Unlocking Efficiency
Credit Management in the Digital Age

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A bit about our speaker

**Eli Costea**
Co-founder & COO
NetNow

Insights & Trends in Accounts Receivable Departments

Our objective with this session is to provide you with analytical and anecdotal insights we have uncovered over the last 12 months in speaking with numerous professionals and reviewing analytical insights
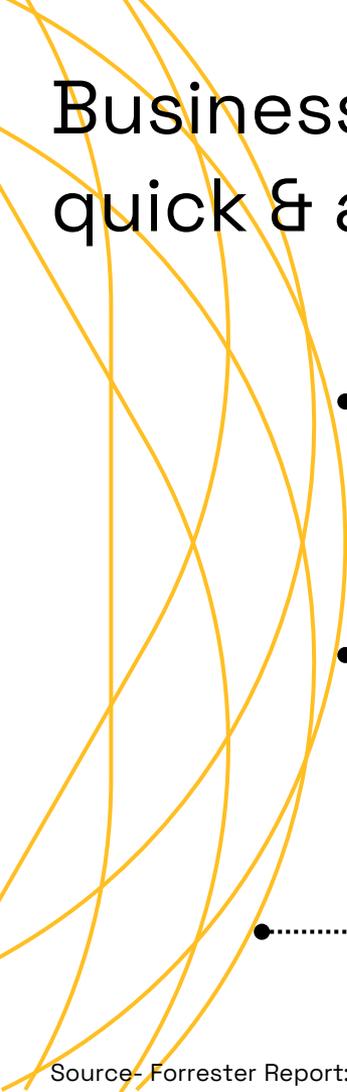
348 Conversations
over the last 12 Months with Credit Professionals plus over 400 respondents from our recent survey with NACM

Organization Size by Head Count

8%

12%

19%

27%

34%

Legend: ■ 1000+ ■ 500-999 ■ 250-499 ■ 50-249 ■ 0-49

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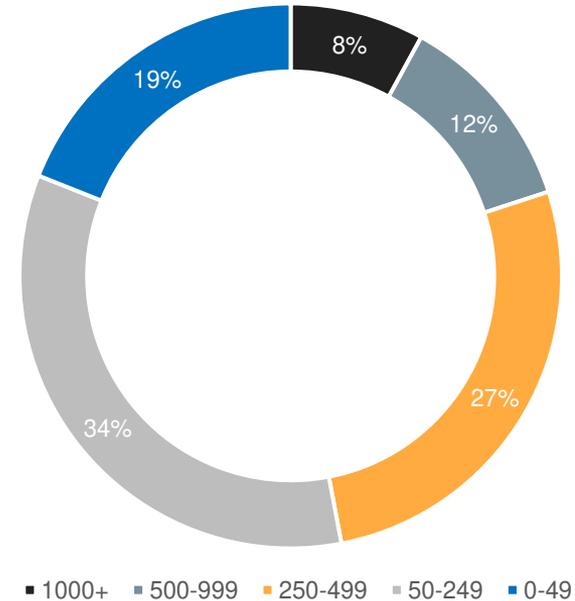
Businesses are under contant pressure to make quick & accurate credit decisions on buyers

42hrs — Spent per week by Credit Teams on **manual tasks** to process credit applications

