THE ORDER-TO-CASH TRANSFORMATION GUIDE

FOR FUTURE-READY BUSINESSES

5 BEST PRACTICES TO REMOVE INEFFICIENCIES AND IMPROVE YOUR O2C PROCESSES

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INTRODUCTION

Several years ago, businesses were asking themselves: *should we move our operations to the cloud?*

Now businesses are asking *how soon* they can move to the cloud and how to integrate business processes so they're not just getting a system that has more efficient components but operations that make their whole company run more smoothly, with faster time to market, reduced revenue leakage, decreased customer churn, and more opportunities to leverage data.

You know that transforming your order-to-cash (O2C) system is necessary for your continued growth. You also know that the process of creating and implementing a new O2C system will be a complex endeavor, touching almost every facet of your company—from operations to customer service.

If you're putting in the time to make such an essential change, you want to ensure that the steps you're taking are ones that will result in better outcomes for your business. No one-size-fits-all approach can guarantee success, but there are best practices that will set you up for an O2C system that helps maximize your investment.

Companies that use a complete SaaS O2C solution experience **20% FASTER TIMES TO MARKET**

Companies see **19% HIGHER GROWTH** from switching business applications to a cloud-based SaaS solution

Improving customer retention by 5% can **INCREASE REVENUE BY 25%**

Source: Zoho.com

1. AVOID SKILL SET GAPS

A recent IBM study showed that companies who adopt O2C best practices improve efficiency by as much as 83%.

Businesses with successful transformation projects carefully screen key candidates and plan a realistic delivery schedule.

ASSEMBLE A SKILLED TEAM

Regardless of the simplicity or complexity of your existing system, the first step in starting a transformation project is assembling a skilled team that has the capacity to plan, implement, and maintain a system that meets your existing and future needs. Relying on on-the-job training of your core team during project execution is risky and can lead to delivery delays or poor quality code.

For larger projects that involve a full stack of applications like order entry, middleware, service integration, etc, you'll need subject matter experts as well as developers with the appropriate

skills for niche applications such as Salesforce.com, Oracle Billing Revenue and Management, and Oracle E-Business Suite.

Developing a clear onboarding process that can be used for the initial team as well as those that may join the project later in the process will help the migration run more smoothly.

TRAIN FUTURE TEAM MEMBERS AND STAKEHOLDERS EARLY

Introducing QA engineers to business processes at early stages of the project will allow them to plan for relevant and complete test case scenarios during project execution. Training stakeholders that will be utilizing a new system early in the process will also make for a smoother transition and reduce future pushback.

2. GET TO KNOW THE KEY PLAYERS

Effective transformation of an O2C system—change that results in a light, efficient, and flexible system that can grow with the business—requires a thorough understanding of the existing O2C processes and components as well as the places where existing systems don't meet the business needs.

IDENTIFY PROCESS LIMITATIONS

You'll need to understand not just internal processes but also how customers interact with the existing O2C processes—where things are working and where there is friction. For instance, knowing that customers don't currently have a simple way to submit an online inquiry about a billing error (resulting in wasted staff time and too much working capital trapped in the AR process) can help inform the goals for a new O2C system.

Many businesses use multiple, discrete legacy systems in their current O2C process. There may be an impulse to focus only on the larger or more customer-facing elements, but even systems with a small customer footprint could have a large revenue impact. Mapping out every component can avoid time-intensive and costly redesigns down the road.

UNDERSTAND THE PERSONNEL LANDSCAPE

Not all stakeholders will be on board for the intended transition. Writing off detractors as simply "behind the times" limits opportunities both for gathering information and for creating buy-in. For instance, imagine you're getting pushback from several individuals on your billing team who don't want electronic invoicing—even though you know it improves customer retention. Once you understand that many of their customers still use paper filing systems, you can incorporate the ability to easily print a pdf of an invoice for those customers that choose to do so.

Most importantly, engaging with the key players doesn't happen once. What was valid several months ago may no longer be relevant today.

