

# Advanced Artificial Intelligence for Accounts Receivables

Alabama AFP  
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## Who paid me? What is the payment for? Why is it less than I expected?

- Receiving payments is relatively simple – Check, ACH with or without EDI addenda, Wire Transfer, Real-Time Payments, Cards – but getting **accurate** and **complete transaction details** has been the persistent anguish for Accounts Receivable staff.
- Advanced levels of automation, including artificial intelligence and robotics process automation, are greatly improving the process.
- This session will address the varying levels of automation that companies can consider, with pros and cons of the alternatives.
- **Session Objectives:**
  - Identify situational assessment factors for evaluating your company's accounts receivable efficiency.
  - Gain awareness of varying levels of accounts receivable automation that your company could deploy.

Transaction Detail Sources for Payments

A/R Posting Process

Artificial Intelligence and Robotics Process Automation

Evaluating Your Process and Possible Opportunities

## Transaction Detail Sources for Payments

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# Transaction Detail Sources for Payments



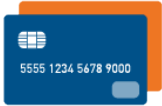
**Check**



**ACH**



**Wire**



**Card**

	Check	ACH	Wire	Card
<b>Transaction Data Source</b>	<ul style="list-style-type: none"> <li>Data Capture in Lockbox:                             <ul style="list-style-type: none"> <li>– Check Stubs</li> <li>– Invoice Copies</li> <li>– A/P Printouts</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Data From Source System (e.g. EIPP)</li> <li>CCD+ Addenda</li> <li>CTX EDI Addenda</li> <li>Separate E-Mails</li> <li>Website Data Pulls</li> <li><b>NO data</b></li> </ul>	<ul style="list-style-type: none"> <li>Unstructured Remittance Data</li> <li>Structured Remittance Data</li> <li>Separate E-Mails</li> <li>Website Data Pulls</li> <li><b>NO data</b></li> </ul>	<ul style="list-style-type: none"> <li>Data From Source System (e.g. EIPP)</li> <li>Level II Data in Merchant Settlement Records</li> <li>Separate E-Mails</li> <li>Website Data Pulls</li> <li><b>NO data</b></li> </ul>
<b>Percentage of Transactions With Remit Data</b>	<ul style="list-style-type: none"> <li>High</li> </ul>	<ul style="list-style-type: none"> <li>Low to Moderate</li> </ul>	<ul style="list-style-type: none"> <li>Low</li> </ul>	<ul style="list-style-type: none"> <li>Low to Moderate</li> </ul>
<b>Volume Trend</b>	<ul style="list-style-type: none"> <li>Steady to decline</li> </ul>	<ul style="list-style-type: none"> <li>Increasing</li> </ul>	<ul style="list-style-type: none"> <li>Steady</li> </ul>	<ul style="list-style-type: none"> <li>Moderate Increase</li> </ul>
<b>Dollars</b>	<ul style="list-style-type: none"> <li>Lowest</li> </ul>	<ul style="list-style-type: none"> <li>Growing</li> </ul>	<ul style="list-style-type: none"> <li>Highest</li> </ul>	<ul style="list-style-type: none"> <li>Both ends of the continuum (smallest and larger customers)</li> </ul>
<b>How Do I Determine Payer?</b>	<ul style="list-style-type: none"> <li>Check MICR Line (TR &amp; Account #)</li> </ul>	<ul style="list-style-type: none"> <li>ACH Company ID in NACHA Record</li> </ul>	<ul style="list-style-type: none"> <li>Originator</li> </ul>	<ul style="list-style-type: none"> <li>Based on Invoice Number(s) or</li> <li>Transaction Processing Source</li> </ul>

# B2B Receivables Example



Row Labels	Count of Payment Record	Sum of Payment Record Amount	Count of Net Invoice Amount	Invoices Per Payment Record
<input checked="" type="checkbox"/> Check	427	\$44,987,599	2,634	6.2
6 or Fewer Digits	24	\$1,136,277	101	4.2
7 Digit Invoice	354	\$40,888,177	2,437	6.9
8 to 11 Digit Invoice	16	\$690,589	26	1.6
Invalid Invoice		\$0	12	
Discount Notation	1	\$369,268	6	6.0
No Invoice	29	\$1,736,920	45	1.6
RI - Returned Items?	3	\$166,368	7	2.3
<input checked="" type="checkbox"/> EDI	702	\$196,895,530	1,617	2.3
6 or Fewer Digits	2	\$41,250	7	3.5
7 Digit Invoice	93	\$23,097,566	1,398	15.0
8 to 11 Digit Invoice	18	\$4,978,976	182	10.1
No Invoice	589	\$168,777,738	30	0.1
<input checked="" type="checkbox"/> Wire	327	\$53,940,572	469	1.4
6 or Fewer Digits	8	\$314,182	14	1.8
7 Digit Invoice	65	\$2,683,775	162	2.5
8 to 11 Digit Invoice	10	\$1,240,028	17	1.7
No Invoice	244	\$49,702,587	276	1.1
<b>Grand Total</b>	<b>1,456</b>	<b>\$295,823,702</b>	<b>4,720</b>	<b>3.2</b>

