

AI In O2C

Utilizing AI and Automation



Presented by:

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Introduction



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Utilizing AI

- What are we seeing in the marketplace and what is best in class

AI and Automation by Module

- Collections
- Invoicing / Customer Portals
- Cash Application
- Credit

The Order to Cash Opportunity

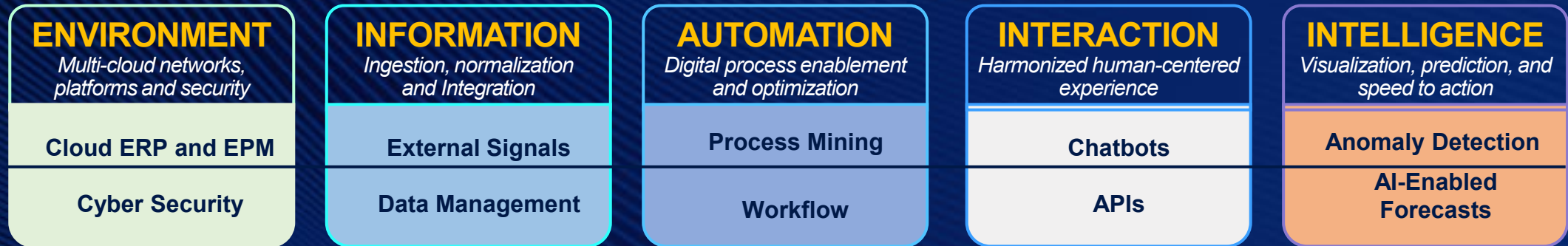
By 2025, 60% of companies will use AI-driven software and processes in Invoice-to-Cash versus 15% in 2022.

Gartner 2022

The Finance Landscape is Rapidly Changing

Seamless integration of people, process, technology and data is more important than ever

Modern Digital Enablers



People



Leading Finance & Shared Service Organizations



70% Transactional processes automated	Spend 2-3x more time on analytics and decision support	Nearly continuous planning cycles 5x faster
>60% have adopted predictive forecasting and analytics	>80% integrate external data into strategic planning and decision making	50% more accurate forecasts

Evolution of Data in Finance



System Dashboards

Can't manage what you
can't measure

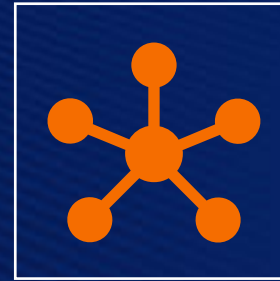
1.0



KPIs

Performance
vs. Target

2.0



Collaborative Intelligence

Internal + External Data =
Whole picture

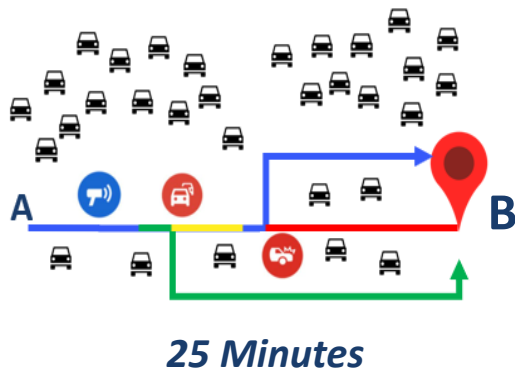
3.0



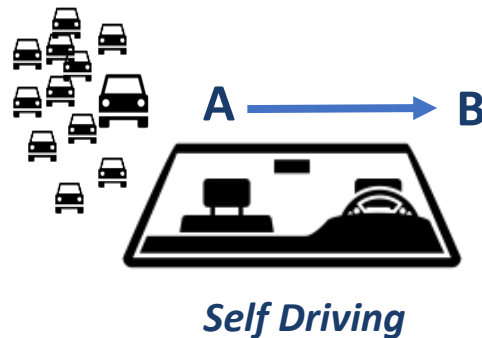
Examples of Enhancing with External Data



