



# SIMPLIFYING ACCOUNTS RECEIVABLE

HOW TO DRIVE EFFICIENCY & SECURE REVENUE  
WITH AI-POWERED TOOLS

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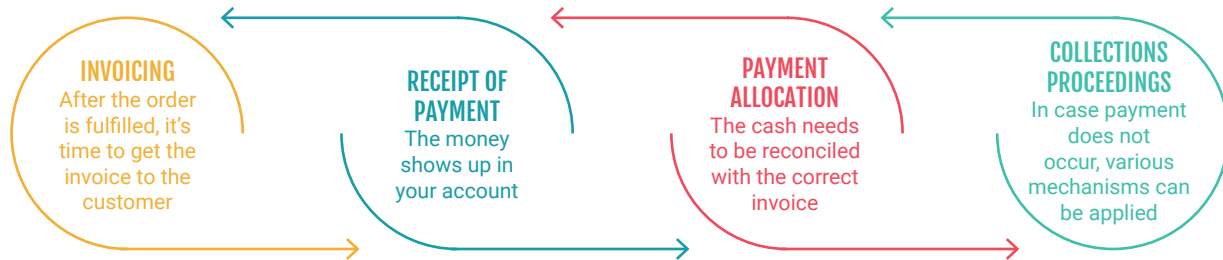
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# FILLING THE GAPS

**The objective of any business is to sell its products or services and then get paid for them. Usually, it goes like this:  
You make a sale, send an invoice and – hopefully – you get paid!**

When you break down the regular Accounts Receivable (AR) invoice-to-cash process a little more, you end up with four main stages:



Sometimes, though, this flow is interrupted by missing information or process gaps that slow down reception, recording and availability of the payment amounts. To increase the chances of getting paid in full and on time, it is advisable to add a couple more stages to the process: Deciding on and monitoring trade credit extended to customers, and managing payment deductions and discount requests. Esker has recently added two new solutions, Credit Management and Claims & Deductions, to its AR portfolio to offer a complete end-to-end solution suite. These enable businesses to assess the risks they take when extending trade credit to customers and to handle customer claim and deduction requests efficiently.

Applied at the very beginning of a business relationship, Esker's Credit Management solution ensures that this part of the onboarding process for new customers is easy and simple, while ensuring that

the four other "regular" stages mentioned above can function as smoothly as possible throughout the business relationship.

Dealing with claims and payment discounts, on the other hand, is a step towards getting paid that no business really wants to deal with, but has to. Like it or not, there will be requests from customers for deductions, rebates or reimbursements. Depending on the situation, these can be complicated. Esker's Claims & Deductions solution takes micro-managing and guesswork out of the equation by automating approval processes and centralising all claims requests.

**Gaps exist within each stage that even an ERP and/or accounting system can't completely fill – making automation the best option for companies looking to streamline things. With its AI-driven data capture, digital workflow and customer payment analytics capabilities, Esker's Accounts Receivable solution suite offers visibility, reduces DSO and satisfies both customers and sellers.**

# CREDIT MANAGEMENT

**Would you lend your lawnmower to the neighbour you know is not going to return it for months? Deciding on which customers to extend trade credit to is kind of the same thing: you need to know who you're dealing with.**

A proper onboarding process with a thorough assessment of any potential risks and then defining appropriate credit terms is the basis for a much easier path ahead. Esker's Credit Management solution retrieves data directly from your preferred credit bureau and displays this information on the customer profile or credit application for review by the decision-makers.

Goods and services are delivered to the customer faster when you have the correct contact, billing and shipping information. And with everything going so smoothly, there will be a lot of new customers to onboard. Letting an automated credit application do the brunt work takes the pressure off of the AR staff. Here are the steps that no longer need to be performed manually with an AI-driven automation solution:



## **SIMPLIFIED CUSTOMER ONBOARDING**

Get the most complete and accurate information from the customer ahead of the first order. This speeds up customer creation in the ERP and ensures accuracy of billing/shipping information, contacts, payment terms, etc.



## **SECURED CREDIT APPROVAL PROCESS**

Make sure the right people can quickly make informed decisions. An automated approval workflow takes guesswork and unnecessary back and forth out of the equation.



## **REDUCED WRITE-OFFS & BAD DEBT**

With a simple and streamlined onboarding process and continuous monitoring throughout the business relationship, risky customers can be identified and terms adjusted accordingly.