- 84% of ACH / EDI Items, 86% of ACH / EDI Dollars Have NO Invoice Data.
- And ACH Accounts for 2/3 of Total Dollars

# B2B Receivables Example



Payment Type	Total Transactions	Total Amount	Pct of		Number of Invoices	Transactions Without Invoices	Avg # of Invoices Per Transaction
			Transactions With Invoices	Transactions With Invoices			
Check	2,790	\$ 8,027,670	2,743	98%	6,498	47	2.4
Mixed Batch	646	\$ 6,459,447	635	98%	1,993	11	3.1
<b>ACH / EDI</b>	<b>2,317</b>	<b>\$ 23,093,098</b>	<b>536</b>	<b>23%</b>	2,253	1,781	4.2
Wire	34	\$ 868,987	6	18%	15	28	2.5
	<b>5,787</b>	<b>\$ 38,449,202</b>	<b>3,920</b>	<b>68%</b>	<b>10,759</b>	<b>1,867</b>	<b>2.7</b>

**ACH / EDI Account for 60% of Monthly Collected Dollars, but Only 23% Have Invoice Data**

Transaction Detail Sources for Payments

**A/R Posting Process**

Artificial Intelligence and Robotics Process Automation

Evaluating Your Process and Possible Opportunities



# Common Data Sources

## Paper and Electronic Payments



- Check stubs



- A/P printouts



- Copies of invoices or statements



- E-Mails with and without attachments



- Website file data



- Electronic transaction free-form data



- Electronic transaction structured data

# A/R Posting Process – Manual or Automated



- Within a Payer
  - What invoices are outstanding? Do payment details match any of these outstanding invoices?
  - If amount paid differs from amount due, why?
  - If invoices don't match outstanding invoices due, why . . . And what are these payments for?
  - Do any other notations need to be interpreted?
  
- If payer is UNidentified, what other transaction data can help identify the payer?

<span>Home</span> <span>Import</span> <span>Extract</span> <span>View</span> <span>Select</span> <span>Filter</span>															
Customer		1984487													
Company Code		198													
Name		Sample US Customer A													
City, State		Phoenix, AZ													
	Account	DocumentNo	Assignment	Document Date	Type	Posting Date	Amount in			PayT	DO	Next Due Dt	NetAm	Text	Chng doc.
							Local	Crcy	LCurr						
<input type="checkbox"/>	1984487	344825431	Manual Invoice	1/19/2020	DR	2/11/2020	785.64	USD	004		2/3/2020	-8	File test	10002786468	
<input type="checkbox"/>	1984487	344826215	Manual Invoice	1/22/2020	DR	2/10/2020	373.16	USD	004		2/6/2020	-4	File test	10002786469	
<input type="checkbox"/>	1984487	344831815	Manual Invoice	1/17/2020	DR	2/9/2020	714.44	USD	004		2/1/2020	-8	File test	10002786470	
<input type="checkbox"/>	1984487	344834204	Manual Invoice	1/18/2020	DR	2/2/2020	385.87	USD	004		2/2/2020	0	File test	10002786471	
<input type="checkbox"/>	1984487	344837396	Manual Invoice	1/17/2020	DR	2/3/2020	953.30	USD	004		2/1/2020	-2	File test	10002786472	
<input type="checkbox"/>	1984487	344840588	Manual Invoice	1/18/2020	DR	1/30/2020	981.99	USD	004		2/2/2020	3	File test	10002786473	
<input type="checkbox"/>	1984487	344843780	Manual Invoice	1/18/2020	DR	2/7/2020	711.34	USD	004		2/2/2020	-5	File test	10002786474	
<input type="checkbox"/>	1984487	344846972	Manual Invoice	1/19/2020	DR	2/9/2020	188.64	USD	004		2/3/2020	-6	File test	10002786475	
<input type="checkbox"/>	1984487	344850164	Manual Invoice	1/22/2020	DR	2/12/2020	884.26	USD	004		2/6/2020	-6	File test	10002786476	
<input type="checkbox"/>	1984487	344853356	Manual Invoice	1/23/2020	DR	2/11/2020	961.50	USD	004		2/7/2020	-4	File test	10002786477	