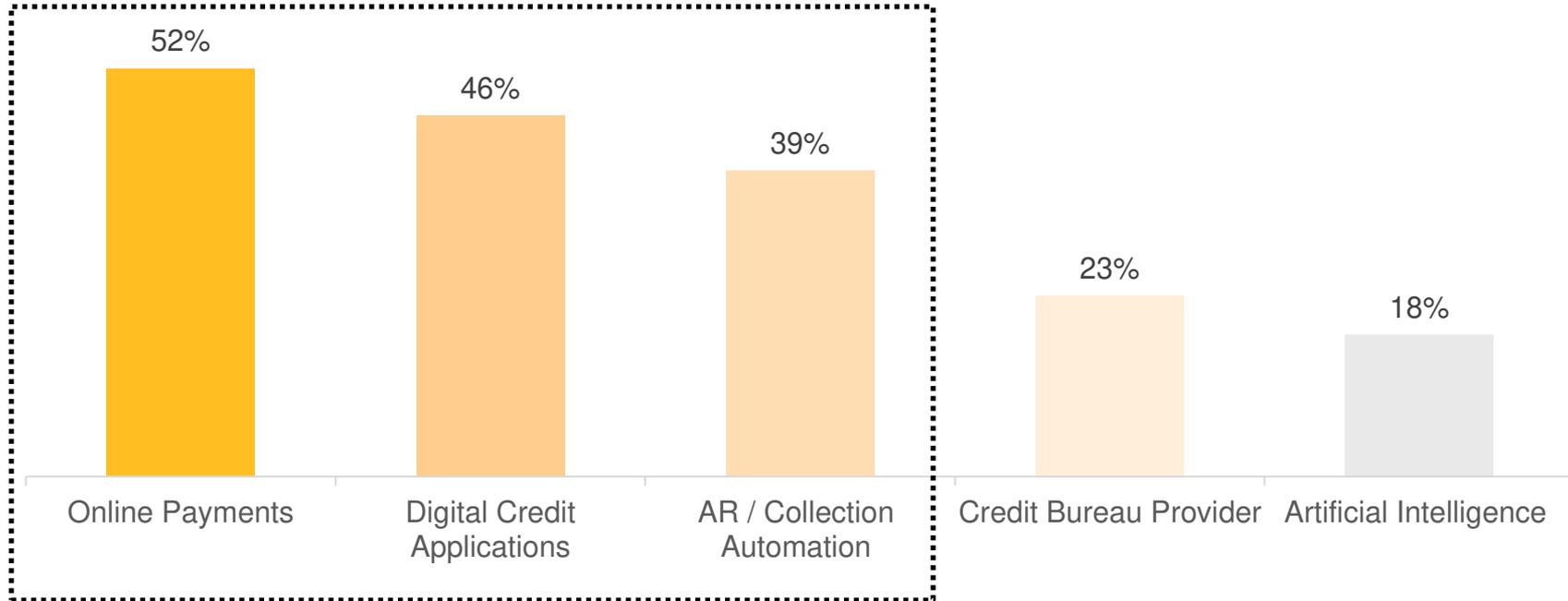**77%** — Of businesses have experienced **fraud** or approved credit for **untrustworthy buyers**

85% — **Of Credit managers** are eager to adopt a digital credit risk management solution to augment their current approaches

Five key areas of focus for next 2 years

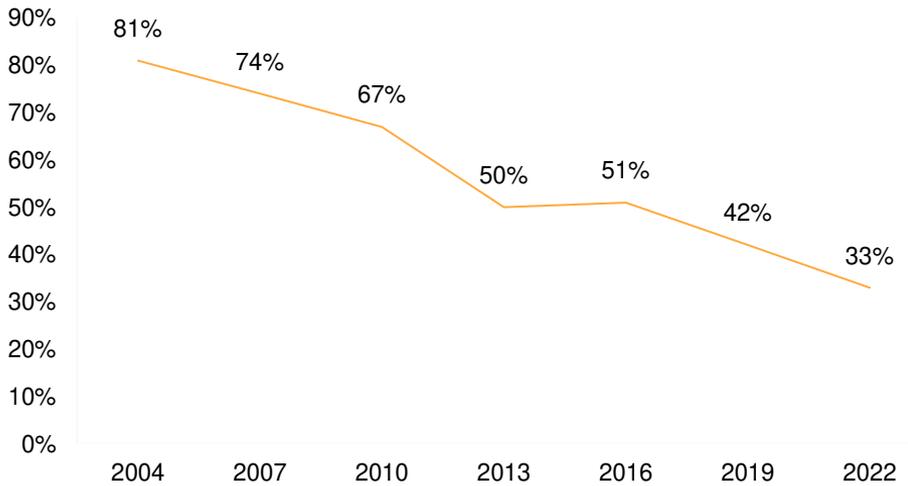Based on 348 conversations with Credit Professionals

