

Perlick Toasts to Accounts Receivable Success with Lockstep Collect



Company Facts

Overview

- **Website**
www.perlick.com
- **Location**
Milwaukee, WI
- **Accounting Solution**
Epicor® ERP
- **Industries**
Commercial and Residential Bar
Equipment Manufacturing

Success Highlights

Challenges

- Lacked centralized customer account information which caused bottlenecks in the collection process.

Benefits

- Reduced DSO 7 days
- Increase current AR percentage to 95.7%.
- Freed up 54 hours per month of staff time.

Perlick has been innovating in the refrigeration and bar dispensing industry for more than 100 years. Starting as a family-owned business, the company has held strong with its reputation for being best-in-class while also staying close to their family-owned roots.

As Perlick continued to grow, they recognized they needed to implement Epicor ERP in the beginning of 2018. However, Perlick's accounts receivable (AR) department still needed more help and automation to manage their expanding cash flow of 1,300 active accounts.

Adding Transparency

Before adding Epicor ERP and Lockstep Collect, the Perlick AR team felt like they were tripping over themselves every day in order to keep up with the open accounts and invoices. By using a shared generic accounts receivable email address in Outlook, the team was often missing emails from customers or forgetting to follow up. Every email that came into the system had to be manually assigned to a collector, and often the assignment was missed. "We were spending all our days answering emails instead of really getting to the aging and collecting," explained Angela Hlavac, credit collections and AR manager at Perlick.

After implementing Lockstep Collect, every account and email was auto assigned to the responsible collector. Through implementation of new policies and procedures, the Perlick AR team was turning around email responses in less than 24 hours. This left the bulk of their time to be spent performing more meaningful collections work, "We were able to spend the bulk of our day collecting... and [we] would not have gotten there if it weren't for Lockstep Collect," Hlavac said.



Perlick saw a complete transformation in their day's sales outstanding (DSO) just five months after implementing Lockstep Collect. Since the team was able to focus their time on reaching out to more customers, they reduced their DSO from 44 days down to 37 days.

AR Sequencing

Lockstep Collect allows accounts receivable teams to create automation using AR sequences, a series of steps for collecting. For Perlick, this includes two unique auto-email sequences that send out past-due notices and reminder letters. The first sequence sends an email on the eleventh day past due to general customers reminding them to make a payment. Every week following, they will receive another reminder until—after three emails—the account is kicked over to a collector to reach out. The second sequence is set up for “tricky customers,” who need more attention from the Perlick AR team. This sequence sends a reminder out to the more difficult customers after only six days past due and then a follow-up email every day after that.

Since Perlick was touching their past-due customers more often through automated communication, they saw an increase in the percent of current AR collected. “We were at an all-time low in June, before we switched to Lockstep Collect, when it was only 88.5 percent of our aging in that bucket of current or under 30 days, and then once we implemented, by November we got it all the way up to 95.7 percent.”

Simple Integration

Epicor ERP and Lockstep Collect work together seamlessly. All relevant information from Epicor is brought into Lockstep Collect, as well as emails for collectors, so there is only one system the Perlick team needs to work from. “It’s not like you have something in Excel and then something outside the system. It’s all there, and it’s integrated. It’s really easy,” Hlavac concluded.

