

How a SaaS Industry Leader Unlocked \$20 Million (25%) in Monthly Cash Flow by Rebuilding Its Order-to-Cash Engine



The Challenge

A \$1.5 billion SaaS and solutions company faced liquidity issues due to a severely aged accounts receivable (AR) portfolio. Rapid acquisitions and a mismanaged ERP system led to billing errors, disputes, and inconsistent payment terms. Monthly cash collections were

around \$95 million, short of the \$110–115 million target. The company lacked end-to-end process governance and infrastructure, and the newly hired SVP of Order-to-Cash (O2C) needed to redesign the O2C operating model.



The Operational Reality

The company faced several challenges:

- **Strained Sales and O2C Relationship:**
Efforts were made to rebuild this relationship to improve revenue, margin, and cash.
- **Aged AR Portfolio:**
Backlog of unresolved disputes and billing inaccuracies.
- **Collections Deficits:**
Significant deficits and lack of payment predictability.
- **Absence of Governance and Infrastructure:**
No end-to-end O2C process governance.
- **Defunct Collections Platform:**
Ineffective collections operational platform.
- **Fragmented Team:**
Focused on functional performance rather than customer success.
- **Customer Experience Fallout:**
Rising churn risk due to billing frustrations.



Strategic Intervention

The new SVP of O2C, with 25 years of industry expertise, led the transformation with a 3-person CFGI team. Key initiatives included:

- **Integrated Operational Cadence:**
Defined customer sets for collectors and regular team reviews.
- **Customer Segmentation Model:**
Segmented 20,000 accounts into five treatment tiers, increasing monthly cash flow to over \$125 million and reducing 90+ day balances by \$15 million.
- **Standardized Policies and Procedures:**
Established for collections and dispute management.
- **Operational and Financial KPIs:**
Developed to measure staff performance.
- **Revamped Collections Tool:**
Redesigned the AR & Collections tool to optimize operations.
- **FP&A Model:**
Created for collections forecast and AR roll plan.
- **Billing Forecast Model:**
Developed to identify missed billings.
- **ARR Definitions and Analysis:**
Documented and established an ARR to revenue bridge analysis.
- **Talent Upgrade Program:**
Led hiring for the new organizational design.

0 - Discovery & Assess

Q4 2023

Determine Process Health and go-forward strategy

- Metric Review
- Manual segmentation and collection cycle
- New Collector Policies/Guidelines
- Financial Forecast

1 - Design, Build and Burn In

Q1 2024

Redesign O2C Tool (GetPaid):

- New policies and organization
- Redesign & upgrade

"Controlled Introduction"

- Segmentation & Collection cycle
- Dunning Letters
- Hiring & Training
- Financial & Operational Metrics

2 - Adoption & Stabilization Momentum

Q2 2024

Controlled Introductions cont'd; Daily Process Adjustments

- Customer Feedback
- Operations Feedback
- GetPaid system adjustments
- Adjust escalation management (internal & external)

3 - Process Excellence

Q3 2024

Process Leadership and Stabilization:

- Strategic account contract and credit programs
- Clean up AGED AR and write-offs
- Tighten organizational hand-offs
- Operating efficiency and effectiveness

