After employees leave the Sysmex warehouse for the night in Buffalo Grove, Ill. this spring, a drone takes over and patrols from 11 p.m. to 5 a.m. as part of the company’s efforts to test a new approach to inventory management.

“The drone keeps flying around the warehouse and counting the items while you’re are at home sleeping,” said Alex Garini, CFO of Sysmex America Inc., a Japanese-based health care product and services company specializing in clinical laboratory diagnostics such as hematology and flow cytometry technology.

The drones are just one example of how Garini is looking for new ideas to simplify operations. Garini talked with StrategicCFO360 about adopting time-saving software systems and technology, increasing communication and maintaining a focus on cash.

**What strategies have been most effective for you as CFO in guiding the company through the pandemic while focusing on growth?**

The main topic we had not only as a company, but as part of the society was to keep the flow of products going to the markets, i.e., hospitals. Not only for us as a company, but also again, we are serving a big chunk of the hospitals in U.S. or North America. So we are doing every possible planning to make sure we have the proper supply chain, the proper manufacturing operations, the proper service engineers of this field attending and serving our customers. We are doing everything to make sure firstly we're safe, our associates were safe, because if they were not safe, they could not produce the reagents. If they were not safe, I could not serve my customers when the equipment was broken. Behind that was all the infrastructure that you have across the company to keep the IT systems running, supply chain, operations running warehousing running, all the manufacturing running and especially our service employees on the field. A big chunk -- 40% of the company is on the field serving any kind of hospital and they are every day exposing themselves. They have all the PPE, all the protocols to protect themselves but they have also a duty, a responsibility to our customers, to our society, keeping all the equipment we have on the field up and running. We have what we call the C rate, which is whenever a customer orders something how can fast can we ship. Fiscal year '20 was a 99.98% fill rate. Every time a customer was requiring a product we were able to ship that within two or three working days. Keep mind, in any given year, we ship out about 650,000 lines a year.

**What did that look like on a daily basis? Did that change how you were communicating?**

It was a lot of adjustments because we had to change operations in a very significant way. How do you keep employees safe while they are working in the warehouse? Or how are you keeping your employees safe while they're working in the manufacturing plant? We had a lot of very detailed planning all the way from signage on the facility to PPE, to how to educate and remind your associates. We had a lot of planning and of course we do monitor because of the volumes we have, shipments, cashflow, collections. Every day if we have a COVID impact, we take care of the associate very carefully as well to make sure he or she is taken care of from the personal level family level as well. We were very concerned at the beginning because no one had this kind of remote experience before. Especially at the beginning, we had to go through all the Zoom acounts or Teams accounts and fast. But overall all the tools we have in place in terms of monitoring shipments, monitoring cash flow, monitoring the employees, they work very well. Communication was a critical element. We were just continuously communicating all the time because it's harder -- it's not like you walk around, you can talk to people just get a hallway meetings. We had to revamp meaning our marketing organization for Sysmex, the communication protocols and communication plans across the company to make sure everyone knew what exactly where we were going, knew exactly what was going on in the company and how to react, especially the training side. Our associates kept working all the time. How to make sure you were safe as an employee, how to make sure you are really following the protocols and you protect yourself while serving the customers during the pandemic, which was a critical element. We cannot stop – we’re not allowed to stop because we're a critical part of the healthcare system.

**Did you create a new meeting schedule or how did you try to replace, as you said, what is hard to replicate when you're not at all in the office together?**

In the past it was very easy to walk around and in half a day, you can just pretty much cover almost the entire organization because you're walking around talking to people. And now especially for me, it was creating a cadence of meetings, calls across several teams. I have a very broad spectrum of responsibilities. I have supply chain. I have procurement, I have manufacturing, of course finance, accounting taxes, all the classic CFO functions. But beyond that, I have systems, IT systems. And that was keeping this communication flow, this cadence to make sure 'Oh, I did not talk to this team in the past three weeks.' So I was every week making sure I was making myself visible and they could talk to me and it could be anytime. The good thing about Teams is they can IM you anytime. Communication, in that way it got much more accessible because you are on your cell phone -- anytime someone can IM you, you can respond back very fast.