# Key Data Elements to Post A/R



- Payer
- Transactions Being Paid
- Amount Paid
- Explanation of Differences

Scuilli Consulting, Inc  
3500 Product Way  
Los Angeles, CA 91005

BANK4U 888/999  
Los Angeles, CA

00696369

DATE: mm/dd/yyyy

PAY TO THE  
ORDER OF: **RECEIVABLES SOLUTIONS**

EXACTLY: *Six Thousand Eight Hundred Foruty Eight Dollars and 00/100\*\*\*\*\**

**\$ 6,848.00\*\*\*\***

RECEIVABLES SOLUTIONS INC  
PO BOX 991079  
ANY CITY ST 00099-1979

*B Scuilli*

⑆014434⑆ ⑆999999992⑆ ??⑆88888888

Scuilli Consulting, Inc. 00450045

Invoice	Date	Invoice Amount	Discount	Total Amount
5470064	mm/dd/yyyy	\$ 2,568.00	\$0.00	\$ 2,568.00
5472555	mm/dd/yyyy	\$ 2,140.00	\$0.00	\$ 2,140.00
5470864	mm/dd/yyyy	\$ 2,140.00	\$0.00	\$ 2,140.00

Check Amount: \$ 6,848.00

Scuilli Consulting, Inc  
3500 Product Way  
Los Angeles, CA 91005

BANK4U 888/999  
Los Angeles, CA

00696369

DATE: mm/dd/yyyy

PAY TO THE  
ORDER OF: RECEIVABLES SOLUTIONS

EXACTLY: Six Thousand Eight Hundred Foruty Eight Dollars and 00/100\*\*\*\*\*

RECEIVABLES SOLUTIONS INC  
PO BOX 991979  
ANY CITY ST 00099-1979

*B Scuilli*

\$ 6,848.00\*\*\*\*

⑆014434⑆ ⑆999999992⑆ ??⑆88888888

Identify the payer based on MICR (Transit Routing Number and Account Number)

Scuilli Consulting, Inc. 00450045

Invoice	Date	Invoice Amount	Discount	Total Amount
5470064	mm/dd/yyyy	\$ 2,568.00	\$0.00	\$ 2,568.00
5472555	mm/dd/yyyy	\$ 2,140.00	\$0.00	\$ 2,140.00
5470864	mm/dd/yyyy	\$ 2,140.00	\$0.00	\$ 2,140.00

Check Amount: \$ 6,848.00

X & Y Coordinates that contain required data capture fields

**Company Name**  
Company Slogan

**Company Address**  
Phone: Enter phone  
Fax: Enter fax

**TO:**  
Recipient Name  
Company Name  
Street Address  
City, ST ZIP Code  
Phone

**SHIP TO:**  
Recipient Name  
Company Name  
Street Address  
City, ST ZIP Code  
Phone

**COMMENTS OR SPECIAL INSTRUCTIONS:**  
Your comments

**INVOICE**

INVOICE #100  
DATE: ENTER DATE

SALESPERSON	P.O. NUMBER	REQUISITIONER	SHIPPED VIA	F.O.B. POINT	TERMS
Enter here	Enter here	Enter here	Enter here	Enter here	Due on receipt

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
Quantity 1	Enter description	Enter price	Enter total
Quantity 2	Enter description	Enter price	Enter total
Quantity 3	Enter description	Enter price	Enter total
Quantity 4	Enter description	Enter price	Enter total
Quantity 5	Enter description	Enter price	Enter total
Quantity 6	Enter description	Enter price	Enter total
Quantity 7	Enter description	Enter price	Enter total
Quantity 8	Enter description	Enter price	Enter total
Quantity 9	Enter description	Enter price	Enter total
Quantity 10	Enter description	Enter price	Enter total

SUBTOTAL    Enter subtotal  
SALES TAX    Enter sales tax  
SHIPPING & HANDLING    Enter shipping & handling  
TOTAL DUE    Enter total due

Make all checks payable to Company Name.  
If you have any questions concerning this invoice, contact: Your Name at Phone or Email.  
**THANK YOU FOR YOUR BUSINESS!**

