

# Automating Cash Application With Artificial Intelligence

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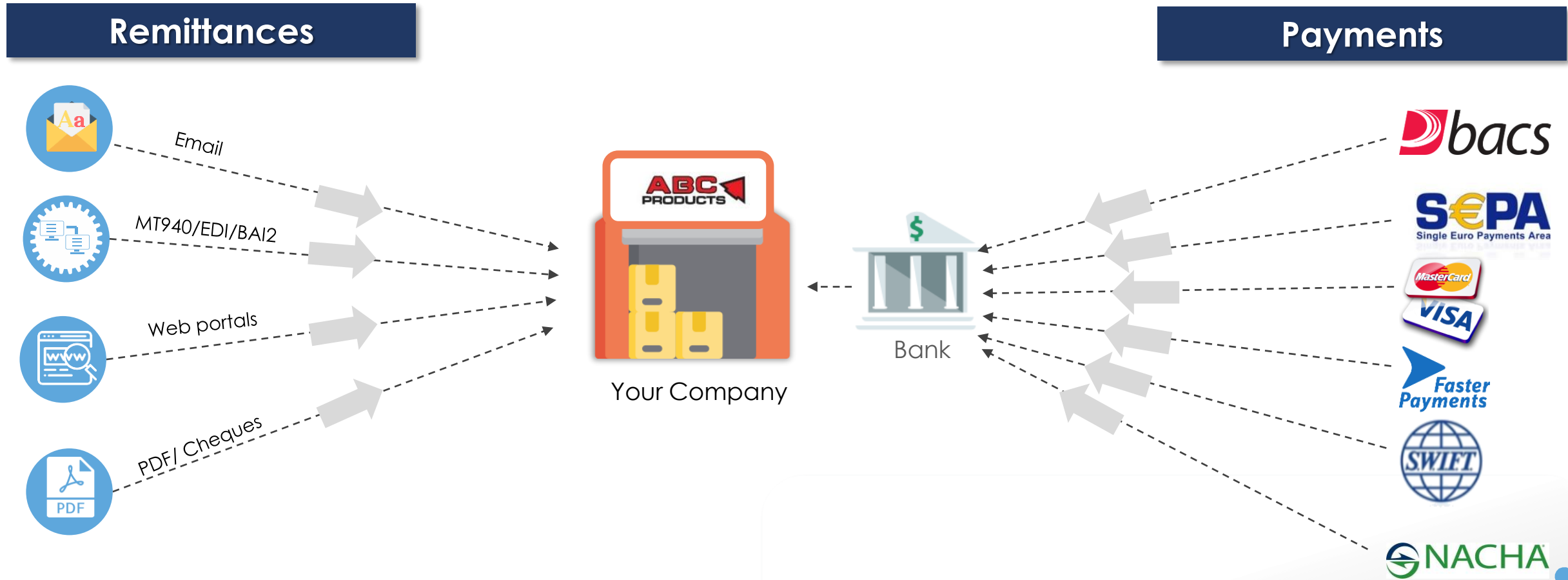




