About
DXP

Founded as Southern Engine and Pump Company in 1908

For more than 100 years, DXP Enterprises has served as a leading industrial distribution expert. DXP continues to stay on the leading edge of technology, training and products while attracting and retaining the best employees.

$1.7Bn
Revenue

Distribution
Industry

3200 (2023)
Employees

Houston, TX
Headquarters

The Challenging A/R Landscape at DXP

100%
Manual cash application process for **50K+ invoices** per month

$30 Mn
Monthly gap due to poor cash posting and collections process

Need for improvements across
People, Process & Performance

DXP Big-Bang Approach to Achieving Speed-to-Value

Touchless Dunning

Resulting in faster & efficient collections from 15,000+ active customers

Faster Payment
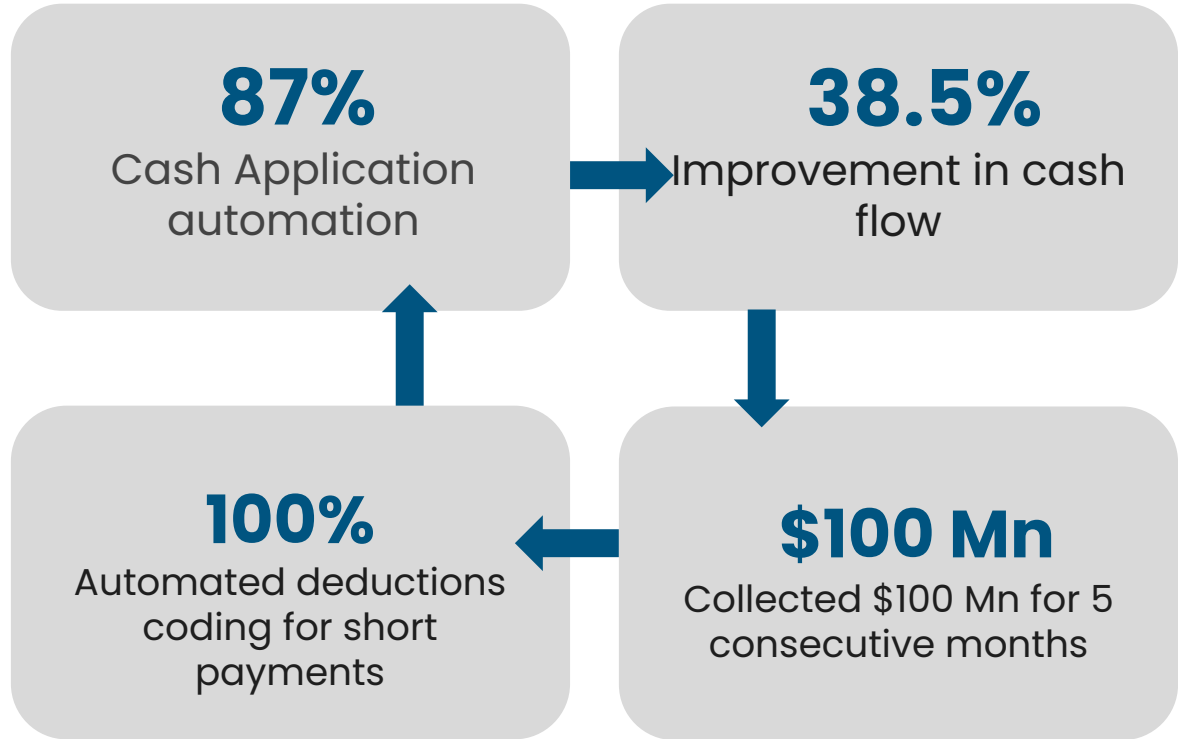
Processing through automated invoice matching

