

IPcelerate Boosts Cash Flow Flexibility with NetSuite and The Receivables Exchange

Company Name:

IPcelerate

Industry:

Software

URL:

<http://site.ipcelerate.com/t3>

Key Issues:

- Growing software company needed predictable, stable cash flow
- Company needed flexibility in short-term financing for unforeseen disruptions
- Conventional borrowing or receivables financing through traditional sources was too time-consuming and cumbersome with traditional lenders

Solution Delivered:

The Receivables Exchange Working Capital SuiteApp

Business Value:

- Delivers cash flow flexibility to support growing company
- Provides extra working capital when needed
- Simplifies the process of downloading invoices from NetSuite and packaging and uploading invoices to The Receivables Exchange




Customer

IPcelerate sells business-enabling application software for corporate communication devices, smartphones, tablets, social media sites and other communication endpoints. IPcelerate has especially strong ties to Cisco, and its applications work closely with Cisco's Unified Communications Manager and its new Cius mobile tablet. Formed as a managed buyout by former Cisco employees, IPcelerate sells direct and through resellers to customers in the education, healthcare, government and other vertical markets.

Business Challenge

IPcelerate initially purchased NetSuite as an upgrade to its Peachtree business accounting software package. IPcelerate was also interested in the broader suite of applications available via NetSuite cloud-based ERP, and today uses NetSuite for call center management and reporting, general ledger business applications, KPI dashboard reporting, sales force automation, streamlining its quote-to-contract-to-cash process and creating a real-time sales pipeline for sales directors and managers.

However, as it grew with its new Cisco relationship, IPcelerate faced an ongoing challenge common to many growing companies—the need for cash flow flexibility to respond to variability in accounts receivables collections and unplanned financial pressures. Before it joined The Receivables Exchange's innovative working capital marketplace, IPcelerate had few options and would likely have had to go to conventional sources for extra funding. These sources, including commercial banks and factoring companies, typically take weeks before approving financing, and impose burdensome restrictions such as personal guarantees and all-asset liens.

NetSuite—The Receivables Exchange Solution

The NetSuite—The Receivables Exchange Invoice Export Module gives IPcelerate one-click access to the electronic marketplace of The Receivables Exchange, a company that has won numerous awards—including The Wall Street Journal's 2010 Innovation Award in Ecommerce—for its innovative business model.

The Receivables Exchange hosts an online auction where businesses sell their receivables to a global network of institutional investors. The auction sales, which typically return 98% to 99% of the invoice's value, take place quickly—often in a single business day. This is a major benefit to growing SMBs that would otherwise have to wait 45 days or more for invoice payment.

With the module, John Keel, IPcelerate's financial VP, can assign an invoice for auction by clicking on a reminder checkbox that pops up each time NetSuite creates a new invoice. The Receivables Exchange requires a minimum auction size of \$10,000, so the module automatically bundles invoices into baskets and sends them via bulk upload to The Receivables Exchange.

“We were able to raise \$150,000 in five days to cover a delayed payment for a large, one-time project. This would have been impossible for us, a medium-size business, if we'd gone to conventional factoring companies or commercial banks, because these alternative solutions are too cumbersome and too time consuming. Without the TRE option, we would have had significant short-term cash flow challenges.”

—John Keel
VP Finance, IPcelerate

 To find out more, contact NetSuite Inc. at 1-877 NETSUITE or visit www.netsuite.com.

“ I watch cash flow on a daily basis, and I’m always looking out 30 or 60 days to see if anything is coming that might be disruptive, so I can select the invoices to fill a basket. Most of our invoices are not that large, so the NetSuite–The Receivables Exchange module makes selection easier because it accepts maintenance invoices, and because it doesn’t require that all invoices be brand new. This maximizes our flexibility in deciding how we want to handle the challenge. ”

—John Keel
VP Finance, IPcelerate

Benefits

Benefits of the NetSuite–The Receivables Exchange Invoice Export Module range from helping IPcelerate respond to short-term cash flow disruptions to saving time and costs of activating the service when it’s needed.

- **Speeds acquisition of capital:** IPcelerate can get cash in as little as one business day, compared to weeks or months for conventional sources.
- **Simplifies the process:** The Receivables Exchange has a straightforward, one-time application process, and unlike conventional sources, doesn’t demand all-asset liens, personal guarantees, long-term contracts or other burdensome conditions.
- **Maximizes access to cash:** The Receivables Exchange permits IPcelerate to sell invoices for software maintenance as well as for the company’s products, giving IPcelerate more options for fulfilling the minimum basket size; also, The Receivables Exchange accepts ageing invoices—up to 90 days—as well as new ones.
- **Extends ease of use:** The NetSuite–The Receivables Exchange Invoice Export Module saves time and money for IPcelerate’s financial staff by activating reminders when invoices are created, and automating basket creation and bulk uploading to The Receivables Exchange’s auction platform.

Business Value

With the implementation of the NetSuite–The Receivables Exchange solution, IPcelerate gets cash flow flexibility for responding to unforeseen costs quickly and with minimal time and effort.

About The Receivables Exchange

The Receivables Exchange is a first-to-market, real-time online marketplace for working capital financing that provides a game-changing solution for both small and large U.S. companies. The Exchange connects a global network of accredited Buyers to businesses (Sellers) in search of flexible, affordable and continuous access to working capital. Buyers get direct access to a \$17 trillion new investable asset class that comprises the largest asset class in the U.S. credit markets. Sellers gain prompt and highly cost-effective access to the capital they need, without onerous constraints. Learn more about how companies are improving cash flow by financing accounts receivable at www.receivablesXchange.com.