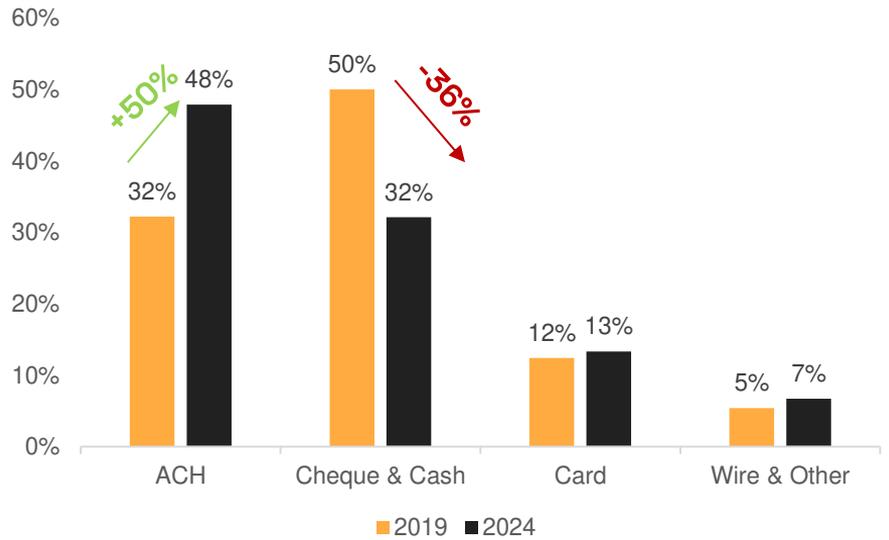|				
52%	46%	39%	23%	18%
Online Payments	Digital Credit Applications	AR / Collection Automation	Credit Bureau Provider	Artificial Intelligence

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ACH Payments have overtaken Cash & Cheque in B2B

In 2004 81% of B2B Payments were made by Cheque, in 2022 the number was only 33%. These payments are mostly moving to ACH. From 2019 to 2024 ACH payments grew by more than 50%.

% of Payments by Cheque

- 2004: 81%
- 2007: 74%
- 2010: 67%
- 2013: 50%
- 2016: 51%
- 2019: 42%
- 2022: 33%

Transaction Share by Method

Method	2019	2024
ACH	32%	48% (+50%)
Cheque & Cash	50%	32% (-36%)
Card	12%	13%
Wire & Other	5%	7%

■ 2019 ■ 2024
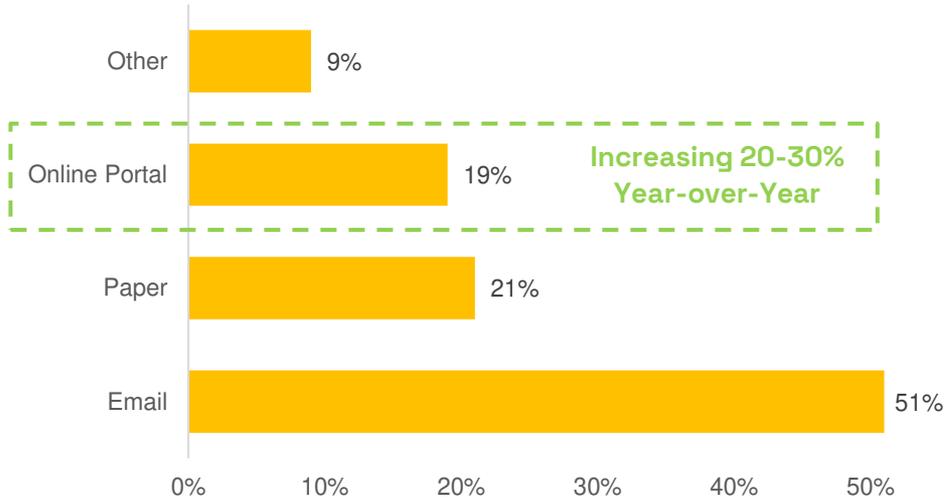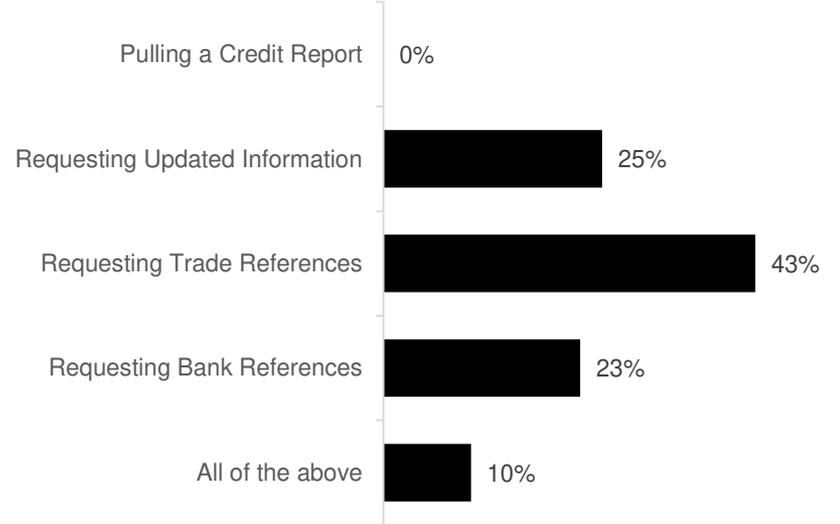
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Adoption of Digital Credit Applications increasing significantely

