5 AR Worst Practices

How to Identify & Fix Them Fast

ESKER®

Growing in a smarter, more sustainable fashion – without sacrificing quality

Positive Sum Growth

Achieving business success that doesn't come at the expense of any individual, department or company.

Empowering every stakeholder while promoting long-term value creation.

Empower employees with impactful, meaningful work, more purposeful jobs, that are ultimately more productive and rewarding.

Elevated staff provide higher levels of customer service, ensuring customers have an easy, reliable, and memorable experience doing business with your company.

Strengthen supplier relationships by meeting their expectations with on-time or early payments and transparency at every stage.

Lower your carbon footprint by using less paper for invoicing, dunning letters and account statements while supporting WFH models that reduce travel.
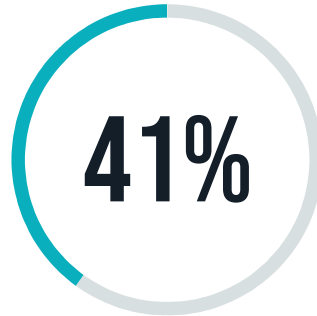
Increase the overall velocity of the I2C cycle on the AR side. Take advantage of early payment discounts, e-sourcing & supply chain financing on the AP side.

ESKER

WORST PRACTICE #1

Burning out, under-utilizing & under-valuing AR team members

ESKER

41%

Of the people who quit their jobs from April 2021 to April 2022, 41% did so due to lack of career development and advancement opportunities.

ESKER

3.2x

Employees who operate in human-centric work models – where they are seen as people, not just resources – are 3.2 times more likely to enjoy their jobs with a high intent to stay.

Source: Gartner. Gartner Research Shows Human-Centric Work Models Boost Employee Performance and Other Key Talent Outcomes, December 7, 2022.

ESKER

Anatomy of an unhappy AR employee

Head
Constantly spinning from the inability to effectively prioritize calls to late-paying customers (aka Excel hell).

Ears
Filled with customer complaints due to a lack of convenient online payment options and a subpar claims and deductions strategy.

Heart
Not in it any more on account of all the manual compiling and Magellan-ish navigation required on a day-to-day basis.

Shoulders
Fatigued from carrying the burden of their AR duties without the benefit of tools for KPIs, reporting and forecasting.

Legs
Ready to walk out due to the department's insistence on pursuing an e-invoicing plan and still mailing paper invoices.

Fingers
Constantly pointing at other employees, departments and customers as the cause of their team's poor performance.

ESKER

What do people want in an AR career?

Professional growth

People like using their skills to learn and master new things. Offering career development and advancement opportunities goes a long way in keeping team members happy.

Meaningful work

Does poring over sticky notes and spreadsheets sound rewarding? AR folks don't think so, which is why they value work that's meaningful vs. mundane.

Personal well-being

Whether it's flex schedules or recognition of good work, attractive companies are those that prioritize people's professional and psychological needs.

ESKER

Digital transformation of Credit Management

Credit Application Process	Risk Assessment	Freeing up time for
Fully digitized credit applications	Credit bureau data integration	Proactively serving customers
Customizable credit application templates	Credit decision automation	Increasing revenue by supporting sales development
Automated credit approval workflows	Internal credit score	Improving O2C process quality to speed up cash collection
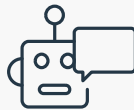
ESKER