Speed to Value

AI-Based Remittance

Prediction for missing remittances resulting in faster cash posting

Focusing On Improving the Performance

People

Building the best-in-class A/R team

Adapting to new processes and technologies

Defining the A/R team's role in company's success

+

Process

Automating the A/R process with the right technology

Making A/R processes more efficient

Doing more with less

=

Performance

Building KPIs which are aligned with the business

Analyzing past data for benchmarking

Incorporating best practices to improve both people and processes

Why is DSO Dead?
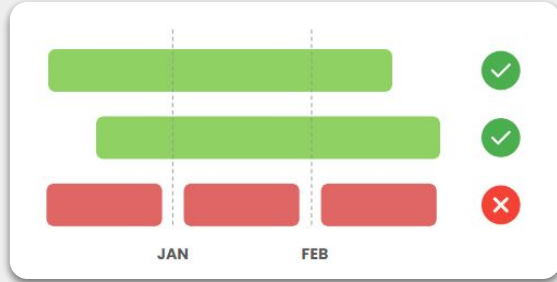
DSO is less accurate with shorter time periods, which is why it is calculated every 3 to 6 months

Benchmark performance in relation to the industry and measure the cost of outstanding receivables

DSO is a good indication of how the organization is **performing in relation to its standard payment terms**

DSO is largely impacted by trends in sales

6 Ways DXP is Measuring the Performance of A/R Automation

1 Trial Balance Aging

2 DTP (Days to Pay cycle)

3 Percent of Auto-Posting

4 Team Response SLA's

5 FTE Alignment

6 Exception Management

6 Ways DXP is Measuring the Performance of A/R Automation

1

Trial Balance Aging

What is It?

Full record of
open receivables

Why is it important?

- Indicates Health
- Highlights areas of focus

A Sneak Peek Into DXP Analytics Dashboard

DXP

Exposure	Open Orders	Open A/R	Credit Limit	Limit Used	DTP	Invoices
6.28M	3.33M	2.95M	7.44M	81.64%	60	1285

CustomerID	CompanyID	CustomerName	OpenAR	CreditLimit	PaymentTerms	CreditRepID	CreditRepName	ParentCustomerID	ParentCustomerName	LastPaymentDate
243488	DXPE		2,982,047.87	6,500,000.00	Net 90	114	Gina Sabedra	83175		1/24/2023
494883	DXPE		2,949,441.05	7,436,289.00	Net 60	114	Gina Sabedra	52967		1/25/2023
430513	DXPE		2,553,181.75	3,200,000.00	Net 90	114	Gina Sabedra	83175		1/11/2023
151650	DXPE		2,318,944.97	3,875,000.00	Net 120	101	Bobbie Davis	151650		1/26/2023
441654	DXPE		2,291,572.45	5,500,000.00	Net 90	102	Bryan Marez	264418		1/20/2023
496498	DXPE		2,252,544.50	6,540,000.00	Net 90	109	Sherry Waller	496498		1/17/2023
466999	DXPE		1,850,922.89	4,500,000.00	Net 30	109	Sherry Waller	466999		1/19/2023
336602	DXPE		1,691,131.51	2,109,000.00	Net 90	114	Gina Sabedra	83175		1/11/2023
474116	DXPE		1,617,999.19	1,800,000.00	Net 90	102	Bryan Marez	474116		12/27/2022
Total			230,383,558.18	1,275,057,274.27						

Aging (days) ● NotDue ● 1-30 ● 31-60 ● 61-90 ● 91-365 ● >1yr

2022 July 1	96.72%
2022 August 1	94.36%
2022 September 1	93.75%
2022 October 1	93.32%
2022 November 1	92.15%
2022 December 1	88.90%
2023 January 1	88.58%
2023 January 29	86.91%

ARDate	AR	PastDue	PastDue%	NotDue	NotDue%	1-30	31-60	61-90	91-365	>1yr
7/1/2022	$1,851,610.13	60,770.12	3.28%	1,790,840.01	96.72%	$52,460.28	$8,309.84	$0.00	$0.00	$0.00
8/1/2022	$2,747,207.64	155,042.85	5.64%	2,592,164.79	94.36%	$131,802.20	$14,930.81	$8,309.84	$0.00	$0.00
9/1/2022	$3,863,749.54	241,334.66	6.25%	3,622,414.88	93.75%	$194,621.64	$11,459.38	$34,912.64	$341.00	$0.00
10/1/2022	$4,352,243.23	290,612.12	6.68%	4,061,631.11	93.32%	$236,098.52	$8,577.57	$34,135.93	$11,800.10	$0.00
11/1/2022	$3,809,715.61	298,986.05	7.85%	3,510,729.56	92.15%	$233,852.25	$16,822.01	$2,174.10	$46,137.69	$0.00
12/1/2022	$3,401,289.64	377,643.82	11.10%	3,023,645.82	88.90%	$280,446.05	$48,075.46	$7,462.01	$41,660.30	$0.00
1/1/2023	$3,099,210.00	353,962.69	11.42%	2,745,247.31	88.58%	$213,836.73	$62,620.68	$32,531.97	$44,973.31	$0.00
1/29/2023	$2,949,441.05	385,995.09	13.09%	2,563,445.96	86.91%	$259,540.99	$10,150.86	$60,656.84	$55,646.40	$0.00