**Online + Real
Time Data**



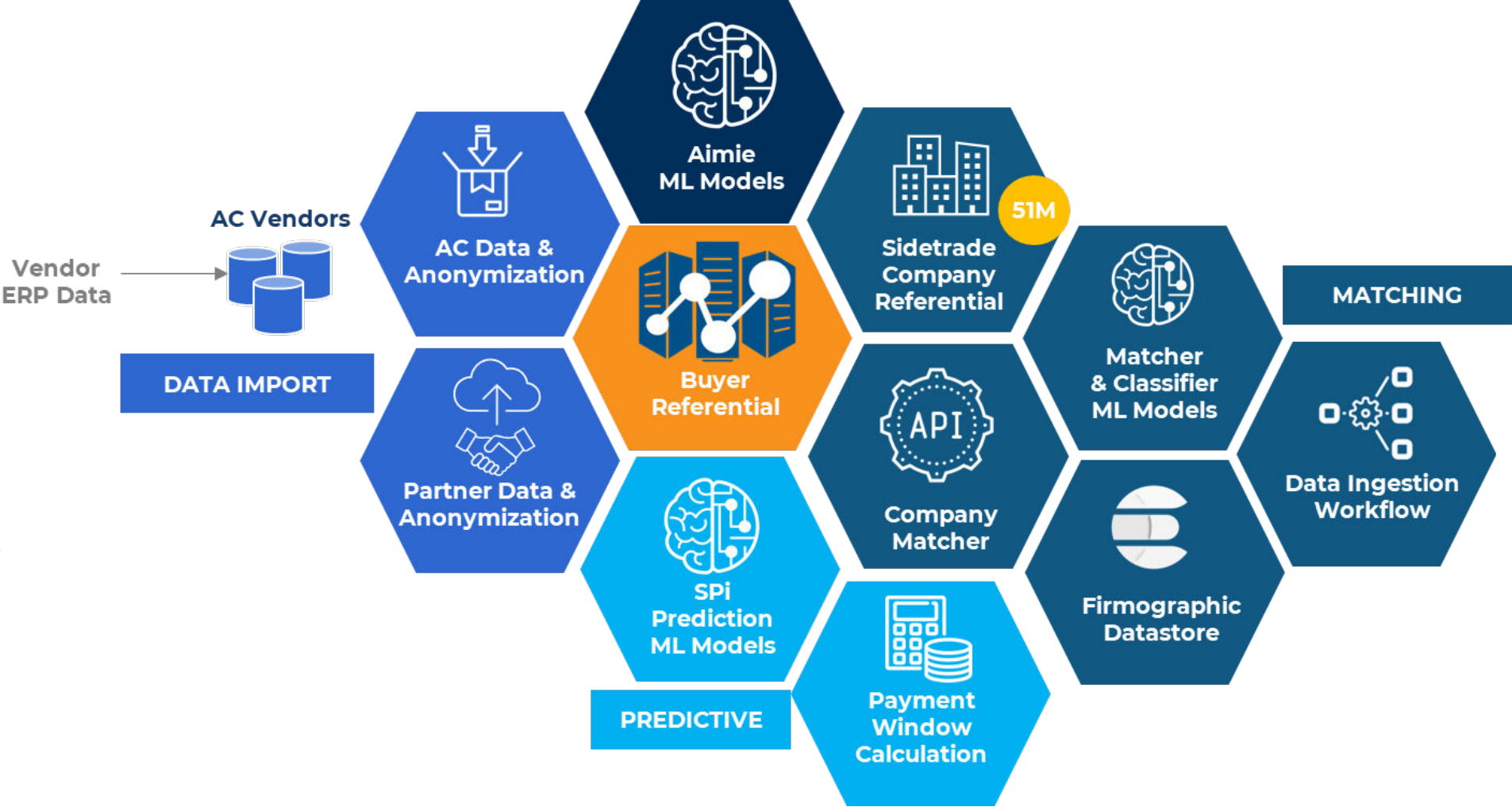
**Collaborative
Intelligence**



What's in the news:

- Automotive
- Medical Research
- Finance
- Education

WHAT IS YOUR DATA SOURCE



AI in Collections Automation

Market Challenges around Collections

Visibility

- Lack of ability to see what team is accomplishing
- Data is not available to track KPIs
- Notes

Standardization

- Creating and managing global collections strategies
- Team turnover, cost to train