**This ideal cadence of meetings, was that something you literally put in your calendar to cycle through each team every week or what does that schedule look like?**

It's a very disciplined schedule. I do do that at least once every two weeks I reach out to everyone. I have some town hall meetings, virtual ones, of course. We've had some teamwork that we've done as well, but I have all the meetings scheduled for almost my entire year. Of course, when something happens and surprises happen, I may have to reschedule the meetings. But I was trying to reach out to each one of the teams at least once every 15 days. So at least we have the cadence going and this is pretty important because they have questions and the things were changing through all the pandemic meaning sometimes it's wear masks, do not have to wear a mask, all kinds of information. And to talk to the associates was a critical element. Also us as an executive team were meeting at least twice a week every week, just to make sure we, from the executive team, we had the same information, the same message to pass along with the company.

**Given these broad responsibilities that you're looking to keep everybody safe, but also to grow the company, what specific techniques worked for you effectively or still are working regarding more traditional CFO responsibilities?**

One of the main things that was really concerning for us was cash. Of course, during the pandemic, nobody knew to what extent the crisis will be hitting. As a CFO, my main concern, my main goal was how much can I really protect the cash or make sure we don't run into a liquidity problem during the pandemic. I check the cash of the company every day, collections and we do monitor that on a daily basis, especially receivables and inventory. And as we were monitoring them very closely every day, we had all kinds of tools we implemented right before the pandemic. This did enable us to reduce our amount of past due accounts by almost 30% during the pandemic. The main thing was discipline. We had a very strong emphasis on collections, protecting the cash, making sure we could in a very, of course, reliable way and with a customer orientation on top of our mind, collect the money on time. And we were able to really, again, during the pandemic have an amazing, significant, cash improvement mainly because of the collection of old past-due accounts.

**How did you manage that?**

It was a combination between amazing teamwork, focused leadership, not only for me, but also for the entire collections team and the customer operations team. We didn't have some tools in place to make sure you're monitoring, the accounts on that daily basis. We have this, we call the in brackets higher risk accounts. We had been working on this since before the pandemic -- we have two major tools implemented and they were live and back in December ‘19.

**Is this a specific software system?**

It was two major software systems. I keep saying it's how fast can you get the information in front of your collectors and how easy it is for them to get information about accounts, about invoices right away when they're calling the customer. And the second one was automation. We had a lot of manual processes within my collection team. So we were able to automate a lot the way they were collecting, which in a way was freeing up a lot of their time to collect more. So before they spent 40% of their time doing manual, i.e. Excel work. And now the system was doing all the work for them so they could really focus on collections and collecting invoices again. And for me, it was a perfect time because it was right at the beginning of the pandemic back in December '19. And the same thing was on the inventory side. Before the pandemic, we had a different tool -- it was a manual process as well. And every time I was doing my inventory planning, I had was all Excel based and I had to run a scenario, the guy then had to go took back because it's a very complex organization and then my team had to go back and calculate the scenario. It was taking one week because it's a lot of skews, a lot of scenarios, a lot of zip codes, all the way from Alaska, Hawaii down to Florida. Before doing any scenario was taking me about a week to process all the calculations. And now, during the pandemic, again, big gyrations of volumes, and we're able to change all the scenarios within hours. That functionality to have the information and the planning and the scenario planning, in one week all the volumes were up by 50% and the next week they were down by 40% -- it was a lot of volatility.