Customer Specific DSO

Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022
78	74	69	62	61	64

Rolling DTP

2022 July	59
2022 August	59
2022 September	59
2022 October	59
2022 November	59
2022 December	60

6 Ways DXP is Measuring the Performance of A/R Automation

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Why is it important?

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**DTP
(Days to Pay cycle)**

How quickly a customer
pays vs. agreed terms

- Trends payments
- Highlights process issues

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Percent of Auto-Posting

Measurement of posted payments without manual intervention

- Tells us if tools work
- Quantifies value

6 Ways DXP is Measuring the Performance of A/R Automation

4

Exception Management (Time to Resolution)

Process of manually working payments that failed during automation

- Highlights where to improve
- Points out problematice payers

6 Ways DXP is Measuring the Performance of A/R Automation

What is It?

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4 **Exception Management (Time to Resolution)**

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5 **Team Response SLA's**

Speed in which we resolve requests from customers

- Indicates if meeting or failing customer needs
- Points where we need to make process or staffing adjustments

A Sneak Peek Into DXP Analytics Dashboard

	Accounting Area	Case Record Type		January 2023	February 2023	March 2023	April 2023	May 2023	June 2023	July 2023	August 2023	September 2023	October 2023	November 2023	December 2023	Grand Total
												Opened Date				
☐	Credit & Collections	Billing Dispute (Tax)	Record Count	987	973	1,033	844	1,070	1,131	902	1,333	868	933	727	541	11,342
		Credit Increase	Record Count	92	98	143	91	95	93	46	79	56	42	48	69	952
		Customer Maintenance	Record Count	311	318	381	293	339	312	414	485	399	498	475	381	4,606
		New Customer	Record Count	523	532	657	440	579	600	408	480	387	498	490	352	5,946
		Offset	Record Count	463	368	332	304	369	422	407	513	351	382	325	322	4,558
		Order Release	Record Count	2,785	2,866	3,326	2,576	2,346	2,315	2,074	2,707	2,296	2,375	2,067	1,803	29,536
		Payment Application	Record Count	34	21	35	18	22	26	20	37	43	33	11	20	320
		Write Off Request	Record Count	97	64	107	53	133	88	135	81	83	78	198	157	1,274
		Subtotal	Record Count	5,292	5,240	6,014	4,619	4,953	4,987	4,406	5,715	4,483	4,839	4,341	3,645	58,534
☐	Cash Applications	Cash Inquiry - Other	Record Count	29	15	30	20	22	16	18	59	19	6	40	12	286
		Credit Card Payment	Record Count	117	110	197	125	141	160	142	138	100	115	116	93	1,554
		New Customer	Record Count	0	0	0	0	0	0	0	0	0	1	0	0	1
		Refund Request	Record Count	91	57	53	44	76	76	65	74	73	61	65	42	777
		Unidentified Payment	Record Count	1	3	3	1	1	2	0	6	3	1	0	0	21
		Subtotal	Record Count	238	185	283	190	240	254	225	277	195	184	221	147	2,639
		Grand Total	Record Count	5,530	5,425	6,297	4,809	5,193	5,241	4,631	5,992	4,678	5,023	4,562	3,792	61,173

