

November 10, 2021

How Kellogg's Prioritizes Customer Experience as the Key to Cash Excellence



Dee Costa

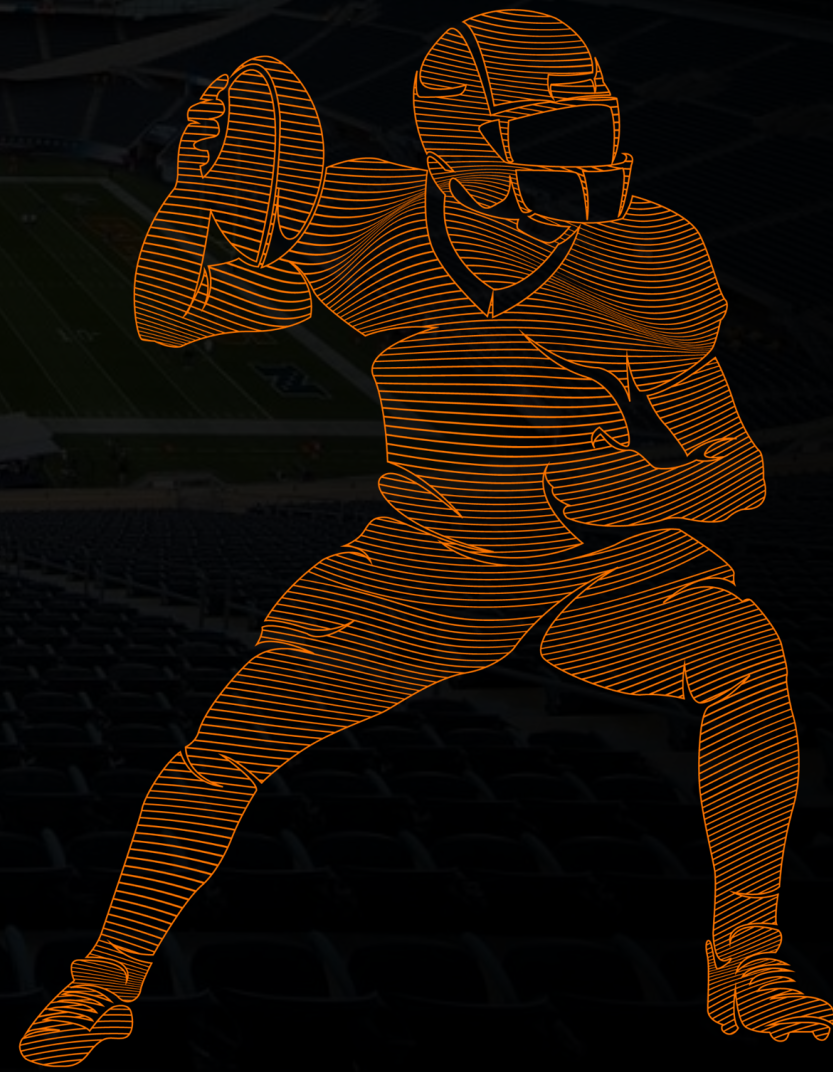
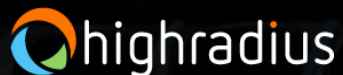
Sr. Director and GPO, Order to Cash

