



# Case Study



## BUSINESS-TO-CONSUMER

### USA MOBILITY SUCCESSFULLY RE-ENGINEERS COLLECTIONS WITH THE BANK OF NEW YORK MELLON'S RETAIL LOCKBOX SERVICE

## Customized Solution Meets Consolidation Challenge

### OUR VALUE PROPOSITION

Provide the industry's best total global treasury solution, as evidenced by operational excellence, exceptional service, product leadership and consultative expertise.

BNY Mellon Working Capital Solutions' (WCS') Retail Lockbox service and its extensive array of value-added services are designed to offer customers comprehensive, customized solutions for handling their individualized remittance processing needs. The following is one example of how our consultative, hands-on approach helped a customer to consolidate the merger of two separate collections operations in one streamlined workflow.

### CONTACT US

For more information please contact your BNY Mellon WCS representative or one of our solutions experts by phone at 1 800 424-3004, by e-mail at [treasury@bnymellon.com](mailto:treasury@bnymellon.com) or visit our Web site at [www.bnymellon.com/treasury](http://www.bnymellon.com/treasury).

## THE CUSTOMER CHALLENGE

Following the merger of two of the country's leading providers of paging products and other wireless services, the newly-combined companies faced the challenges inherent in consolidating many of their critical business functions.

Among the more urgent tasks that management faced was the need to re-engineer the two separate processes for collecting payments from millions of consumer customers nationwide. As individual organizations, the two companies had been working with different cash management providers and, thus, were employing different remittance processing sites, accounts receivable (AR) systems, technologies and reporting methods.

As a combined entity, the company wanted to consolidate its volumes with one processor and to rely on a single, centralized AR department that employed the minimum number of people. Management was looking for a custom processor who would maximize their AR "hit rate" as well as minimize the amount of reject work that they had to process internally.

As management sought to convert to this new, more efficient combined AR system, they were also eager to ensure that their solution would help them:

- standardize their receivables processes companywide;
- implement best practices where possible;
- achieve potential cost efficiencies;
- simplify overall relationship management;
- continue to foster positive customer relationships; and
- reap the benefits of a highly consultative relationship.

To achieve the best solution, the company solicited proposals from several leading cash management providers.

