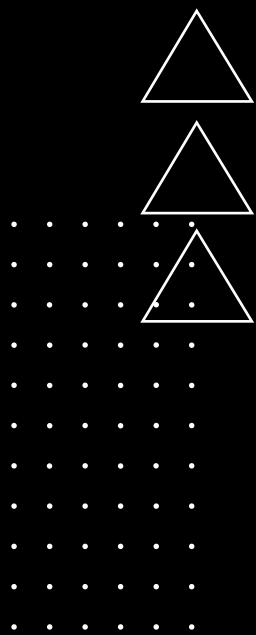


# Process Mining for Order-to-Cash

How to find — and fix — inefficiencies



# Introduction

## 99% of success is good execution.

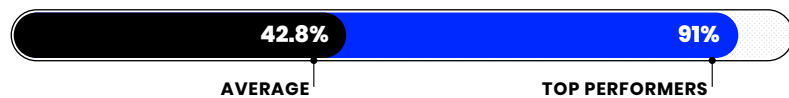
And 100% of good execution lies in your processes — the day-to-day running of your enterprise.

But most companies are not executing their processes at full capacity. You only need to look at the performance of your core business processes to see it.

### Take Order Management, for example:<sup>1</sup>

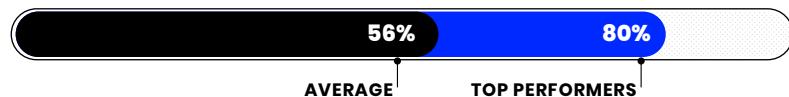
#### ON-TIME DELIVERY RATE

The average company delivers just **42.8%** of its orders on time.  
Top performers achieve a **91%** on-time delivery rate.



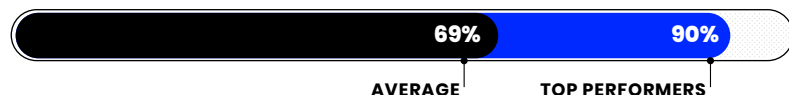
#### TOUCHLESS ORDER RATE

The average company has a touchless order rate of **56%**.  
Top performing organizations achieve a rate of **80%**.



#### CUSTOMER SATISFACTION

The average company achieves **69%** customer satisfaction.  
Top performers regularly exceed **90%** customer satisfaction.



**In Accounts Receivable, on the other hand, it might look like this:<sup>2</sup>**

---

### **DAYS SALES OUTSTANDING**

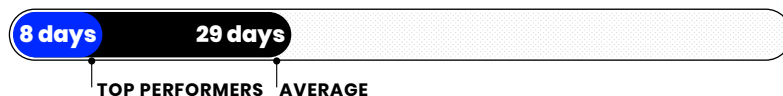
The average company has a DSO of just **53 days**.  
Top performers achieve a DSO of **24.1 days**.



---

### **AVERAGE DAYS DELINQUENT**

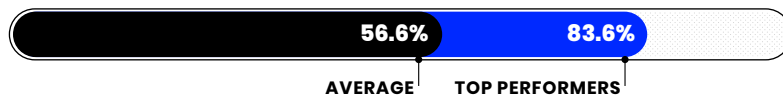
The average company's Average Days Delinquent is **29.9 days**.  
Top-collecting organizations have reduced this to just **8 days**.



---

### **COLLECTION EFFECTIVENESS INDEX**

Average companies have a Collection Effectiveness Index of **56.6%**.  
Leading organizations reach **83.6%**.



# So why are your processes not performing as well as they could be?

Because processes are forced to run across a rigid and fragmented technology landscape. Companies are trying to run 2020s business initiatives on 1980s business infrastructure. And the result is billions of dollars' worth of corporate inefficiencies.

To eliminate those inefficiencies, you need to find the gaps in your processes and fix them.

## Enter Process Mining.

Process Mining is the technology at the heart of the **Celonis Execution Management System (EMS)**. It uses the data from your transactional systems to give you a full understanding of how your processes actually run.

For all of us who have been living too long with Visio, Excel and Powerpoint as a means of mapping and capturing processes, it is a game-changing solution. It grants 100% objective transparency over your processes in real time, surfacing and prioritizing the process improvement initiatives with the biggest return to the business.

The Execution Management System then leverages that data and combines it with intelligence and automation to fix the gaps in your processes, and help your business execute better.

Identify inefficiencies, why they're happening, the impact they're having and the best way to fix them — automatically.

## HOW IT WORKS:

1

Extract data in real-time from multiple data sources ranging from your ERPs to your Excel spreadsheets to get a living, breathing, moving X-ray of your end-to-end O2C process.

