

Cforia Turns Old Methods Into NEW Revenue

The Dorman Products, Inc. Story



The Situation.....

In 2009, with five primary division sites, Dorman had outgrown existing Accounts Receivables processes and systems. They leveraged a Cforia Software competitor that had only been able to synchronize data once a night from only one, out of a total of five, operating QAD instances. The remaining four divisions were managed using Excel spreadsheets.

The NEW Solution.....

Cforia immediately took ownership of synchronizing data for the first time from all five of Dorman's QAD Instances. Never before had Dorman Products had a unified view of its data across all its businesses. Key A/R processes became database and computer automation driven.

The Results.....

Revenue grew over 10% during 2009 from \$342 Million to \$377 Million. There was commensurate Year-Over-Year growth in net receivables from \$120M to \$136M. Despite growing net receivables by 13%, their greater than 30 days past dues receivables decreased by 19%. Dorman has also been able to stem another key negative trend by approximately halving greater than 30 day Deductions from 2008 levels.



About Dorman Products, Inc.

A leader in automotive aftermarket products since its founding in 1978, Dorman Products, Inc. is a supplier of original equipment dealer exclusive automotive replacement parts, fasteners, and service line products. Always at the leading edge with new ideas, methods, and processes, Dorman designs, manufactures, packages, and markets a wide assortment of over 100,000 automotive replacement parts, including brake parts, fasteners and service line products under the DORMAN® brand names AutoGrade™, Conduct-Tite®, FirstStop™, HELP!®, OE Solutions™, Scan-Tech®, and SYMMETRY™.

Dorman's feature line of parts is sold internationally through automotive aftermarket retailers — national, regional, and local warehouse distributors, specialty markets, and salvage facilities in Canada, Europe, the Middle East, and the Far East. Today, Dorman Products, Inc. ships millions of products, from basic automotive hardware to Dorman-engineered, application-specific hard parts many of which used to be available only from the OE manufacturer.

The Situation

In 2009, with five primary division sites, Dorman realized that it had outgrown existing Accounts Receivables processes and systems. They leveraged a Cforia Software competitor that had only been able to synchronize data once a night from only one, out of a total of five, operating QAD instances. The remaining four divisions were managed mostly from Excel spreadsheets. This meant that majority of their credit and collections were driven via Excel Spreadsheets. QAD ERP systems were used to directly release Credit Hold and to apply Cash and Credits.

The five separate QAD instances introduced complexities associated with multi-currency, and five sets of terms and account numbers. Financial reporting was performed via manual, non real-time Excel reports that required hours of manual data entry and consolidation. Deduction management was also performed in Excel. This process entailed manual deduction coding, and follow up with sales and customers.

With 2009 sales topping \$377M, and 2009 year-end net A/R of \$101M, Dorman's growth is surprisingly substantial, despite the current economic trends. However, deductions were rapidly increasing from 2008 through 2009. First quarter 2010 trend showed an A/R of \$133M.

There was a 30-day lag time discerning deductions, because they were uncovered during month end manual closings. Dorman's Customer Financial Services Credit



and Collections Management wanted to improve key A/R Operations' cash applications, credit issuance, and invoicing metrics without increasing A/R department labor budget. It was time to meet Cforia.

The NEW Solution – A Firm Handshake with Cforia

Dorman Products decided to switch to Cforia Software's MC2/MD2 Platform at the suggestion of an automotive parts manufacturing peer who belonged to the same trade group. Cforia quickly proved that it would no longer be business-as-usual for Dorman as they took ownership of synchronizing data for the first time from all five of Dorman's QAD Instances. Never before had Dorman Products had a unified view of its data across all of its businesses. Key A/R processes became database and computer automation driven rather than Excel spreadsheet driven.

Dorman leveraged Cforia's separate "Clean and Dirty" receivables tracking to provide a near real-time view of Deductions and Disputes. "Clean and Dirty" tracking enabled Dorman to route Deductions and Disputes through a separate workflow that is geared for quicker resolution. MC2 Clean tracking provides Optimum Collection Visibility to maximize cash in the door. MD2 Dirty tracking displays prioritized Deductions in front of analysts as soon as they are taken by Dorman's customers.

The Results – NEW Revenue and a Partnership

Revenue grew over 10% during 2009 from \$342 Million to \$377 Million. There was commensurate Year-Over-Year growth in net receivables from \$120M to \$136M. Despite growing net receivables by 13%, their greater than 30 days past due receivables decreased by 19%. Dorman has also been able to stem another key negative trend by approximately halving greater than 30-day Deductions from 2008 levels.

Before Cforia, Collection Status & Deduction Status Reports did not include the last 30 days, and were measured in terms of past due. After Cforia, past due was now 100% real-time accounted, which allows Dorman to go to the customer immediately with current information, improves customer service, and enables real-time results in proper accruals/reserves, now measured in terms of days old.

Quoting Joe Yackanicz, Dorman's Director-Customer Financial Services, "Cforia's key to helping us drive down Deductions is having the ability to know about them sooner and work with Sales, Customers and other stakeholders quickly enough to provide positive resolution. Previously we had to hunt in our QAD instances to find the Deductions. With Cforia the Deductions are served up to us in a Prioritized Manner."

About Cforia Software

Cforia Software is a ten year old company that provides leading technology for Credit, Collection, Chargeback and Cash Application Automation to over 150 customers who use the platform to manage in excess of \$120 Billion net receivables value. Their unique architecture provides real-time integration and consolidation of Multi-ERP system corporate environments including SAP, Oracle, MS Dynamics, Baan, PeopleSoft, JD Edwards, QAD and many others. Multi-Language and Multi-Currency supports the largest Shared Service Centers and BPO organizations while helping to them meet their follow the sun requirements. Automated Financial Management Reporting and Dashboards provides real-time Key Performance Indicators and enhanced accuracy cash forecasts. Extremely easy to use functionality can be driven within the finance department rather than having to rely upon over burdened IT staff.