Take the guess work out of credit management

Ongoing credit risk monitoring
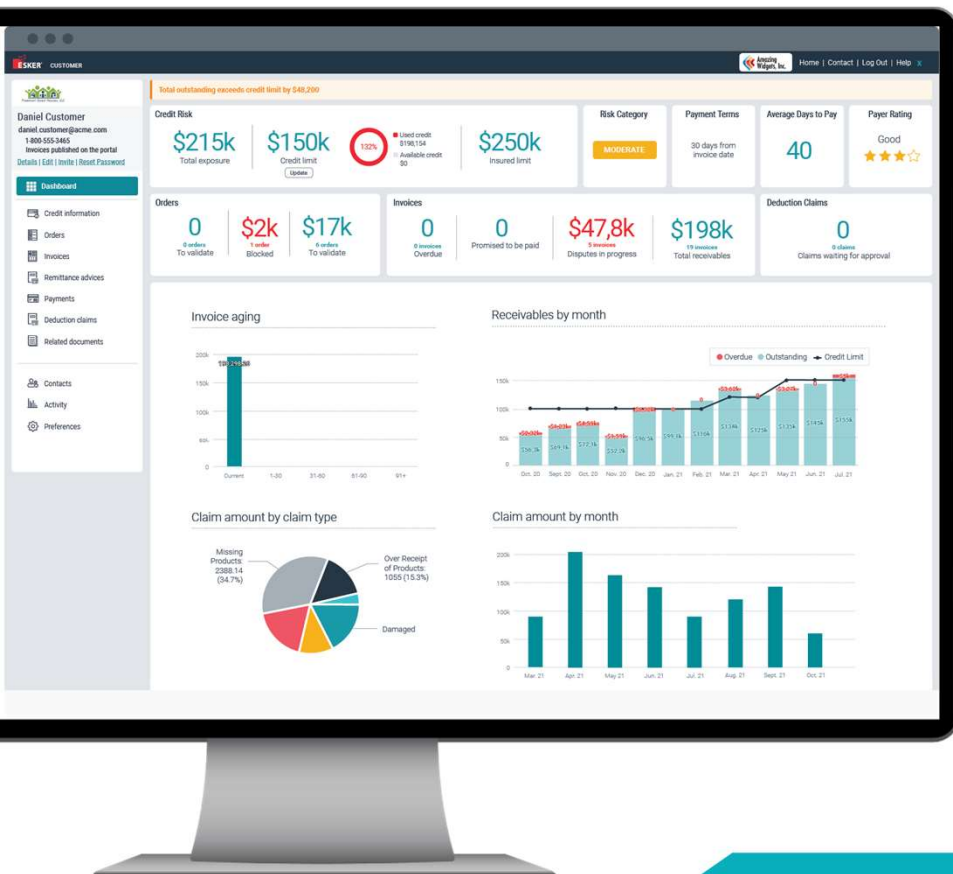
360° view of all customers

Credit limit & credit score alerts

Automated credit terms suggestions

AR Automation Results:
Credit Management

"Esker's Credit Management solution has assisted the Risk Team with streamlining manual processes and implementing approval workflows. These changes have increased productivity and accelerated the credit evaluation process by three business days, improving our customers' experience."

- **Toni Urbala**, Manager, Financial Systems and Data Governance

**Saved 3 days on credit evaluation & onboarding process**

WORST PRACTICE #2

**Playing guessing games with
credit & collections**

50%

Comparative global analyses show that, on average, **43% of invoices are paid late**, and nearly 7% of invoice balances are written off completely. This means that only 50% of invoices are paid on time and in full.

Source: Atradius. US: DSO worries prompt strategic credit management, July 6, 2022.

ESKER
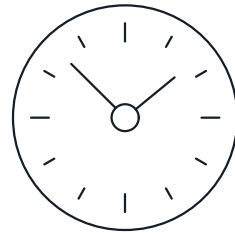
Firms that rely on manual AR processes vs. automation take 67% more time to follow up on overdue payments.

Source: PYMNTS. B2B Payments Innovation Readiness Playbook, December 2020.

ESKER

AI-driven collections forecasting

Estimating the amount of cash you can expect to receive within the next couple of days/weeks/months can be very helpful — not only for you to adjust your collection efforts according to your organization's potential needs for cash, but to provide controllers and treasurers with accurate data for their cash forecast.