2

Benchmark regions, business units, buyers and requisitioners against each other to identify process patterns, gaps and best practices across your business.

3

Monitor your process conformance against best-practice models and identify inefficiencies, why they're happening and the impact they're having on the business.

4

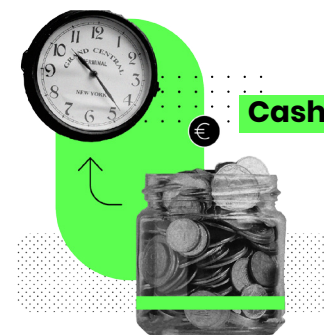
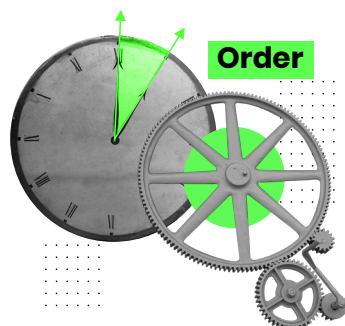
Based on machine learning and execution best-practices, our solution suggests the best steps to eliminate the most impactful gaps and help maximize process performance.

5

Celonis takes action in a number of ways, both by automating real-time actions across systems, as well as deploying the right people to remove gaps when manual intervention is required.



# The results? Outcomes worthy of the best performers out there.



## 25%

reduction in  
blocked orders

L'ORÉAL

**L'Oréal** used Process Mining to identify when things like unnecessary credit checks were blocking orders, **reducing total order blockages by 25%**, and increasing its touchless order rate from **3% to 16%**.

## 24%

increase in  
automation

SIEMENS

**Siemens** reduced manual order rework by **11%**, increased automation by **24%**, and **cut 10 million manual activities** from its process, saving **\$15M** in Order Management costs to date.

## 27%

better on-time  
deliver

ASCEND<sup>®</sup>  
PERFORMANCE MATERIALS

**Ascend Performance Materials** saw a **27%** improvement in on time delivery in just four months, and increased automation across the Order-to-Cash process by **43%**.

## 92%

payment term  
compliance

3M

**3M** successfully protects **1.2 million** invoices against duplicate payments annually, reduced its total Order-to-Cash cycle time by **20%**, and increased payment term compliance from **65% to 92%**.

## \$10M

cash flow  
improvement

sysmex

**Sysmex** reduced past-due receivables by **60%** and increased its overall cash flow by **\$10 million** — reducing its percentage of overdue payments from **61% to 44%** in the process.

# Intrigued? You should be.

The last year has driven home how interconnected every business process is, and shown how a single disruption or point of inefficiency can quickly cascade outwards and have a huge impact on the wider organization and its operations. That threat is particularly apparent across the Order-to-Cash process, which is deeply integrated with Sales, Finance, and Supply Chain operations, in addition to spanning Order Management and Accounts Receivable.

No matter where a problem or inefficiency occurs in the Order-to-Cash process, it can quickly impact delivery timelines, customer satisfaction, customer retention, overall revenue, and an organization's growth. That's a significant threat for any business. But the good news is that the inverse is also true — identifying and resolving O2C inefficiencies creates opportunities to improve all of those metrics, and more.

Right now, there is a real opportunity to improve collaboration and processes between Order Management and Accounts Receivable teams — and the other functions they're intertwined with — helping to improve results across the O2C process holistically. From better on-time delivery rates and greater automation to faster time-to-cash and reduced Days Sales Outstanding, it all starts with a clear, holistic, real-time view of your O2C process as it actually runs.

In this eBook, we're going to focus on how Celonis can help you **unlock the capacity of your Order-to-Cash process** to drive outstanding performance. We'll dive into:

- The outcomes and KPIs you can improve
- The process gaps getting in your way
- Their impact and their likely root causes
- How Celonis can help you eliminate them — automatically
- Even more real-life examples of customers' results

Ready to see how you can optimize Order-to-Cash to collect faster while delighting your customers?