Manual processes

- Data is not available to track KPIs
- Prioritization of collections efforts

KPIs are unfavorable

- Measured with Finance metrics
- Working capital

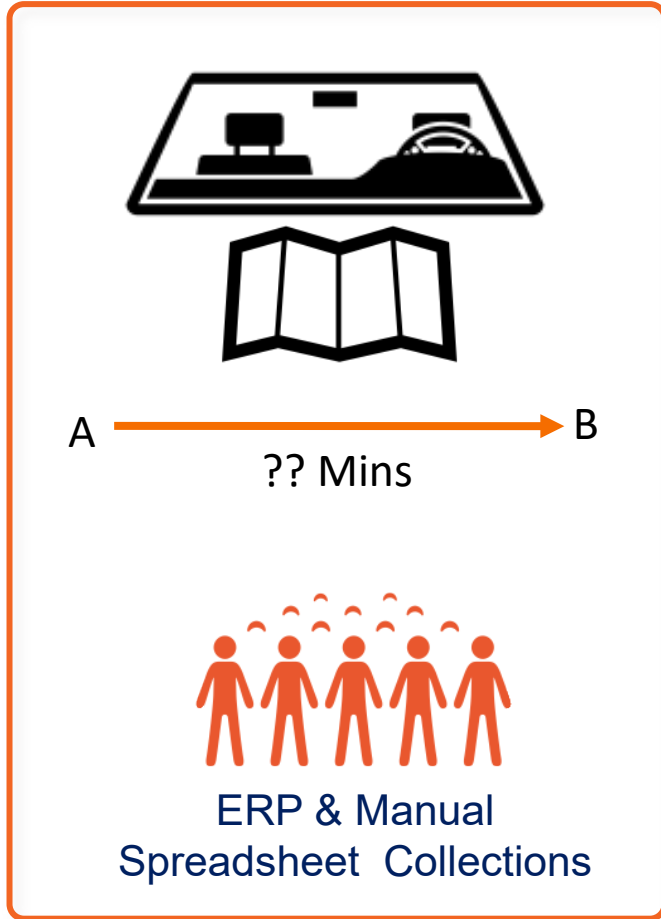
Poor collector satisfaction

- Manual processes
- Lack of information to help customers

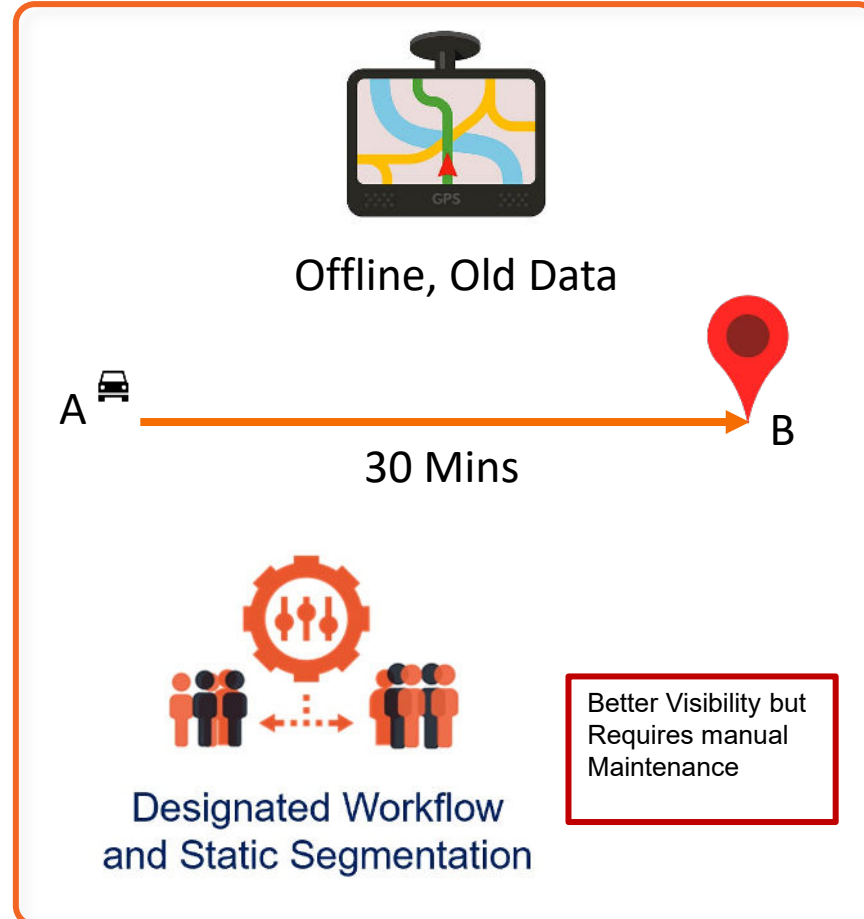
Artificial Intelligence at Work

A Simple Analogy in Getting to your Destination (\$\$)