**How do you expect to use these new capabilities and what do you expect will be critical in the year ahead?**

We are just kicking off our fiscal year ‘21 in April so it's a very good projection for us in terms of growth. The economy is opening up and with a very strong economy rebound now expected to continue all the way into 2022 as well. And we are projecting going the same pace as well as a company. And for us, especially on the finance side, we are just investing and focusing on AI and tools we can use again, analytics to improve the businesses and also use tools to automate manual tasks across the company. Especially from my side in terms of how can we use tools, i.e. software tools and especially now artificial intelligence and maybe in the future machine learning tools. We can automate processes, we can automate analysis and we can be more effective as a company moving forward. It may seem from my studies, just trying to do less of doing more of thinking, just meaning we need to do a less tasks and do more analysis, so we can improve the operations as well.

**Where do you see similar opportunities with AI -- what are you planning to focus on?**

Now we're just focusing on, RPA robotic process automation, as well as process mining which is trying to automate manual tasks using software. We see a lot of opportunity out there in terms of automation across the company.

**Can you give me an example?**

Let's say we have a tool where we take data from customers from one system dump into an Excel file. And then from this Excel file, you have to calculate the billings, the hours of the service to give an example and then upload that. All of the processes now have someone processing all of that which is taking time and you're always open for errors as well. With RPA, once you automate all that, you just push the button and the tool does all that for you. Keep in mind, I have it for about 15 to 20,000 invoices, per month. Some of the processes behind the way we process invoices are manual. What we're looking into right now is how can I automate the processes so the employee just pushes the button and then the software does a calculation. We have a quality check at the end. The employee will be doing all of the quality checks, but all the hours that he was spending doing the calculation, now it's being done by the software. The company is growing, but I don't increase my head count so that we increase my costs because now I'm freeing up capacity from those employees who were doing this manual work.

**What does the transition look like for your company in terms what new methods with communicating do you intend to keep, even when people are all back, hopefully in the office, again?**

One thing we are questioning a lot is before we just have a meeting and jump in the plane and meet someone face-to-face. I think there's a lot of pre-work you can do before you meet with someone across the globe. We are a Japanese-based company. We used to go to Japan a lot. There is some impact by not having the same face-to-face interaction, but a lot of the meetings we had before I think a lot of them can be done through Teams and the same thing within our region. We were just flying a lot across the region, and now we do a lot through Teams. And that helps a lot in terms of improving communications and not wasting your time. Because international travel, it's a lot of burden on you because the plane, the time difference. And then there is a lot of idle time when you just going across the globe. And now by having Teams, we can just pre-work a lot. And then doing some specific thing that requires interaction, then you can fly. But the same thing I think is happening with our customer base as well. But there are some limitations as well especially on the healthcare side. You want to show your customer the equipment. There is some physical aspect to that in terms of how to operate the equipment, how to train. Teams and Zoom will continue and it will be helping us in terms of how to become more productive. Nobody's traveling so much for now, but when the economy really reopens, we're going to be questioning ourselves every time before we jump on the plane. If there's one benefit from the pandemic it's that we're learning how to work remotely. We're learning how to use IM tools, use Teams to communicate. But again, there are some limitations, of course we have very complex topics and they need interaction. And I think having everyone in the same place helps a lot especially innovation items, with complex topics, multi-functional topics. When we are in the same place we can interact, we can go to the whiteboard, we can have questions. No matter what you do, we always have some limitations when you communicate through Teams -- not everyone has the same internet connections, you have all kinds of technical issues and not everyone has the same quiet place in their houses.

**What will your emphasis be on going forward?**

We are always striving for innovation, customer focus and also for productivity across the company. Innovation is a key element for any company to continue growing, to continue being productive and it's supposed to be not only on the back office side, it could be all the way from operations. I have one of my teams from the warehouse. They came back and they found out there is a drone that can do inventory counting for you. They were just looking because there's a whole culture for the company. You have to keep pushing for innovation all the time. And no matter where you are, you should be bringing up all these thoughts, these ideas. So we can really improve ourselves and improve the company and again, improve the way we are serving the customers at the end.