Achieving High Performance in Deductions Management in the Age of AI : A Primer
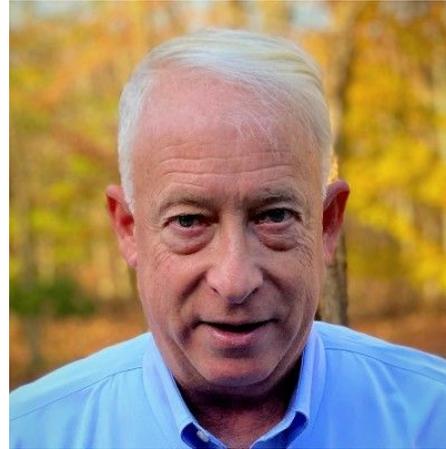
AI IN FINANCE

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EMAGIA™

About Speaker

Dexter Peavy

**Vice President,
Order-to-Cash Transformation**
Emagia

Emagia Recognized as the Leader in Autonomous Finance For Order to Cash

Our Customers

Staples, Catalent, xylem, Walters, meredith, FLEXTRONICS, RR DONNELLEY, Duckhorn, UNISYS, TEXTRON, syngenta, brother, DRESSER-RAND, LEINER HEALTH PRODUCTS, VOLT, Integris METALS, PERICOM, bmcsoftware, Sensormatic, autodesk, ATOFINA, SEKO, Network Associates, EXIDE, Zebra, tellabs, Parker, SMART Modular Technologies

Our Mission

To maximize the financial performance of our customers by driving efficiency and intelligence in finance operations.

Recognized as the Leader in Digital Order-to-Cash

Gartner, IDC ANALYZE THE FUTURE, ABERDEEN GROUP, FORRESTER

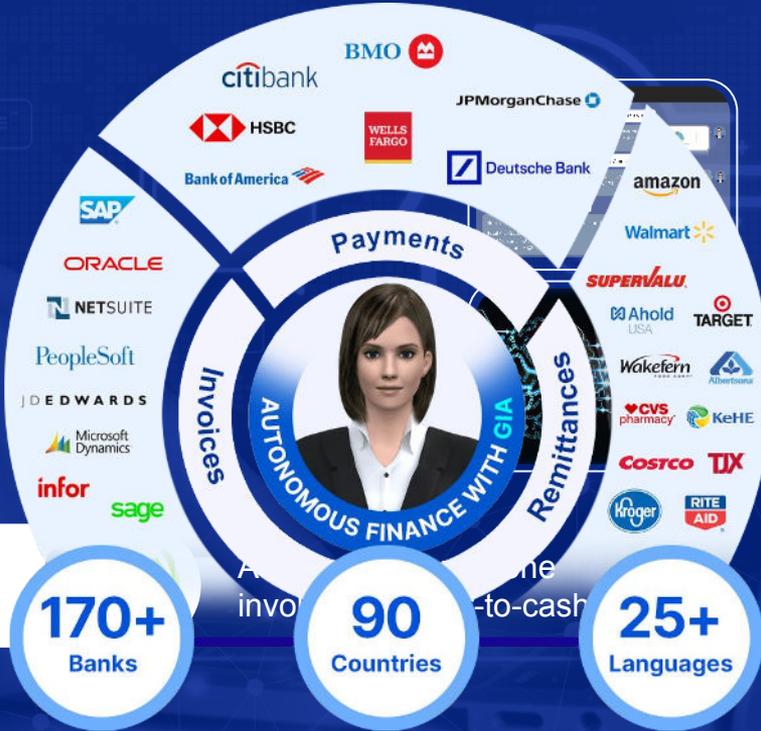| Over **15 Years** in Business	**$900B+** Receivables Processed	**27 Languages** In over 90 Countries

OTC Industry Affiliations

AFP ASSOCIATION FOR FINANCIAL PROFESSIONALS, FCIB, NACM NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, ICTF, creditsafe, SSON SHARED INTELLIGENCE, dun & bradstreet, experian

Technology Partners

SAP, ORACLE, JDEDWARDS, NETSUITE, Microsoft Dynamics, PeopleSoft, salesforce, sage, infor

CNBC WORLD'S TOP FINTECH COMPANIES 2023 statista

Gartner

IDC ANALYZE THE FUTURE

Emagia TOP ACCOUNT RECEIVABLE SOLUTION PROVIDERS CFO TechOutlook EMAGIA

EMAGIA

3

Empower Your Teams For High Performance Order-to-Cash

170+ Banks

90 Countries

25+ Languages

24x7 copilot

Emagia Autonomous Order-to-Cash Platform
GLOBAL AT CORE – Multi ERP, Multi-Language. Multi-Currency. Multi-time zone