4 - Sustainment & Expansion

Q4 2024 - Q1 2025

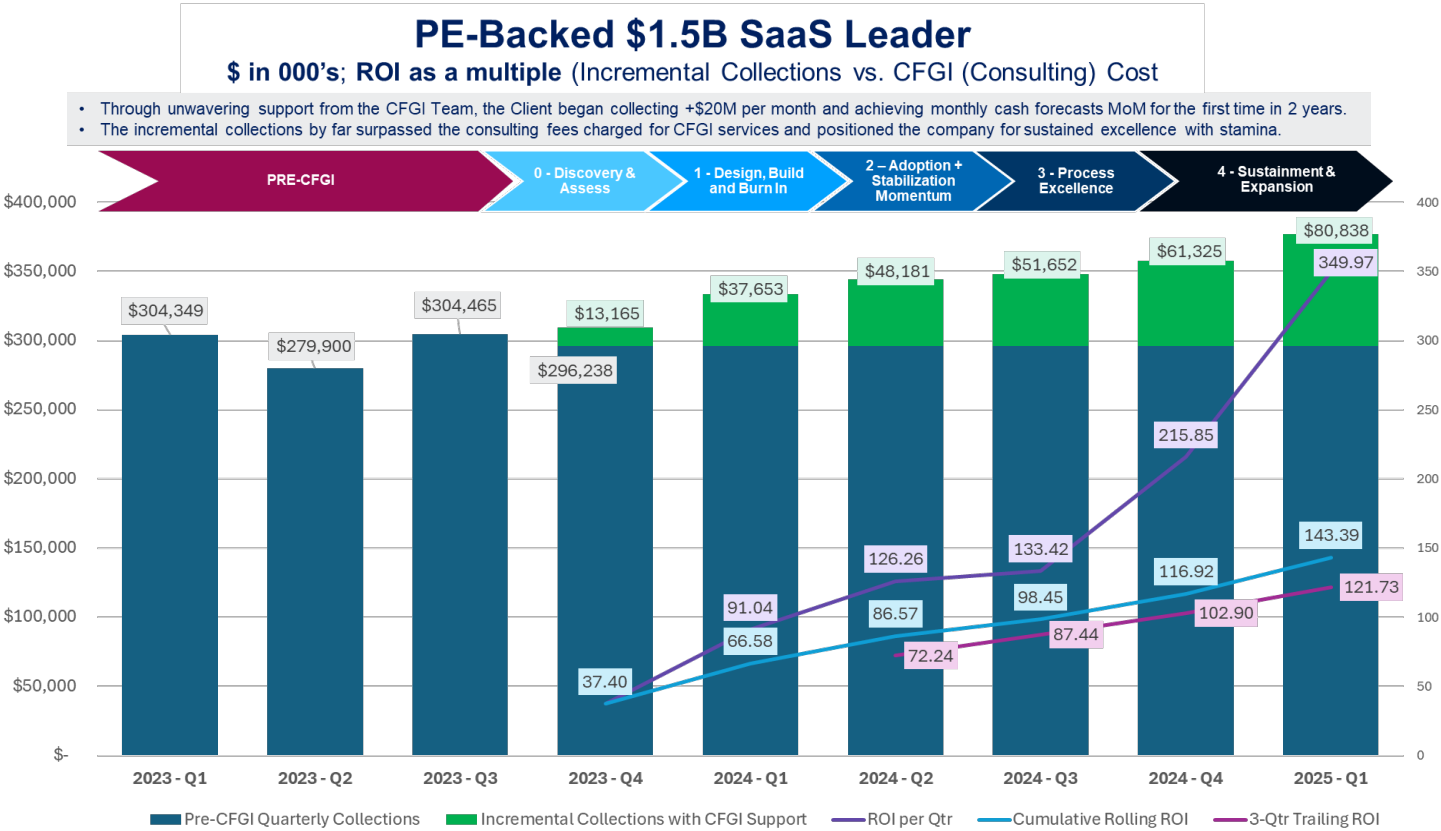
Scale Team, Accelerate Cash, and Optimize Processes:

- Reduce 3rd Party Collections replacing with Badge Employees
- Automated Customer Segmentation & Operational Analytics / Weekly CEO Reporting Read-Out
- Successful Go-Live conversion of the 2nd ERP into GetPaid, and configured additional FlexFields to enhance operations
- Automated components of GetPaid ETL Import Process reducing risk & increasing capacity for the GetPaid Administrator

Results & Outcome

By the third quarter, the company achieved:

- **End-to-End process governance, policies & control, and improved relationship between Sales, Operations, and Collections.**
- **25% Increase in Monthly Cash Collections:**
\$20 million/month increase.
- **Over 40% Reduction in Aged AR Balances:**
Significant reduction in aged balances.
- **Standardized Dispute Management:**
Implemented processes and governance.
- **Steady-State Collections Infrastructure:**
Established a stable infrastructure.
- **Identification and Billing of Missed Billings:**
Billed \$3.1 million of missed billings.
- **Conversion of ERP into Collections Platform:**
Standardized operations for all customer balances.
- **Automated Tracking of KPIs:**
Developed and automated KPI tracking.
- **Enhanced Customer Experience:**
Improved satisfaction and trust.



