

THE CHALLENGE AND STRATEGY

Smith+Nephew executed their strategic 12-point plan programme to strengthen, accelerate, and transform their business growth. One of the initiatives was to optimize working capital while delivering process efficiency and a high-quality customer experience. It started with collaboration with their business partners, process automation, and their talented team.

Key Performance Indicators (KPIs) enabled Smith+Nephew to understand the performance and health of their business. Through the identification of critical adjustments needing to be made in their business execution, results from Order to Cash Excellence Initiative were produced quicker.

To overcome the challenges of competing business priorities and constraints of resources, a roadmap for initiatives was implemented. Transformation of the end-to-end Order to Cash process required a shift from traditional functional to process-led orientation, a strong focus on performance management, and fundamentally improving and harmonizing processes and systems across the entire value chain.

PROJECT LEADS



Pascal Biderbost
Vice President Order to Cash, Real Estate & Strategy Programme Manager



Rafał Duda
Director, Global Process Owner Order to Cash

BUSINESS TRANSFORMATION IMPACT AWARD:

Smith+Nephew





PROJECT IN BRIEF

The Order to Cash Excellence initiative was introduced as a core part of the 12-Point Plan, in order to tackle 3 critical issues within the business. Firstly, customer dissatisfaction. Secondly, costly and slow processes that increased overtime and manual workload. And lastly, their aged receivables were found to be too high, with their Days Sales Outstanding (DSO) exceeding industry average.

The Order to Cash Excellence Initiative was introduced as a core part of the 12-Point Plan; Designed to improve operational efficiency, enhance customer experience and strengthen working capital, more than 200 potential improvement initiatives were identified from this.

They were prioritized based on imperative to improve customer experience, efficiency in their processes, and increased working capital. Based on that, Smith+Nephew established a unified order-to-cash program with 9 workstreams with strong governance, focus on short-term value creation and KPI orientation, each led by skilled internal leaders committed to addressing key challenges within the order-to-cash process. From this, initiatives such as data-driven surveys were introduced to enhance customer satisfaction, while a multi-channel contact center was established to streamline billing through 'touchless' invoicing. Additionally, greater emphasis was placed on credit management by resolving disputes proactively and increasing automation in order management.

BENEFITS ACHIEVED

Volume Reduction and Cost Savings

DSO was reduced by 7.6 days compared to December 2022. Smith+Nephew's overdue accounts receivables were also significantly reduced.

Quality and Efficiency

Year-to-date Cost to Serve was in line with their full year target with many teams even exceeding savings targets.

Value-added Activities

Customer Satisfaction survey showed improvement in every consecutive survey quarter over quarter. Main areas reported with greater satisfaction were ordering & delivery and customer service processes.

Customer and Employee Satisfaction

Smith and Nephew improved employee engagement (Highest Gallup score,) and brought attrition down from 22% to 11%.