1.0



2.0



3.0



~23% successful

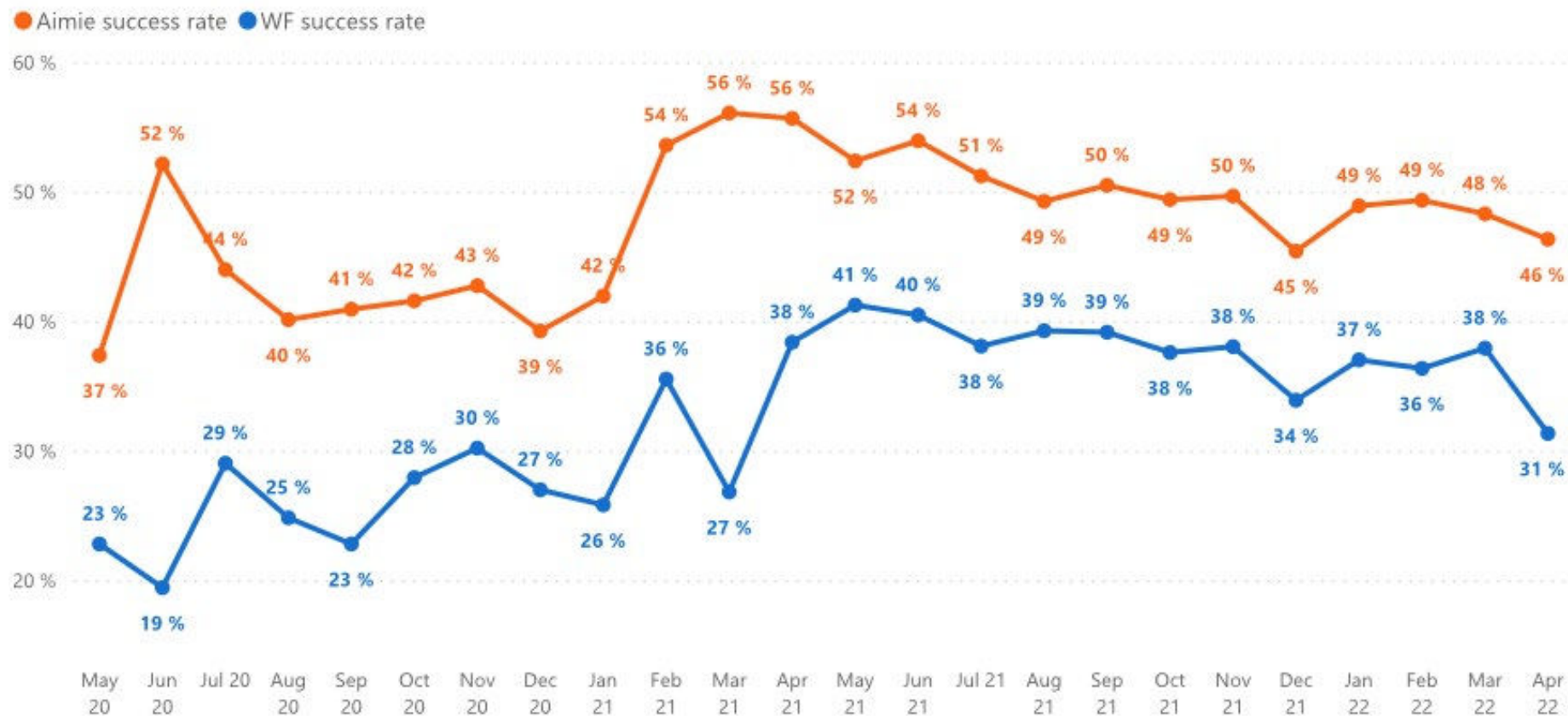
+ 87%

~43% successful

+ 56%

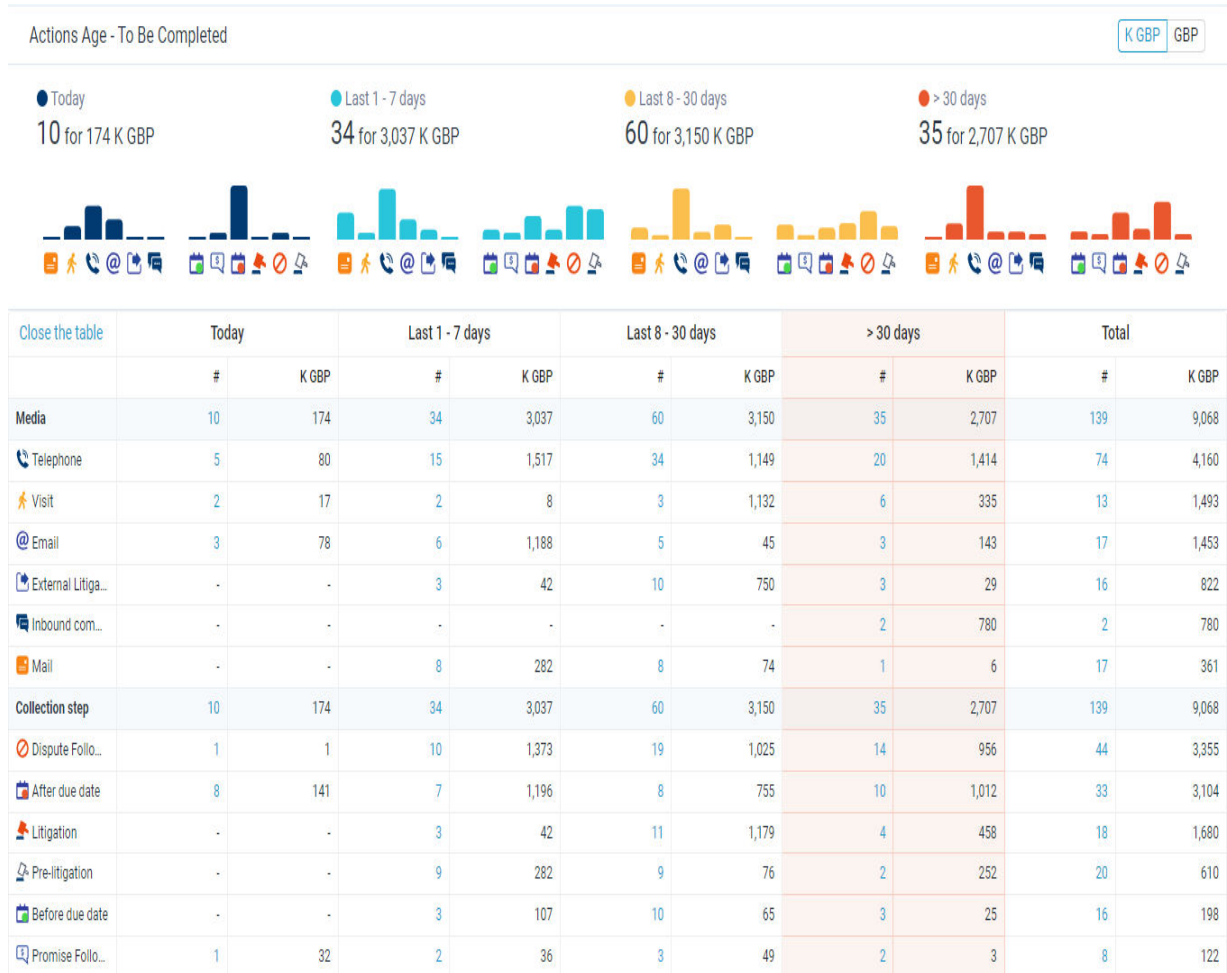
~67% successful

Why Automation is Not Enough



Embedded AI & Machine Learning

Leverage AI to predict the most relevant collection actions



Use case: Predictive & Prescriptive, AI should propose & execute the most relevant actions at the right time

To empower the next generation of cash collectors with tools to improve cash collection rates, overdues and DSO:

- Automatically select and execute collection reminders & statements to the best paying customers
- Target poor payers with manual reach out actions
- Identify problematic accounts by enriching the data with predictive insights

3rd Party & Customer Portal Automation