The adoptions of Online Credit Application portals is rapidly growing year over year. The majority of applications are already processed to some extent online and only 21% are still done by printed paper forms.

Credit Application Processing Method

- Other: 9%
- Online Portal: 19% — **Increasing 20-30% Year-over-Year**
- Paper: 21%
- Email: 51%

(x-axis: 0%, 10%, 20%, 30%, 40%, 50%)

Question: What is your least favorite part in the credit application review process?

- Pulling a Credit Report: 0%
- Requesting Updated Information: 25%
- Requesting Trade References: 43%
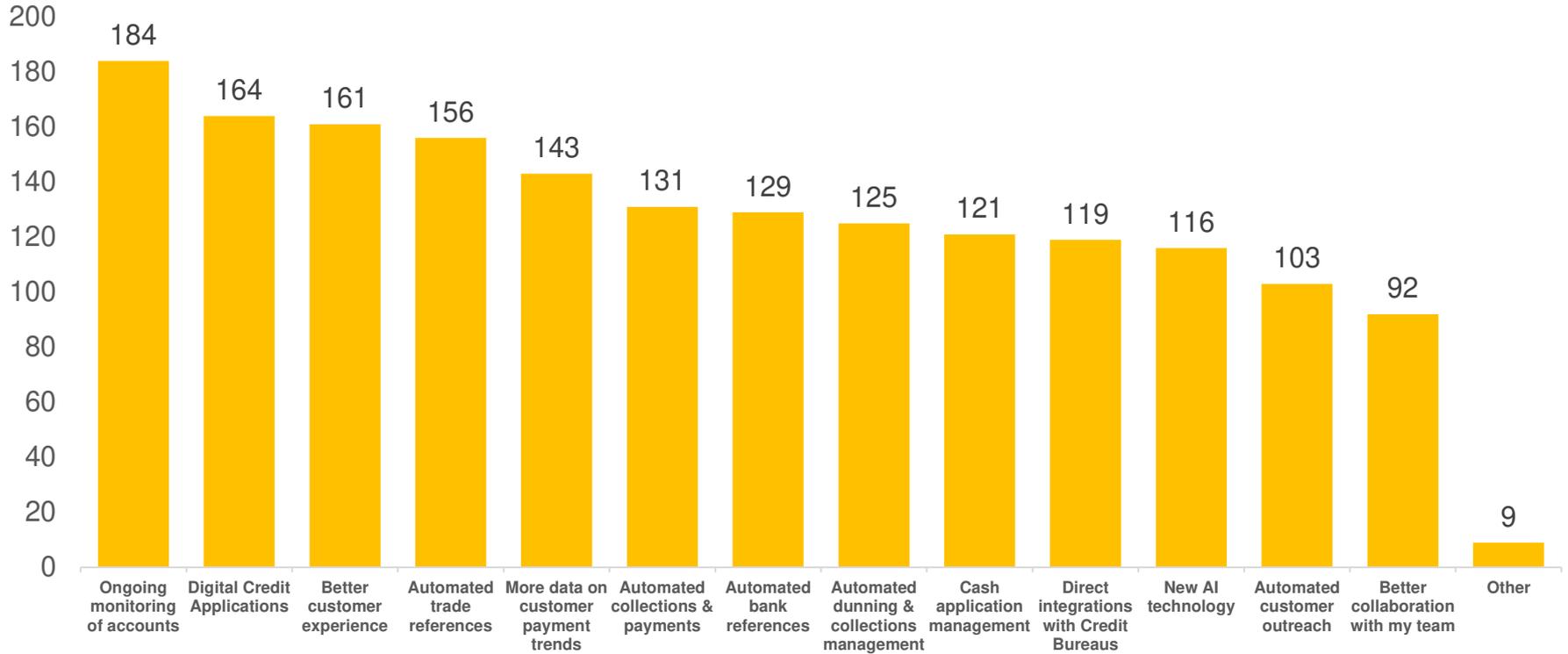- Requesting Bank References: 23%
- All of the above: 10%