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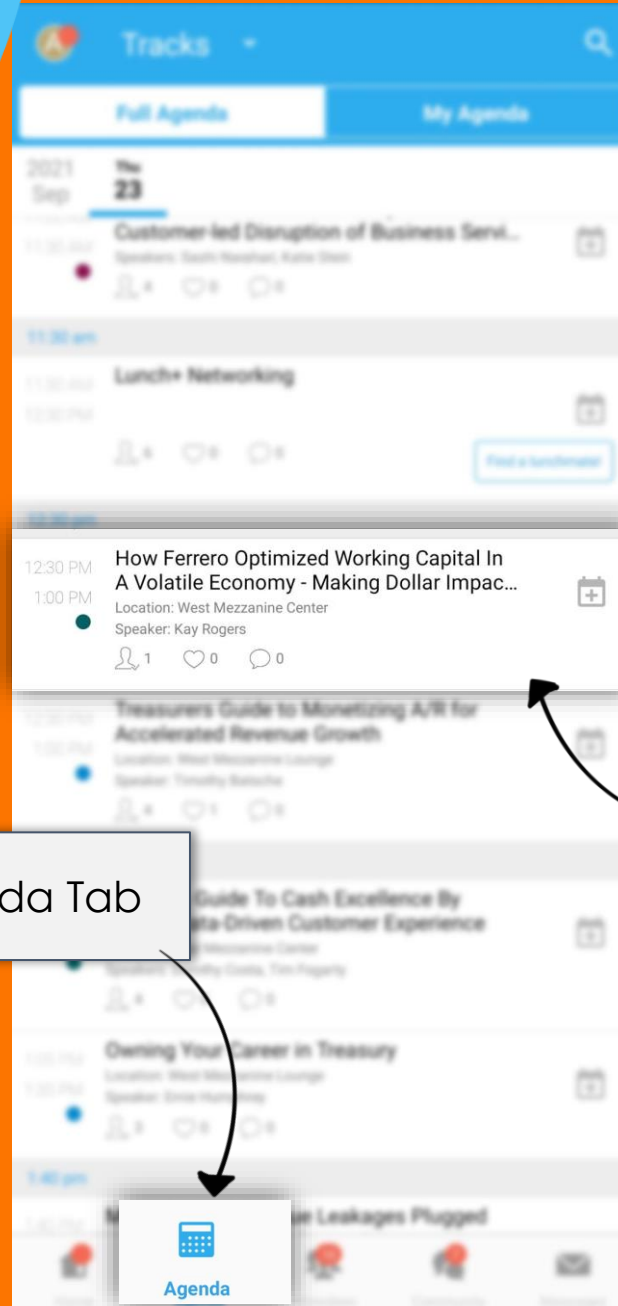


Tim Fogarty

Director, Digital Transformation



How Can I Register My Vote Through the *Ukova* App?