**Let's go.**

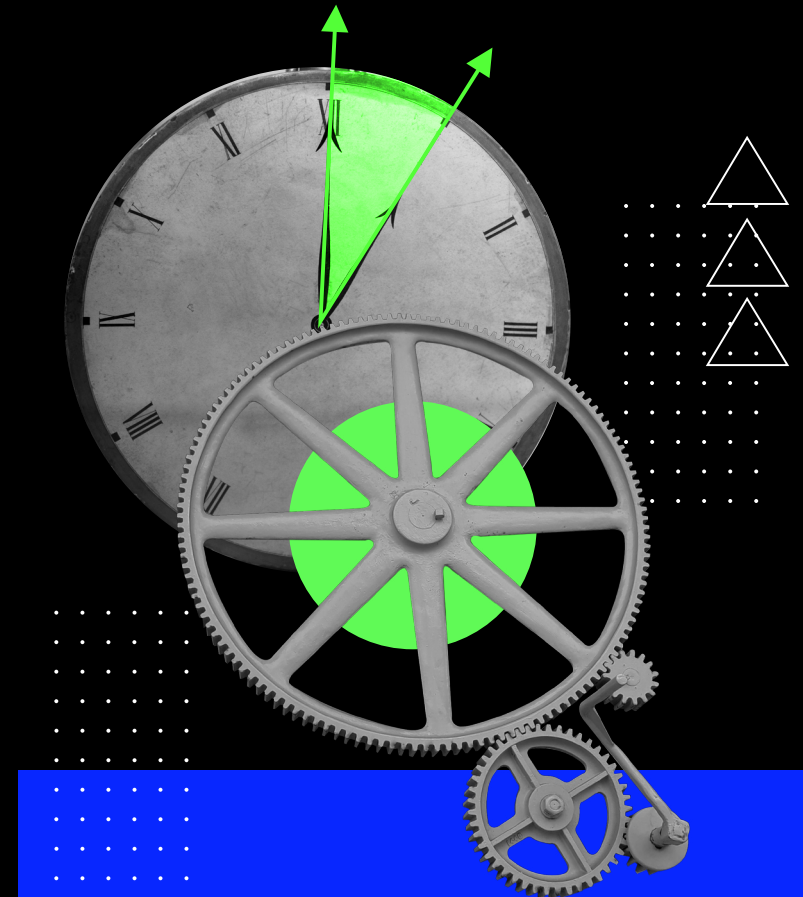


# Maximize the capacity of the Order Management process

Order Management is an often overlooked, but absolutely crucial function of the customer experience. Smooth and efficient on-time delivery has a huge and obvious impact on customer satisfaction, but is often affected by finance and supply chain processes outside of Order Management's control. From order confirmation, to handling order changes, and more, Order Management leaders survey a multi-touch experience, every step of which needs to be optimized to deliver on expectations.

An effective Order Management department can influence and mitigate risks both upstream in finance (like credit blocks) and downstream in supply chain (missing materials, for example) to ensure efficient processes, on-time delivery and sky-high Net Promoter Scores — all while keeping costs low.

Celonis helps Order Management teams connect to their system landscape across front and back office systems in real time and eliminate the process gaps getting in the way of those goals.



# What it looks like in action

	Increase On-Time Delivery	Improve Productivity	Achieve Customer Satisfaction
KPI	On-Time Delivery (OTD)	Cost per Order	Net Promoter Score (NPS)
Process Gap	Long-running credit checks delay order processing.	Incorrect price leads to manual rework of the order, increasing costs.	Unexpected changes to delivery dates after order confirmation.
Why it's happening	Frequent customers with a reliable history of on-time payments are unnecessarily held on block for several days for credit approval.	Out of date master data means the wrong price has been applied.	Confirmed delivery dates are based on standard lead times provided by the supply chain.  When there are issues in the supply chain, affecting things like material availability for instance, delivery dates may change.
How Celonis fixes it	Using Machine Learning, Celonis predicts which customers have a high likelihood of paying on time, so you can proactively skip credit checks for those customers.	Celonis can detect inconsistencies in contract pricing and automatically update pricing according to the correct contract.	Celonis helps identify orders likely to be impacted by supply chain issues. If these are lower-value orders, it will automatically update delivery dates and alert the account team to proactively manage expectations. For higher-value orders, it will alert order managers to expedite the order to avoid customer dissatisfaction.

# What maximizing capacity can deliver

HOW SIEMENS SAVED \$15M IN ORDER MANAGEMENT COSTS

## 24%

Increase in automation

## 11%

Rework reduction

## 10M

manual activities removed

As the largest industrial manufacturer in Europe, **Siemens AG** has been riding the cutting edge of technology for many years. Siemens' leaders are well aware of the benefits of tackling the complexity that can accompany every company's growth. For a decade the company has been working with Celonis to streamline its core processes and maximize business outcomes.

One example of a use case is Order-to-Cash. Siemens processes more than 30 million items ordered annually, using numerous steps and systems to process from order intake to cash collection. The company has been using process mining to visualize how processes

flow in real-world situations. Teams around the world compared their performance against benchmarks and shared best practices on how to improve efficiency. As a result, Siemens automated and continuously optimized a variety of tasks, resulting in 10 million fewer manual touches a year.