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What is the biggest priority for your Credit/AR department in the next 1-2 years?

Chart values:
- Implementing new technologies: 187
- Hiring top talent: 98
- Replacing ERP system: 50
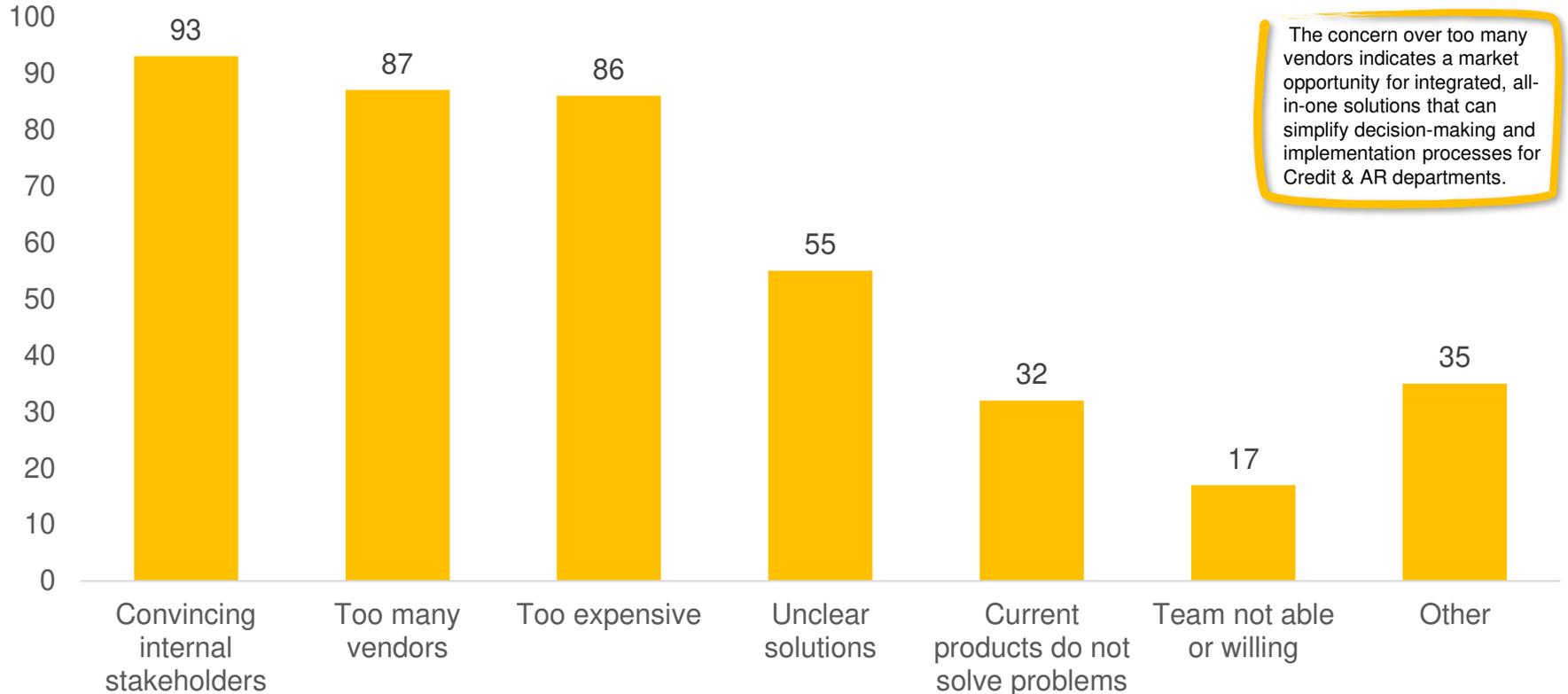- Leveraging AI: 39
- Other: 31