1

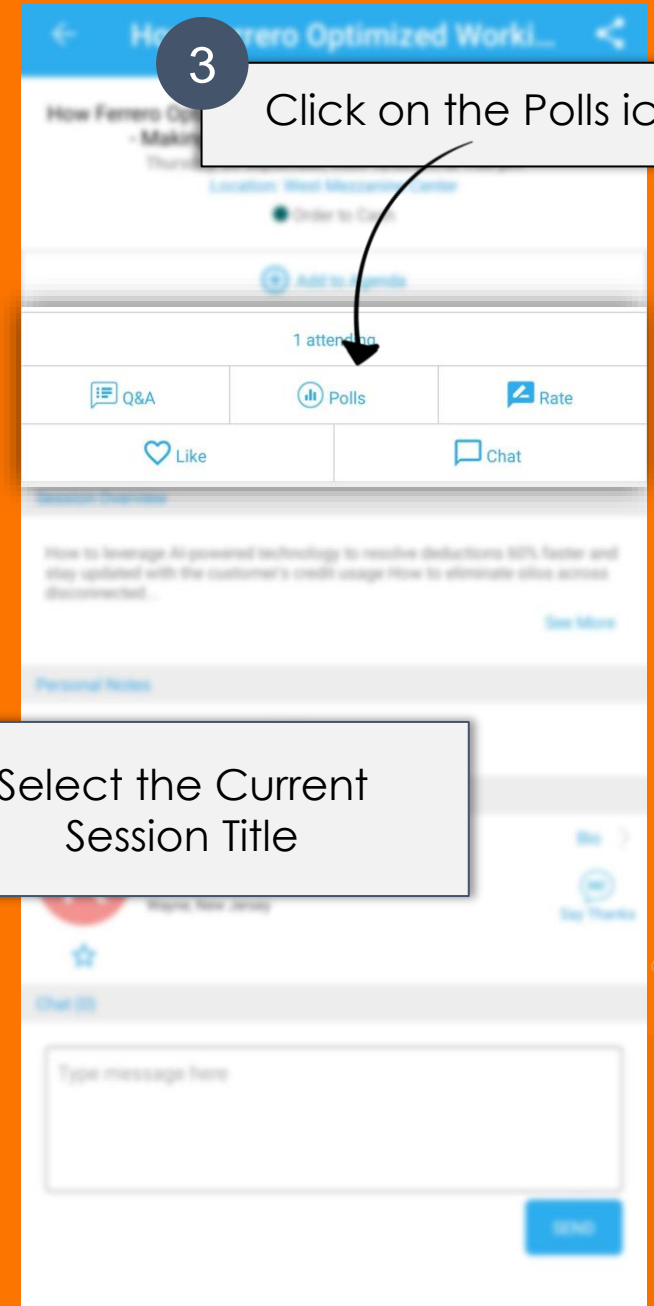
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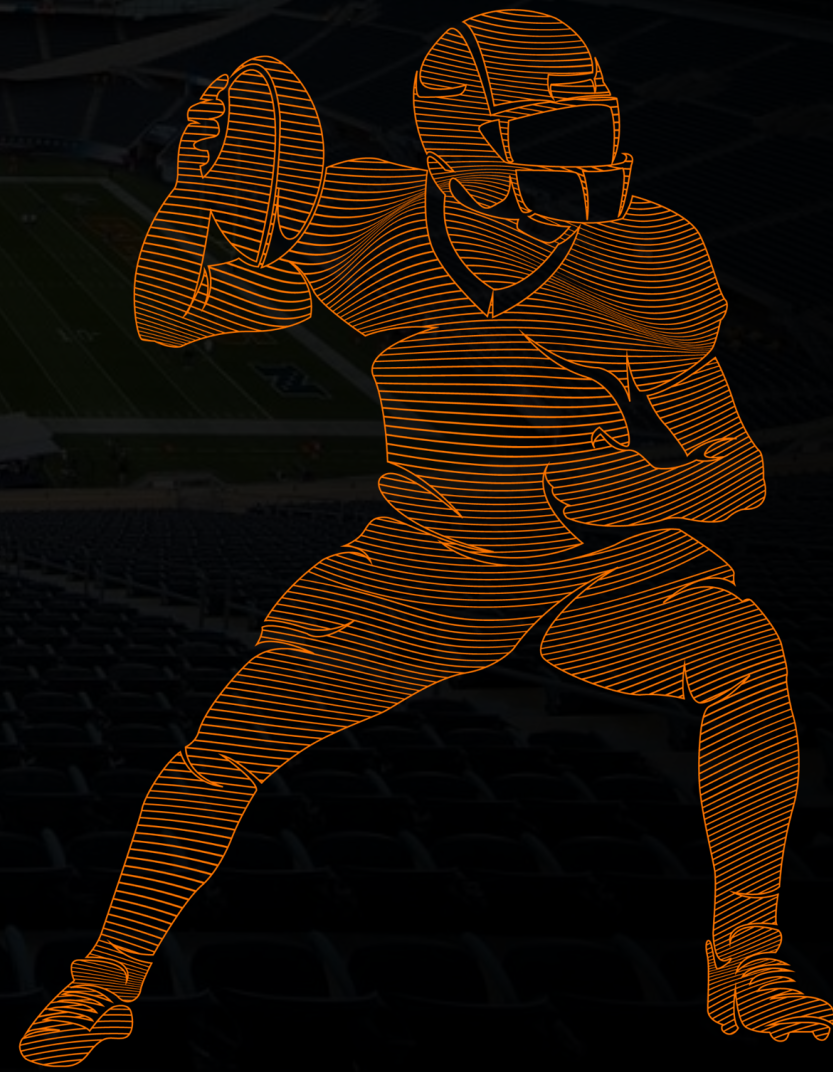
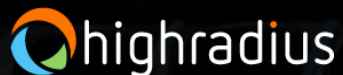
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KELLOGG'S A/R LANDSCAPE

60,000+ Global Customers

200+
A/R Team Members

3
Regional Business Centers

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Poll Question

01

What was your A/R team's strategy to deal with the initial impact of COVID on your A/R operations?