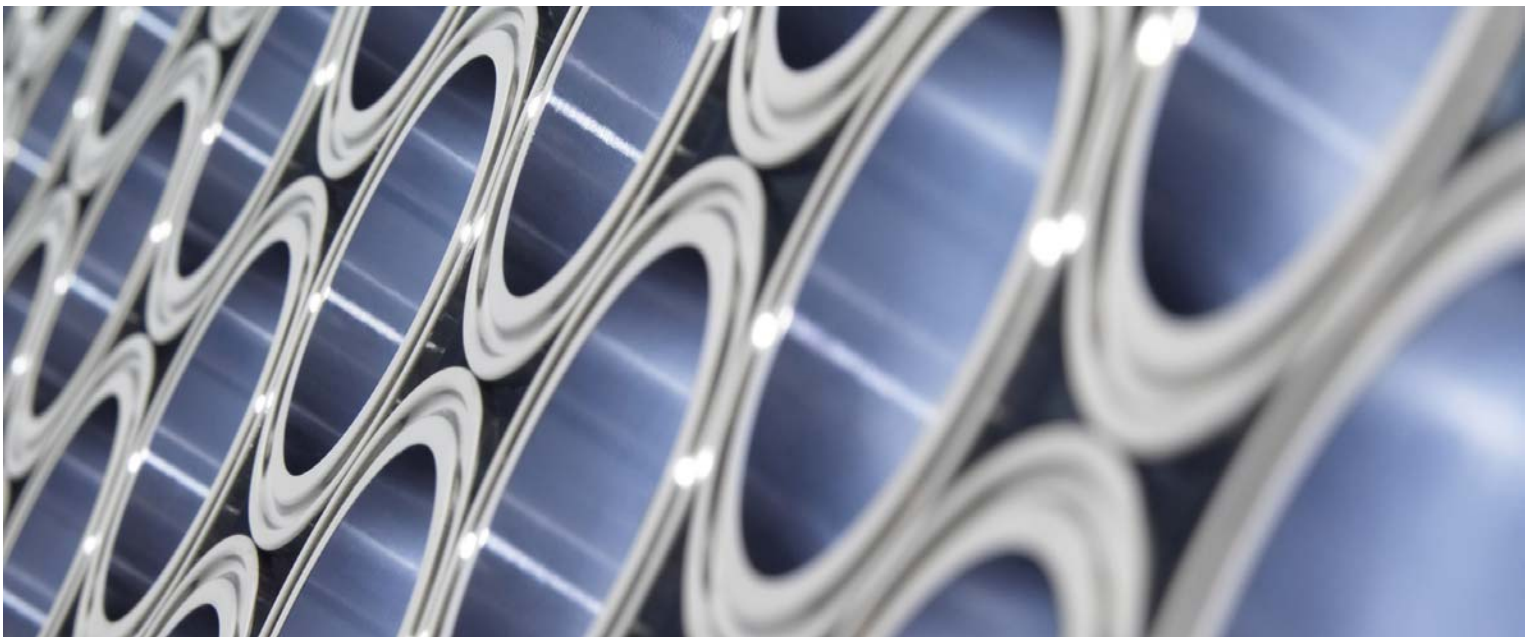


## THE BANK OF NEW YORK MELLON SOLUTION

Based on the four-year relationship BNY Mellon WCS had in providing its Retail Lockbox services to one of the merging companies, our solutions team felt we could assist by providing services to the larger, consolidated organization with its broader and more complex receivables needs.

The team presented the company with a plan that demonstrated the highly consultative approach that underlies BNY Mellon WCS' customer relationships through a series of steps that included:

- **Conducting a “micro” lockbox study** for the two companies that enabled us to quickly recommend the optimal number and location of lockbox sites for the combined entity. The study revealed that the organization could most likely eliminate one collection site without adversely affecting cash flow — and thereby potentially reduce the cost and complexity of their receivables solution.
- Demonstrating, through **a consolidation analysis**, how the company could aim to save money and become more efficient by reducing the number of separate accounts they had to manage. By presenting our findings in a customized, easy to-follow Account Plan, BNY Mellon WCS was able to show management how the new streamlined setup would work for them.
- **Customizing BNY Mellon WCS' Retail Lockbox solution** for the company by suggesting that they consider adopting two of BNY Mellon WCS' value-added services to increase the effectiveness and speed of their process. The plan included:
  - BNY Mellon WCS' **eMaster** capability to speed processing of payments submitted without accompanying remittance documents. Using eMaster, BNY Mellon WCS repairs rejected items and provides them, along with complete remittance detail, to the customer. The service is designed to help improve the company's AR “hit rate” while reducing its exception processing.
  - Our **Stop File** service, which requires the company simply to provide BNY Mellon WCS with a file of invalid/unacceptable account numbers. As transactions are processed, BNY Mellon WCS compares the account numbers in the scanline to the invalid/unacceptable account numbers on the Stop File. If a match is found, the transaction is rejected/stopped and returned to the company unprocessed. This eliminates the company's need to make costly refunds.
  - A tour of our Boston **remittance processing site** where the company was able to meet some of the professionals who would process their work and have the opportunity to see our customized processes firsthand.



## THE OUTCOME

The company chose BNY Mellon WCS as its sole provider of cash management services. Working with BNY Mellon WCS, the newly combined organization soon began to see measurable results such as cost savings and a faster, higher quality process, supported by:

- fewer — but more strategically located — collection sites;
- an unprecedented hit rate for AR matching; and
- a more efficient, combined AR system that supports the needs of the merged entities.

In addition, the company has found value in working with a financial institution that is clearly committed to providing excellence in consumer receivables. This commitment has been evident not only in the technology that BNY Mellon WCS can provide, but also in the consultative nature of the relationship we offer.

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