



avis budget group

Cash Application Transformation through automation



Take off at Credit Matters V

About Avis Budget Group

- ▶ Avis Budget Group is a **leading global provider of vehicle rental services**, both through its Avis and Budget brands, which have more than **11,000 rental locations** in approximately **180 countries** around the world, and through its Zipcar brand, which is the world's leading car sharing network, with nearly **1,000,000 members**.
- ▶ Avis Budget Group has approximately **30,000 employees** and is headquartered in Parsippany, N.J.

The Avis logo consists of the word "AVIS" in a bold, red, sans-serif font.The Budget logo features a stylized orange and white square icon to the left of the word "Budget" in a blue, sans-serif font.The Zipcar logo includes a green circular icon with a white "Z" and a car silhouette, positioned above the word "zipcar" in a lowercase, black, sans-serif font.The Payless Car Rental logo features the word "Payless" in a bold, black, sans-serif font, with "CAR RENTAL" in a smaller font above it and a yellow and orange swoosh below.The Maggiore logo features the word "Maggiore" in a bold, blue, sans-serif font, with "Italian Style car rental" in a smaller font below it.The Apex logo features a stylized blue and green "A" icon above the word "apex" in a lowercase, blue, sans-serif font.

For more information please log onto:

<http://www.avisbudgetgroup.com/>

Business Support Center, Budapest

Overview

- › Largest global site for Avis Budget Group
- › Founded in 2003
- › Supporting 5 brands

- › Services provided in 10 languages
Danish English German Norwegian Swedish
Dutch French Italian Portuguese Spanish

For more information please log onto:

<http://www.avisbudgetgroupbsc.com/>



People

- › More than 1100 team members
- › 21% of our colleagues are foreigners from 40 countries across the globe
- › Average employee age is 28
- › 67% of employees are university or college graduates
- › 38% of employees are male, 62% female

Our Journey

During last few years, BSC has gone through an accelerated growth period, focused on centralization of most of the corporate countries business support activities in the as-is form.

| | | avis budget group | | | | | | | | | | | | | Z | | | | |
|-----------------------------|-------------------------------|-------------------|---|---|---|----------------|---|---|-----------------|---|---|---|-----|-----|---|---|---|---|---|
| | | Central Region | | | | Western Region | | | Southern Region | | | | | | | | | | |
| | | | | | | | | | | | | | ABS | SCA | | | | | |
| Commercial Support Services | Database | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | | | |
| | Collection | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | | ✓ | ✓ | ✓ | ✓ |
| | Cash Application | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | | | | | |
| | Billing | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | | | | | |
| | Sales Support | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | | | | |
| | Operations Support | ✓ | | | | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | | | | | | | |
| | Traffic Offence | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | | ✓ | ◆ | ✓ | ✓ |
| Customer Services | Customer Care | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | | |
| Financial Services | Financial Accounting | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | ◆ | | | |
| | Fleet Administration | ✓ | | | | ✓ | | ✓ | ✓ | ✓ | ✓ | | | | | | | | |
| | Network Accounting | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | | | | |
| | Purchase to Pay | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | ◆ | | | |
| | Financial Planning & Analysis | | | | | | | | | | | | ✓ | | | | | | |
| Analytics team | | | | | | | | | | | | ✓ | | | | | | | |
| HR Support | | | | | | | | | | | ✓ | ✓ | | | | | | | |



70% unallocated cash reduction & productivity savings

Business Challenge: High unapplied cash & Manual cash processing

| | | |
|--|---|--|
| High unapplied cash due and unreconciled a/c's | ⇒ | High EMEA level on-account and unapplied payments |
| Open unmatched legacy invoices | ⇒ | Low value & highly aged invoices higher ageing balance |
| Manual cash processing | ⇒ | ↑ Turnaround time & limited tracking |
| Multiple systems and non standard processes | ⇒ | ↑ Language dependency ↑ FTE headcount |

Solution: Accounts Receivables Automation

System Implementation

- Digitization solution: Implemented Auto-cash allocation system (Alloc8). From pure manual processing in some countries auto hit rate reached 90%
- Auto Bank file upload – Due to single banking platform even the bank file upload into system automated.
- EMEA level common solution implemented that made multiple applications redundant

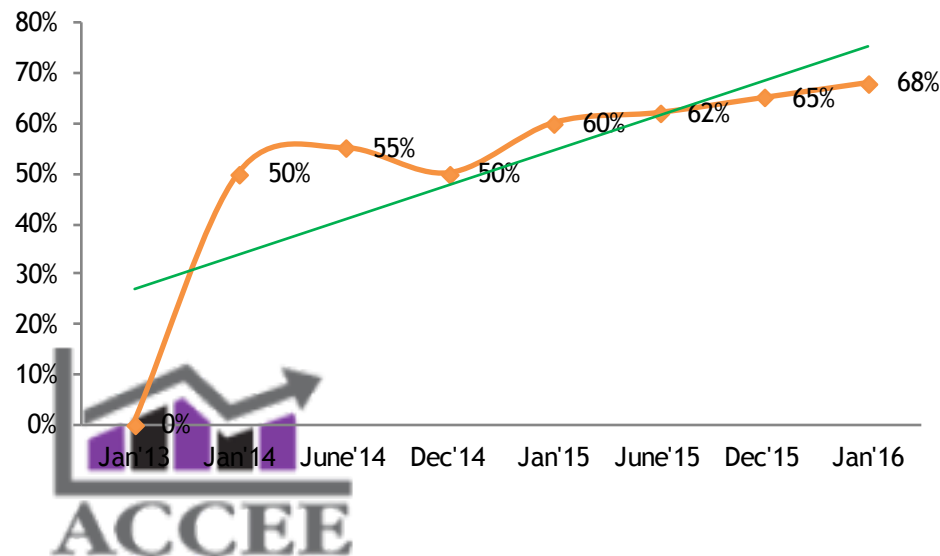
Process Enhancement

- Implemented new cash application approach 'STAR': segregating, targeting, applying, reviewing
- Implemented a daily communication plan to get payment details and reduce the waiting time.
- Standardized Non AR & Unidentified payments application process.
- Visibility through common reporting on payments not in system, over payment & duplicate payments

Business Impact

- ↑ Auto Cash application at 60% EMEA level
- ↓ On Account cash reduced by 60%
- ↑ Average TAT to apply cash improved from 5 to 1 day
- ↑ Productivity benefit – 40%

Auto hit Rate %



Lessons learnt from System Automation

- Know what you would like to achieve before setting up your administration (customer profiles, remittance formats, escalation flows, etc...)
- Know your incoming customer data / banking data / invoice data in order to build an accurate matching system and define your data requirements based on business rules
- Tweak the system each day to reach the ideal state (for that you can always use a test administration without affecting any customer)
- Brand identification and customer exceptions to be defined during the set up itself as its necessary to avoid difficulties later on
- The Project for migration was delayed due to many reasons. UAT not Comprehensive, Attrition during system migration also created issues in knowledge transfer, problem during peak loads and system instability phase.





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Any questions?

Rahul Malhotra

Avid Budget Group

+36 203396704

Rahul.malhotra@bsc.avis-europe.com



Thank you