



Unidentified Payment Posting

When a large telecommunications company decided to automate manually processed unidentified payments, they turned to Global 360 for their content and business process management (CM/BPM) toolset and to PBT for their expertise. The deployed solution reduced unidentified payment volume by 65%, while doubling productivity!

The Business Problem

Each night, lockbox banks batch and return unidentified payments to the telecom's Cash Receipts department for manual research and posting. With the unidentified payment posting process already absorbing more than half the staff resources in Cash Receipts, and the volume of lockbox rejects expected to double, process improvements were critical.

The unidentified payment posting process is initiated when a customer detaches and mails the remittance portion of the phone bill with their payment to the lockbox. The lockboxes were processing 85% of the payments they received automatically. Manual account look-up prior to posting was required for 15% of the payments and 3.4% of payments that required look-up were ultimately rejected and returned to Cash Receipts as *unidentified payments*.

Lockbox rejects include payments where the name or amount do not match a valid account, payments that require distribution to multiple accounts, Service Deposits, and payments processed through the wrong sales market. Each lockbox sent copies of the unidentified checks, batch calculator tapes, and documents, including envelopes to Cash Receipts. The Cash Posting supervisor updated a monitoring system with information on each batch, then assigned and distributed the batches for processing.

Processing a batch required more than a dozen steps with the potential for each step to be repeated up to eleven times per batch because payments had to be separated and posted to one of eleven sales markets. Steps included mainframe system lookups for account number and sales market, balancing back to the original batch total, posting and reversal, printing reports, and creating a *Filing Packet* for audit.

The morning after a batch was completed, the Cash Posting clerk printed reports for the Special Functions staff who researched unidentified payments that Cash Posting was unable to locate (UTL), that belonged to another service provider (Transfers), or were Bank Errors. The Cash Posting clerk attached copies of pertinent documentation from the original batch to the reports and delivered them to the appropriate Special Functions staff for resolution.

The Post-implementation Business Process

Several opportunities for technology-enabled process improvement were identified during the analysis phase leading to a substantial decrease in the volume of unidentified payments, increased customer satisfaction, improved productivity, and reallocation of more than half the Cash Receipts staff.

The CM and BPM-enabled Cash Posting Application allowed the company to:

- Eliminate misplaced files by scanning documents upon receipt
- Automate work assignment
- Allow concurrent access to electronic unidentified payment workpackets
- Improve office space utilization by reducing paper file space requirements
- Replace manual batch processing with automated cash posting
- Reduce payment posting and correction errors
- Provide computer generated batch total reports
- Deploy one user application for all unidentified payment posting functions
- Reduce training costs by automating suspense posting and reversal rules
- Improve customer service and reduce costs by providing a quicker response to customer inquiries through on-line access to unidentified payment documents
- Offer a disaster recovery option via optical
- Allow Cash Receipts to handle an increased workload with current staff

Lockbox batches are received and prepped, the batch header sheet is completed, and the batch is scanned. The Scan application allows attributes to be entered that are automatically applied to each workpacket as it is scanned. The attributes determine workpacket routing and work assignment.

Cash Posting and Special Functions staff receive assigned work pertinent to their responsibilities and enabled via their user profile. Workpackets automatically route from Cash Posting to Special Functions worklists as needed. Payment is researched and disbursed based on the cash code and suspense type. A workpacket cannot be forwarded until distribution balances.

Account lookup information is available including web-enabled customer search tools, prior postings, standard forms, and document search functions. The actions enabled from the Cash Posting application are limited by workpacket type to reduce the opportunity for error.

BPM-enabled Unidentified Payment Posting Solution		
Solution Success Criteria	Expectations	Outcomes
Unidentified Payment Volume	To double	Decreased by 11%
Staff Resources	Avoid hiring 20	Staff decreased by 10
Reduce manual lookup/posting errors	By 60%	Accomplished
Reduce Unable to Locate (UTL) volume	By 65%	Accomplished
Reduce transfer/corrections posting staff	By 2	Accomplished

The pre and post implementation statistics reflect significant business benefit.

Payments Posting Statistics	Pre	Post	Variance
Manual cash post item volume/month	29,511	26,436	- 10%
Manual cash post revenue volume/month	\$14,578,000	\$11,764,000	- 19%
Cash Receipts headcount	18	8	- 55%
Cash Receipts productivity estimate	30 items/hour	60 items/hour	+100%
Filing space requirements	32 cabinets	8 cabinets	- 75%
Rejected items %	3.4	2.17%	- 35%
Payment volume	867,970	1,216,396	+ 40%

Additional Deployments

In addition to the Unidentified Payments Posting, PBT worked with the company to develop and implement a Recurring Credit Card function for customer payment. An Automated Clearing House function to directly debit a customer's bank account for their monthly payment was also deployed.

The company has taken advantage of the Global 360 CM/BPM toolset and PBT's expertise to implement the following functions:

- Web based enrollment forms and customer care validation
- Bar coded account numbers to automate indexing
- Workpacket routing based on completion status
- Word letters integrated with print and fax-out
- Fax in and fax out of process-related documents
- Clearing house authorization file output (pre note) from ACH workflow
- Clearing house authorization file input to ACH workflow

About PBT

PBT can help you meet your productivity goals, improve your competitive position, and provide better customer service by automating time-consuming tasks and providing you with a BPM-enabled solution second to none. Our experienced business professionals deliver skilled project management, informed process redesign, creative workflow solutions and ergonomically satisfying user applications.

Our customer commitment:

- Your anticipated return on investment is always achieved and frequently exceeded.
- Your business goals are reflected in our solution templates.
- Your self-sufficiency is our deployment goal.

PBT, Inc.
70-C DaGullah Way
Pawleys Island, SC 29585

Phone: 843.359.0059
Fax: 843.235.6677
Website: www.pbtonline.com
Email: info@pbtonline.com