

**Unlocking Business Potential:**

# The Value of a Current State Diagnostic in the Order-to-Cash Cycle

---



**In today's fast-paced and competitive business environment, optimizing every facet of the order-to-cash (O2C) cycle is essential for sustaining growth, profitability, and maximizing liquidity/cash position.** The O2C cycle, which encompasses the end-to-end process from quoting and receiving customer orders to collecting payments, applying cash and recognizing revenue, is the lifeblood of any business – At the end of the day, “Cash is King.” A seamless order-to-cash cycle ensures that cash flows smoothly into the business, customer satisfaction is high, and operational costs are minimized.

**As businesses move from their infancy to a point of achieving sustained topline revenue and sales growth where they become an attractive investment for private equity or a target as an acquisition by a global business, they often delay a review of the full end-to-end O2C process until liquidity and cash position becomes a problem.** One way to get ahead of this is through conducting a comprehensive current state diagnostic for the order-to-cash cycle, focusing on three critical components: people, process, and technology – This is where CFGI's capabilities and vast experience in performing these types of diagnostic exercises comes into play. Our assessments involve a series of reviews designed to provide a thorough understanding of your existing operations and identify areas for improvement. Our approach is customized to address the specific challenges, pain points, and Management's vision for the future and identifies opportunities for our partners, prioritizing each one on a strategic roadmap based on their net realizable value.



## People: Building a Capable Team

**We start with a detailed evaluation of the human element within your O2C framework.**

We'll assess the ability of your O2C process teams' competency, capability, and capacity to:

- Handle credit approvals efficiently, including proper customer credit worthiness
- Ability to generate and issue invoices to customers completely, accurately, and timely
- Manage and resolve customer disputes, and deal with customer escalations
- Properly allocate accounts to Collectors
- Perform customer segmentation for collections cycles and strategies
- Identify potential skill gaps in collections communication
- Evaluate the collaboration between billing specialists and customer service representatives
- Conduct analysis on Accounts Receivable balances and aging
- Recording and recognizing revenue
- Identifying the correct KPIs and operational and financial metrics, and building the best process to report on them on a recurring basis to Management.

By understanding your team's strengths and areas for development, we can recommend targeted training, improved communication protocols, and even potential team restructuring – all geared towards optimizing the human element of the full O2C cycle.



## Process: Streamlining for Efficiency

**Next, we delve into the processes that underpin your O2C cycle by mapping out the entire process from customer credit analysis to revenue recognition to help identify bottlenecks, redundancies, and opportunities for streamlining operations.** By assessing your current state processes, we can find opportunities to reduce delays, improve collections, and enhance overall efficiencies. Many companies focus on Days Sales Outstanding (DSO) as a standalone KPI, but we know from experience this may be misleading and there may be a need to review other supplementary metrics and improving those first like Weighted Average Day Sales Outstanding (WADSO) which directly impacts cash flow and financial health, and Average Days Delinquent (ADD).

## Technology: Enabling Transformation

**Technology plays a pivotal role in enabling efficient O2C operations.** CFGI has extensive experience leveraging industry-leading technologies like Salesforce/CRM, Zuora for subscription management, FIS GetPaid, High Radius, or Sidetrade to run an efficient collection cycle and automated dunning letter campaigns. Our current state diagnostic includes evaluating the capabilities of your existing systems, examining the level of integration and automation, and reviewing data management practices. We assess your technology infrastructure for

inefficient systems and setups which can create a web of complex workarounds, resulting in unreliable or unrepeatable data governance and wasted labor hours spent on manual processes and data cleansing. This can significantly hinder audit trails and transparency, creating major roadblocks to a smooth order-to-cash cycle. By leveraging the latest tools and innovative technologies, we help enhance system performance, reduce errors, and provide better visibility into the O2C lifecycle. Effective technology utilization is essential for an optimized order-to-cash lifecycle.

**Throughout the assessment process, we prioritize actionable insights that enable our clients to enhance their order-to-cash performance, drive efficiencies, and achieve strategic objectives.**

By focusing on people, process, and technology, we ensure that all aspects of the O2C cycle are optimized for maximum effectiveness.

**A thorough current state diagnostic of the O2C cycle is crucial for identifying opportunities for improvement and achieving operational excellence.**

CFGI provides a holistic assessment that helps you unlock the full potential of your O2C cycle. Our comprehensive approach ensures that you have the insights needed to optimize operations, enhance customer satisfaction, and drive sustainable growth.

Partner with us to take your business to new heights. [Contact us today](#) to learn more about our current state assessment services and how we can help you achieve your business goals.

---

# CFGI

## OFFICES

Boston	Miami
New York	Atlanta
Philadelphia	London
San Francisco	Glasgow
Dallas	Augsburg
Washington, D.C.	Berlin
Stamford	Cologne
Charlotte	Düsseldorf
San Diego	Frankfurt
Chicago	Hamburg
Los Angeles	Munich
Houston	Nuremberg
Austin	Stuttgart
Denver	Singapore

We currently work with clients throughout the US and internationally. Our offices are conveniently located in Boston, New York, Philadelphia, San Francisco, Dallas, Washington, D.C., Stamford, Charlotte, San Diego, Chicago, Los Angeles, Houston, Austin, Denver, Miami, Atlanta, London, Glasgow, Augsburg, Berlin, Cologne, Düsseldorf, Frankfurt, Hamburg, Munich, Nuremberg, Stuttgart, and Singapore.

Call or email us today to begin a dialogue. We'll show you how a consulting relationship with CFGI can provide both immediate benefits and lasting effects.

[cfgi.com](https://www.cfgi.com) | [in](#)