## **SOLID FOUNDATIONS FOR CUSTOMER RELATIONSHIPS**

Unclear communications can breed distrust, while transparency increases both credibility and accountability. When terms are decided on from the get-go, discussions and frustrations are reduced.

Also, knowing which issues your customers are dealing with enables you to have an open conversation with them about how to improve the situation so that the transactions work out successfully for the both of you.

From the digitalisation of credit applications and approval processes to monitoring current customer payment behaviour, Esker's Credit Management solution provides your business with the necessary information for reducing risky credit and securing revenue, while treating your customers with integrity and fairness.



Ingredion



**Esker's Credit Management solution has enabled our Risk Team to improve our customers' experience. We have streamlined manual processes and implemented workflow approvals to accelerate credit evaluation by three days.**

**Toni Urbala, Manager, Financial Systems and Data Governance,  
Ingredion Incorporated**

# INVOICE DELIVERY

**Getting the invoice to the customer is often not as straightforward as you think, even though pigeons, horses or snails are no longer involved.**

Now that the days of exclusively paper-based transmission are over, delivery methods vary from email to fax to EDI, etc. Add to that the steadily increasing e-invoicing regulations and standards in a growing number of countries, and you end up being constricted by the multiple choices or by individual customer demands.

Automated invoice and statement delivery allows you to streamline billing and document archiving on your end, all while maintaining compliance and respecting the delivery preferences of your customers.

Esker's Invoice Delivery solution checks all the boxes for simple yet accurate invoice processing:



## **GREATER ACCURACY**

Minimise delivery errors with non-manual processes and data taken directly from the ERP or billing applications.



## **FASTER DELIVERY**

Speed up the invoicing process with the ability to track and manage customer invoice delivery preferences.



## **LOWER COSTS**

Reduce or eliminate need for postage and mail supplies, and increase productivity by eliminating manual tasks.



## **VISIBILITY & COLLABORATION**

Track invoice delivery in real time to ensure the right customer receives the right document. Invoices are also posted on the customer portal, with a corresponding link on each invoice for better traceability.



## **WORLDWIDE COMPLIANCE**

Ensure invoices are sent in compliance with international regulations as more and more countries make the move towards e-invoicing. Esker's solution ensures compliance with e-invoicing standards in over 60 countries and connects to a wide range of 3<sup>rd</sup> party applications.





# TOSHIBA



Since implementing Esker's Invoice Delivery solution, we've seen a **reduction in DSO** and **\$342,000 ROI**. Those are **big benefits** and something we would not be able to achieve without Esker.

Todd Kirkham, Director of Operations and Acquisitions, Toshiba

# PAYMENT

## **Now that the invoices have been sent and correctly delivered, it's time for the fun part: getting paid!**

The payment capabilities built into Esker's solution make this part easy. A wide range of online payment methods are directly available on the customer portal (e.g., cards, direct debit, etc.), offering your customers visibility on their accounts statements and the ability to retrieve and pay invoices with only a few simple clicks.

For you, the vendor, this means enhanced visibility on payments: real-time information on when the payment was made or scheduled — before the money even hits your bank account.

We've all been there: you want to make a payment, but after the third time you've entered an incorrect account number or password, you just give up and try again some other time. Your customers are people, too. So make sending a payment easy for them. The money will hit your account faster, since it works the first time around and nobody has to struggle with different interfaces.

Esker's Payment solution offers multiple support services to facilitate making a payment:



### **A CHOICE OF METHODS**

Enable online payments using cards and direct debit payment options.



### **GLOBAL COVERAGE**

Payment capabilities in over 40 countries and 135 currencies.



### **PAYMENT FACILITATORS**

Receive payments faster by offering early payment discounts and autopay. There is even an option to combine both automatic scheduling of a payment and displaying the discount expiration date. Additionally, online payments facilitate cash allocation, since you know which invoices have been paid and can easily reconcile them within the ERP.