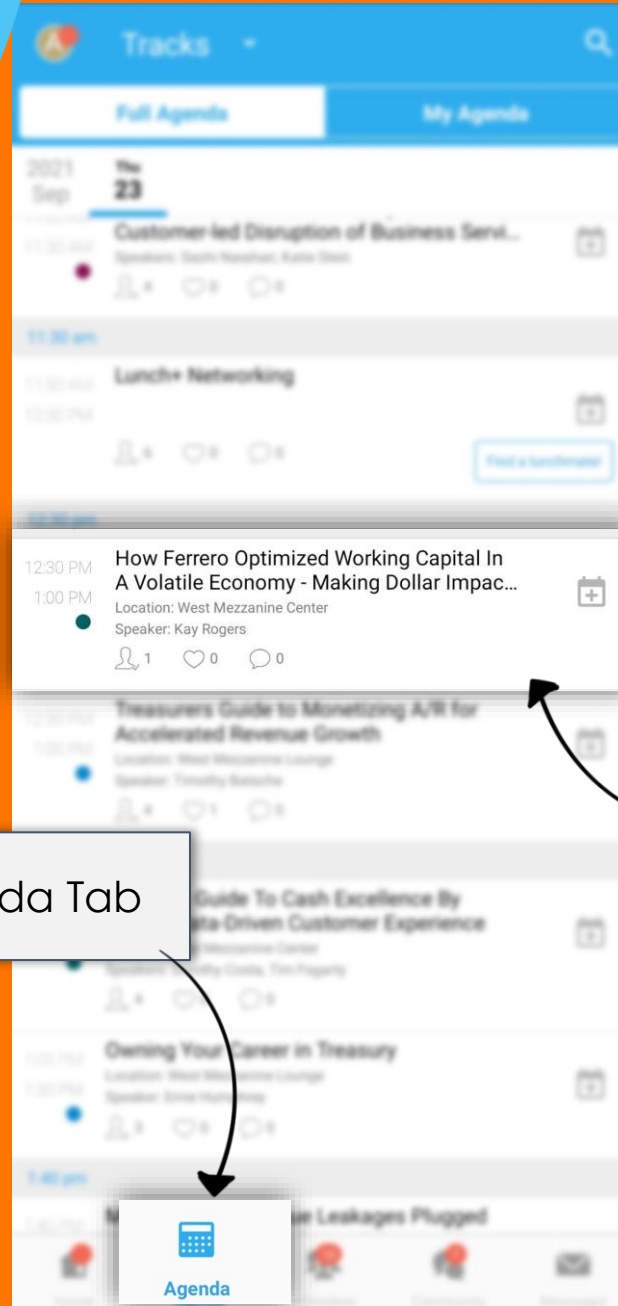
- 1. Having stringent credit control and practicing aggressive collection
- 1. Faster deduction/dispute claims validation
- 1. Focusing on strengthening customer relationships
- 1. None of the above

