



# Overheard from the AR Trenches

## 6 Things That Drive AR Pros Crazy

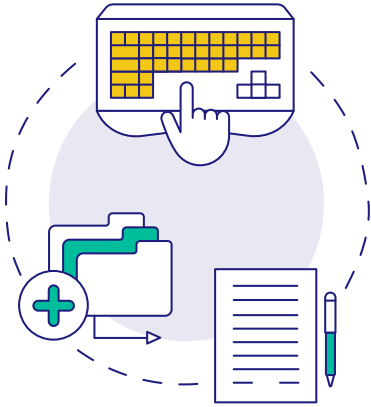
Your entire business depends on the work you and your AR team do. Every day, you're tasked with processing payments and generating cashflow to pay the bills, compensate employees, update credit lines, fund future projects, and project future financial performance. No pressure.

Your days are already jammed with work, but you may feel your to-do list is still growing rapidly. That's because the diversity and digitization of payments means you must manage everything from paper checks and wire transfers to credit cards and payment portals. As your payment ecosystem expands, so does remittance complexity, making reconciliation more challenging.

While there are solutions to the AR madness, you have to know what you're trying to solve for first. Here are six things you and your AR colleagues may say in a typical day that are reaffirming your daily pain.

# 1

## “Time to enter data!”



Despite all the amazing things technology has brought us, many AR teams are doing some things the same way they did decades ago.

Manually keying data into spreadsheets, bank portals, or your ERP is not only labor intensive but inefficient. It also increases the risk of errors that can wreak havoc for your business down the line. All it takes is one slip of a finger to accidentally enter incorrect information, which you may only discover days or weeks later when a customer calls you to complain or when you discover that your reporting is off.

In addition, digital payments arrive in bank accounts with little information attached, requiring research to connect the dots. Did the payment refer to multiple invoices? Did the payment only cover the non-disputed part of a specific invoice? Were these payments received in the field by sales reps? Down the rabbit hole you go.

Part of the reason you still have manual processes is siloed data. Because data is spread far and wide, you're often required to work within multiple systems to get even the simplest task done.

A lack of integration between ERP, CRM, bank portals, and other key systems holding customer data and payment information requires you to log into each system over and over.

As a result, a single invoice can often require you to log into several different systems and enter the same information over and over, increasing the time it takes to complete the payment process.

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## “What the...what is this payment for?”



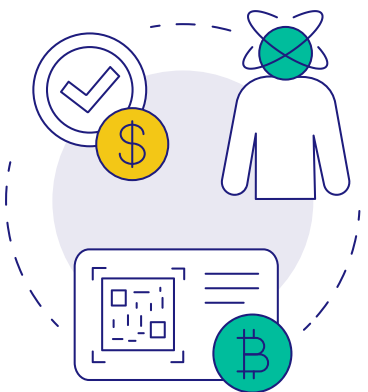
One of the most complicated things about AR today is matching payments to the appropriate invoice or purchase order. For an organization that receives thousands of payments a day in a variety of formats, it can be incredibly time-consuming and complex to figure out which invoice or invoices a customer has just paid.

Electronic payments can be the culprit of this. Unlike checks that typically contain remittance data printed on the stub, electronic payments by ACH or credit card may arrive without this critical data, or in an email that you receive long after the fact.

That means you have to spend time making research calls or manually going through documents to hunt down who made the payment and hope you can connect the dots.

3

## “I didn’t know we accepted payment in bitcoin.”



There are now more ways to pay than ever before. While this gives customers the power, flexibility, and convenience they crave, it can give AR teams a massive headache.

As businesses tap e-commerce and the power of digital to sell anywhere, AR now has to deal with managing payments in different formats—including some with acceptance fees or a proprietary portal that prohibits a streamlined cash-posting process.

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**“It’s Jim again. He’s wondering if he can place another order yet.”**



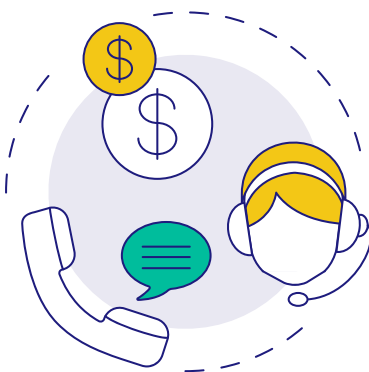
While a glacial cash-application process might be a hassle for the AR team, for your customers, it can mean the difference between being able to place a new order and having to wait days for credit to free up. The longer it takes AR to process a payment, the more frustrated your customers will get—and the more eager they’ll be to find a partner that’s easier to do business with.

With manual processes, client-facing mistakes also happen. A customer might receive late invoice notifications or be sent to collections even though they’ve made the payment, damaging the client relationship.

Even in the case where the customer is actually late with their payment, a manual process requires you to spend more time tracking information down in all your different systems to address the payment dispute, impacting your days sales outstanding (DSO) and cash flow.

5

**“Collection calls—my favorite.”**



The more complex your AR processes are due to manual workflows, the more likely you’re going to miss something like applying a payment to an account. When you call the client to chase them down, only to discover the payment has been received but hasn’t been applied to the account—well, there’s just about nothing worse that can happen to an AR professional. Except...

6

“#&%#!”



For any business, write-offs are about the worst thing that can happen. After all, no one likes giving away their product for free. But for AR specifically, write-offs can be a nightmare as they try to tie information to a specific account or customer and write off the invoice successfully without impacting the rest of the books. It's a lot of time and a lot of paperwork for one customer.

While write-offs certainly aren't completely preventable, they can be mitigated if you can catch them in time. That's where AR automation can help.

## Ready to Return to Sanity?

Just as manual processes cause frustration and stress, automation delivers job satisfaction and productivity.

Automation allows you to automatically match and apply any payment from any channel, reducing your team's time, errors, and manual research. This can help you improve the metrics you're actually judged on, such as reducing DSO, write-offs, and per payment processing costs. While this certainly adds more ease to your day-to-day, it also helps you make a more positive impact on your business. Cash application automation improves your customer experience, reduces payment inquiries, accelerates credit replenishment, and expedites access to cash.

Let's talk about how we've helped AR teams like yours overcome their most pressing AR challenges.

LET'S TALK