

Taming the Beast

How DataServ Streamlined Sony's Massive Manual AR Process

SONY'S PERFORMANCE IMPROVEMENT:

- ✓ 90% reduction in reconciliation and deduction balance
- ✓ Days in collection cycle declined 44%
- ✓ Staff efficiency doubled

THE CHALLENGE

With 5 million DVD orders processed annually and 10,000 to 20,000 issues to settle each month, the Sony Pictures Home Entertainment accounts receivable (AR) department was struggling to work through the backlog caused by time-consuming, inefficient manual processes. DataServ collaborated with Sony to create a SaaS solution that dropped outstanding AR issues from \$250 million to \$15-\$30 million annually.

THE ISSUE

Culver City, California-based Sony Pictures Home Entertainment is a \$2 billion division of Sony that fulfills 5 million orders from retailers; from major big box stores like Walmart and Target to local retail businesses. Of those, 2 million orders each year were invoiced for payment, while the remaining 3 million were invoiced on consignment. Effectively managing collections, handling returns, reviewing discounts, and accounting for delivery became a daily nightmare. The sheer volume of paper - as well as the need to bring together many different documents from numerous sources to resolve customer questions and issues, consumed many thousands of employee hours. Sony executives realized they had to do something fast to automate and streamline their AR process so employees could focus more on building strong customer relations and less on digging through endless stacks of paper.

THE DATASERV SOLUTION

DataServ collaborated with Sony to create an automated workflow process that included one-click access to all necessary customer documents. When questions arose about delivery, or discounts, or anything to do with the order, analysts were able to immediately pull up the necessary documents on their computer screens and send them directly to customers while on the phone with them.

DataServ did what we needed in the time we needed it, and we've seen outstanding results.

— Michael Schillo
Vice President of Finance
Sony Pictures Home Entertainment

THE RESULTS

After implementing the DataServ solution, Sony realized a 90 percent reduction in its most important performance measure, Sony's reconciliation and deduction balance. Additionally time spent handling AR issues, paper volume, and overall staff effectiveness demonstrated similar significant improvements. For Sony Pictures Home Entertainment Vice President of Finance, Michael Schillo, speed was a most important lever for success, and DataServ's solution pulled that lever. "We were able to get rid of the paper, automate the entire process, and make it all accessible in one location," says Schillo. "DataServ did what we needed in the time we needed it, and we've seen outstanding results. It's why we've used DataServ for several solutions at Sony Pictures Home Entertainment - their SaaS solutions simply work."