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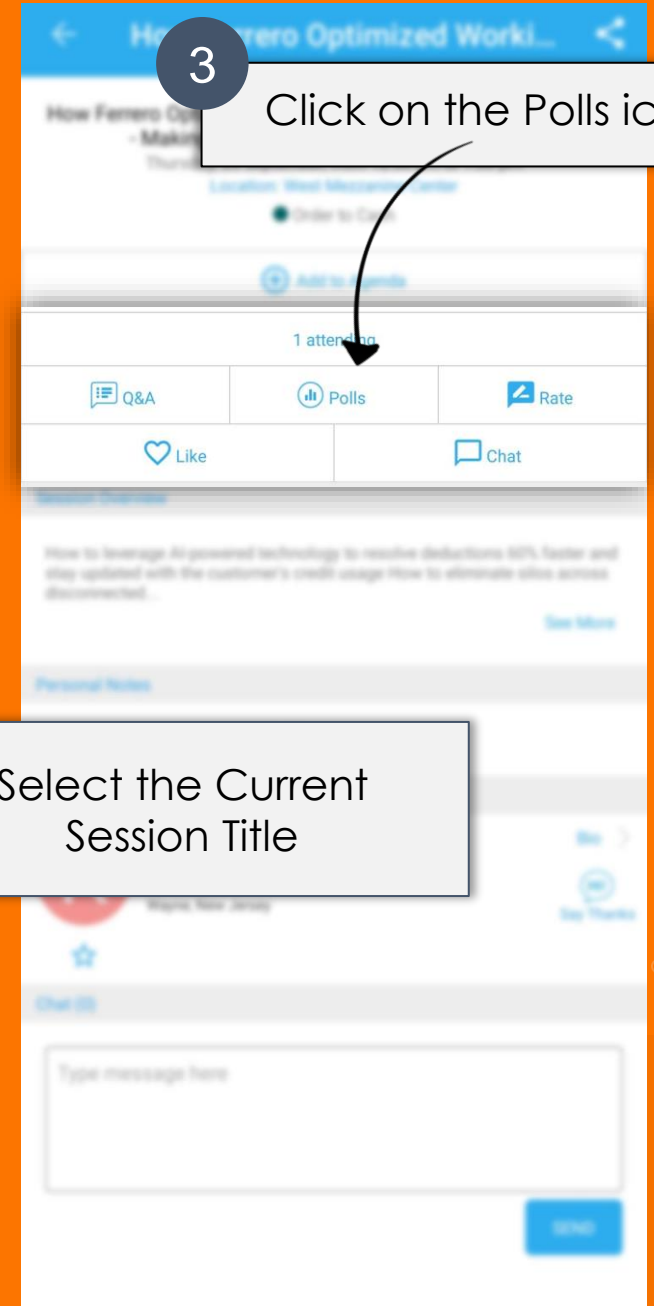
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OUR GOAL

“ **Correlating better customer experience with improvements in cash flow** ”



Analyzing the customer payment behavior



Arranging them into risk buckets



Creating targeted dunning strategies



Meeting the customer's needs



Getting paid faster and closing open A/R



Improving the cash flow

3 TRENDS TO LOOK INTO

For A/R Leaders To Create
Working Capital Impact

- Payment Terms trends
- Dispute Management trends
- Aging Receivables trends

ROADBLOCKS FOR THE A/R TEAM WHILE DRIVING GOOD CX



Inability to make informed credit-collections decisions about the customer



Inability to manage electronic invoicing for the customers



Inability to update the customer's details in real-time

OUR APPROACH TO TACKLE THESE CHALLENGES

01

Having a centralized view of the incoming payments and the disputes raised

02

Performing root-cause analysis of the customer's issues to resolve them faster

03

Presenting the data to the senior executives visually to draw informed conclusions



THE ROLE OF TECHNOLOGY IN ELEVATING THE A/R TEAM

01

Improved allocation of the team's bandwidth to more strategic tasks

02

More effective management of customer portals and cutting down operational costs associated with it

03

Enhanced visibility with a real-time centralized view of the customer and operational behavior