# Manual Cash Application

# The Payment and Remittance Scenario

*Difficulty in reconciling decoupled payments and remittances*



# Cash Application in a Global Organization

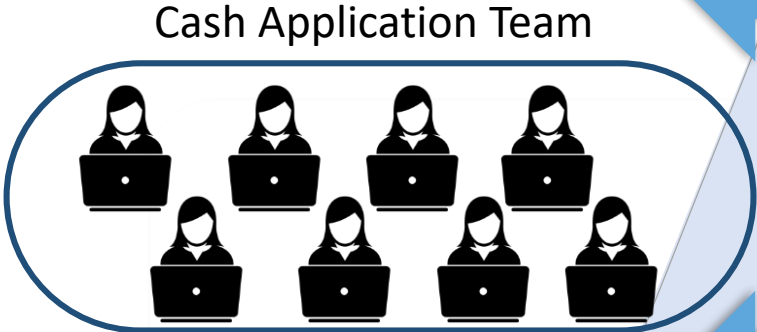
## COMPANY'S ACCOUNTS RECEIVABLE TEAM

## BUYER'S A/P TEAM



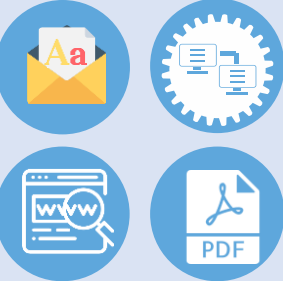
Open A/R info

Matched invoices



Cash Application Team

Exceptions



Remittances

# Manual Effort in Gathering Remittance

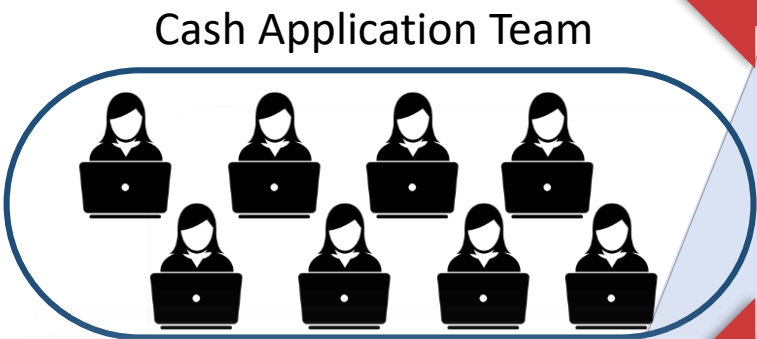
## COMPANY'S ACCOUNTS RECEIVABLE TEAM

## BUYER'S A/P TEAM



Open A/R info

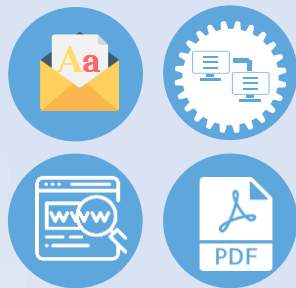
Matched invoices



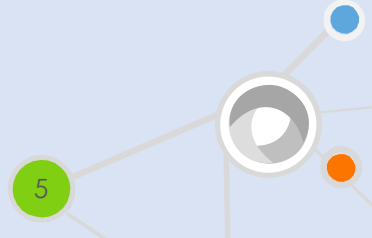
### Remittance Handling



- Manual work involved:**
- Download remittance from different sources
  - Capture line-item information
  - Link remittance with payments



### Remittances



# Cash Application Requires Manual Effort from Your A/R Team

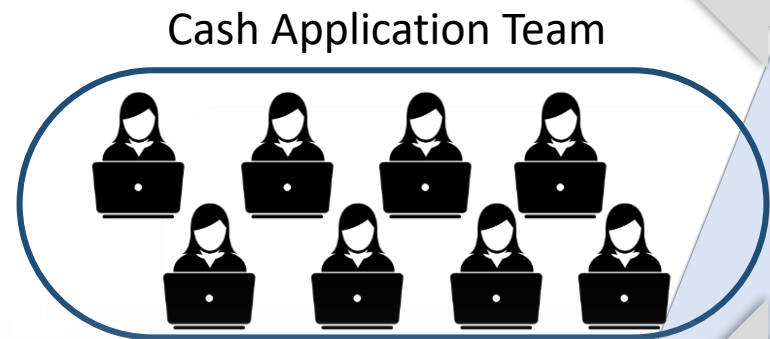
COMPANY'S ACCOUNTS RECEIVABLE TEAM

BUYER'S A/P TEAM



Open A/R info

Matched invoices



Invoice Matching

- Manual work involved:**
  - Match payments with open invoices
  - Post payments against invoice or on-account



Remittances

# Implications of Manual Cash Application

## 1. ~50% loss in team productivity

- Downloading remittances manually
- Linking remittances with payments
- Matching payments with open A/R

## 2. Inaccurate cash posting

- Manually intensive process resulting in keying-in errors
- Unresolved exceptions due to insufficient information

## 3. Higher processing costs

- Growing receivables volumes require more resources for cash posting

## 4. Hindrance to Visibility

- Manual identification/coding of short-payments delays dispute resolution
- Delayed cash posting impacts collections follow-up



# Cash Application Automation



# The Unfulfilled Promises of RPA

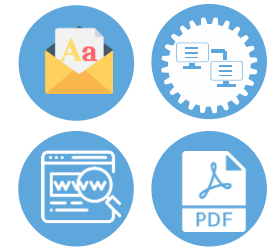
RPA is best suited for automating low-complexity, rules-based tasks



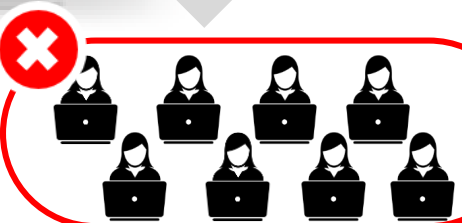
## Robotic Process Automation

### ✘ WHAT RPA CANNOT DO

- Extract remittance details from new formats
- Match payments for missing/incorrect remittance information
- Map deduction codes