ERP
CRM
Credit
Files
Banks

Batch | Real-time

ORDERS · CREDIT · INVOICING · COLLECTIONS · DEDUCTIONS · CASH APPLICATION · CUSTOMER PORTAL

Emagia AI Engine — Automation, Analytics & AI

Emagia Data Hub — Transactions & Documents

Emagia Data Exchange — External API Connectivity

SAP · ORACLE · NETSUITE · JD EDWARDS · PeopleSoft · Microsoft Dynamics · infor · sage

SOX COMPLIANCE
Legal Hold, Retention, Discovery

CFO & GPO
Cash Flow Analytics

Controller
Customer Behavior Analytics

Credit & Collections
Collections Analytics

Shared Services
Receivables Analytics

BIS ANALYTICS

Goals and Top Five Deductions Management Performance Metrics

Goal: Efficiently resolve deductions while minimizing revenue leakage and improve profitability.

Key Performance Metrics:

1. Deduction Resolution Time (Average Days to Resolve)
2. Invalid Deduction Rate
3. Deduction Recovery Rate
4. Deduction as a Percentage of Sales
5. Open Deduction Aging (Percentage of Aged Deductions)

Top Five Manual Tasks to Be Automated to Improve Deductions Management Performance

1. Remittances and Deductions Files Download from Portals

AR teams's time is consumed in the following tasks

- Logging into several customer portals and retrieving remittance files
- Preparing deduction information into excel spreadsheets
- Data capture and information retrieval from documents downloaded from the portal

Modernization tips - AI platforms like Emagia have integrations to many customer portals using APIs and can add new portal integrations through RPA or APIs. Above steps can be fully automated.

2. Mapping Customer Deductions Codes to Company Deductions Codes

AR teams's time is consumed in the following tasks

- Mapping customer deductions codes to your companies deductions codes
- If you have several customers, it is a tedious do deductions mapping for all deductions.
- Put the deductions in the research and approval process.

Modernization tips - AI platforms can automatically do the deductions code mapping. You can set deductions mapping in customer profile and get automatic mapping done for all customers.

3.Supporting Documents Retrieval

- Collecting and organizing documentation to support or dispute deductions, such as proof of delivery, agreements, and pricing terms.

- Often, this involves searching through multiple systems or paper archives.
- Researching the information from the documents is very important to process the deductions.

Modernization tips - AI platforms can provide bots to retrieve information from shipping and logistics portals and other portals. AI Platforms have Document drives to storage, retrieval and search of related documents in an easy manner.

4. Validity Prediction and Disputes Resolution

- **Validity Prediction.** Look at historic information and mark which deductions are valid/not valid.

- **Dispute Resolution**: Communicating with retailers to resolve discrepancies, negotiating repayment terms, and following up on disputes, which can involve numerous back-and-forth emails or calls

Modernization tips - AI platforms can use historical data and predict which deduction is valid or not valid. You can set tolerances to write-off very small $$ deductions. You can focus your energy on valid deductions, put them in approval workflow, communicate with retailers effectively.

5. Reporting and Reconciliation

- **Manual Data Entry**: Inputting deduction details into ERP or financial systems, which can be error-prone and time-consuming when done at scale.

- **Tracking and Reporting**: Keeping track of all open and closed deductions, preparing reports for management, and ensuring compliance with internal policies, which often requires the manual creation and updating of spreadsheets or reports.

Modernization tips - AI platforms can provide automatic data entry into ERP systems. Reports and analytics are available for easy to retrieve insights

Examples of Modern AI-Powered Deductions Management Systems

Autonomous Deductions Management

GiaDocs - Cognitive Remittance Data Capture
Gather information from multiple portals, email inbox and extract information from remittance documents

Auto-mapping of Deductions Codes
Mapping of customer deductions codes to company deductions codes

Auto-write off Based on Tolerances
Eliminate low $$ deductions processing so you can focus on the bigger ones

Auto Validity Predictor
Predict if deductions are valid or not based on historical information

Workflow based Approvals
Research using supporting documents and route the deductions groups to operations

Transform to Strategic AR Ops with Real-time Business Insights

Global O2C Insights Hub
CFO Dashboard, Controller Dashboard and All insights across all processes