Key Highlights

- **>100x ROI on CFGI Fees:**
Achieved a cumulative ROI of 117x at 12 months, growing to 143x at 15 months.
- **Collections Improvement:**
+25% increase in monthly cash collections.
- **Predictability and Root Cause Analysis:**
Established governance and metrics.
- **Collections Platform Optimization:**
Improved customer satisfaction and dispute resolution.
- **Embedded CFGI Team:**
Drove continuous process improvement.

Strategic Impact

The transformation led to a cash culture, showcasing the power of strategic leadership and expert consulting. The company achieved sustained operational excellence, enhanced customer experience, and positioned itself for future growth without external leverage.



CFGI

CFGI CAPABILITIES AND TECHNICAL EXPERTISE

CFGI general capabilities pertaining to O2C and tangential areas → Deep O2C-subject matter specific capabilities

Overall Program Mgmt Support & Leadership	<ul style="list-style-type: none"> • Program & Project Leadership • Project Planning & Scoping • Project Management 	<ul style="list-style-type: none"> • Change Adoption/ Management Coordination • Operational Readiness
O2C Process Leadership	<ul style="list-style-type: none"> • Best Practices & Benchmarks • Process Governance, Controls, and Operational Reporting 	<ul style="list-style-type: none"> • Process Efficiency Solutions & Practices • Organization Design & Structure • Skills/Impact(s) Assessments
O2C Process Management	<ul style="list-style-type: none"> • Policies & Procedures <ul style="list-style-type: none"> – Process Design & Mapping – Process Documentation (Process Flows & Desktop Procedures) – Training Delivery 	<ul style="list-style-type: none"> • Testing Preparation (Test Case Scenario & Script Development) • Test Execution Support • Business Requirements Leadership
Other Core Business Transformation (BT) Services	<ul style="list-style-type: none"> • FP&A • Data & Analytics • Tech Transformation/CDW 	<ul style="list-style-type: none"> • Supply Chain • Record-To-Report • Close Acceleration
Non-BT CFGI Services	<ul style="list-style-type: none"> • Accounting Advisory • Revenue Recognition • Month-End Close 	<ul style="list-style-type: none"> • Risk Advisory • Treasury • Tax

Organization <ul style="list-style-type: none"> • Interim Leadership • Organizational Design • Onshore, Offshore, Outsource, SSC Strategies • Hiring and skill assessment profiling • Training, Onboarding, and Performance Monitoring 	Quote to Invoice <ul style="list-style-type: none"> • Sales Operations • Quoting/Pricing • Payment Terms • Credit • Order Hold/Release Standards • Order Entry Practices
Invoice to Cash <ul style="list-style-type: none"> • Quote-to-Invoice Hand-Off • Invoice Entry & Release • Billing Support • AR Aging Analysis & Collections Forecasting • Customer Segmentation • Collection Cycles • Dispute Management • 3rd Party Escalations 	Cash Applications <ul style="list-style-type: none"> • Unapplied Cash (and Credit) Balances • Auto-Apply Practices • Escheatment Process
Technology <ul style="list-style-type: none"> • CPQ, CRM, ERP, Billing & Invoicing, OTC/Collections Platforms • Data & Visualization (Alteryx, SQL, PowerBI, etc.) • Atlassian/Jira, SmartSheet, Other PMO Tools 	

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Supporting CFOs In All Critical Functions

Who is CFGI?

We are a leading global accounting and business advisory firm. We partner with our clients on their most important regulatory, transaction, and business improvement initiatives. Our team of over 1,000 former Big 4 professionals brings expertise across technical accounting, capital markets, tax, valuation, ESG,

transaction advisory, restructuring, cybersecurity and technology solutions, all delivered with an independent and roll-up-the-sleeves approach. CFGI was founded in 2000 and serves thousands of global clients from our more than 30 offices throughout the Americas, Europe

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