

COLLECTIONS MANAGEMENT | CREDIT MANAGEMENT

3 Strategies for Making Better Credit & Collections Management Decisions

A blueprint for building bridges



ESKER®

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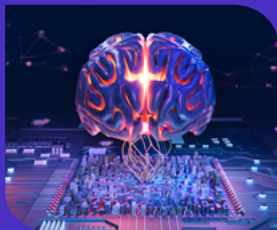
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The Credit Manager — from guardrails to suspension cables

The role of the Credit Manager has evolved far beyond back-office risk assessments to acting as a bridge between opportunity and caution. Now a strategic partner to the Office of the CFO, Credit Managers are the suspension cables bearing the weight of both growth and risk.

To build and maintain a bridge that connects the fast lane of sales acceleration with the solid ground of financial stability, Credit Managers are now:

- Under constant pressure in a climate marked by economic uncertainty, frequent payment defaults and insolvencies remaining at a high level
- Navigating the tension between Sales teams eager to close deals and the need to ensure that those deals are financially sound
- Surrounded by more data than ever before, but often without the tools to turn that data into actionable insights
- Finding themselves yearning for a crystal ball, since making the right credit decisions can sometimes feel like a shot in the dark
- Needing to monitor the entire customer relationship, from the first credit check, over onboarding and the collection of invoices, to potential dispute resolution.



Luckily there are some well-engineered reinforcements available.

Let's explore how emerging technologies — yes, including artificial intelligence — can ensure that the credit policies in your company are not just written but lived. Challenges can be transformed into opportunities, thereby elevating the role of Credit Manager from gatekeeper to growth enabler.

Why AI automation?

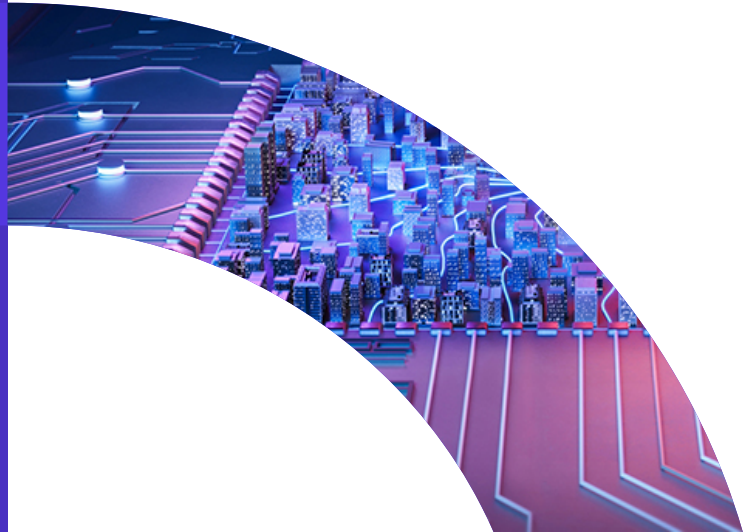
AI-powered solutions can effectively support decision-making in situations where time constraints or limited visibility prevent human intervention.

But its real strength goes beyond visibility: It lies in dynamic load balancing by having the ability to act on that data. With the help of AI and advanced analytics, automation handles the weight-bearing job of credit management.

How AI can help the entire Credit team

AI-powered tools can fill in where humans don't have the time or visibility to make effective decisions, by:

- Analysing financial statements in real time
- Flagging potential risks
- Guiding decision-making with predictive insights
- Quickly finding the right information



AI in credit management

Boosts productivity



Financial statement data extraction

Relevant data from customer financial statements is automatically extracted and classified.



Automated financial analysis

Financial ratios are calculated and summaries of the customer's financial situation generated, based on extracted information from financials and historic data.



Faster responses

Suggested actions and responses enable faster processing of incoming messages.

Facilitates decision-making



Blocked order predictions

Prediction of incoming orders that are likely to exceed the credit limit. The Credit team is alerted beforehand and can take action to prevent the expected order block.



Smart suggestions

Recommendations for updating credit limits are made, with either manual or automatic approval.



Internal financial decisions

Incoming payments can be predicted for the next 30/60/90 days.

