

VDI Group is absorbing greater volumes of payments thanks to CashOnTime Allocation

“CashOnTime Allocation has met all of our goals! We have seen real, significant productivity gains. We have significantly decreased the cost of processing cash inflows.”

Corinne Escot-Pionin, Deputy Administrative and Financial Director

An international company

Established in 1996, VDI Group specialises in sales of **consumable, essential**, and **non-strategic products** in two sectors:

- **Health & safety** (health, first-aid, occupational safety items, etc.)
- **Batteries**

Positioned in two markets with strong potential, the publicly traded company has **340 employees** across **7 countries** (France, including Réunion, the UK, Belgium, Germany, Spain, China, and Tunisia).

Its **6,500 products** are intended for **companies, professionals, local governments**, and **individuals**.

Very strong growth

Over the years, the Group has grown considerably, both through **organic growth** and **external growth** (five acquisitions). In 2011, VDI Group earned revenues of **€53.4 million**. ‘Between 2002 and 2011, our revenues went from €15.8 M to €53.4 M, a **threefold increase**,’ explains Corinne Escot-Pionin, Deputy Administrative and Financial Director for VDI Group.

This strong growth was naturally accompanied by a **major increase in the number of invoices and customer payments**.

In 2012, VDI Group had **17,000 payments received per month (+189% versus 2010!)** from **9,000 customers**. ‘We have seen an **exponential increase in the number of payments received** and those payments are for invoices representing **small amounts** (€500 on average). **As such, it was essential for us to have reconciliation at a low cost,**’ explains Ms Escot-Pionin.

5.5 full-time equivalents (FTEs) have been tasked with manually reconciling payments received with open invoices: **‘with the rapid increase in payments, we could no longer handle the task: we were falling behind on processing customer payments, accounting was no longer up to date, and we were sending reminders to customers who had already paid their invoices.’**

For these reasons, VDI Group chose to automate the processing of its customer payments with **three goals in mind**:

- **Increase productivity** to be able to support the growth of the Group and absorb the volume associated with that business model,
- **Free up time** spent on customer accounting for analysis and verification tasks that are more valuable to the business,
- **Improve reliability** of customer accounts, and thus the relevance of payment reminders.



FOCUS

Company: VDI Group

Sector: Sale of consumable products

ERP: Accounting system: Harmonie

Key figures:

- 340 employees
- Revenues of €53.4 M in 2011
- 6,500 products
- 17,000 payments received per month (+189%)

Solutions:

- **CashOnTime Allocation:** Automatic reconciliation of customer payments
- **GEC Connect:** Generation of accounting entries
- Tax documents
- Cash flow management
- Bank communication
- Banking reconciliation
- Payments made/received
- Collections



VDI GROUP TESTIMONIAL

PRORISK



The CashOnTime suite: a productivity booster

CashOnTime Allocation was quickly chosen to meet those three goals.

Initially, VDI Group chose CashOnTime Allocation in order to **automatically process its 3,200 monthly bank transfers**. Within **two months**, the solution was operational. The creation of interfaces with the Harmonie (Agresso) ERP and the training of users took place without inconvenience.

'From the very beginning, our rate of automatic reconciliation was already at **53%**,' says Ms Escot-Pionin. 'Now we are at **75%** thanks to the addition of bank details for different payers over time. **Every day, CashOnTime Allocation receives payment notifications from our banks and automatically processes 75% of the transfers. The processing of the remaining 25% is largely facilitated by the solution's reconciliation assistant.** The most complicated cases are processed manually by calling the customer.'

Later, VDI Group chose GEC Connect, a solution particularly suitable for e-commerce sites. Between 2010 and 2012, VDI Group saw a **745% increase** in payments over the Internet! As such, GEC Connect proved to be vital for **automatically recording those entries in VDI Group's accounting system (Harmonie)**.

Major benefits

Corinne Escot-Pionin concludes by saying that '**GEC has met all of our goals! We have seen real, significant productivity gains.** CashOnTime Allocation allowed us to absorb the exponential increase in the number of invoices and payments. Now, **130 hours per month are all we need to process all bank transfers received**, which corresponds to less than one FTE! Our **teams have much more peace of mind** when they remind their customers of payments because they can count on **reliable, up-to-date accounting data**. Furthermore, users are delighted to have a tool that is **simple and very user-friendly**. We have significantly **decreased the cost of processing cash inflows**. And to boost our productivity even further, we ask our salespeople to encourage their customers to pay us by bank transfer.'

Besides **automatically recording e-commerce payments** in the VDI Group accounting system, GEC Connect also allows them to **record all banking fees**, which **means they don't have to do so manually—meaning major time savings**.

What's next?

In order to create even more efficiency in accounts receivable, VDI Group is considering extending the scope of GEC to automate the processing **of transfers received from foreign banks and cheques**, which up to this point have been processed manually.

Find out more at www.cashontime.com