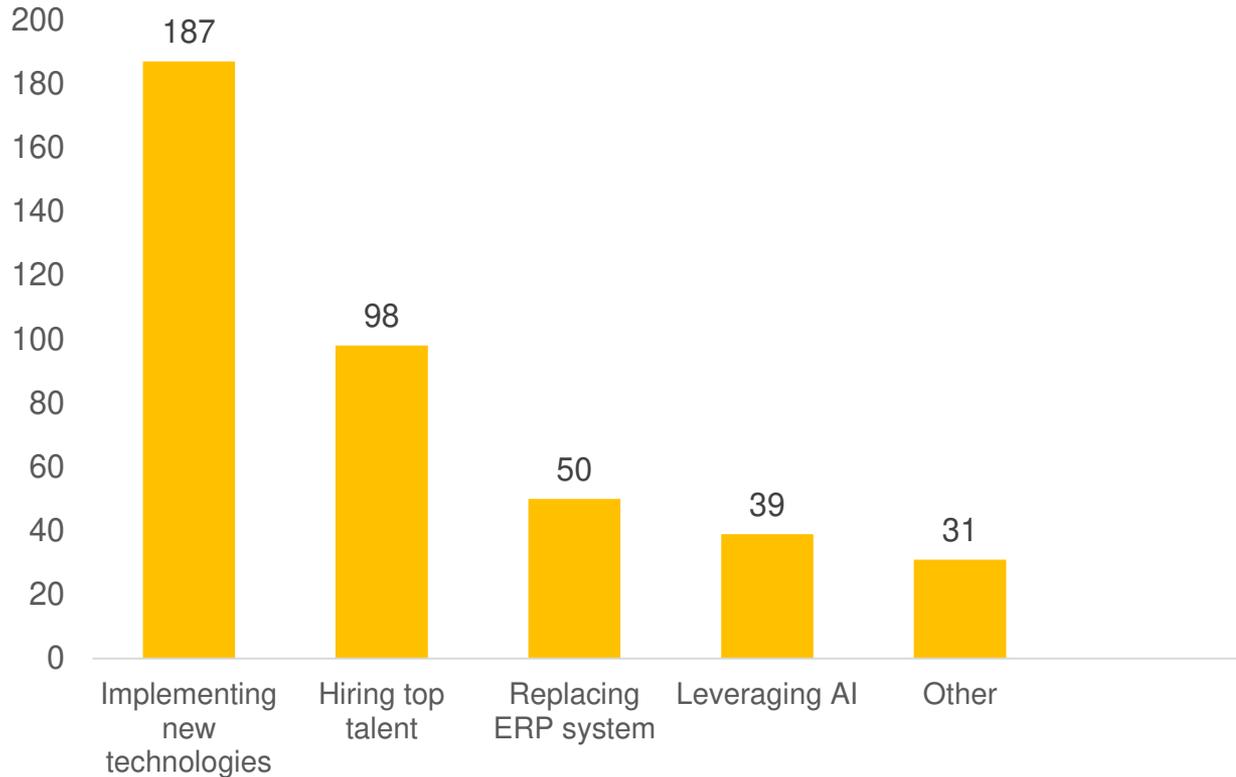
- The focus on implementing new technologies suggests that many Credit/AR departments are looking for ways to increase efficiency and reduce manual workload. This could involve adopting tools for automation, better data analytics, and integration of AI to enhance decision-making processes.