Enhances the user experience



Intelligent to-do lists

Tasks are automatically prioritised based on prompts defining how credit reviews should be prioritized according to policies.



AI assistants

All users have access to conversational AI agents that can help them quickly find information they need: invoices, customer details, reports, graphs, documentation. New views and counters can also be created.

How to make better credit management decisions

Finance teams still spend over 70% of their time on repetitive and manual tasks¹. By analysing vast amounts of financial data in real time to identify risk patterns and predict payment behaviours more accurately, AI-powered automation allows teams to focus on strategy rather than spreadsheets.

For example, data is extracted from financial statements and ratios calculated automatically. It can even provide a summary of the customer's financial situation as well as make credit recommendations. This leaves the more important decisions, such as approving the right credit limit for the business, in the purview of the team.

It enables faster, data-driven decisions on credit approvals, limits and collections, which reduces human error and improves overall cashflow performance.



1. "Manual tasks still clogging finance teams' capacity" – CFO.com, July 15, 2025.

Laying a resilient foundation

Credit policies are designed to protect company revenue, but too often, these structures remain theoretical. These policies are the bedrock of a business, but without consistent application across the entire order-to-cash (O2C) cycle, they risk becoming decorative rather than functional.

How to achieve this balance despite seemingly opposing forces? It's quite simple, actually.

To anchor this sometimes elaborate structure, you can:

- Automate approval workflows to ensure that there are no errors or missed approvers. This will ensure that processes defined in the operational policies are actually applied.
- Integrate credit-risk scorecards, which combine various types of data from different sources, to get accurate, relevant and consistent credit scorings. These will facilitate decision-making (credit hold, collections strategies, etc.)
- Set up alerts and create intelligent to-do lists. Make sure important information and tasks are handled with the appropriate prioritisation, providing the team with an effective to-do list.
- Adapt collections procedures based on evolving risks so that these cases can be handled in priority, and outstanding amounts collected quickly.

With these supports in place, your credit framework becomes a living structure, capable of flexing with the forces of growth while resisting the shocks of risk.

Strength in structure: fostering collaboration between teams

A bridge is only as strong as its connections. Especially at larger companies, a quick follow-up about a customer is much more difficult. Sound credit decisions depend on trackable data and strong relationships, especially between Credit and Sales teams. A healthy cashflow is in everyone's interest.

This collaboration is a two-way span:

Credit professionals help Sales teams negotiate safe passage by advising on and reviewing credit terms that support business growth, while Sales can provide on-the-ground insights into customer behaviour and potential liabilities.

Collections teams keep Sales up-to-date in case of past-due amounts or in case of any disputes that prevent payments from being released. In return, Sales teams help in dispute resolution and by escalating collections requests to the customer.

To make this collaboration seamless, technology can enable smooth traffic. Automation solutions that connect to the ERP and the CRM allow sales reps to easily request credit checks, access customer payment histories and avoid blocked orders. A mobile app also lets Sales reps request a credit limit increase or get a quick snapshot of their customer's credit situation from wherever they are.

AI agents embedded in Microsoft Teams, for example, can supply a Sales rep with any needed information about a customer, or provide a summary of their credit and receivables situation. This saves time by not having to log into different interfaces, as they can obtain the information by simply chatting with the AI agent, and it saves the Credit team from being interrupted at inconvenient times.

The Credit teams can also gain valuable insights from Sales about customer behaviour, or enlist their help in resolving disputes. AI-powered tools can further enhance this synergy by automating workflows, anticipating blocked orders, escalating tasks based on dispute categories or credit limits and facilitating real-time conversations around specific credit issues. When communication flows freely and data is shared transparently, all teams can collaborate easily and without tension.



Monitor & adjust: keep traffic flowing smoothly

What you don't measure, you can't improve. Gaining visibility into the customer risk portfolio, incoming cashflow and the performance of your credit and collections processes beyond DSO, is essential to ensuring that everything functions as intended.

These indicators provide a clear picture of financial health and operational efficiency. Monitoring performance, such as the number of credit requests processed, calls made and types of collections handled, adds another layer of insight into how smoothly your credit management is operating.