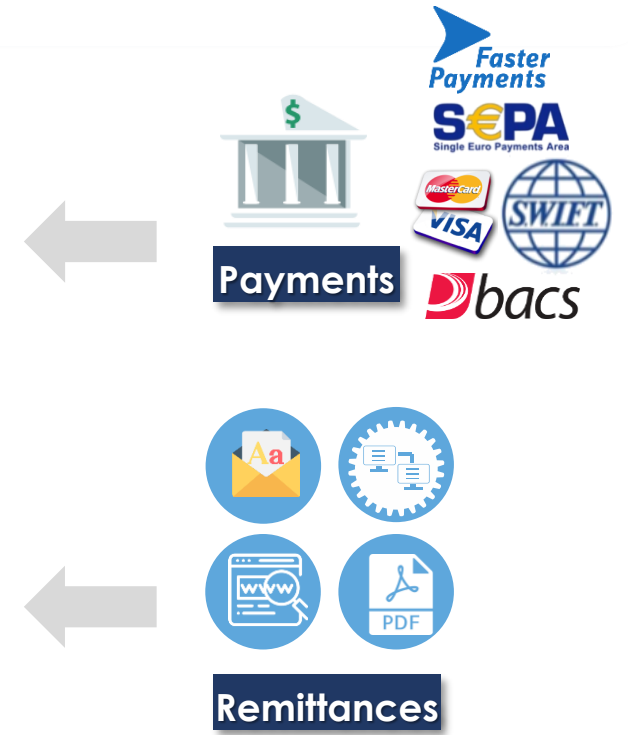
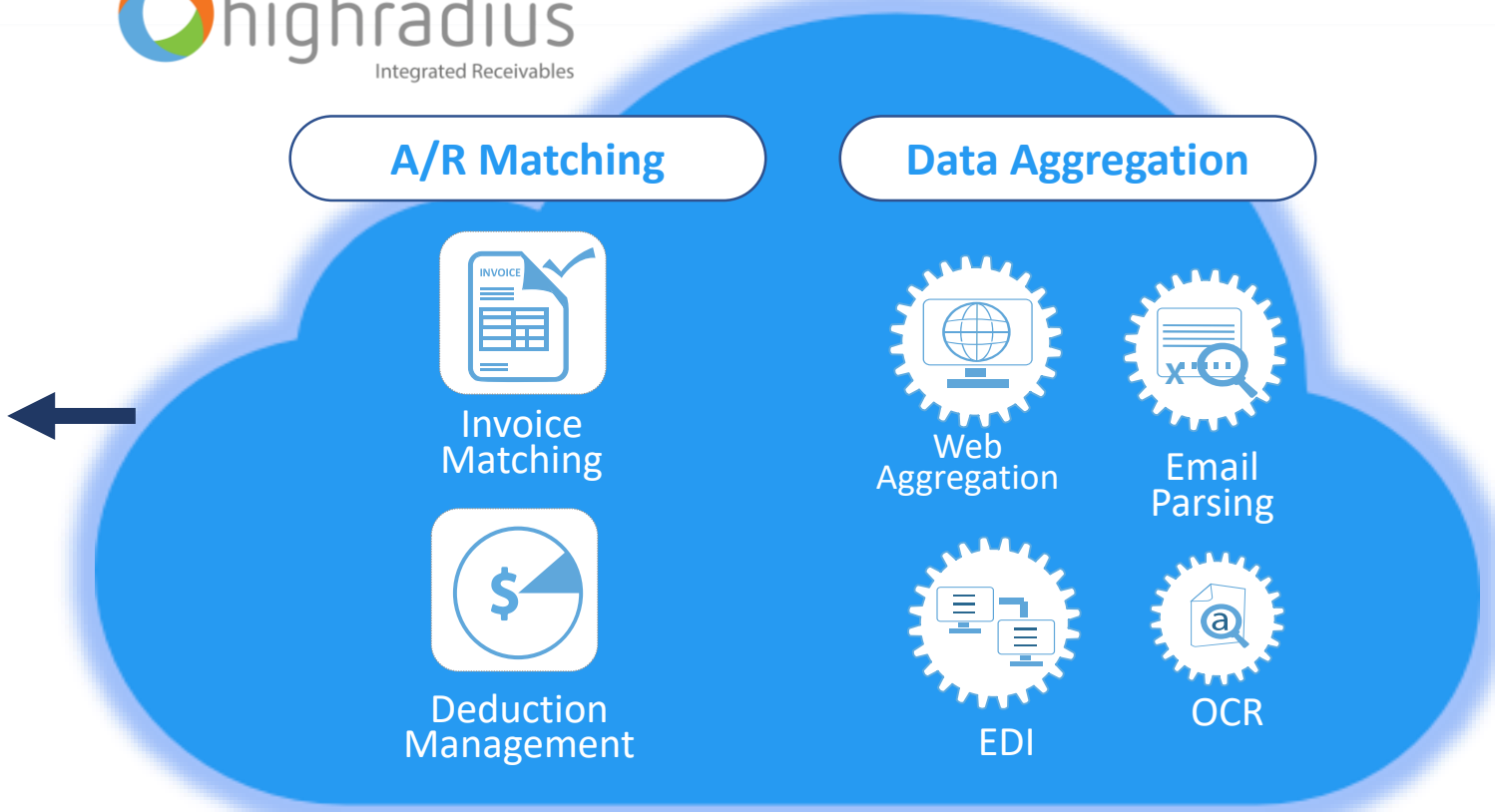


