

Picture Credit: Mitsubishi Electric Europe B.V., Hatfield, United Kingdom. Used with permission.

# Mitsubishi Electric Europe: Assuming Control of Collections and Disputes

### Company

Mitsubishi Electric Europe B.V.

### Location

UK branch, Hatfield,  
United Kingdom

### Industry, products, and services

Industrial machinery and components – heating and air-conditioning systems, elevators, escalators, machinery, and much more

### Web site

[www.mitsubishielectric.co.uk](http://www.mitsubishielectric.co.uk)

### SAP® solutions

SAP® Collections and Dispute Management application

### Partner

Bluefin Solutions  
([www.bluefinsolutions.com](http://www.bluefinsolutions.com))

# Keeping customer relationships strong with help from SAP software

Most customers pay their bills on time, and the last thing they need is a call from a vendor about **an overdue invoice** that has already been paid. Errors like that destroy relationships. One thing customers can count on is that such calls do not come from the UK branch of Mitsubishi Electric Europe B.V., which implemented SAP® software that virtually eliminates such mistakes.

Being on the receiving end of a collections call is bad enough when it's warranted – but no customer needs the aggravation of getting a call to pay up when an invoice has already been paid. Or when the customer has already agreed on a payment schedule and has every intention of keeping it. Or when the customer has raised a dispute that the vendor has yet to investigate. It was to avoid even

the possibility of any mistaken calls like these that Mitsubishi implemented the SAP Collections and Dispute Management application. This has given Mitsubishi's credit controllers a clear view of the status of every overdue invoice and every ongoing dispute. Armed with all the right information, they concentrate their time chasing the more appropriate overdue customer.

Read more ►



Introduction

**Vision**

Why SAP

Implementation

Solution

Benefits

Future plans

# Tailoring a solution to Mitsubishi's business requirements

Mitsubishi's European operations serve a broad and diverse set of industries. The company provides air-conditioning and heating equipment, elevators, escalators, and many kinds of machinery and living essentials.

In the United Kingdom and Ireland, a team of nine credit controllers is charged with collecting on overdue invoices from the 2,000 to 3,000 customers that Mitsubishi regularly serves. In the past the team used spreadsheets to track the status of these transactions, but they were too cumbersome for the task. "We wanted to do a better job of capturing records

of customer conversations, such as promises to pay, and managing the chase and dispute reconciliation cycles," says Simon Seabrook, credit operations manager for Mitsubishi. "Maintaining high customer satisfaction was not the only thing we stood to gain. We also wanted to accelerate payments, forecast cash flow better, speed up calls, eliminate duplicate data entry, and reduce the incidence of disputes while accelerating the resolution of those that are unavoidable. In addition, we wanted to give our people better guidance on how to use their time most fruitfully by prioritizing their contact lists."

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"With all the complexity of managing collections and disputes and all the goals we wanted to achieve, we realized that spreadsheets would never do. Our vision was to implement great applications specifically designed for our purposes."

Simon Seabrook, Credit Operations Manager, Mitsubishi Electric Europe B.V.



Introduction

Vision

**Why SAP**

Implementation

Solution

Benefits

Future plans

# Fulfilling business requirements and integration needs

Mitsubishi has run its business with SAP software for many years and wanted its new solutions to be tightly integrated with the rest of its SAP applications. Therefore, the organization approached its SAP representatives, who recommended the SAP Collections and Dispute Management application. Mitsubishi evaluated this solution in detail and found that it comprehensively covered the company's needs.

Mitsubishi also researched collections and dispute management applications from other vendors and found one that appeared at first to be a worthy candidate. On deeper inspection, however, Mitsubishi realized it fell far short of the SAP software in both functionality and integration. Satisfied that it had performed proper due diligence, Mitsubishi proceeded with the decision to implement SAP Collections and Dispute Management.

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“Collection management and dispute management aren't just tightly integrated with each other; they're tightly integrated with our SAP ERP application as well. The close link with accounting data is particularly important.”

Simon Seabrook, Credit Operations Manager, Mitsubishi Electric Europe B.V.

