

Operations Assessment White Paper

When Big Decisions Approach, Look Forward Creatively.



ā360inc[™]

**Invoice, Billing
& Collections
(IBC)**

When unexpected staff changes cause disruption in a delicately balanced process, billing can quickly fall behind

In our experience, most firms depend on one person in their accounting/billing department to know the intricacies of the process and train or cross-train new team members. What happens when your internal expert leaves and doesn't have enough time to impart the years of wisdom to the rest of the staff? Things can quickly spiral out of control leaving you with a backlog, risk of potential billing errors and hundreds of thousands of dollars of outstanding AR. Choosing a knowledgeable outside partner is paramount to finding success from the situation.

A mid-sized regional firm with operations in two states recently faced this situation and turned to a360inc's Invoice, Billing & Collections (IBC) service for a solution. This firm experienced employee turnover in their accounting department and the designated replacement had just two months of experience. Between a long learning curve and a lack of experience, the firm quickly found themselves with a significant backlog in billing, especially in their largest footprint state.

Given the urgent state of the situation we needed to act swiftly, think creatively and implement a solution outside of our normal process; we were up and running with their team within one week. Within 30 days, our IBC team was able to process the billing backlog while also maintaining the current billings so the deficit didn't continue. Once the immediate issue was addressed, we designed a phased onboarding approach for preventive measures. Working closely with the firm, our IBC team helped streamline the process, improve overall daily operations and decrease payment timeframes.

Our IBC team applied our experience and long-standing servicer relationships to analyze the firm's existing practices, create more efficient processes and help solve any existing problems within the billing and collections department, specifically:

- Process improvement to create more accurate charge types in their case management system
- Altered billing steps and triggers for the most efficient and cost-effective outcomes based on servicer requirements and allowed billing events
- Identified and corrected line item issues in the many servicer billing platforms for a variety of clients
- Created billing tools for an improved, collaborative and productive working relationship
- Developed policies to set up specific guidelines for quality control and escalations
- Utilized our servicer relationships to help the firm repair fractures caused by invoicing issues and delays in the collection process with their largest clients

Real Numbers. Real Results.

AR AGING			
	Prior to IBC	March 2020 <small>(pre-COVID)</small>	Improvement
0-30 Days	34.4%	65.6%	+31.2% <small>(completed backlog)</small>
31-60 Days	25.5%	15.7%	decreased by 9.8%
61-90 Days	12.0%	4.2%	decreased by 7.8%
91+ Days	28.2%	14.5%	decreased by 13.7%

Adjustments
decreased by 65%

90-day success rate
jumped to 120.73%

Generated 1731
invoices and
increased capacity
51% (vs in-house)

Servicer with the largest unpaid balance decreased by over \$250K

"I wanted to compliment your team - they have been nothing short of great to work with. We really appreciate all the time, energy, and hard work they've put in over the last several months."



The Full Value of Outsourcing

Our IBC solution allows you to **adopt early and adapt sooner.**

Our pricing for this solution is a transactional model based on the volume, client mix and functionality of your case management system as it relates to automation and integrations. We work directly in your system while applying the value add of our scalability, coverage, industry expertise, risk reduction and servicer relationships to improve your overall cash flow, accounts receivable and peace of mind as it relates to this complex, and sometimes frustrating, function.

Why firms choose to outsource their billing and collections:

- 100% focused on billing and collections: a dedicated team that understands the complexities of the industry billing requirements and has the skill set to navigate them
- No worries about staff turnover or training
- Accountability measures (As an outsource vendor, we stand behind our work)
- A proven track record for improving A/R performance: our average is 98% of all receivables in the 90-day or less category
- First time success rate of 99.5% for all invoices (whereas many firms experience a 15-25% rejection rate, which results in slower cash flow)
- Fresh set of eyes looking at the process to gain efficiencies and sometimes identify missed billing opportunities
- Transaction based pricing model to support scalability

How we transition to an outsource model:

- Start with a backlog of work or phase in based on need/complexity
- Our team works in your case management system(s): no need to acquire additional software or tools
- After training with your subject matter expert, we develop detailed procedures and user guides for your review and approval
- Provide customized reporting to you each month regarding our performance: our KPI's (Key Performance Indicators) are adjusted based on your needs and target goals
- During the implementation process, our business unit leaders conduct weekly calls and keep you 100% informed on progress



“I can tell you that everybody here is 100% impressed so far and have had only positive things to say. It has been extremely helpful to have you all giving us feedback as to how the department had been functioning before this endeavor and I know we’ve been able to make a lot of positive changes already. Everything has been great so please let your team know we are extremely happy working with you all.”

What our clients have to say about our IBC solution