

CASE STUDY

Würth Canada

Benefits from Significant Cost Savings and Increased Sales Productivity with DadeSystems



Würth Canada, part of the Würth Group of global companies, has established itself in the Automotive, Trucking, Manufacturing and Construction Industries since its founding in Montreal, Québec in 1971. The company's core products consist of everything from DIN fasteners to electrical connectors, tools and PPE, as well as a complete line of chemicals—everything centered around quality, service, and reliable solutions for their customers.

With sales representatives covering all of Canada and an aggressive sales growth objective to achieve \$270 Million (CAD) in sales by 2025, Würth Canada needed a more efficient and cost-effective way to collect check payments in the field and reconcile payments to customers' accounts.

Challenge

Würth Canada is a well-established professional business partner to a vast range of commercial clients, from rural operations to multi-national conglomerates. Customers range in size from small auto repair shops with simple payments to large customers with detailed remittances as long as 20 pages. Checks remain a primary method of payment—and Canada's vast geographic footprint meant it was expensive for sales representatives to receive checks and forward them via courier to the head office in Guelph, Ontario for application to customer accounts.

"We have 40,000 customers across Canada serviced by over 470 sales reps. We accept a variety of payment methods, including credit cards and electronic funds transfers, but payment by check remains the preferred method of payment for most customers for now. The majority of these customers mail their checks to our Head Office in Guelph via Canada Post, but many customers prefer to hand payments in person to their Würth Sales Representative," said Michael Malone, credit manager and company compliance officer for Würth Canada. "It's not unusual to collect 50 checks per day in the field. Depending on the rep's distance from our head office, it could cost anywhere from \$10 (CAD) to \$50 (CAD) to send checks via Purolator or other courier services. In addition to the high cost, sales reps spent considerable time driving to the courier and completing the paperwork to send the payments to our office—time which they could have spent meeting with their customers or prospecting."



INDUSTRY

- Industrial Supply Wholesaler

TECHNOLOGY

- DadePay Invoice-to-Cash AR Automation
- DadePay Mobile AR

KEY BENEFITS

- Single platform with advanced technology
- Increased AR staff productivity
- Significant operational cost savings
- Improved customer experience

KEY RESULTS

- \$10,000 (CAD) - \$15,000 (CAD) operational cost savings per month
- Maintain AR staffing level for six years through exponential growth
- Reduced AR application and reconciliation time by 75%

Solution

Würth Canada implemented DadePay's Invoice-to-Cash AR Automation in 2017 with the primary objective of eliminating inbound courier costs for customer payments and allowing the sales reps to spend more face-to-face time with their customers.

"Before DadePay, we were collecting checks, stamping them "For Deposit Only" by-hand, and manually reconciling them to clients' open invoices," said Malone. "We did try using bank lockbox services, but that ended up taking up more time than saving because, while we could get the money into the bank more easily, reconciliation proved to be more difficult. The number of exceptions generated more work to reconcile than the entire job would take in the first place."

Collecting around 1,000 checks per month at an average cost of \$13 (CAD) has saved Würth Canada \$10,000 (CAD) to \$15,000 (CAD) per month in inbound courier fees alone.

"We decided to implement DadePay simply to eliminate the time and costs associated with collecting checks in the field," said Malone.

"But once we got up and running, we realized there were so many other benefits to the solution, including highly accurate automated reconciliation, comprehensive reporting, intuitive querying, and increased AR staff productivity. DadePay made so much more of an impact than I expected."

"...we've saved 1.5 salaries by not requiring additional staff. That alone covers the cost of DadePay. Within the first month, we had recovered an ROI from setup and implementation."

Michael Malone
Credit Manager
Company Compliance Officer
Würth Canada

The company also saves time and improves service by eliminating siloes created by disparate systems.

"For customer discrepancies or audits, we have instant recall of every payment online going back as far as we need," said Malone.

"Data is no longer siloed from the bank to our ERP, which also limits staff access. Now everything is consolidated in one system more easily accessible by a wider variety of staff so we can more efficiently resolve customer inquiries—and ultimately provide a better customer experience."

Results

While the field sales representatives understood and appreciated the company's overall cost savings, once they realized how much selling time the solution would save, they quickly became excited.

"Of course, I was most excited about the cost-savings, but the field sales reps were quickly impressed by the time savings—as a whole, they've gained back hundreds of hours of additional selling or personal time per month," said Malone. "Now it takes just 30 - 60 seconds to deposit a check. For reps serving rural areas, finding a courier drop-off location used to mean as much as a 30-minute drive. After launch and adoption of DadePay in the field, the results were immediate and impressive."

In the back office, DadePay has enabled Würth Canada to reduce time spent on AR by 75 percent and realize enough savings in additional FTE for the solution to pay for itself.

"Due to the automation in DadePay, we've been able to reduce 16 hours of daily work to about 4 hours," said Malone. "Prior to DadePay, we had some staff whose only job it was to apply payments to customer accounts. The staff now has a broader and more satisfying range of responsibilities, including inbound customer information requests and following up on credit inquiries and applications. It has allowed us to maintain the same staffing level while managing exponential growth."

"Our collectors have also been able to eliminate some administrative tasks and streamline their focus," said Malone. "It's given us a better balance across the entire department because it has eliminated so many administrative tasks. We still have the same number of FTE in the department as six years ago, but we've saved 1.5 salaries by not requiring additional staff. That alone covers the cost of DadePay. Within the first month, we had recovered an ROI from setup and implementation."

Würth Canada views DadeSystems as an integral partner in streamlining its operations and positioning it for growth.

"I wish every vendor was able to provide the level of competency and customer care I receive from DadeSystems," said Malone.

Make sure to check out our solution overview video and always be up to date about all the exciting developments at DadePay. Just follow us below!



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