AR Automation Results:
Collections Management

"We can do so many things that we couldn't before: take payments over the phone, automatically send out weekly payment reminders, deliver e-invoices to customers at the time of billing. This benefits not only our staff, but our customers as well — and we've seen that through an increased collections rate and lower DSO."
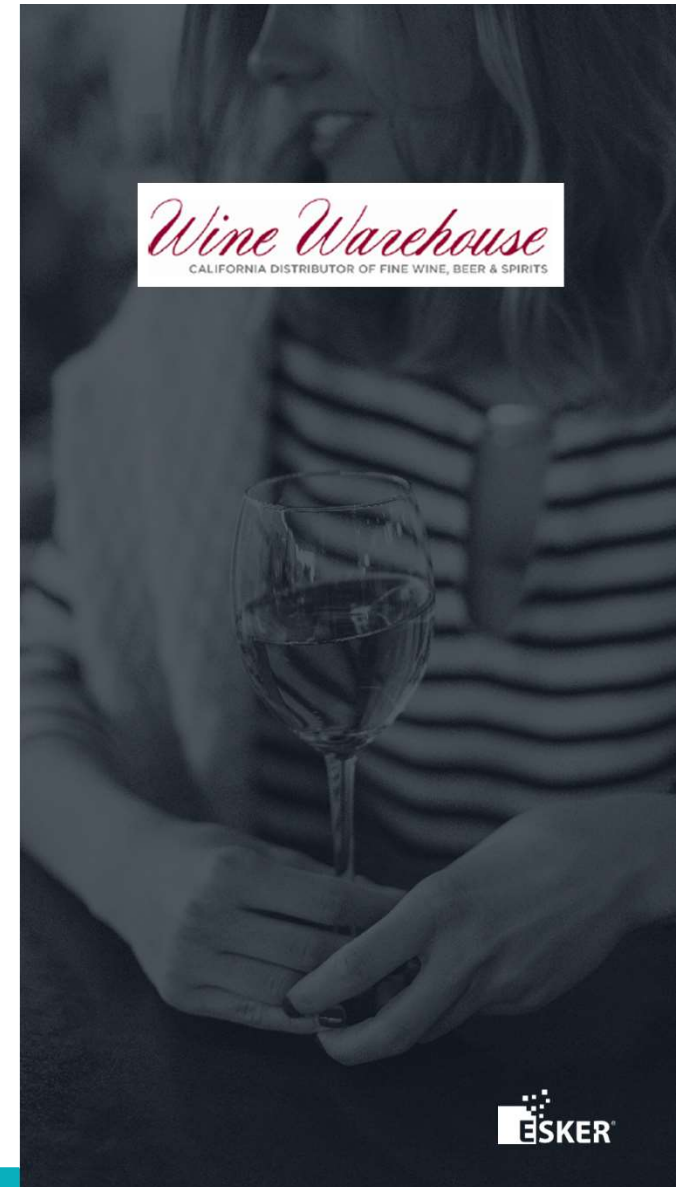
- Patrick Powers, Credit Manager

Boosted customer satisfaction with self-service options

Raised Collections Effectiveness Index (CEI) to over 80%

ESKER

What customers want

70%

of consumers describe customer experience excellence as either a strong relationship with the brand or one that evokes a feeling of "happiness."

74%

of consumers said their brand interactions were successful because the agent was helpful, which was more important to them than efficiency (53%).

84%

of businesses, however, believe that providing a consistent, high-quality experience at every touchpoint is the most important CX component.

Source: Conduent. Channeling Happiness: The 2022 State of Consumer Experience Report, October 2022.

ESKER

Rethink the Customer Experience

Let customers pay you in their preferred method

Fewer obstacles equals happier customers. Digital solutions give customers the choice of using cards or direct debit payment options, while also offering early payment discounts & auto-pay.

Put transparency & data accessibility on a pedestal

Automation solutions are synced with convenient online portal where customers easily track invoices, make payments, view account statements and more — preventing contentious disputes.

Become a company that's easy to do business with

Whether it's faster customer onboarding via digital credit applications or timely payment allocation, AR automation makes doing business together a far more enjoyable experience.

ESKER

**Make yourself easy to do business with**

Customer & payment portal

ENHANCE YOUR CUSTOMER RELATIONSHIPS

- Customizable login page and dashboard with your own corporate identity

- Dedicated space to share links or information with your customers

- Full visibility on invoice amounts and status

- Conversation tool to easily communicate

…AND GET PAID FASTER!