Based on the NACM Survey Data

What do you find most interesting and exciting about new Credit & AR technology?

Category	Value
Ongoing monitoring of accounts	184
Digital Credit Applications	164
Better customer experience	161
Automated trade references	156
More data on customer payment trends	143
Automated collections & payments	131
Automated bank references	129
Automated dunning & collections management	125
Cash application management	121
Direct integrations with Credit Bureaus	119
New AI technology	116
Automated customer outreach	103
Better collaboration with my team	92
Other	9

What do you believe is the biggest challenge or hesitation in adopting new technologies for the Credit & AR department?

The concern over too many vendors indicates a market opportunity for integrated, all-in-one solutions that can simplify decision-making and implementation processes for Credit & AR departments.

Bar chart values:
- Convincing internal stakeholders: 93
- Too many vendors: 87
- Too expensive: 86
- Unclear solutions: 55
- Current products do not solve problems: 32
- Team not able or willing: 17
- Other: 35

Have you noticed any changes in the credit & collections landscape recently?

250

200

48.4%

150

39.3%

100

31.9%

28.1%

50

0

Longer to collect | More fraud | Harder to evaluate new customers | More bankruptcies and defaults | No noticeable changes | Other
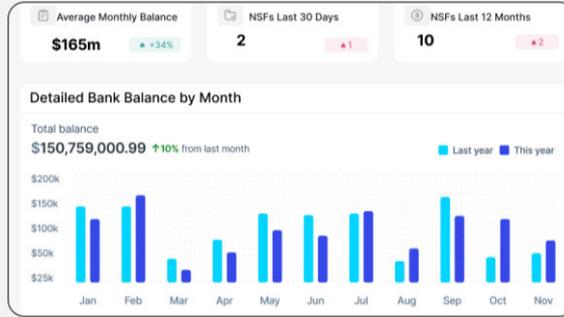
With significant percentages noting increased fraud and difficulties in evaluating new customers, there's a clear need for advanced tools and technologies that can help detect fraud and assess creditworthiness more effectively.

* Based on the NACM Survey Data

Modern Digital Credit Platforms

Digital credit applications forms

✓ **Fully Digital Form**
✓ **Digital signature**
✓ **Data Validation at submission**

Automated trade & bank references

✓ **Live Bank Balance Updates**
✓ **Weekly Data refreshes**
✓ **Alerts on significant changes**

On-going monitoring of all credit accounts

✓ **NSFs Events**
✓ **Bankruptcy Filings**
✓ **Liens and Judgements**

Integrations

experian.   EQUIFAX   NETSUITE   ...and more

Digital Credit Applications – Future Trends

Mobile Applications

•**Increased Use of Mobile Applications**: There is a growing trend towards mobile-friendly credit application processes. This allows customers to apply for credit on-the-go, providing greater convenience and accessibility.

Advanced Data Analytics

•**Enhanced Data Analytics**: Future digital credit application systems will likely incorporate more advanced data analytics capabilities. These tools enable businesses to make more informed credit decisions by analyzing a broader range of data points, including transaction histories, social media activity, and alternative credit scores.

Artificial Intelligence (AI)

•**AI Integration**: Artificial intelligence is set to play a pivotal role in the future of digital credit applications. AI can enhance the credit evaluation process by:
- **Predictive Analysis**: Using predictive analytics to forecast an applicant's creditworthiness based on historical data and patterns.
- **Fraud Detection**: Identifying anomalies and potential fraudulent activities by analyzing data in real-time.
- **Personalized Customer Experience**: Offering tailored recommendations and credit products to applicants based on their financial behavior and needs.

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AR Automation unifies systems and processes, going beyond merely automating repetitive tasks.

Adoption of AI and Machine Learning
 Predictive analytics for payment behaviors
 Automated decision making
Integration with ERP and CRM Systems
 Seamless data flow
 Unified financial management
Focus on Customer Experience
 Self-service portals
 Automated communication
Advanced Analytics and Reporting
 Real-time insights
 Customizable dashboards
Enhanced Collaboration Tools
 Facilitates team collaboration
 Provides shared workspaces

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Predictive Analytics for Payment Behaviors

- **Payment Trend Analysis**: Analyze historical data to predict future payment patterns.

- **Risk Assessment**: Identify customers who are likely to default on payments.

- **Cash Flow Forecasting**: Use predictive models to improve cash flow management.

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Automated Decision Making

•**Credit Approvals**: Automated tools assess credit applications and make instant decisions.

•**Invoice Dispute Resolution**: AI resolves disputes faster by analyzing and categorizing issues.

•**Dynamic Discounting**: Automatically offer discounts based on customer payment behavior.

CREDIT SCORE

FAIR   GOOD

POOR   EXCELLENT

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Integration with ERP and CRM Systems

Seamless Data Flow

•**Real-Time Data Synchronization**: Automatically updates data across AR, ERP, and CRM systems, ensuring consistency and accuracy.

•**Elimination of Data Silos**: Breaks down barriers between departments, allowing for a more holistic view of customer and financial information.

