



STEF-TFE GROUP

SAP® ERP FINANCIALS IMPROVES CASH FLOW FOR FOOD TRANSPORTATION AND STORAGE FIRM

QUICK FACTS

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Bernard Jicquel, IT Project Manager,
Stef-TFE Group

Company

- Name: Stef-TFE Group
- Location: Paris
- Industry: Logistic service providers
- Products and services: Storage and transportation of fresh and frozen foods
- Revenue: €1.4 billion
- Employees: 13,000
- Web site: www.stef-tfe.fr
- Implementation partner: SAP® Consulting

Challenges and Opportunities

- Standardization and automation of collections and dispute management
- Optimization of processes for thousands of customers of different sizes across 5 countries
- Shorter collections process to free up cash flow
- Streamlined handling of payment disputes for improved cash flow and greater customer satisfaction

Objectives

- Support systematic tracking of individual invoices and payment disputes
- Reduce days sales outstanding
- Increase on-time payments
- Reduce time for resolving payment disputes
- Decrease write-offs of receivables

SAP Solutions and Services

- SAP ERP Financials solution, including the SAP Collections Management application and the SAP Dispute Management application
- SAP Ramp-Up program

Implementation Highlights

- Full implementation within 6 months
- Complete support from SAP Consulting in deploying the new functionality throughout the organization
- Organizational restructuring to accommodate new collections and dispute management processes
- 100 users in 5 locations

Why SAP

- Real-time, end-to-end support for collections and dispute management processes
- Most relevant functionality available on the market
- Ease of integration with existing SAP software

Benefits

- Real-time management of collections and dispute processes
- Reduction in days sales outstanding of 3 days
- Reduction in bad debt write-off of 10%
- Improved dispute resolution
- Improved cash flow
- Greater visibility into dispute causes
- Detailed tracking of dispute resolution cycle times

Existing Environment

SAP ERP application

Third-Party Integration

- Database: Oracle
- Hardware: Hewlett-Packard
- Operating system: UNIX



The Stef-TFE Group had solved the complex logistics of transporting and warehousing fresh and frozen food across Europe. But the company needed help with processing its payment collections and invoice disputes. Using collections and dispute management functions in the SAP® ERP Financials solution, the French firm significantly improved both its overall cash flow and its relationships with customers.

Delayed Receivables

Based in Paris, Stef-TFE has three primary businesses – each with its own organization and corporate culture. Together, these businesses provide temperature-controlled warehousing and transportation for fish and other fresh and frozen food products for manufacturers, retailers, and food service professionals. The company and its partners operate nearly 200 sites across France, Italy, Spain, Portugal, and the United Kingdom.

Stef-TFE has thousands of customers of various sizes. Prior to implementation of the SAP Collections Management and the SAP Dispute Management applications, the handling of payment issues was not standardized, harmonized, or even automated, says Bernard Jicquel, IT project manager at Stef-TFE. Days sales outstanding was relatively high, and visibility into the delayed payments was poor. The company also lacked a standardized

process for resolving invoice disputes. As a result, Stef-TFE could not accurately forecast when – or whether – its customers would pay their bills.

A Perfect Partnership

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with our needs,” Jicquel says. Since Stef-TFE was already running SAP software, the company felt it could benefit from a smooth integration between the existing software and the new functionality – which could use the same server. In contacting other vendors with similar products, Stef-TFE found that the SAP software offered the most relevant functionality for its business, Jicquel adds.

“In our experience, SAP Collections Management and SAP Dispute Management were clearly the best applications we found on the market,” he says.

The initial implementation took about six months, followed by a seven-month deployment phase to make the new functionality available to 100 users across five locations in France.

In addition to a designated coach from the SAP Ramp-Up program, Stef-TFE received support during the implementation from the SAP Consulting organization. Included in this support were workshops for employees from the business side of the company. The workshops helped Stef-TFE define the key issues related to its existing collections and dispute management processes and then optimize the end-to-end process.

“SAP Consulting was an important link between Stef-TFE and SAP headquarters,” Jicquel says. “We were very happy with SAP Ramp-Up, SAP Consulting, and the whole implementation process. The support staff was completely responsive to our needs. Together we added significant value to the new collections and dispute management process.”



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As part of the implementation, Stef-TFE created a new organizational structure that would support the company’s global business strategy. This required the definition of new roles, including a leader for the collections area to whom other managers would report. It also meant reorganizing the sequence of collections management cases to accommodate various bank requirements. In France, for example, banks close just before noon. As a result, all invoices related to those banks must be transferred to SAP ERP Financials before that time.

Better Cash Flow, Happier Customers

Stef-TFE is completely satisfied with the new functionality, Jicquel says, which has helped the company execute standardized, end-to-end processes for handling collections and dispute management – and handle those processes in real time.

“With the new functionality in place we have reduced days sales outstanding by three days, improved the average dispute resolution time, and trimmed bad debt write-offs by 10%,” he notes. Cash flow has improved, and there is greater visibility into the 5,000 invoice dispute cases that the company processes each month. All delays in resolving dispute issues are tracked closely. With more information about disputes at their fingertips, customer service representatives can be more effective in resolving the disputes – which, in turn, has improved customer relationships.

Stef-TFE next plans to implement functionality of the SAP NetWeaver® Business Intelligence component that would help the company analyze its collections and dispute management in greater detail to ensure continuous improvements. The company is also considering use of the SAP Credit Management application to automate insurance claims related to collections.

“Integration continues to be one of the most important advantages of the SAP solutions for us,” Jicquel says.

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