Today, Celonis' technology supports the processes to optimize efficiency. For example, the system gives order managers daily reports of which customer have caused the most manual effort and then provides recommendations for how to work with the customer or implement automation to reduce those efforts.

[Learn More](#)

Watch a demo of how Celonis can help you maximize the capacity of your Order Management process

# Maximize the capacity of the Accounts Receivable process

Accounts Receivable has also come into its own in the wake of the pandemic, reflecting the laser focus on working capital and not just maintaining, but accelerating cash flow.

But getting your customers to pay is difficult when your forecasting is inaccurate, customer outreach is based on judgment rather than data, and almost everything is manual.

Celonis can help by prioritizing customers based on likelihood to pay, delivering precise risk-based forecasts powered by machine-learning, and automating communications and source system updates amongst others.



# What it looks like in action

	Optimize Working Capital	Improve Billing Efficiency	Reduce Cost per Invoice
KPI	<b>Days Sales Outstanding (DSO)</b>	<b>Time to Invoice</b>	<b>Perfect Invoice Rate</b>
Process Gap	Customers are paying late	Invoices are created and sent to customers late	Invoices contain an incorrect field such as the wrong bill-to address, customer number, or customer entity.
Why it's happening	At-risk payments are not identified early enough to take meaningful action.	Invoices are not created as soon as a customer delivery takes place.	Incorrect master data is being used.
How Celonis fixes it	Celonis automatically identifies high-risk customers based on likelihood to pay, and escalates to sales and customer success for support, as well as flagging the escalation in the CRM before the invoice comes due.	Celonis automatically triggers invoice creation within 24 hours of goods delivery.	Celonis automatically reviews contracts and historical data to recommend the appropriate master data updates and either notifies the customer master data team or automatically modifies the invoice based on confidence level.

# What maximizing capacity can deliver

SYSMEX CUT PAST-DUE RECEIVABLES BY 60%

**\$10M**

improved cash flow

**\$3.4M**

recovered in just 1 month

**60%**

reduction in past-due A/R

**Sysmex** are working to free up their working capital by optimizing cash collection. “As a CFO, cash is king — so we’re using Celonis to analyze our credit collections,” notes Alex Garini, CFO of Sysmex America. “The better the quality of your processes, the better your cash collection and cash management, and the more satisfied your customers are.”

Celonis helped Sysmex identify millions in overdue payments — and start collecting them. They recovered \$3.4M in overdue service contracts in just 30 days. They’ve seen a \$10M improvement in their cash flow, and lowered the late payments rate from 61% to 44%.

The granularity of the visualization process mining delivers means Sysmex are able to track the outstanding amount, with every collector in Accounts Receivable

aware of the portion for which they are responsible. They are also using the data to come up with targeted collections strategies for different types of customers.

“Celonis allows us to segment our customers in a way that is actionable,” says Oscar Velazquez, Senior Director of Customer Operations. Using the EMS, Sysmex are able to understand who their customers are and their likelihood to pay based on data: previous payment patterns, geography, and so on. They can then employ the right collection strategy with the right customer, using resources more effectively to collect proactively and mitigate risks.

“We’ve seen an improvement of almost 60% of our past due, which has translated to somewhere between \$10 and \$12 million of improved cash flow into our business,” says Velazquez.

[Learn More](#)

Watch a demo of how Celonis can help you maximize the capacity of your Account Receivable process



# This is bigger than just process improvement.

Processes are the backbone of business execution. Make a breakthrough in your processes, and you'll naturally trigger breakthroughs in execution.

By diving into your Order-to-Cash processes, surfacing inefficiencies with the help of Process Mining and resolving them with the Celonis Execution Management System, you can drive growth, increase revenue, and unlock working capital, while also improving experiences for customers and back office teams alike.

So what are you waiting for?

Start with Process Mining.

Zoom in on Order-to-Cash.

See what Celonis can do for you.

**Get in touch**



# About Celonis

Celonis believes that every company can unlock its full execution capacity. Powered by its market-leading process mining technology, the Celonis Execution Management System consists of a platform, a full suite of apps, and a developer studio for business executives and users to unlock their execution capacity and eliminate billions in corporate inefficiency.

Celonis has thousands of customers, including ABB, Astra-Zeneca, Bosch, Coca-Cola, Citibank, Dell, GSK, John Deere, L'Oréal, Siemens, Uber, Vodafone and Whirlpool. The company is headquartered in Munich, Germany and New York City, USA and has 15 offices worldwide.