**X & Y**  
Coordinates that contain required data capture fields

# Structured Electronic Information

## ANSI X9 820 Example



```
ISA*00*          *00*          *ZZ*043000096823  *01*MICR AND KEY  *110426*0605*U*00401*000000998*0*T~\
GS*LB*043000096823*MICR AND KEY*20110426*0605*998*X*004010\
ST*823*000000998\
N1*BK*PNC BANK*13*043000096\
N1*PE*RECEIVING COMPANY NAME\
DEP*100001*20110426***01*043000096*DA*0000000000
\ AMT*3*70042.84\
QTY*41*1\
QTY*42*14\
BAT*20110426**001
\ AMT*2*70042.84\
QTY*42*14\
BPR*I*2139.03*C*CHK*PBC*01*043000096*DA*1000000001
\ REF*CK*20000001\
N1*PR*PAYER NAME ONE\
RMR*IV*1001**2139.03*2139.03\
BPR*I*49.39*C*CHK*PBC*01*043000096*DA*1000000002
\ REF*CK*20000002\
N1*PR*PAYER NAME TWO\
RMR*IV*1002**49.39*49.39
\
BPR*I*4537.39*C*CHK*PBC*01*043000096*DA*1000000003
\ REF*CK*20000003\
N1*PR*PAYER NAME THREE\
RMR*IV*1003**4537.39*4537.39\
BPR*I*3377.11*C*CHK*PBC*01*043000096*DA*1000000004
\ REF*CK*20000004\
N1*PR*PAYER NAME FOUR\
RMR*IV*1004**3377.11*3377.11\
BPR*I*2934.27*C*CHK*PBC*01*043000096*DA*1000000005
\ REF*CK*20000005\
N1*PR*PAYER NAME FIVE\
RMR*IV*1005**2934.27*2934.27\
BPR*I*2764.23*C*CHK*PBC*01*043000096*DA*1000000006
\ REF*CK*20000006\
N1*PR*PAYER NAME SIX\
RMR*IV*1006**2764.23*2764.23\
BPR*I*186.08*C*CHK*PBC*01*043000096*DA*1000000007
\ REF*CK*20000007\
N1*PR*PAYER NAME SEVEN\
RMR*IV*1007**186.08*186.08
\
```

← Deposit Total

← Batch Total

← 1<sup>st</sup> Transaction

# Structured Electronic Information

## ANSI X9 820 Example



```
ISA*00*          *00*          *ZZ*043000096823  *01*MICR AND KEY  *110426*0605*U*00401*000000998*0*T~\
GS*LB*043000096823*MICR AND KEY*20110426*0605*998*X*004010\
ST*823*000000998\
N1*BK*PNC BANK*13*043000096\
N1*PE*RECEIVING COMPANY NAME\
DEP*100001*20110426**01*043000096*DA*0000000000
\ AMT*3*70042.84\
QTY*41*1\
QTY*42*14\
BAT*20110426**001
\ AMT*2*70042.84\
QTY*42*14\
BPR*I*2139.03*C*CHK*PBC*01*043000096*DA*1000000001
\ REF*CK*20000001\
N1*PR*PAYER NAME ONE\
RMR*IV*1001**2139.03*2139.03\
BPR*I*49.39*C*CHK*PBC*01*043000096*DA*1000000002
\ REF*CK*20000002\
N1*PR*PAYER NAME TWO\
RMR*IV*1002**49.39*49.39
\
BPR*I*4537.39*C*CHK*PBC*01*043000096*DA*1000000003
\ REF*CK*20000003\
N1*PR*PAYER NAME THREE\
RMR*IV*1003**4537.39*4537.39\
BPR*I*3377.11*C*CHK*PBC*01*043000096*DA*1000000004
\ REF*CK*20000004\
N1*PR*PAYER NAME FOUR\
RMR*IV*1004**3377.11*3377.11\
BPR*I*2934.27*C*CHK*PBC*01*043000096*DA*1000000005
\ REF*CK*20000005\
N1*PR*PAYER NAME FIVE\
RMR*IV*1005**2934.27*2934.27\
BPR*I*2764.23*C*CHK*PBC*01*043000096*DA*1000000006
\ REF*CK*20000006\
N1*PR*PAYER NAME SIX\
RMR*IV*1006**2764.23*2764.23\
BPR*I*186.08*C*CHK*PBC*01*043000096*DA*1000000007
\ REF*CK*20000007\
N1*PR*PAYER NAME SEVEN\
RMR*IV*1007**186.08*186.08
\
```

← Deposit Total

← Batch Total

← 1<sup>st</sup> Transaction

=====

PAYMENT INFORMATION:

PAYMENT AMOUNT:           \$14,884.45           CREDIT

RECEIVER

-----

RDFI R/T NUMBER:       0310  
RDFI ACCOUNT NUMBER: 0000000999999999

ORIGINATOR

-----

ODFI R/T NUMBER:       0311\_\_\_\_\_  
COMPANY ID:            999999999999  
COMPANY NAME:         ACME CORP  
COMPANY ENTRY DESC:   AP PAYMENT  
DISCRETIONARY DATA:

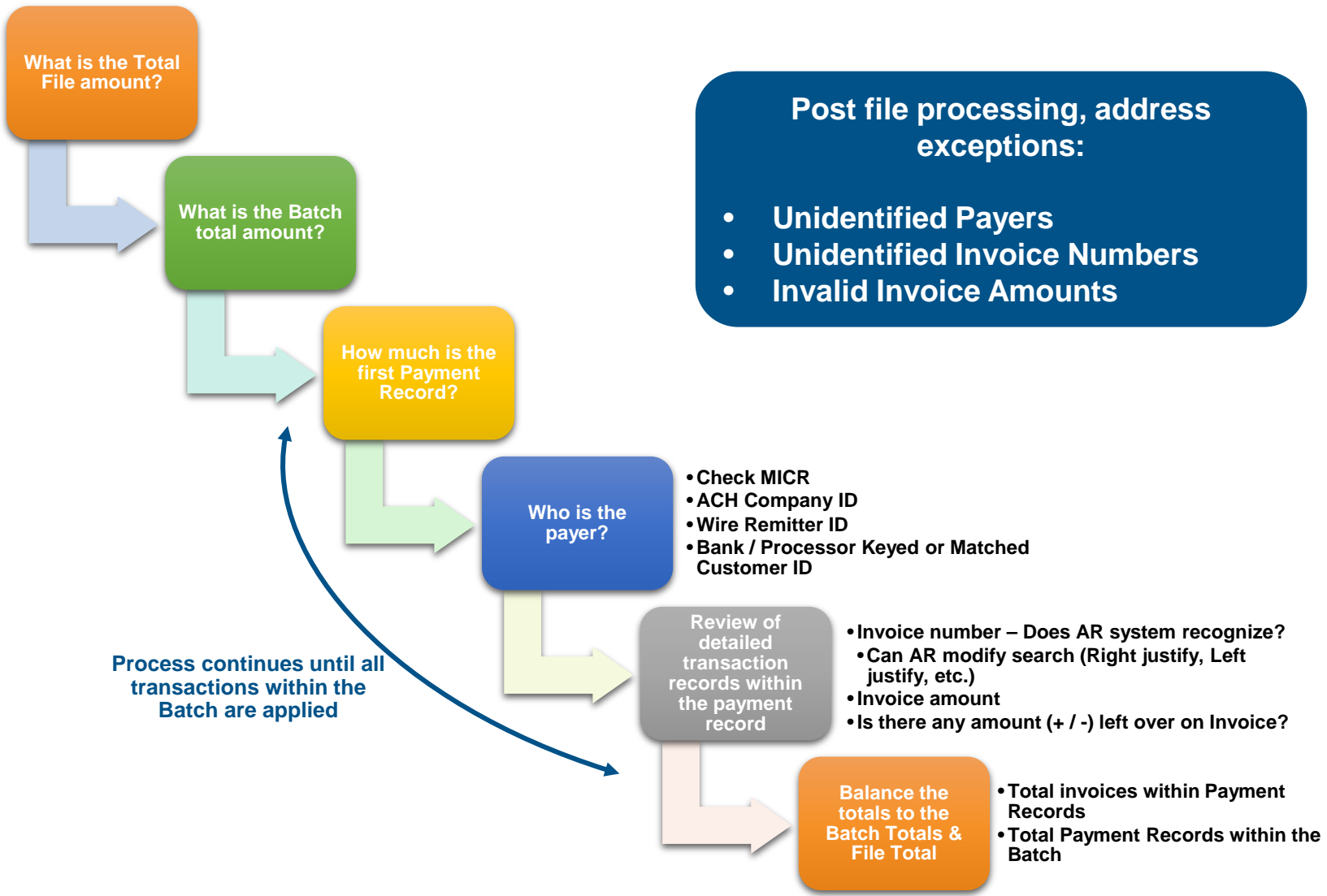
ACH TRACE NUMBER:                   5114  
EFFECTIVE ENTRY DATE: 02/12/13  
SETTLEMENT DATE:       043

=====

DATA FROM CTX ADDENDA - **INVALID ANSI X12 SYNTAX**

INV VENDOR	5308054				
5314560		01/17/13	502.58	0.00	502.58
5316920		01/17/13	10081.36	0.00	10081.36
5316921		01/17/13	4027.68	0.00	4027.68
5316922		01/17/13	272.83	0.00	272.83





Transaction Detail Sources for Payments

A/R Posting Process

**Artificial Intelligence and Robotics Process Automation**

Evaluating Your Process and Possible Opportunities

# What Is This Document?



- Who is it from?
- What are they paying for?
- How much did they pay?
- When was it due?
- Did we have a Purchase Order?
- Are there discounts?
- Are there deductions?
  - If so, why?

**Company Name**  
Company Slogan

Company Address  
Phone: Enter phone  
Fax: Enter fax

**TO:**  
Recipient Name  
Company Name  
Street Address  
City, ST ZIP Code  
Phone

**COMMENTS OR SPECIAL INSTRUCTIONS:**  
Your comments

**INVOICE**

INVOICE #100  
DATE: ENTER DATE

**SHIP TO:**  
Recipient Name  
Company Name  
Street Address  
City, ST ZIP Code  
Phone

SALESPERSON	P.O. NUMBER	REQUISITIONER	SHIPPED VIA	F.O.B. POINT	TERMS
Enter here	Enter here	Enter here	Enter here	Enter here	Due on receipt