Market Challenges around e-Invoicing Today

AP Portals

- Impacts of manual data entry into Portals
- Client-specific requirements that cannot be replicated by ERP's
- Managing invoice status updates from portals and handling rejections/disputes

Government Requirements

- Vetting Requirements
- Global eInvoice mandates (CTC and Tax reporting)

Work Approvals/ Field Tickets/GRs

- Inability to connect without Government approval
- Manual effort verifying the product/service was delivered

PDF invoices sent via email

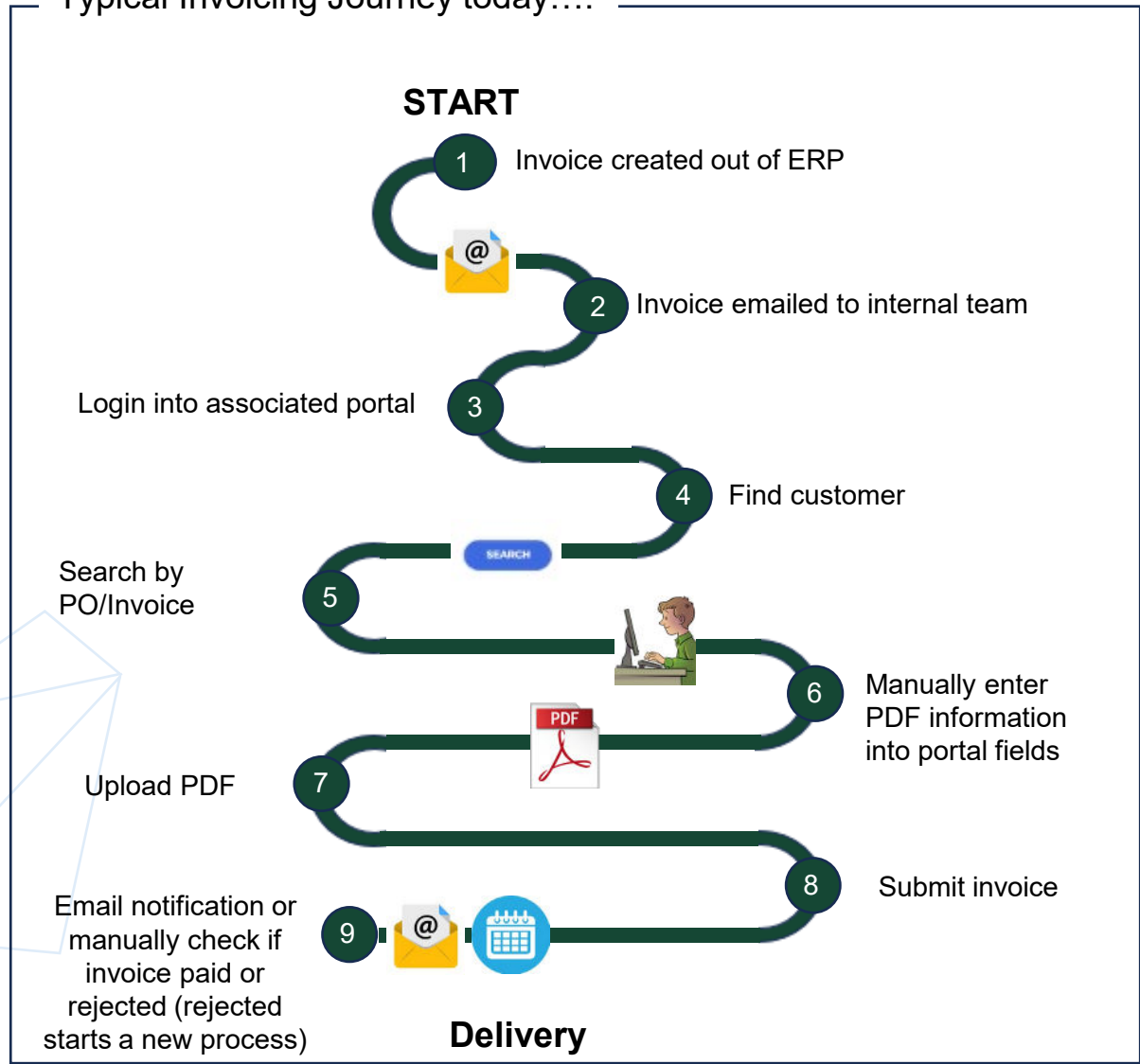
- Manual efforts to comply with specific requests from clients
- Security issues with intercepted and altered emails
- Issues with traceability of emails submissions, send date, recipients, statuses

