# Electric distributor sees increase in time savings, efficiency with Deluxe Receivables

**Case Study**

## Business Challenge

McNaughton-McKay Electric Company is an electrical and automation product distributor serving markets in Michigan, Ohio, Georgia, North Carolina and South Carolina for over 100 years. McNaughton-McKay distributes electrical machinery, equipment and “anything from a lightbulb and a battery to major components and industrial automation” to industrial and commercial clients.

Amy Cook manages the credit and AR portfolio for McNaughton-McKay and is responsible for 10 locations, with 5,000 active accounts, representing near $100 million at any month-end close.

Payers want to pay with a method that works best for them, resulting in a large range of payment types, each with different processing needs. Cook says her AR department struggled with the inability to support new billing and payment methods.

“We definitely had a lot of problems when statements would roll out because we would leave a lot of money on as unapplied until somebody had a chance to call the customer to straighten it out,” she says. Without a way to automate matching remittance information to payments coming in, the complex receivables processing led to slow cash application, increased DSO and auditing nightmares trying to backtrack how payments were applied.

“Until you seek out a solution, everything is just thrown at you as the cash posting person or as the AR manager. In the end, you end up doing [the matching] manually anyway, so you spend most of the time trying to put the pieces together,” adds Cook.

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>
> – **Amy Cook,**
> *McNaughton-McKay Electric Company*

# Deluxe Answers

McNaughton-McKay needed a solution to help match and merge incoming remittance data to the payment data they already had in their AR processing system. Cook and her leadership team began looking for a receivables solution and found Deluxe through their banking partner, Comerica. In February 2022, the company began using the Integrated Receivables solution by Deluxe.

One of the challenges of finding the right solution was concern over data security. McNaughton-McKay holds its data very closely and sending open AR files through another party felt risky. The secure receivables platform offered through their banking partner gave Cook and her team the confidence to choose this receivables automation solution. "The minute it was brought to me by the bank as a possible solution, it was a done deal," says Cook. "You don't have the data concern because all of us are already sharing that data with our banks in one shape or another."

# Results

After automating their invoice matching, Cook was able to reduce the number of people needed for cash posting from 2.5 to one person, and the remaining team members were repurposed to more revenue-driving tasks or moved to a different department.

The amount of time that her AR team spends processing payments has gone from eight hours a day to two. The 'cleanliness' of the accounts receivable department has increased, with fewer accounts having unapplied cash and exceptions to manage than before. "[This solution] has become as important as email has become in our lives," Cook adds.

What would Cook do if her company no longer used Deluxe Receivables? "I already told my boss I would quit," she said. "Unless he wants me to hire three more people. I can't imagine being able to post the cash without it."

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Looking to increase your AR efficiency?
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