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
Quantity 1	Enter description	Enter price	Enter total
Quantity 2	Enter description	Enter price	Enter total
Quantity 3	Enter description	Enter price	Enter total
Quantity 4	Enter description	Enter price	Enter total
Quantity 5	Enter description	Enter price	Enter total
Quantity 6	Enter description	Enter price	Enter total
Quantity 7	Enter description	Enter price	Enter total
Quantity 8	Enter description	Enter price	Enter total
Quantity 9	Enter description	Enter price	Enter total
Quantity 10	Enter description	Enter price	Enter total
		SUBTOTAL	Enter subtotal
		SALES TAX	Enter sales tax
		SHIPPING & HANDLING	Enter shipping & handling
		<b>TOTAL DUE</b>	Enter total due

Make all checks payable to Company Name.  
If you have any questions concerning this invoice, contact: Your Name at Phone or Email.

THANK YOU FOR YOUR BUSINESS!

Artificial Intelligence to identify documents and contents

Build knowledge base of recurring documents from recurring payers

Learn common patterns

- Special characters included with remittances
- Data manipulation

Apply similar rule development to Paper & Electronic transactions

- Obtain Key Data Elements from A/R and Customer Master File
- Learn Remitter Practices
- Automated Coding of Trade & Non-Trade Deductions
- Workflow Efficiency for Deduction Management
- Learn and Build Rules for Paper and Electronic Transactions



### Intelligent Pattern Matching

- Payer transaction references
  - e.g. Purchase Order or Shipment ID instead of Invoice Numbers
- Recognize characters appended to invoice numbers
  - e.g. Spoilage, damaged goods, returns, promotional discount

The screenshot shows a software interface with a top navigation bar containing tabs like 'ERP', 'Master Data', 'Cash Application', 'Credits', 'POD & Claims', 'Administration', 'Invoice', 'Deductions', and 'Collections'. Below this is a sub-navigation bar with options like 'Payment Batches', 'Payments', 'Payment-46322', 'Email Inbox', 'Remittances', 'Images', 'Enriched File', 'Customer Master', and 'Recommendations'. A toolbar includes icons for 'Unlink Remittance', 'Edit', and 'Manage Mappings'. The main area is divided into 'Details' and 'Received Data' sections.

The 'Details' section displays the following information:

- Payment Number: 46322
- Payment Amount: 26,208.27
- Bank Fee:
- Payment Method: CHK
- Payment Date: February 9, 2018
- Payment Status: Transformed
- Exception Status: Success
- Customer Name: Fashion Br ANDs Distributors
- Customer Number: 1012686
- Payer Name:
- Payer Account Number: 206734972
- Payer Routing Number:
- Notes:
- Original Email:
- Email Attachment:
- Original Remittance EDI:
- Check Image: [View](#)
- Original HTML Remittance:
- Original Payment File: [Download](#)
- Supporting Documents:

The 'Received Data' section shows a table with the following columns: ERP Reference, Reference Field, Discount Amount, Payment Amount, Reason Code, Reason Description, Exception Details, Item Type, Posting Amount, and Reference Value. The table contains 10 rows of data, with the first two rows highlighted by a red box:

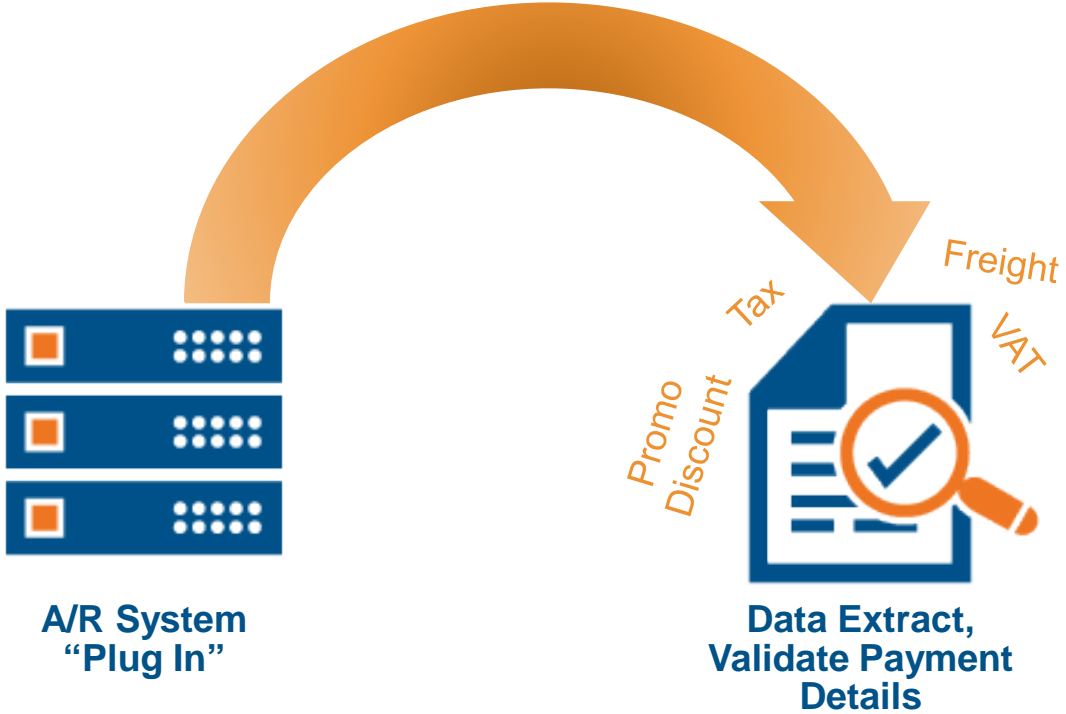
ERP Reference	Reference Field	Discount Amount	Payment Amount	Reason Code	Reason Description	Exception Details	Item Type	Posting Amount	Reference Value
916859157	6859157	0.00	2,286.40				INVOICE_RELATED_PAYMENT		
916859229	6859229	0.00	1,687.46				INVOICE_RELATED_PAYMENT		
916859821	6859821	0.00	463.01				INVOICE_RELATED_PAYMENT		
916880548	6880548	0.00	2,775.38				INVOICE_RELATED_PAYMENT		
916881086	6881086	0.00	606.30				INVOICE_RELATED_PAYMENT		
916906752	6906752	0.00	611.01				INVOICE_RELATED_PAYMENT		
916906753	6906753	0.00	451.01				INVOICE_RELATED_PAYMENT		
916906734	6906734	0.00	3,079.96				INVOICE_RELATED_PAYMENT		
916910273	6910273	0.00	170.00				INVOICE_RELATED_PAYMENT		
916910350	6910350	0.00	170.00				INVOICE_RELATED_PAYMENT		

# Artificial Intelligence

## Access A/R and Customer Master File Data

Apply Specific Rules for Invoice Matching

- A/R and Customer Master File “plug in”
- Include extended invoice-level detail
- Unbalanced invoice amount processing rules



**Deduction Identification & Coding**

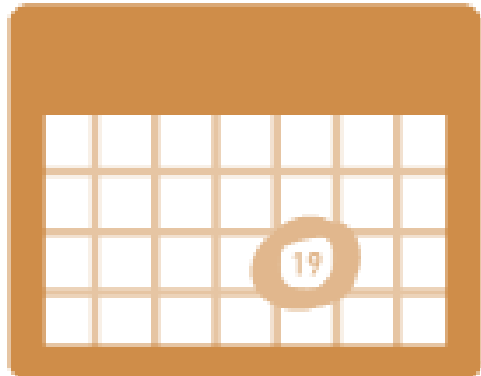
- Analyze remitter trends
- Automatically detect Deduction reasons
- Deduction trend analyses that could lead to customer negotiation