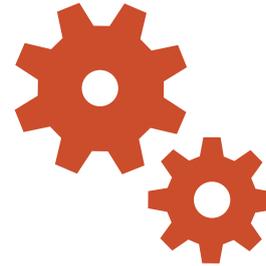


[Introduction](#)[Vision](#)[Why SAP](#)[Implementation](#)[Solution](#)[Benefits](#)[Future plans](#)

# Cutting over successfully after a smooth implementation

Bluefin Solutions performed the end-to-end implementation in a collaborative manner with senior Mitsubishi business users. It initiated the project by implementing a best-practice proof of concept in Mitsubishi's environment. The next stage consisted of business workshops, utilizing the proof of concept to visualize the future solution. This minimized the need for additional building in further phases and resulted in smoother training and testing. Due to the collaborative approach adopted by Bluefin Solutions and Mitsubishi, the project was completed in just nine weeks and within budget.

In line with Bluefin Solutions' agile methodology approach, Mitsubishi included several of its superusers at the start of the implementation so that they could familiarize themselves with the system, processes, and terminology early on. Throughout the early phases of the project, the superusers shared their experiences with the rest of the team to help drive user adoption from the outset. They also conducted training for members of the sales departments, who are tasked with resolving disputes.



**9 weeks**  
Implementation time

"The entire project went smoothly because of the collaboration between Bluefin Solutions and Mitsubishi," comments Seabrook. "We made a few modifications to our business processes, but for the most part we found the SAP software to be so flexible that we didn't have to make changes."



Introduction

Vision

Why SAP

Implementation

**Solution**

Benefits

Future plans

## Following a carefully planned daily agenda

Mitsubishi's credit controllers now begin each day with a prioritized list of customers to contact. The new solution prepares the lists using rules that take into account the amount overdue, prior communication with customers, and their risk ratings. Every time credit controllers make a call, they use a single screen containing everything they need to conduct the conversation crisply and professionally, such as prior promises to pay. During a call a credit controller can make notes on the screen that are captured by SAP Collections and Dispute Management to facilitate future contacts. If a customer promises to pay by a particular date, accounts receivable is automatically notified to help with the company's cash flow planning. And if the promised date passes without a payment, the application automatically raises an alert that elevates the customer's priority for a follow-up call.

Sometimes customers explain that they have a reason for not paying up and raise a dispute. The credit controller then enters the data into SAP Collections and Dispute Management, which manages the entire process of investigating and resolving the dispute. The dispute may or may not turn out to be valid, but either way it is resolved more quickly. This accelerates payments on disputed invoices. The application also highlights recurring reasons for disputes, such as misunderstandings about discounts on the part of credit controllers or customers, so that the organization can take action to avoid them in the future. SAP Collections and Dispute Management is also used to generate correspondence to customers confirming agreements reached on the phone, as well as to generate reports for Mitsubishi management.



Introduction

Vision

Why SAP

Implementation

Solution

**Benefits**

Future plans

# Saving costs through improved efficiency

Mitsubishi's new SAP application has helped its business on many fronts, as Seabrook explains. "We are handling more customers per credit controller and more disputes per credit controller," he begins. "That is because our people are better prepared, more focused, and properly equipped to keep calls concise. We have fewer disputes, and those we do have are resolved more quickly. Our customers' records for prompt payment are better, which has helped us register a small reduction in days sales outstanding even though it had little room for improvement. We are even doing better than ever in collecting from our higher-risk customers."

"From a management perspective, we have better control," Seabrook continues. "We establish our credit controllers' priorities instead of too often leaving them on their own to decide how to spend their time. The reports that SAP software provides are excellent, giving us the information we need to make the right collection and dispute decisions. Finance is doing a better job of cash flow forecasting because of the visibility it has into customer promises to pay."

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"When we call a customer, it is for a good reason and at the right time. Our credit controllers come across very professionally because they have full records of prior communication in front of them. These are all things that customers appreciate."

Simon Seabrook, Credit Operations Manager, Mitsubishi Electric Europe B.V.



Introduction

Vision

Why SAP

Implementation

Solution

Benefits

**Future plans**

# Expanding in multiple directions

SAP Collections and Dispute Management has worked out so well in the United Kingdom and Ireland that Mitsubishi is considering expanding its use to other countries, with France possibly up next. Implementation there should be expeditious because Bluefin Solutions created a Mitsubishi-specific template during the initial project. The company is also considering creating an electronic link between the SAP software and the ratings agencies to automate the process of associating risk ratings with its customers, saving more time and money. In addition, to strengthen its handling of customer credit, Mitsubishi is considering adding the SAP Credit Management application to the mix.

“SAP Collections and Dispute Management has been a great investment for Mitsubishi,” Seabrook concludes. “We look forward to getting even more from it in the future.”



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