



# Transforming Finance and Accounting Operations for a Media Company

## CASE STUDY

### Synopsis

In the media industry, scalability and workforce productivity are essential. Operational delays can impact workflow management, consolidation of decentralized operational processes, and closing and reporting. That is why a privately held media company entrusted us with the transformation of their Finance & Accounting (F&A) operations. To transform them seamlessly, we designed a customized solution that delivered more value—reducing cycle time of payroll processing, payment application, monthly reconciliations, and invoice processing from 10% to 30%.

### About the Client

A US-based privately held media company, the client has diversified holdings that include newspaper and magazine publishing, outdoor advertising, radio broadcasting, book publishing and distribution, visitor publications, and online services.

### Business Challenge

The client was growing rapidly, and was looking for a Finance & Accounting solution that would not only meet all its SLAs and KPIs, but also reduce its operating costs and increase process efficiency. It was essential that the solution partner act as an extended controllership arm to balance the benefits of outsourcing with the need to satisfy various stakeholders of the company who expected a seamless finance service.

The client approached Coforge to build a customized finance and accounting solution, transform the F&A

processes to accommodate an ambitious expansion plan, and support a culture which embodied the company's values.

### Our Solution

The Coforge team conducted careful and detailed study of the business processes and designed a customized finance and accounting solution for the client. We consolidated all the F&A processes of the company and took ownership of the F&A operations. Our team followed a two-phase approach—transition and Operational Excellence.

**Transition:** We deployed our proprietary BPM3® methodology in different phases to ensure seamless transition of the client's processes. Tier 1 process Procure-to-Pay was transitioned followed by Tier 2 processes such as Order-to-Cash and Human Resource organization. Once these Tier 1 and Tier 2 processes went live, transition of the Tier 3 processes such as Record-to-Report, Closing and Reporting etc. were initiated. Robust project management, efficiency, and standardization were assured by continuously monitoring planned vs. actual timelines, regular tollgates, and reviews and sign offs from Coforge and the client team.

**Operational Excellence:** Once all F&A processes were stabilized, a team of professionals proficient in operations, technology, domain, Six Sigma, and Lean were sent to the client's premises. They performed gap analysis, process overview, stakeholder analysis, baseline validation, and cost benefit analysis.

In this phase, our ProcessGymSM methodology was used to identify processes, that could be automated, and avenues for improving stability, efficiency, and wastage elimination. In addition to this, multiple Yellow Belt and Green Belt projects across various Lines of Business (LoBs) such as Procure-to-Pay, Order-to-Cash, and Record-to-Report ensured smooth operational efficiency. The Coforge team also worked on reducing cycle time and turnaround time, and improving agent utilization and productivity.

### Business Benefits

- **Higher Cost Savings:** We reduced Construction in Process (CIP) account balance by 48%—resulting in savings of \$726, 381. Process improvements through automation, Lean, and Six Sigma projects also resulted in huge savings.

- **Enhanced Customer Satisfaction:** We reduced the invoice processing cycle time by 13%—resulting in entitlement of more discounts and other benefits provided by vendors. Development of a macro reduced the payment run cycle time by 40%. There was an 81% reduction in 90-days-old reconciling items—reducing the total reconciling items by 26%.
- **Improved Cashflow:** We achieved a 63% reduction in unapplied cash balance from \$ 1.62 million in December 2011 to \$ 0.60 million in December 2013—leading to increase in working capital.
- **Increased Efficiency:** We reduced pending/unpaid invoices by 20%. We were also successful in reducing cycle time of payroll processing, payment application, monthly reconciliations, and invoice processing from 10% to 30%.



### The Coforge Advantage

Coforge' innovative solution consistently met 100% performance levels on TAT and SLAs. This helped the client focus more on their core competencies and made them more responsive for future organic and inorganic growth.

For more information, contact [information@coforgetech.com](mailto:information@coforgetech.com)

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