- Link to view and download invoices and account statements

- Online payment options
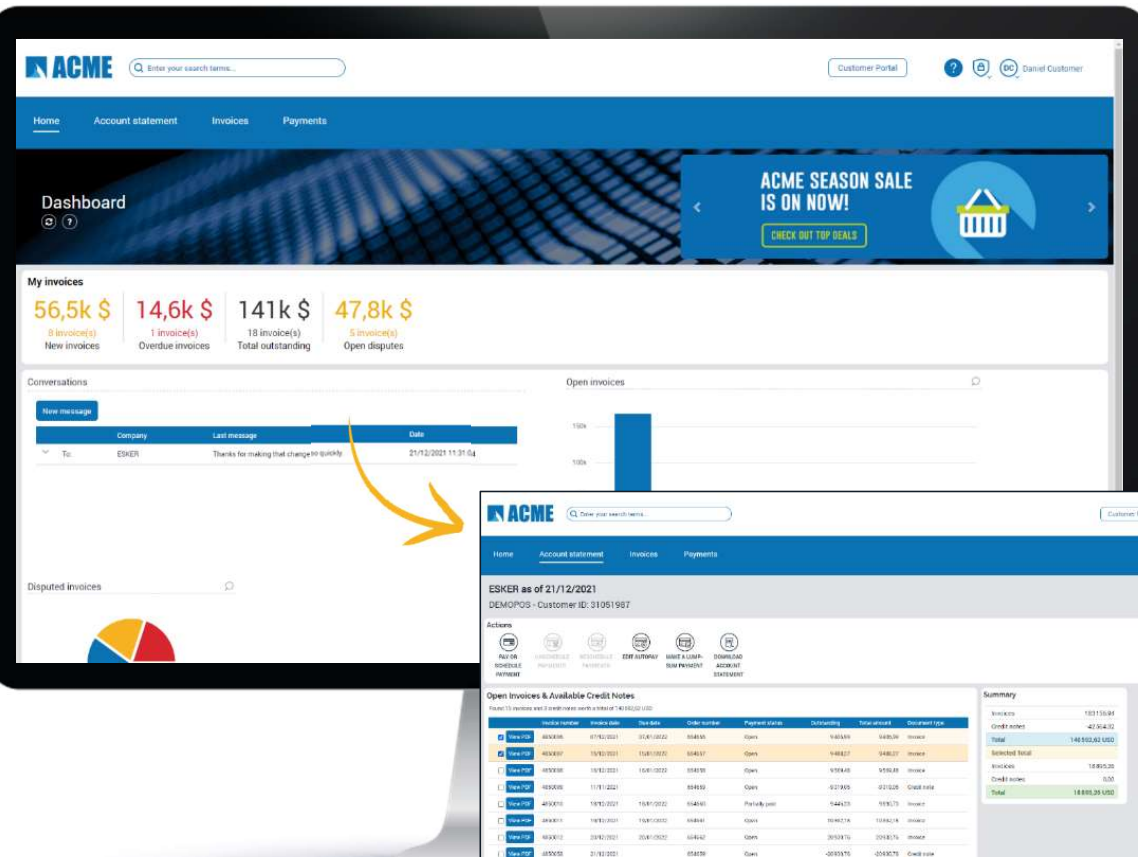
Optimizing AR for SAP Customers

AR Automation Results:
Invoice Delivery

"Esker's service has exceeded our expectations and we have noticed significant improvements in the response from customers to provide payment more quickly."