**Esker's online portal has allowed Palmer Holland's customers to become more self-sufficient. In fact, the company has processed**



**\$1 MILLION**

**in self-service payments**

**Now that customers can pay and ask questions online,  
the Collections Specialists can focus on higher-value tasks.**

# CASH APPLICATION

**There's a payment in the account! Sale made, payment received, BOOM! You're done. But it's not quite time yet to head off into the weekend...**

The payment still needs to be allocated, because otherwise a whole string of unfortunate events will follow: accounting will not know where that money should go, and then they'll have to stay at work longer to figure it out, and the last thing you want is cranky accountants. The ERP system might block new orders for the customer whose payment hasn't been correctly allocated, and then the customer will call Customer Service, and now they are all furious, too.

Esker's Cash Application solution not only automates the allocation but removes the complexity from some of the processes. Esker's AI-powered capabilities make sense of situations such as when one lump-sum payment made for multiple customers and invoices, short payments, or the payer name is different than the trading name.

Automation helps to prevent month-end scrambles to book last minute payments to the correct customer. This not only makes the accountants not dread the return to work, but it also:



## INCREASES PRODUCTIVITY

With less manual intervention required, the payment is applied immediately upon receipt, and AR teams do not have to spend hours matching a payment to the right invoice. They can now focus on tasks that actually need a human to make decisions, such as more complicated allocation scenarios, exceptions, etc.



## ENHANCES VISIBILITY

The cash allocation is immediate and visibly correlated with the correct customer account. This gives an always-up-to-date picture of the current status of receivables and revenue.



## IMPROVES THE RELATIONSHIP WITH CUSTOMERS

This removes the need for clarifications and potentially contentious follow-ups.



## MAKES CREDIT & COLLECTIONS MORE EFFICIENT

As the cash is applied directly upon receipt, Credit and Collections staff have more up-to-date and accurate customer account information and are more efficient on the whole.



The **efficiency gains** since introducing Esker's Cash Allocation solution **are phenomenal**. We have gone from manual bank statement processing to having **Esker do all the heavy lifting**.

Credit Team Leader, Fletcher Building

# CLAIMS & DEDUCTIONS

**Stuff happens, so being prepared and having the ability to adjust accordingly are the best ways to deal with those kinds of situations.**

Certain industries, such as the consumer goods and food & beverage sectors, function in ways that require a lot of management and many precautions. Damaged products, faulty deliveries, errors in pricing etc. can cause customers to request — or unilaterally apply — deductions or reimbursements.

Not only does it require valuable time and brain power to investigate each claim or deduction and then carry out a validation and approval process, but research has shown that this process can also be costly<sup>1</sup>. Deciding not to investigate has its own cost: up to 10% of sales revenue is lost annually to unjustified write-offs.

For claims stemming from a short payment, Esker identifies the remittance during the cash allocation process and automatically relays the operation to its Claims & Deductions solution, immediately starting the investigation process. Esker automates the entire process, from claim creation, to supporting document data extraction and validation, approval processing and ERP reconciliation.

Esker's Claims & Deductions solution manages both customer product claims and financial deductions by:



## **ENHANCING VISIBILITY ON CLAIMS:**

- Display real-time KPIs and dashboards, including claim trend analytics by date, type or customer
- Create a complete audit trail
- Generate highly precise days deductions outstanding (DDO) tracking and aging claims reports. This prevents claim creep: the older the claim, the more difficult it becomes to recover incorrectly deducted amounts



## **DISPLAYING CENTRALISED CLAIMS INFORMATION**

Connect data from customer claims with the correct invoice, order, delivery note or contract data in one single location.



## **FACILITATING CROSS-DEPARTMENTAL COLLABORATION**

Apply flexible investigation and approval workflows, and a user-friendly interface that includes an internal chat tool.



## **LIMITING INCORRECT DEDUCTIONS**

View historical claims analyses and enjoy the ability to easily dispute and track unwarranted claims and deductions.

<sup>1</sup> "How Automating the Management of Customer Deductions Reduces Time, Complexity and Cost in Accounts Receivable", IOFM Diversified Communications, 2018





**Esker's solution reads the headers and billing lines, thereby automating a low-value task. This allows us to spend more time processing trade and promotional invoices by applying customer agreements. Our CS department has saved over 500 hours per year, freeing up the representatives to focus on higher-value tasks.**

**Susana López, Front-Office Retail Customer Service Manager,  
GBfoods**

# COLLECTIONS MANAGEMENT

**This last step is a crucial one: collecting the payment. If things don't go as planned, you will need to stay in contact with your customers throughout the process.**

However, trying to stay on top of who needs to be contacted when is nearly impossible when dealing with huge spreadsheets or an overflowing inbox.