3. IDENTIFY INTERDEPENDENCIES

An O2C system without thoroughly mapped interdependencies is less a system than it is a set of independent elements that all happen to exist within the same business. Unfortunately, this system that's not really a system is how many companies' O2C processes work: if you interview employees in virtually any business in any industry about the challenges they face, someone will inevitably mention the word "silos." The issue is central to the work of transforming your order-to-cash system.

While the problem of various departments, tasks, and processes not working together may seem unavoidable, taking the time at the beginning of a project to develop a detailed and thorough map of each process — including its elements, its drivers, and its key performance indicators (KPIs) — can help you aggregate the right mix of people with expertise in business processes, applications and data so you can effectively plan around dependencies

> **UNFORTUNATELY THIS SYSTEM THAT'S NOT REALLY A SYSTEM IS HOW MANY COMPANIES' ORDER TO CASH PROCESSES WORK**

and interdependencies. Functional and technical dependencies need to be mapped together, and the release plan must take these dependencies into account. If you overlook finish-to-finish, start-to-finish and finish-to-start dependencies between features in a large global transformation project, you'll likely end up with code merge issues and deployment delays.

Of course, identifying dependencies and interdependencies isn't a single action. Because an O2C transformation is an iterative process, new interdependencies can come up as the project progresses. Keeping interdependencies at the forefront of the project team's minds throughout will both avoid costly mistakes and ensure that the final system is, as the saying goes "greater than the sum of its parts."

4. PLAN FOR FUTURE INFRASTRUCTURE

Developing features that can't be adequately tested causes delays and frustration for everyone. Instead, identify parameters early on—the number and size of application servers, database servers and code repositories. Identify whether full production-sized environments will be necessary. These issues may appear less important at the beginning of the project but will become more so as the project advances.

ANTICIPATE CLOUD NEEDS

A public cloud provider may not have the backward compatibility you need to move your existing processes and applications directly to the cloud. In that case, you'll need to rely on private or hybrid cloud solutions. Integrating these cloud networks to ensure your infrastructure needs are met while maximizing data security both as you transfer and maintain data is key—as is creating clear rules and guidelines around access privileges and separation of responsibilities.

To maintain flexibility and avoid planning too small (leading to schedule slippage) or too large (leading to cost overruns), invest in IaaS so your team can quickly scale to the rise and fall of the project's demands.

EMBRACE CHANGE

Not every application will make a smooth and seamless transfer to the cloud. While some of your stakeholders or team members may see this fact as a negative ("But this is how we've always done it."), designing and building your infrastructure creates an opportunity to develop more integrated processes and get buy-in from potential naysayers.

Pinpointing the right metrics to show the tangible benefits that come from automated and standardized processes can help those with a resistance to the changes. For instance, seeing a drop in days payable outstanding or an increase in available working capital because of improved AR processes can sway even the staunchest critic.

5. USE AUTOMATION

The testing required for each new function delivered by your development team can be time-consuming if done manually. In many cases, too many hours are spent executing (and re-executing, in the event of defects) the test cases. Control the schedule by using repeatable and representative sets of use cases that can certify a code delivery.

IDENTIFY PATTERNS

As you move through the migration process, patterns will emerge. Use these patterns to develop automated blueprints for how similar applications can migrate and be tested. When done correctly—by identifying, defining and translating the use cases into automated test cycles—automation can result in a high return on investment. Clear documentation of testing results also provides assurances to stakeholders that the applications perform as well as (or likely better) in the cloud environment.

For a long-term and complex project, automating QA and unit testing can increase the speed of the project—either to get a new system up and running more quickly or to spend the saved time adding more functionality.

At the end of a successful O2C transformation, you'll have end-to-end visibility of your entire O2C process—as well as a system that functions as a cohesive unit. You'll also have metrics showing the tangible benefits to your company: improved cash flow, high customer retention, increased revenue, reduced waste. And you'll have a SaaS solution that can grow with your company as you change and scale.

At Embrix, we work with companies just like yours everyday to advise decision makers, train teams, and implement systems that lead to exactly these improvements. Contact us to begin maximizing your growth.

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