Advanced Shipment Notices/POD's/GRs

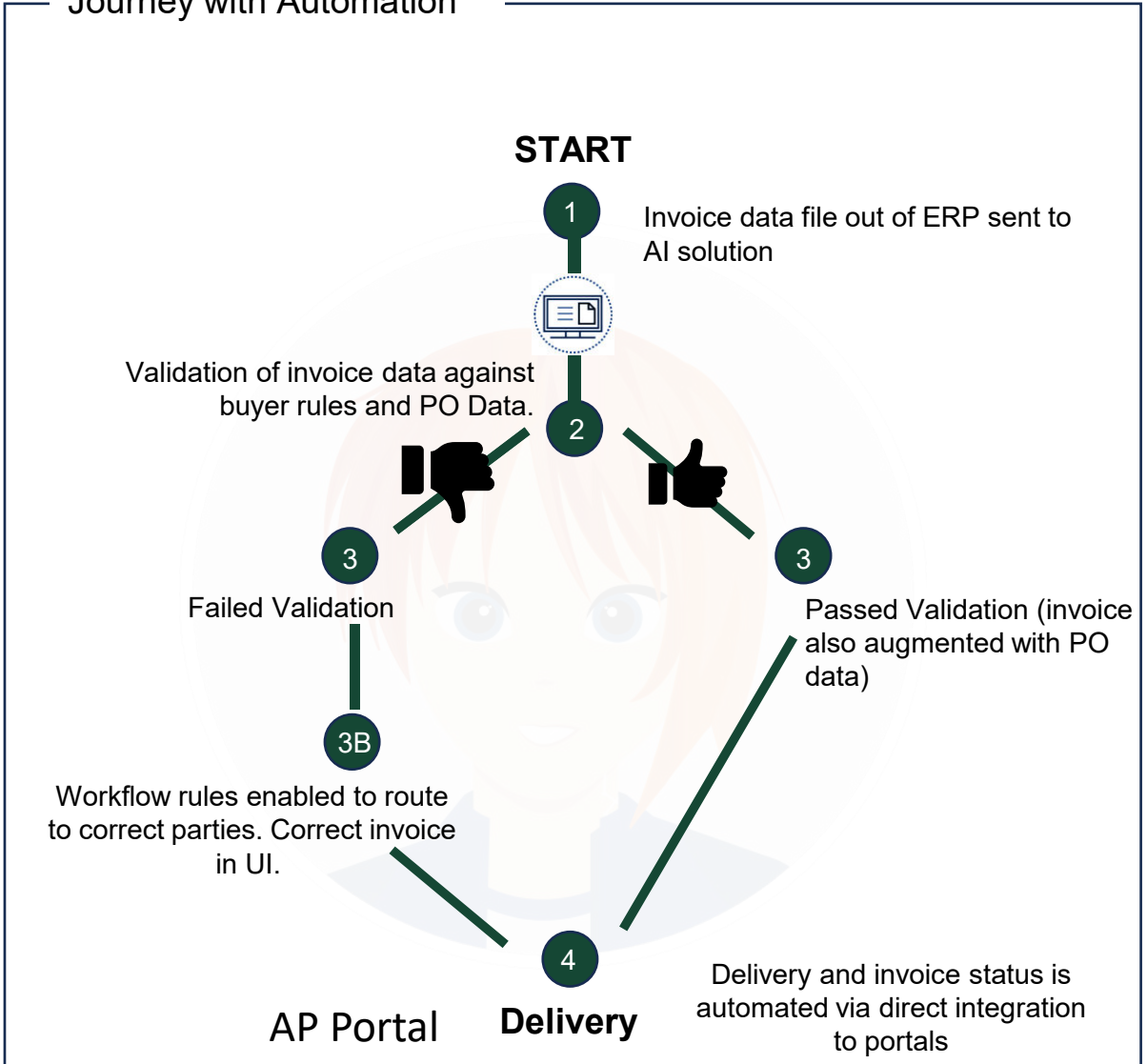
- Manual entry or upload on Portals
- Manual effort on retrieving ASN's/PODs from logistics/carriers