Multi-dimensional visual drill-down
Analyze across business units, regions and other dimensions

Standard Dynamic Reporting
Tools for auto creation of report

Out-of-the-Box Standard Reporting

Deductions

Deductions by Region
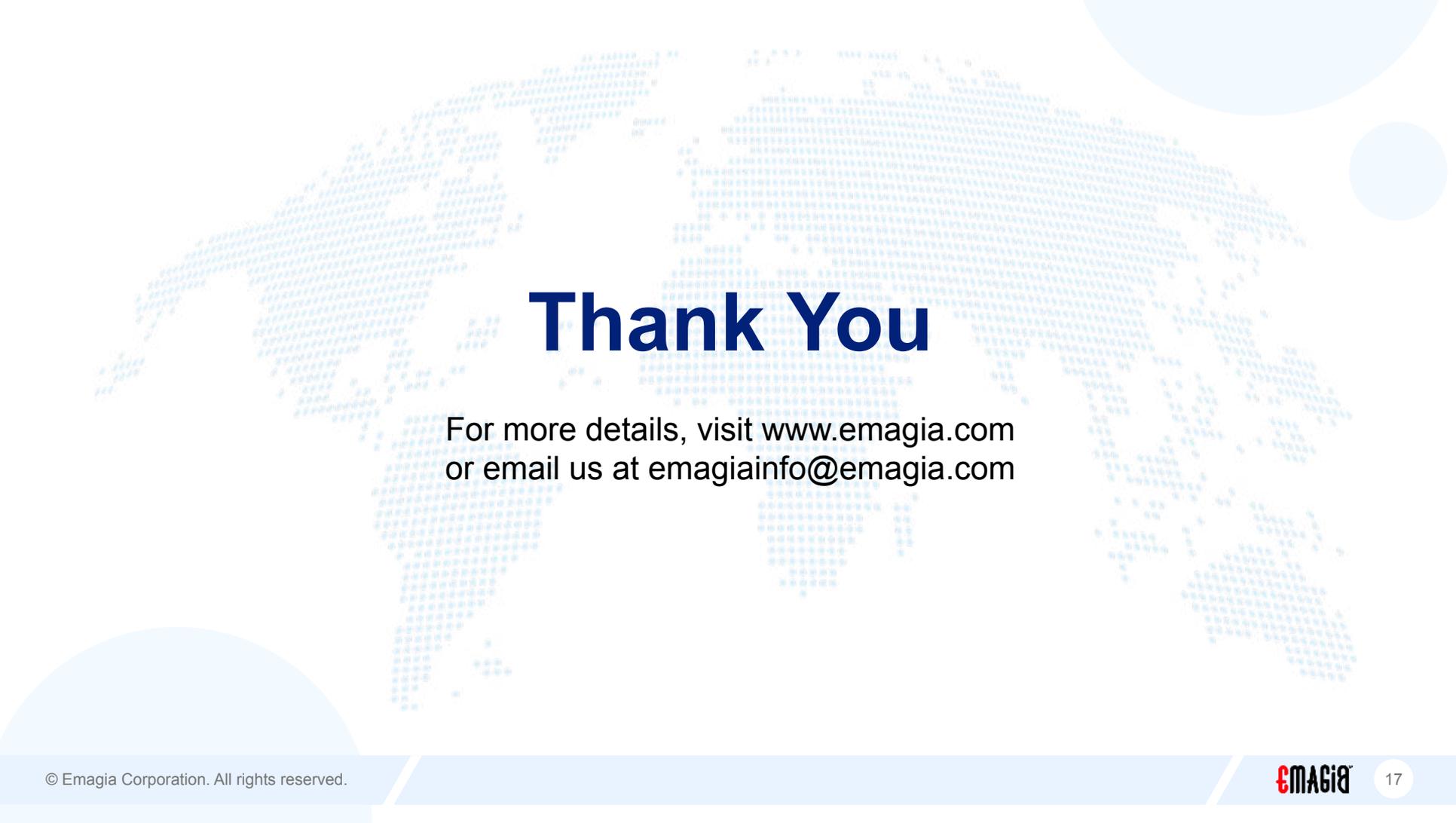
Deductions Aging trends

AI-powered

GiaGPT | Generative AI for Finance

Chat with Your Dedutions Data and Documents for Simple, Fast Analytics

Obtain critical insights from your deductions data and documents at hyperspeed with GiaGPT, our flagship generative AI solution for autonomous finance.

Thank You

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