Esker's Collections Management solution removes errors and misunderstandings by prioritising aging invoices and collections calls, emails or letters, and avoiding the resending of account statements or duplicate invoices.

The collections strategy can now be backed up by AI-driven payment behaviour analysis that suggests prioritisation based on multiple factors. This provides increased visibility through payment predictions and collections forecasts as well as deeper insights that enable strategy adjustments and risk prognosis.

Esker's AI-powered capabilities will enable your business to:



## REDUCE DSO

Automated prioritising for collections calls and emails and faster issue resolution with collaboration tools.



## EMPOWER AR TEAMS

Provide staff with what they need to effortlessly make the right decisions while reducing manual tasks.



## GET REAL-TIME VISIBILITY

Track receivables and collections performance with customisable dashboards and built-in KPIs.



## IMPROVE CUSTOMER RELATIONSHIPS

Correct timing and a factual basis for communications about collections can make an uncomfortable conversation a whole lot less contentious.



**CONNOR SPORTS**

*Where Champions Play™*



It all goes back to the **visibility** Esker offers. Some customers had a hard time believing us when we'd call and tell them they're late. On top of receiving **automated reminders** every week, it's now all right in front of them **via the portal**. A lot of our customers say it's the **first place they go in the morning**.

**Steve Morrison, Controller, Connor Sports**



# SMALL CHANGES, BIG EFFECTS

End-to-end process optimisation not only improves the efficiency of business processes but also builds stronger relationships between customers and suppliers. Embracing a culture of positive-sum growth allows the entire business ecosystem to flourish, with Esker's Accounts Receivable solution suite enabling businesses to be a driver for meaningful change.

The secret sauce for optimal performance, however, comes from the unified interface across multiple solutions. The visibility offered from A to Z across the entire process in one single solution allows for monitoring each step of the way.

Esker's solution suite provides not only the “classic” advantages of AR automation, such as:



**OPTIMISATION** of all AR processes and resources, saving time and enabling more strategic allocation of resources and time spent



**PERFORMANCE IMPROVEMENTS** for KPIs like DSO, CEI, reductions in overdue invoice amounts, past due amounts



**SECURED & INCREASED** sales revenue by preventing payment defaults, being able to better anticipate credit risk incidents and getting paid faster



...but also offers a comprehensive experience with intelligent dashboards and customer information management, taking automation to an even higher level with benefits for the entire business ecosystem.

From credit management, e-invoicing and simplified payment over cash application, to claims and deductions and collections management, Esker automates and connects each step of the invoice-to-cash process to improve overall efficiency, provide visibility to monitor cashflow and elevate the customer experience.

# EVERYONE WINS WITH ESKER

## EMPLOYEES



- Save time that can be spent on performing high-value tasks, which in turn increases motivation
- Tedious report-pulling is eliminated by giving management real-time and detailed access to performance indicators
- Better collaboration between departments is cultivated, for example by giving sales reps helpful information to make more strategic sales decisions

## SUPPLIERS



- Optimising the AR process makes things easier on your customer's AP team
- Since cashflow is secured, suppliers can receive their payment faster too

## THE PLANET



- Esker puts a strong emphasis on good social and environmental governance when choosing partners and suppliers
- Automating the AR process also means using less paper for invoicing, dunning letters, account statements, etc.

## CUSTOMERS



- Customer relationships get off to an open and honest start — and stay that way — when based on clear terms and conditions and avoiding unpleasant surprises
- View valuable data on issue areas & origins for faster resolution
- Immediate and accurate payment allocation avoids errors and faulty collections proceedings, averting contentious calls with customers

## GROWING THE BUSINESS



- Preserving good business relationships with customers and suppliers and maintaining a content workforce pays off not only in the short term but also has lasting effects for the long-term by spreading the word about positive company conduct

# ABOUT ESKER

Esker is a global cloud platform built to unlock strategic value for finance and customer service professionals, and strengthen collaboration between companies by automating the cash conversion cycle. Founded in 1985, Esker operates in North America, Latin America, Europe and Asia Pacific with global headquarters in Lyon, France, and U.S. headquarters in Madison, Wisconsin.

Our customers use our cloud solutions to increase the efficiency, productivity and visibility of their Procure-to-Pay (P2P) and Order-to-Cash (O2C) processes.





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