Typical process journey for Portal Invoicing delivery ...

Typical Invoicing Journey today....

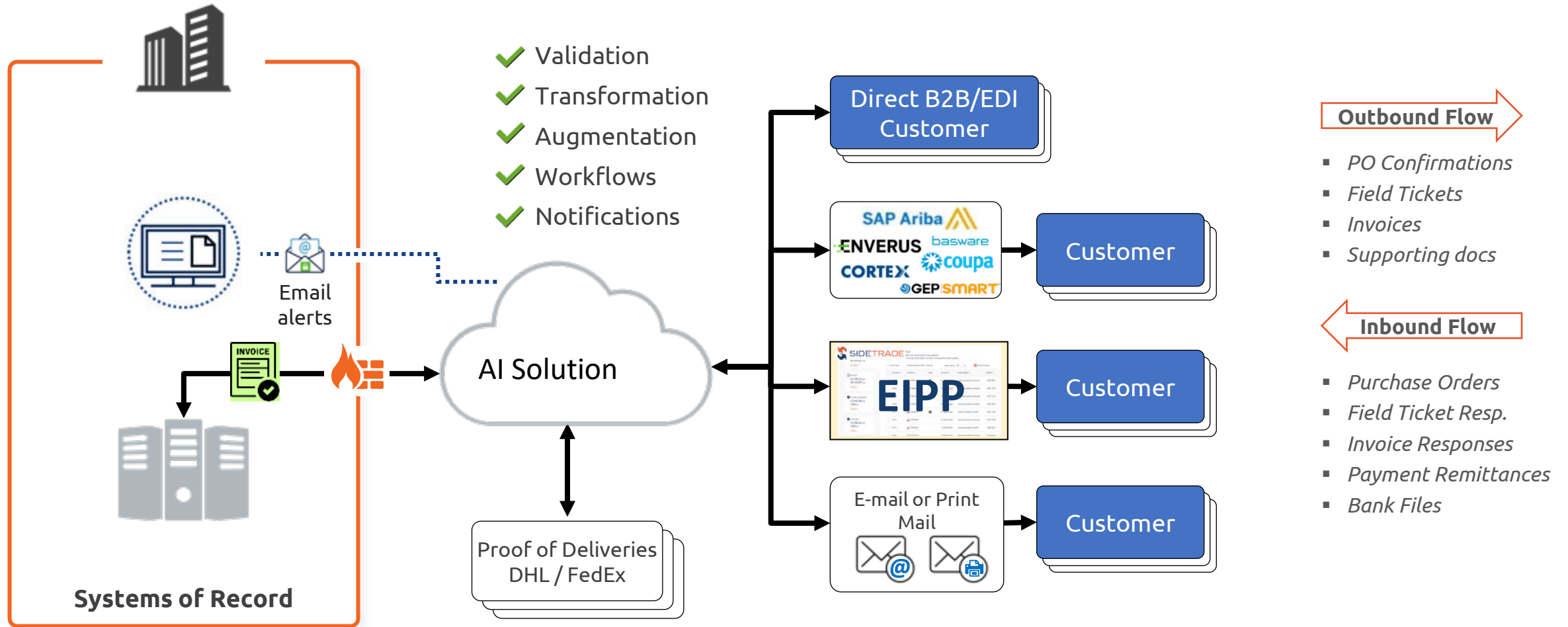


Journey with Automation



Example of Automated Solution

Automation of document exchange with all parties involved in the O2C process



AI in Cash Application

Market Challenges around Cash Application

Interacting with many departments & Systems

- Cash App teams need a working knowledge and access to several systems

Remittances

- Decoupled Remittances
- Missing
- What language is this?!

