

Aggregated Invoicing for Agented and Non-Agented Deals

Mid- to Large-Sized Middle Market Syndicator
Duration: 3+ months

Overview

Because of a limitation in the way the client's system of record produced invoices, a third-party solution was utilized to produce commercial invoices based on data fed to it by the system of record. Due to a choice made by the client at the time of original implementation, invoices were designed to be created individually for each billable event, and to not be created at all for non-agented billable events.

For scenarios in which the client was the administrative agent as well as letter of credit issuer, invoice numbers in excess of triple digits for a single deal were commonplace due to the choice to invoice each billable event singularly (i.e. each issuance fee and/or facing fee amount due, and corresponding activity, was written to a separate invoice).

For syndicated deal structures in which the client performed the role of letter of credit issuer or swing line lender, but not the administrative agent, the client did not have a systematic solution to invoice the customer directly. In both of these scenarios, invoicing of the customer was performed via manual Excel spreadsheet.

Business Goals

The client's request was two-fold:

- 1) Aggregate like billing items into a single system-produced invoice for agented deals.
- 2) For non-agented deals in which the client was obligated to invoice the customer directly, apply this same systematic logic as stated in (1) above for fees and interest accrued to the client only.

Business Challenges

Scenario Identification

- Careful "what-if" analysis was required in order to solve for all current and potential scenarios in a single straight-forward solution, rather than "hardcoding" a solution to meet immediate need only.

Flexible Extensible Design

- Solution design needed to account for client positioning and billing obligations within the deal structure, rather than be based on specific instrument type, so that the solution could accommodate future business growth and unanticipated lending vehicle opportunities.

Value Proposition

Consulting and Project Management

- Ensuring careful analysis of present and future potential scenarios.
- Ensuring testing efforts harmonized with the stated design requirements, "translating" business concepts for test script writers and testers.
- Coordinating implementation efforts, communication, and procedural revisions for operations staff.

Solution Design

- Identifying all salient data points for aggregation into invoices.
- Defining selection logic for the invoices that would remain facile enough to accommodate future known and unanticipated scenarios.
- Creating mock-up invoice models for development resources, that clearly articulate layout requirements within the invoice.

Case Study

Aggregated Invoicing for Agented and Non-Agented Deals



Outcome

The solution resulted in an invoice consistent with the clients existing invoicing standards, yet flexible enough to accommodate future need, whether it be identified or unanticipated. The solution also eliminated many hours of time spent by operations staff, previously spent manually creating invoices, at critical high-volume quarter end times.