



How Madison Resources Saves Money and Improves Efficiency by Replacing Lockbox Services with Advanced Cash Application



Madison Resources' business is built on partnerships. Based in Portsmouth, New Hampshire, the company provides financial and operational support for staffing agencies of all types and sizes. With the need to manage multiple clients—and its clients' clients—reconciling and applying payments is a complex process.

Using their bank's lockbox services proved costly and inefficient as the company's accounts receivable (AR) staff spent an excessive amount of time on keyed exceptions. Madison Resources needed a better process for posting receipts and payments received from their agencies' clients.

“Because of less time spent manually processing payments, we've been able to focus on more strategic work and do more with the same—or even fewer—staff because we haven't had to replace outgoing staff in some instances.”

Sara French, **Cash Application Manager**, Madison Resources



Madison Resources used to get bogged down with lockbox processing. This cost the company labor inefficiencies from having to track down and correct payment errors.

But after replacing its lockbox services with Versapay's advanced cash application function (previously known as DadePay), Madison Resources was able to increase operational efficiency, reduce costs associated with lockbox services, and improve its customers' experience.



The challenge

Madison Resources' business model makes managing account receivable and incoming payments more complicated than it typically is for other businesses. Aside from reconciling and posting payments they receive for their own services, Madison Resources must also do the same for their clients.

Using bank lockbox services proved costly and inefficient, as the company's AR staff spent an excessive amount of time correcting posting errors and tracking down and correcting erroneous payments.

"We had a lot of issues with lockbox services, so we were looking for a way to improve efficiency," said Sara French, Cash Application Manager at Madison Resources.

"Most of our payments are still received by check, so we needed a more accurate and efficient way to post payments than we got by outsourcing this. Versapay allows us more control over posting files. Now we have time to focus on more complex payment processing, like wires and ACH payments. We've phased-out our lockbox keying service, which significantly reduced our costs and improved efficiency by eliminating time spent researching mistakes caused by keying errors."

The solution

In 2017, Madison Resources implemented Versapay's advanced cash application and customer portal solutions (previously known as DadePay). The company's primary goals were to post payments more efficiently and accurately, streamline their workflows, and improve their customers' experience.

With their rollout of the Versapay Customer Portal, Madison Resources also benefited from a unique competitive advantage.

"There may be one other competitor we're aware of out there offering a client-facing payment portal, but overwhelmingly, our competitors do not offer this benefit," said Sara. "It's another way we can offer more options and convenience for our clients."

To ensure they got the most value out of the Customer Portal, Madison Resources focused heavily on incentivizing customers—and customers' customers—to adopt the new platform.

Madison Resources provides a full range of training and support to staffing agencies using the Versapay Customer Portal, including training manuals, reference documentation, and email support.



The results

In addition to saving time and money by phasing out bank lockbox services, Madison Resources has been able to grow its business without adding new staff or even needing to replace outgoing staff.

Madison Resources is built on the foundation of serving their clients in true partnership and appreciates the same level of commitment and partnership it receives from Versapay.

“The support team is wonderful, I cannot say enough good things about them,” said Sara. “The customization required for the Customer Portal was complex and had the potential to be a roadblock. Fortunately, Versapay’s developers have always been able to accommodate requests and answer questions, and their communication is always impeccable.”

“All our client-facing staff takes every opportunity to direct clients to the Customer Portal. It’s an easy sell because it’s easy to use, provides convenience and the information they need, and the end-users have no idea that Madison Resources is the company providing the service.”

Sara French, **Cash Application Manager**, Madison Resources

Learn more about how we help finance teams automate cash application and provide their customers with self-service payment options.