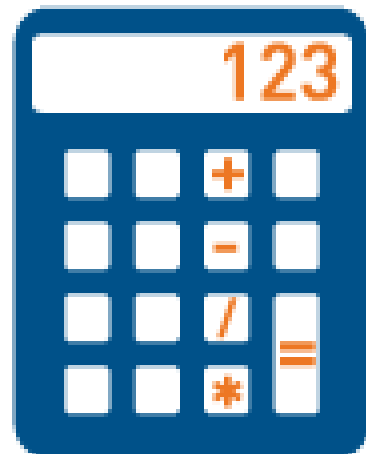


Cash  
Discount  
Analysis

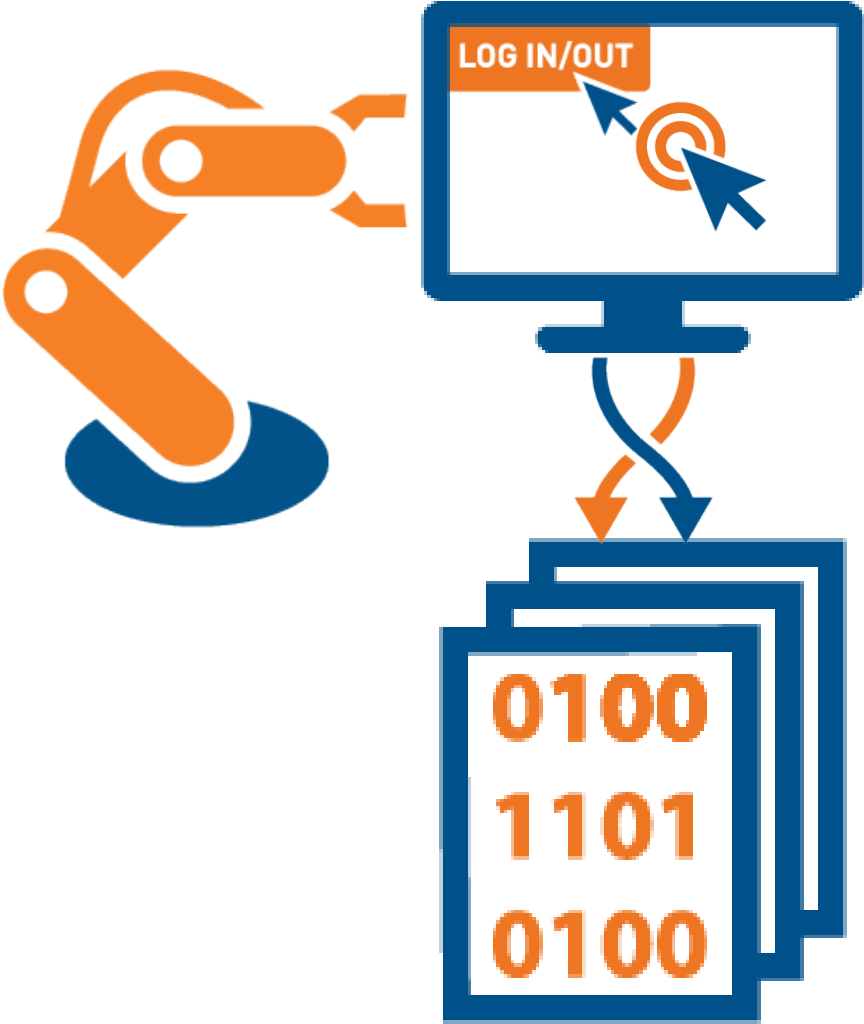
- Evaluate cash discounts taken vs. payment timing
- Analyze customer payment trends



Payment Timing  
Validation for  
Payment Discount



- Access Website
- Log In
- Execute Specific Commands
- Pull Down Data
- Upload Data to A/R Posting Process
- Maintain Updated User Credentials



# Artificial Intelligence

## Improved Data File for A/R Posting

Remittance  
Data from  
Variety of  
Sources

- Lockbox A/R files
- EFT A/R files
- Email data source
- Website file pulls including 3rd party sites



Transaction Detail Sources for Payments

A/R Posting Process

Artificial Intelligence and Robotics Process Automation

**Evaluating Your Process and Possible Opportunities**

## Accounts Receivable **System(s)** and any Additional AR Technologies Used

## Current process for Posting Payments

- Transaction Sources (Check, ACH, Wire and Credit Card)
- Transaction Detail Sources

## Tools used to Access Transaction Details

- Lockbox Image Browser
- Electronic Bank Reporting Data
- Merchant Processing Reports for Card Transactions

## External Sources of Remittance Detail

- Emails, Remitter Website File Pulls, 3rd Party Payer Website File Pulls

## Key Performance Indicators / **KPI's**

- DSO / Days Sales Outstanding (Calculated on Deposit Date or Posting Date?)
- DDO / Days Deductions Outstanding (Calculated on Deposit Date or Posting Date?)
- Days of Unposted Cash
- Cost to Post Per Invoice Processed
- Time to Post From Deposit Date

# Current Vs. Potential Costs



Factor	Cost	Gain from AI Solution
Staff	Labor	<ul style="list-style-type: none"> <li>• Staff efficiency</li> <li>• Fewer exceptions</li> <li>• Function automation</li> </ul>
Lockbox Data Capture	Processing Fees – Can be 50% of Lbx Cost	<ul style="list-style-type: none"> <li>• Eliminate data capture costs</li> <li>• AI ability to pull more referencable data</li> </ul>
Software	License & Maintenance	<ul style="list-style-type: none"> <li>• AI solution also has recurring fees</li> </ul>
Inaccurate Customer A/R Posting	Re-Work Inaccurate Billing	<ul style="list-style-type: none"> <li>• “Learn” from ongoing corrections</li> <li>• Improve posting accuracy</li> </ul>
Invalid Deductions	Write Offs	<ul style="list-style-type: none"> <li>• Reduction in Write Offs</li> </ul>
Valid Deductions That Can Be Renegotiated for Future Payments	Write Offs	<ul style="list-style-type: none"> <li>• Reduction in Write Offs</li> </ul>

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Manually processing Check payments

Accessing Email remittance data to manually apply payments for ACH & Wire transactions

Downloading remittance detail from Web Portals

Accessing reports to utilize invalidly formatted EDI remittance data

Contacting remitters when no remittance data is available

Coding Deductions

Manually processing and applying A/R for Credit Card payments



## *Slam dunk ?????*

- Key considerations:
  - Volume of invoices
  - Number of employees and 3<sup>rd</sup> party vendors handling Cash Application and Deduction Management
  - Data entry costs for Check payments



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