•**Reduced Manual Entry**: Minimizes human error by automating data transfers between systems, improving data accuracy and efficiency.

Unified Financial Management

•**Consolidated Financial Reporting**: Combines AR, AP, and GL data for comprehensive financial oversight, leading to more informed decision-making.

•**Streamlined Processes**: Automates workflows across finance functions, reducing redundancy and enhancing operational efficiency.

•**Enhanced Compliance**: Ensures consistent financial data across all systems, simplifying regulatory compliance and audit processes.

SAP

Microsoft Dynamics 365

salesforce

Focus on Customer Experience

Self-Service Portals

•**Customer Autonomy**: Empower customers to manage their accounts independently, including viewing invoices, payment history, and credit limits at any time.

•**Convenient Payment Options**: Allow customers to choose from multiple payment methods, set up automatic payments, and receive instant confirmation of transactions.

•**Efficient Issue Resolution**: Provide a platform for customers to submit support requests or dispute invoices directly through the portal, ensuring faster and more transparent resolution.

Automated Communication

•**Timely Payment Reminders**: Automatically send reminders before due dates and for overdue payments, tailored to each customer's preferences (email, text, etc.).

•**Consistent Follow-Up**: Ensure no overdue invoice is overlooked with automated follow-up emails, personalized based on the customer's payment history.

•**Enhanced Customer Relations**: Strengthen relationships with automated thank-you notes upon payment receipt, acknowledging the customer's promptness and business.

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Advanced Analytics and Reporting

Real-Time Insights

•**Instant Data Access**: Provides up-to-the-minute data on key AR metrics, enabling faster, more informed decision-making.

•**Proactive Management**: Real-time alerts and notifications allow AR teams to address potential issues before they escalate, improving overall financial health.

•**Improved Forecasting**: Use real-time insights to adjust cash flow projections and strategize based on current trends and behaviors.

Customizable Dashboards

•**User-Specific Views**: Tailor dashboards to individual roles, ensuring that each team member has quick access to the data most relevant to their responsibilities.

•**Interactive Data Analysis**: Clickable charts and graphs allow users to drill down into specific data points, uncovering deeper insights and trends.

•**Flexible Reporting**: Customize reports and visualizations to meet the unique needs of different stakeholders, enhancing communication and strategic planning.

Enhanced Collaboration Tools

Facilitates Team Collaboration

•**Streamlined Communication**: Centralized platforms allow team members to communicate and share updates in real time, reducing delays and improving project efficiency.

•**Task Management and Tracking**: Assign and track tasks across the AR team, ensuring accountability and visibility into the progress of key activities.

•**Unified Access to Information**: All team members have access to the same data and resources, promoting consistency and reducing miscommunication.

Provides Shared Workspaces

•**Collaborative Dashboards**: Teams can work together on shared dashboards, analyzing data collectively and making informed decisions quickly.

•**Integrated Tools**: Shared workspaces often include integrated tools for file sharing, version control, and document collaboration, enhancing productivity.

•**Real-Time Updates**: Any changes made in shared workspaces are instantly visible to all team members, ensuring that everyone is on the same page and reducing the risk of errors.
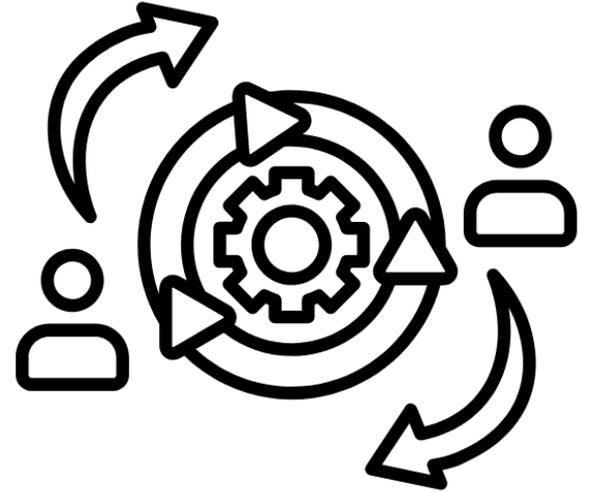
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Digital Trade Credit Management

Manage all your Credit Accounts from one easy-to use platform

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