Bank are expensive

- Still have high rates of keying errors

Delayed Cash posting

- Manual efforts post cash and reconcile differences

Errors

- More susceptible to fraud
- Reduced Customer satisfaction

Reduced Visibility

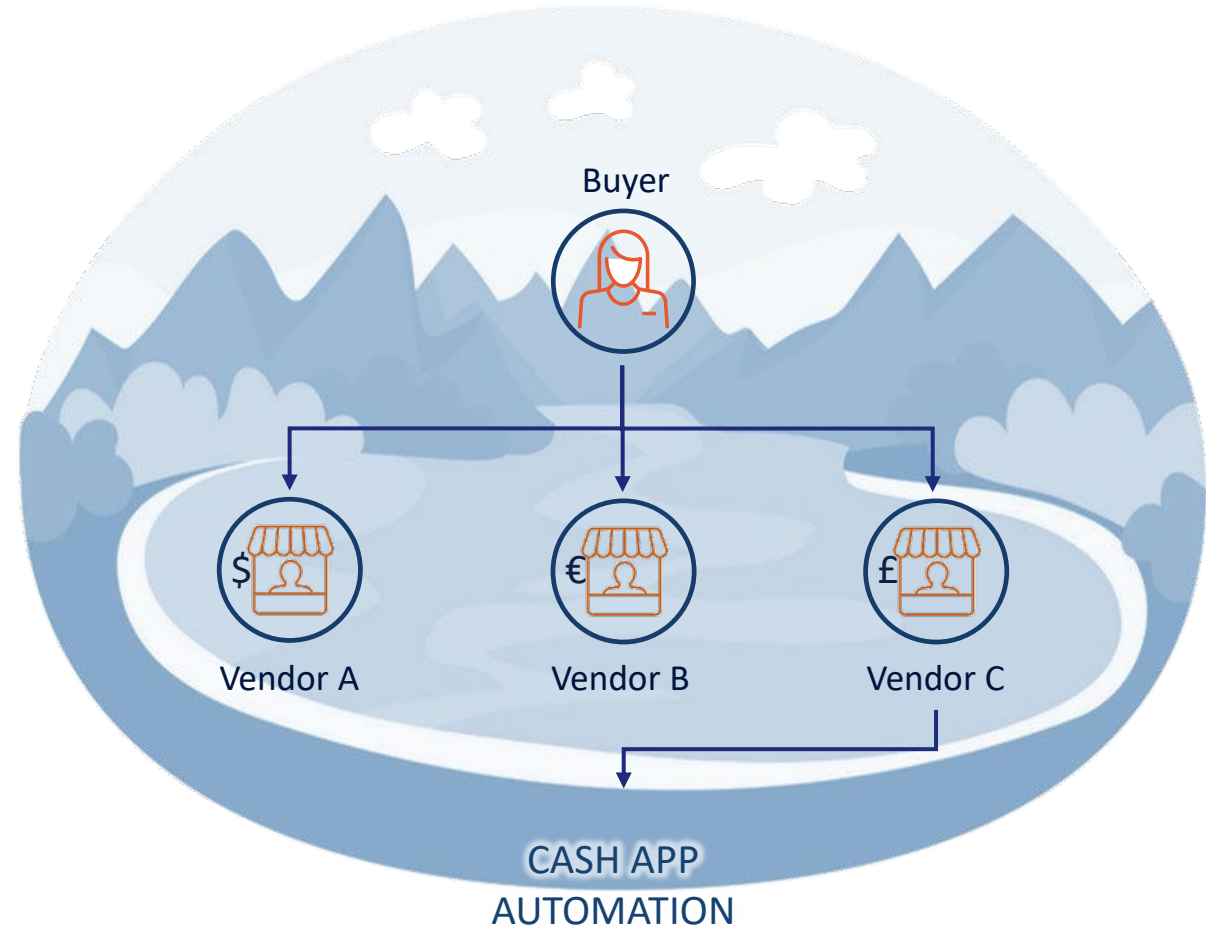
- No good metrics
- Affects other functions of O2C

How AI can power your Cash Application

Leveraging the Power of Collaborative Intelligence

AI knows **your** customers:

- How they pay
- If they send a remit
- How they send a remit
- If they have common deductions
- How their payments are automated by other cash teams



Automation in Credit Risk

Challenges In Credit Risk Solved

Where are the Pain Points?



Issues with accuracy and lack of standards leads to potential future losses



No central record of risk exposure causing visibility and efficiency issues



Complex customer scoring and segmentation to be enforced in credit policy



Pressure across the business for speed, accuracy and visibility to unlock credit lines



Processing Credit Application Forms manually is very inefficient and mistake prone



ERP systems weren't designed for complex Risk Management, impacting customer experience

Types of Credit Risk Automation



Online Application

- Create required fields and signatures to capture all customer information
- Automate bank and trade reference checks to ensure critical data collection
- Centralized Storage



Agency Connectors

- Pull Agency Credit Reports into Credit File
- Pull other references (NACM Trade Groups)
- Pull in Financials



Decision & Scoring engines

- Automate credit decisions with highly configurable rule-based workflows for decisioning, tracking and monitoring.
- Export data into ERP or other systems



Credit Monitoring

- Get the most accurate representation of credit risk.
- Aggregate key contextual data and combine it with business rules and algorithms to automate decisioning, increases, renewals.