



CASE STUDY - RECEIVABLES - GETPAID

APOGEE ENTERPRISES INC.

Modernizing Credit-to-Cash

Company overview

Apogee Enterprises is the industry leader in architectural products and services. More than 90% of their revenue comes from architectural glass, framing systems and installation businesses. The company shapes skylines with their glass and aluminum window, storefront and curtainwall systems, helping commercial buildings look great, reduce energy consumption and protect themselves against hurricanes and blasts. They deliver solutions by leveraging the expertise of their people to engineer glass and metal building facades and complete massive orders for skyscrapers on time. Apogee is also the leader in protection and conservation of all things framed and displayed. Their large-scale optical segment glass and acrylic utilizes the same technology as their architectural glass business. They enhance and protect art with custom frame shops; improve aesthetics, and conserve and protect fine art in museums and galleries; and apply anti-reflective custom coatings for commercial applications through their engineered optics business. Apogee has nine operating companies with 15 U.S. manufacturing/fabricating locations, and nine international locations with US\$1.4B in annual revenue fiscal 2019.

Challenges

Apogee Enterprises has been leveraging the FIS® GETPAID credit-to-cash solution since 2002. Before GETPAID, Jerry Drake, director of Credit & Collections, was experiencing the pinch of the economic slowdown. Apogee was observing a decline in on-time payments and witnessing an increase in overdue accounts receivable (AR). Being an active member and leader of numerous credit groups, including the National Association of Credit Management (NACM), Drake had seen GETPAID at conferences. Apogee had just completed a painful ERP conversion and did not have an appetite for anything new. Wanting to improve results, Drake led a team to complete a Six Sigma study focusing on improving days sales outstanding (DSO) and AR aging. During the study, Drake continued to receive the message that they needed to

utilize the manual processes they already had in place. Not to be deterred, he built a business case demonstrating the potential results that an automated solution could provide. The focus was not only on improving results, but also on the sustainability of those results.

The approach

After gaining approval and implementing GETPAID with only one business unit, the results began improving within 90 days. The CFO was so convinced by the results that the directive was given to roll GETPAID out companywide.

Apogee's standard payment terms are 1/10 net 30. Even with those payment terms, the company was experiencing DSO around 60 days before GETPAID. Drake recalls previous processes that included collectors picking their own method for prioritization and follow up that allowed dollars to continue to roll overdue every month. Drake looked to leverage GETPAID to establish a standard strategy that helped them to reach all accounts within each period. Having this strategic approach also uncovered other overlooked tasks such as dealing with credits on accounts.

Apogee currently utilizes credit management, strategic collections and disputes identification within GETPAID. Additionally, Apogee uses the customer risk scoring within GETPAID for assistance with calculating accurate bad debt reserves. They host the solution on-premise, supported by their own IT team. The results achieved by Apogee have been substantial. DSO and overdue AR have been on a consistent downward trend since implementation in 2002, providing significant cash-flow improvement. All the while, the team has been able to achieve these results with an increase in the number of accounts in the portfolio with a 60% reduction in the number of resources required to handle them. Any new acquisitions are brought into GETPAID as soon as possible to maximize the benefits. Drake states, "One example of a new business unit we brought into GETPAID provided a reduction of AR greater than 90 days overdue from 6% to 1.4%."

Challenges faced:

- Economic slowdown
- Declining on-time payments
- ERP conversion
- Increasing DSO

Results

The future looks strong for Apogee Enterprises. They are currently in the process of upgrading to version 8.8 with the intention of expanding their use of GETPAID into cash application. Apogee is looking forward to leveraging the latest in artificial intelligence related to cash application to continue to automate any manual processes. According to Drake, "GETPAID has brought a continuity in approach to accounts and discipline." The strategic partnership between FIS and Apogee has driven remarkable improvements in cash flow and operational efficiency.

One example of a new business unit we brought into GETPAID provided a reduction of AR greater than 90 days overdue from 6% to 1.4%.

JERRY DRAKE, DIRECTOR CREDIT & COLLECTIONS, APOGEE ENTERPRISES

**About FIS**

FIS is a leading provider of technology solutions for financial institutions and businesses of all sizes and across any industry globally. We enable the movement of commerce by unlocking the financial technology that powers the world's economy. Our employees are dedicated to advancing the way the world pays, banks and invests through our trusted innovation, absolute performance and flexible architecture. We help our clients use technology in innovative ways to solve business-critical challenges and deliver superior experiences for their customers. Headquartered in Jacksonville, Florida, FIS ranks #241 on the 2021 Fortune 500 and is a member of Standard & Poor's 500® Index.



www.fisglobal.com/contact-us



twitter.com/fisglobal



linkedin.com/company/fis