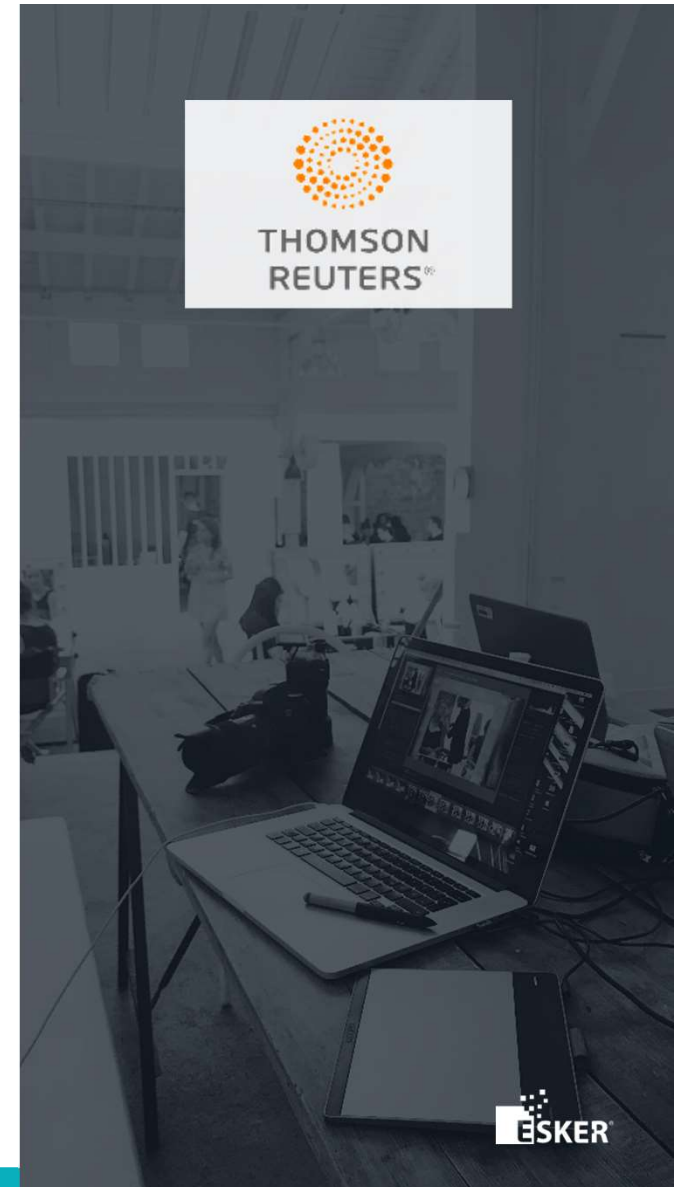- **Keith Singer**, Customer Operations Program Manager

85%

85% of invoices delivered electronically

Decreased error rates

Accelerated response time

WORST PRACTICE #4

Not appreciating it takes a village to resolve a claim or deduction

ESKER

Deductions Challenges

- Incorrect accounting
- Lack of visibility & traceability
- Multiple departments involved
- Time consuming investigations
- Profit dilution

ESKER

Positive-sum growth

A Solution Everyone Benefits From

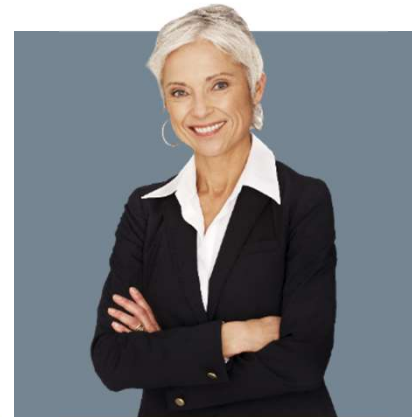| DEDUCTIONS ANALYST	SALES REP	SUPPLY CHAIN	CFO	CUSTOMER
Improved claims qualification & resolution	Facilitated trade claims approval & dispute	Facilitated non-trade claims approval & dispute	Enhanced visibility on cash & revenue	Better customer experience

