution feature because I have all the calls listed that I need to make and can start with the customers that are really overdue and just work my way down."

David Baker
Accounts Receivable Supervisor, Freo Group











“Esker has been an absolute game changer for us. It has helped over 100 users all throughout the branches build a strong relationship with the customers by being able to interact with them on a daily basis.”

David Baker

Accounts Receivable Supervisor, Freo Group

Highlights

-  **Reduced DSO**
-  **Increased visibility & control over collections process**
-  **Freed up credit controllers by automating dunning letters**
-  **Provides trackable audit trails**
-  **Supports strong customer relationships**
-  **Reporting & data analysis offers transparency for stakeholders in all 23 branches**

Results

Esker technology transforms Freo's collections process

Since implementing Esker's Collections Management solution, Freo Group has substantially cut down on manual tasks and improved account collections by understanding trends and issues affecting payments. Important metrics are available to all stakeholders with Esker's executive and performance dashboards, offering a 360° view of the operations and the customers. The branches know exactly where they are and where their customers are too. “We've certainly utilised the solution more than we ever thought we would. It certainly goes well beyond a credit management tool for the Finance team because it gives the branches a lot more information to effectively operate and support other branches as well,” said Mr. Baker. Esker's solution archives all notes and collections activity, instantly letting employees know which accounts are past due and which customers need to be contacted.

Esker's solution guarantees that customers evaluated as higher risk are closely monitored. According to Mr. Baker, “Esker's solution certainly offers the ability to customise our collections management around the different customer groups and has allowed us to really interact with our customers a lot better than before. We can adjust our collections strategy to make it work for both Freo Group and our customers.” By automating the delivery of all reminders and reports and prioritising collections tasks according to customer segmentation, Esker helps Freo Group's AR team focus on what really matters and to get cash coming in faster.

The customer portal has helped Freo Group build better relationships with customers, too. Customers now can send messages through the portal and receive a response faster. They can also request copies of invoices and receive statements in whatever format they prefer. Both users and customers benefit from a better user experience.



“Esker has united our disjointed branches — giving stakeholders the visibility into all vital information.”

David Baker

Accounts Receivable Supervisor, Freo Group

Want to automate your collections process like Freo Group?

Get in touch with Esker

About Esker

Esker is a global cloud platform built to unlock strategic value for Finance, Procurement and Customer Service professionals, and strengthen collaboration between companies by automating the cash conversion cycle. Founded in 1985, Esker operates in North America, Latin America, Europe and Asia Pacific with global headquarters in Lyon, France, and U.S. headquarters in Madison, Wisconsin. Our customers use our cloud solutions to increase the efficiency, productivity and visibility of their Source-to-Pay (S2P) and Order-to-Cash (O2C) processes.



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