6 Ways DXP is Measuring the Performance of A/R Automation

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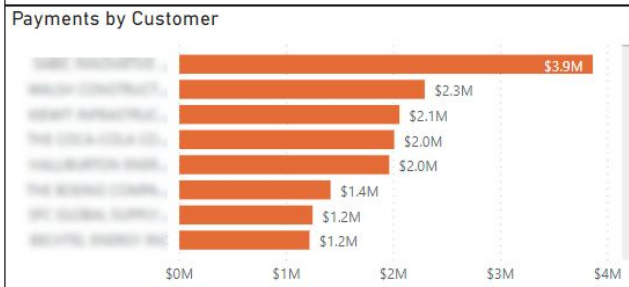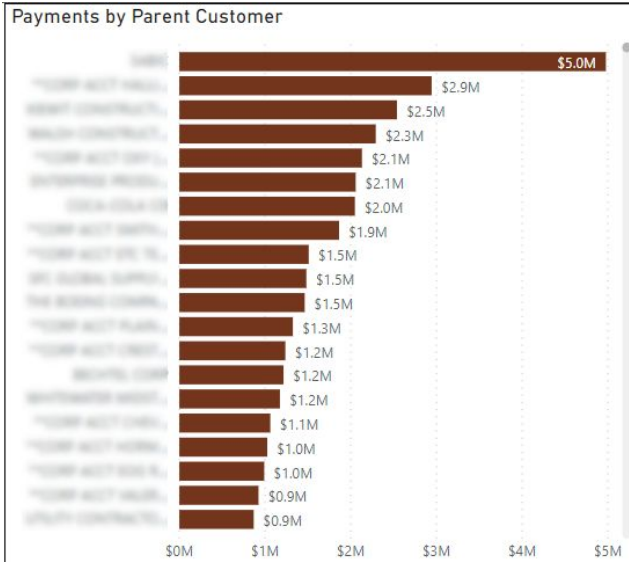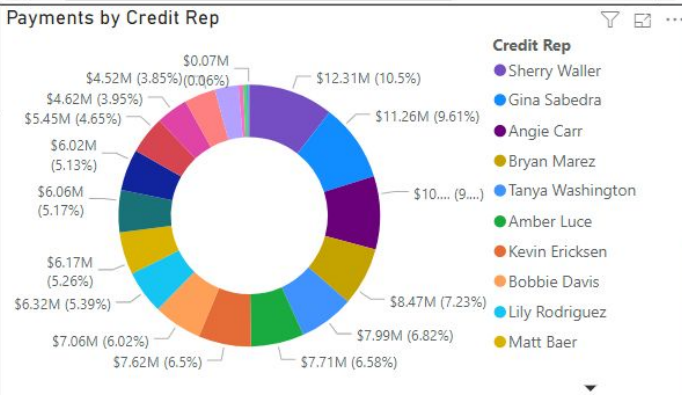
Speed in which we resolve requests from customers

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6

FTE Alignment

Staffing matched to workload

- Becomes the efficiency indicator
- Draws a line between reality and business case

A Sneak Peek Into DXP Analytics Dashboard

The Impact of A/R Metrics & KPIs

Identify receivables bottlenecks with a 360° view of global A/R performance

Drive a high-performance culture by benchmarking KPIs against industry peers

Track digital transformation success with product usage and analyst performance metrics

The Road Ahead: Focus Areas for 2024

Process Centralization

Integrating Canada Cash App and Collections process

Automation Improvement

Achieving 90%+ straight-through cash posting

Integration Capabilities

Integrating with new ERP systems to support future business growth objectives

Targeted Campaigns

Streamline dunning and payment process through targeted campaigning

Order Validation

Automating the order validation process outside our ERP

RADIANCE 10th SEASON
Presented by HighRadius

If You Liked This Session, Don't Forget To Rate It On The WebEx App

Up Next

VENUE | Lexus   O2C

Lower DSO while 100% WFH:
Medline's Playbook for Hybrid Work
That Delivers Business Results

03:10 PM CST

VENUE | Germania   Treasury

How AI Improved Danone's
Receivables Forecasting

03:10 PM CST

VENUE | Evan W.   O2C

Receivables reinvented-
Pioneering innovative integrated
solutions for modern finance

03:10 PM CST

VENUE | Visitors   Partner

Navigating Career Growth -
A Workshop by Cox Automotive SVP

03:10 PM CST

VENUE | Field   R2R

Accounting Booth Visit

03:10 PM CST