ESKER®

AR Automation Results:
Claims & Deductions

"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 on higher-value tasks."
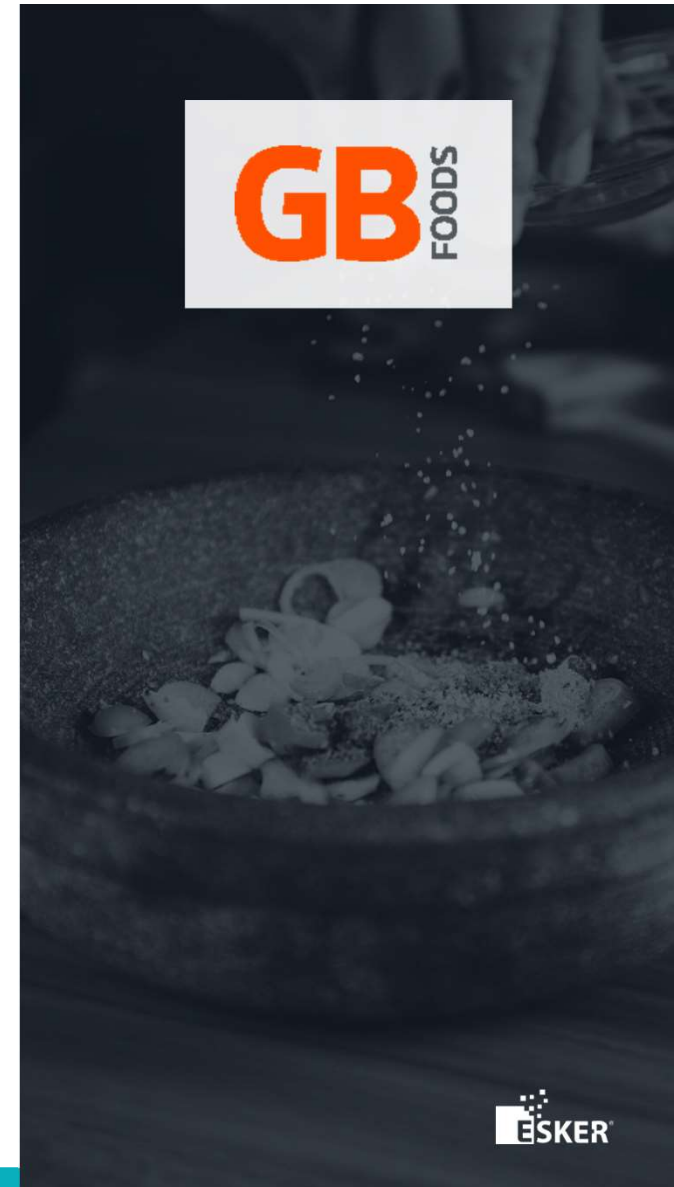
- **Susana López**, Front-Office Retail Customer Service Manager

50%

50% of promotional invoices processed in less than 1 minute

Enhanced inter-departmental communications & workflows

WORST PRACTICE #5

Keeping AR in a silo

Rethink collaboration in AR

Collaborate anytime, anywhere

Many automation solutions enable out-of office sales reps to easily request credit checks via their mobile device — helping secure revenue and support the business.

Easily start & save conversations

Users can also start a conversation with coworkers to get input, share suggestions, etc., while ensuring it is all 100% traceable for future audit purposes.

Support multi-solution scenarios

Examples include creating a deduction for investigation directly from the cash app process or triggering a priority collection call when an order is blocked for overdue payment.

ESKER

Gain full visibility on cash inflows

Cross-departmental visibility

Customizable counters for real-time visibility on cash situation

Graphs and charts for easy monitoring of team activity and performance (e.g., invoice aging, disputes, top customers, etc.)

Drill-down on all AR solutions in a single click

Customizable background image and/or link to external website content

The benefits of end-to-end process automation:

Optimized staff productivity

Greater consistency

Reduced costs

Enhanced control

Security & scalability

Easy-to-calculate ROI

ESKER

Key Considerations

for a best-in-class automation solution

Reporting capabilities	Adaptability to future uncertainty	Ensure invoice delivery	Make it easy to get paid

Boost customer communication	Boost collaboration between departments	Improve productivity

ESKER

Hi, we're Esker

Founded in 1985, Esker is a global cloud platform built to unlock strategic value for Finance and Customer Service leaders and strengthen collaboration between companies by automating Procure-to-Pay (P2P) and Order-to-Cash (O2C) processes.

38
years of experience with 20+ years focused on cloud solutions

1,000+
employees serving 600,000+ users & 1,500+ customers worldwide

14
global locations with headquarters in Lyon, France

$174.1
million in revenue in 2021, with 90%+ of sales via SaaS activities

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.

POSITIVE-SUM GROWTH

Your Employees

Your Suppliers

YOUR COMPANY

Your Customers

The Planet

EVERYONE WINS

ESKER

Thank you

for your attention

FOR MORE INFORMATION, CONTACT US AT:

dale.phillips@esker.com | 1-321-960-6809

ESKER®