

Electric Utilities company achieves €600 million reduction

Leading utility company achieved €600M reduction in accounts receivable

Customer-to-Cash cycle improvement

Challenges:

- Limited focus on financial drivers at operational level
- Poor controls across the Customer-to-Cash processes, leading to more than 40% overdue AR
- Highly decentralised organisational structure with limited visibility

Solutions:

- Review of the entire Customer-to-Cash process: Contract management, unbilled optimisation, meter reading (estimation, billing calendar, frequency, electronic transfer) and collection strategy
- Reduction in invoicing delays through changes to the meter reading process for the commercial market
- Definition of a strategy for implementation of electronic meter reading
- Optimisation of the billing process based on an improved estimation process
- Set-up of service level agreements for meter reading providers
- Implementation of an effective collection process for commercial customers
- Re-organisation of the bad debt process followed by outsourcing of the activities

Benefits Achieved:

- €600 million reduction of receivables within two years
- Common KPIs and cash orientated incentives across the organisation
- Establishment of a “cash culture”

Selected clients in the Utilities industry:



To receive a complimentary cash flow assessment, visit www.relconsultancy.com/cashflow/ or call us at **1 866 614 4059** (North America), **1 770 225 7500** (International) or **+44 20 7398 9033** (Europe) and take the first step toward releasing more cash from your operations today.

“We were impressed with the people of REL; impressed with how they explained the various concepts involved, their emphasis on knowledge transfer, and their collaborative, team-oriented approach. REL proposed an approach that involved Cytec in every aspect of the effort, rather than doing everything with Cytec personnel watching.”

– Cytec

“REL brings in good professionals, who roll up their sleeves and start working with local teams to make things happen. They have a hands-on mentality and a no-nonsense approach. They are not like typical consultants who only give you plans to follow.”

– Philips

“We were extremely impressed with the depth and detail of the analysis given the time allowed. The project team possessed a high degree of subject matter experience and credibility. We were astonished with the speed of progress.”

– Airbus

About REL

The returns on improving cash flow can be spectacular – a working capital management project can yield hundreds of millions in free-flowing cash. REL takes a holistic approach to reducing working capital and releasing cash through sustainable working capital improvements at the same time as balancing service, cost and risk. REL works with you to assess those activities that impact working capital; quantify the opportunity for improvement; and define the steps and activities required to realise the improvement opportunity and build the business case for change.