By tapping into internal and external data sources such as credit bureaus and data lakes, you can benchmark performance, identify trends and continuously adjust by reinforcing weak points and optimising the flow of traffic.

This way, you can measure KPIs such as:

- Collection Effectiveness Index (CEI)
- Days Beyond Terms (DBT)
- Credit limit utilisation and total amount at risk
- Invoice dispute rates
- Bad debt ratio
- Credit onboarding time
- Root cause analysis



Beyond credit & collections: Esker's Accounts Receivable solution suite

Managing credit and collections is just one aspect of the broader accounts receivable process. That's why Esker provides a comprehensive and scalable Accounts Receivable solution suite designed to optimise the entire invoice-to-cash cycle.

By automating key functions such as credit management, customer invoicing, payment, cash application, deductions management and collections management, Esker drives efficiency across every stage. This end-to-end approach helps the Office of the CFO to accelerate cash collection, reduce DSO, improve cash forecasting and optimise working capital.

Credit Management

Secure revenue with optimised credit approval and risk monitoring.

Invoice Delivery

Ensure global compliance while automating the delivery of invoices.

Payment processing

Increase your chances of getting paid with online payment capabilities.



Cash Application

Allocate payments fast and accurately with AI-powered automation.

Claims & Deductions

Use AI assistance to quickly resolve disputes and curtail short pays.

Collections Management

Prioritise tasks with AI-driven predictions and risk analysis for faster collections.

Bridging risk and opportunity to promote collaboration, enforce policy & enable growth

The role of a Credit Manager is evolving rapidly, shaped by increasing complexity, rising risks and the growing need for cross-functional collaboration. These new realities require that credit professionals adapt the traditional practices to change and embrace a more strategic, tech-enabled approach.

Technology isn't replacing the Credit Manager — it's reinforcing their role. With the right tools, a cautious gatekeeper becomes a visionary bridge builder. Their mission now not only includes controlling risks but identifying new business opportunities, thereby enabling growth while ensuring every step is structurally sound.

AI allows Credit managers not only to control risks but to also identify new business opportunities, for example by pinpointing customers that are in good financial health and with whom business could be increased. However, the idea is to keep the humans in the loop while maintaining AI on a leash, albeit with partial autonomy, and thereby establishing true synergy for value creation.



The new mission for the Credit Management team now includes:



Securing revenue through consistent policy enforcement



Fostering strong partnerships with other departments



Maintaining real-time visibility into risk and performance

Esker Synergy: We do AI differently



Built on 15+ years of research and development, Esker Synergy AI is the powerful set of technologies designed to address the evolving questions about AI usability, security and sustainability. Here's why Esker stands out in a sea of AI providers:

Your data stays yours

All Esker solutions and Synergy GPT functionalities are designed to ensure data security and privacy, ensuring your data cannot be used, saved or shared by third parties.

Our AI is purposeful & responsible

We train our own LLM for targeted, purposeful and high-value AI use, while larger models run on shared servers. Our GenAI is continuously optimised for performance and sustainability.

We offer LLM as a Service

Esker Synergy GenAI is seamlessly integrated into our solutions, so you don't need a separate LLM provider. We handle prompt engineering, updates and secure scaling, lowering your total cost of ownership.



Hi, we're Esker

Esker's AI Automation Suite for the Office of the CFO leverages the latest in Agentic AI and automation technologies to optimise working capital and cashflow, enhance strategic decision-making, and improve human-to-human relationships with customers, suppliers and employees. Esker's Source-to-Pay and Order-to-Cash solutions automate any business process while supporting long-term growth strategies.



40

years of experience with 20+ years focused on cloud solutions



1,100+

employees serving 1.12M+ users and 3,000+ customers worldwide



15

global locations with headquarters in Lyon, France



€205.3

million in revenue in 2024



Business success is best when shared

At Esker, we believe the only way to create real, meaningful change is through positive-sum growth. This means achieving business success that doesn't come at the expense of any individual, department or company — everyone wins! That's why our AI-driven technology is designed to empower every stakeholder while promoting long-term value creation.



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