

CASE STUDY

# Discovery Education Achieves Real Automation, Recoups Valuable Work Time, and Drastically Cuts DSO in Key Business Segment

Results with Tesorio include:

- Improved largest business segment’s DSO by **66%** in one year
- Reduced average collection period from 96.8 to **59 days** in one year
- Cut AR review time from **hours to minutes**
- Increased collections emails to as many as **900** a day

As Corporate Controller for Discovery Education, Joe Maxim faces a distinctly nuanced AR challenge. The company provides online learning products to a variety of customers, including entire school districts, multiple schools within a district, and individual schools. Further complicating things, a school district might order a product for its district-wide academic instruction officer, one of its schools, and several individual teachers throughout the district, but the \*funding source\* each contract ends up being unique, requiring separate and distinct invoices sent to disparate “bill-to” addresses or contacts.

“For a business like ours, there can be several one-to-many situations, where it’s one customer but many different bill-to contacts and contracts associated with that one customer,” Joe says of the challenge. Without the ability to distinguish between, and follow up with, the appropriate bill-to individuals associated with each unique order within a customer’s account, it often meant that one unlucky customer contact received all of the invoicing and dunning messages from Joe’s accounting team.

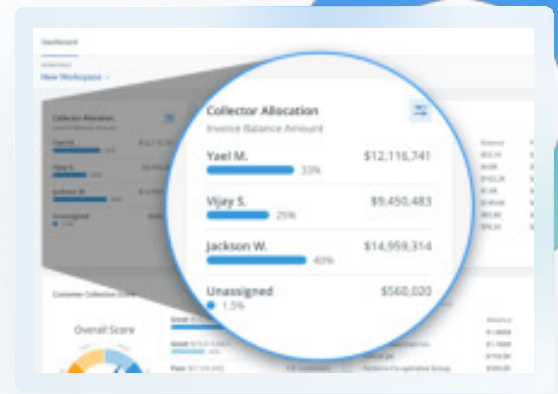
## A Disconnected Collections Approach

Allison Kennedy manages Discovery Education’s revenue and accounts receivable teams, and she describes their former AR process as a nightmare. It consisted of constantly running, merging, and refreshing reports in Excel and trying to manually filter information and add notes about particular customer situations. “Just trying to manage comments and responsibilities across the team in multiple files, we were never on the same page about what was going on with customer accounts,” she says.

AR Specialists Tracie Schoenwald and Ann Reynolds, who were directly responsible for invoicing and collections, shared just how frustrating it was to toggle back and forth between systems. Too often, they relied solely on email inboxes for customer account status updates, while everything else was either kept in spreadsheets or in faulty collections software. Without connectivity between disparate points of information, it became a never-ending cycle of manual updates and conference calls in order to create a complete picture of the customer’s payment status and history.



Their manual attempts to create a holistic view of the customer were further frustrated by inherent system constraints. Excel limited the text field size, making it difficult to include all relevant information in a note; and their former collections software limited bill-to contacts to the macro customer level, which meant the AR team had trouble accurately capturing situations involving multiple sub-customers, products, and contracts under one customer account—the norm for Discovery Education.



## AR Now Handles Growth From All Angles

Ever since they implemented Tesorio, Allison says, “everyone on the team has one portal that gives them access to everything related to a customer’s account, including all incoming and outgoing communication, bill-to contacts, invoices, payments, comments, and notes.” The AR specialists are no longer wasting valuable time switching between email, spreadsheets, and their old collections software. All of the team agree that their process using Tesorio is much more efficient and streamlined.

From a manager’s perspective, Allison says, “It’s been a really excellent tool for our team. It’s saved us so much time. In terms of her own AR reviews, she can see everything she needs right from her Tesorio dashboard, such as:

- The AR team’s performance levels in order to monitor and prioritize workloads
- Aging trends to make sure the majority falls within the current <30-day bucket
- Cash trend graphs for more accurate forecasting

## Reaching All Customers and Getting Paid Is a Breeze

As for dunning campaigns, Tracie and Ann no longer have to comb through spreadsheets to figure out when customers were last contacted and who to include. Tesorio automatically does it for them, sending payment reminders out on a regular basis. “It helps us get notices to customers so much faster so that they can process their payments in a timely fashion, which has been key in getting our aging down and helping us communicate AR-related information to customers,” Tracie says.

They use the tags in Tesorio to distinguish between customer situations and its unlimited customer bill-to fields, so they no longer worry about targeting the wrong customers or sending invoices to the wrong contacts. According to Ann, “This week, we sent out 900 emails in one day. Before, no one would have been comfortable blasting 900 customers with emails without a significant level of review.” Now, she adds, “we can automatically reach everyone we need to and feel good about our messaging.”

During her biweekly meetings with the executive leadership team, Allison has been able to show consistent AR aging improvement ever since they implemented Tesorio. When she compares the second quarter of 2020 to that of 2021, the average collection period dropped from 97 to 59 days. It’s less when you filter out their UK business, which only recently transitioned its AR to Tesorio. “I rarely have to share bad news with the executive team anymore,” she adds. “The way our aging looks now compared to last year is incredible. We just sent over 1,000 invoices last month, and I don’t think we’ve seen an uptick in our balances because we’re able to get to all of our customers so efficiently.”

## Good News for the CFO

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