An Overview of Kellogg's Dispute Management

Reasons	Description	Age Group							Grand Total
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	>180 Days	
Trade	Promotional Activity								
Unknown	Reason Code Yet to be Determined								
Shortage	Product was less than amt invoiced								
Pricing	Customer expected Price vs Invoiced								
Non-Compliance Fee	Failing to fulfill all ordered quantities								
Unsaleables	Product that's not fit for sale								
Return	Short pmt related to returned product								
Other	Related to another Reason Code								
Freight	Deduction related to Transit of Order								
Donations	For Donated Product								
Damages	For Product Delivered Damaged								
CPU Allowance	Customer Picked Up Order								
Prime-Warehouse Allowance	AMZ Specific Warehouse Deduction								
Undertolerance	Deductions Under \$200								
Military Drayage	Military Specific Deduction								
Credits	Repayments, Offsets, etc.								
Grand Total									

An Overview of Kellogg's Dispute Management

Reason Code	Description	Age Group						Grand Total
		31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	>180 Days	
Trade	Promotional Activity							
Unknown	Reason Code Yet to be Determined							
Shortage	Product was less than amt invoiced							
Pricing	Customer expected Price vs Invoiced							
Non-Compliance Fee	Failing to fullfill all ordered quantities							
Unsaleables	Product that's not fit for sale							
Return	Short pmt related to returned product							
Other	Related to another Reason Code							
Freight	Deduction related to Transit of Order							
Donations	For Donated Product							
Damages	For Product Delivered Damaged							
CPU Allowance	Customer Picked Up Order							
Prime-Warehouse Allowance	AMZ Specific Warehouse Deduction							
Undertolerance	Deductions Under \$200							
Military Drayage	Military Specific Deduction							
Credits	Repayments, Offsets, etc.							

These are the set of
Deduction Reason Codes
used at Kellogg's

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An Overview of Kellogg's Dispute Management

		Age Group						
Reason		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	>180 Days
Trade	Prom							
Unknown	Reason Code Yet to be Determined							
Shortage	Product was less than amt invoiced							
Pricing	Customer expected Price vs Invoiced							
Non-Compliance Fee	Failing to fullfill all ordered quantities							
Unsaleables	Product that's not fit for sale							
Return	Short pmt related to returned product							
Other	Related to another Reason Code							
Freight	Deduction related to Transportation							
Donations	For Donated Product							
Damages	For Product Delivered Damaged							
CPU Allowance	Customer Picked Up Order							
Prime-Warehouse Allowance	AMZ Specific Warehouse							
Undertolerance	Deductions Under \$200							
Military Drayage	Military Specific Deduction							
Credits	Repayments, Offsets, etc.							
Grand Total								

These are the different
Aging Buckets
we follow at Kellogg's

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Reason	Description	Age Group							Grand Total
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	>180 Days	
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Undertolerance	Deductions Under \$200								
Military Drayage	Military Specific Deduction								
Credits	Repayments, Offsets, etc.								
Grand Total									

This is the grand total amount that is **trapped in deductions** across all aging buckets

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RESULTS ACHIEVED WITH A/R AUTOMATION

Weekly View of Dispute Management Metrics **After Automation**

3,700

Auto-retrieval of data
from customer portals

1,000

Auto-resolution of
deduction claims

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THE ROAD AHEAD FOR OUR A/R TEAM



Continue to deliver a **streamlined payment and invoicing experience** for the customers



Leverage data to **build an analytic powerhouse** that helps make better decisions



Continue to **invest in upskilling** the team and **optimizing** the A/R operations



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Record to Report Suite Offering for
Finance & Accounting Operations

Autonomous **ACCOUNTING**

- Achieve 40% reduction in month-end close time
- Get 90% auto-certification of account reconciliations every month
- Enable Continuous Accounting through AI-Powered Anomalies Detection
- Eliminate Excel through ERP integration and Connected Workspaces

To Know More, Visit the
Tech Stations





Your opinion matters! Please take out **10 seconds** to provide **feedback** about the session

NEXT SESSIONS

Panel Discussion

*Managing Cash Well? You Should Still Invest
in that Finance Transformation Project*

Shawn Ryan, EY
Jennifer Jones, Genpact

1:20 PM CT