### Remittances

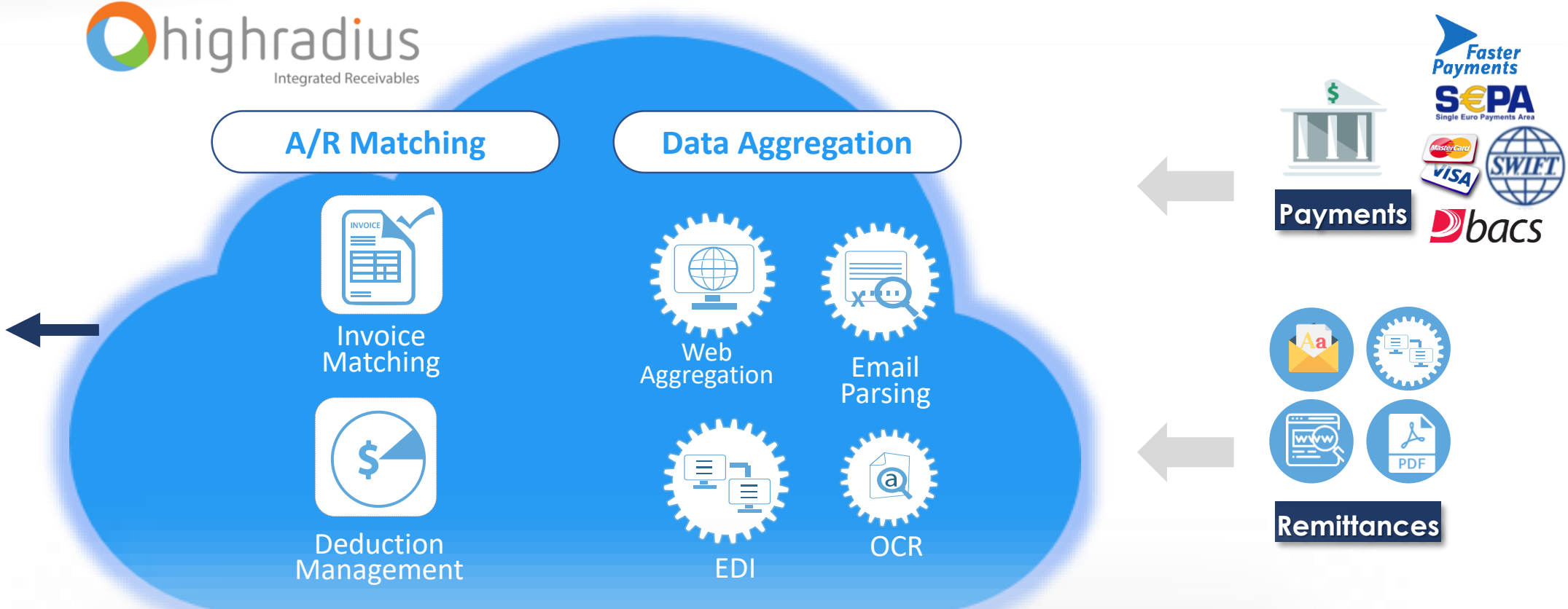


Continued intervention from Cash Application team for handling exceptions!

# AI-enabled Cash Application Cloud with HighRadius



# AI-enabled Cash Application Cloud with HighRadius



## ✓ How AI fills the gaps

- Extract remittance details across formats
- Link payments and remittance, even in cases of missing/incorrect remittance data
- Match linked payments to open A/R data
- Map deduction codes
- Reduce human intervention to handle exceptions with self-learning AI



# International Language Remittance Capture

**BBVA**



**CONFIRMING-BBVA, FACTURAS PAGADAS A VENCIMIENTO**

BAIX LLOBREGAT 3 Y 5  
8970 SANT JOAN DESPIJ  
BARCELONA

11 Febrero, 2019

Muy Sr./es nuestro/s:  
Rogamos tome nota, que en la fecha de pago que le indicamos en este documento, hemos ordenado transferencia a su favor correspondiente a las facturas que les detallamos en el informe adjunto.

N.I.F. PROVEEDOR:  
RAZÓN SOCIAL:  
Nº CONTRATO:  
CUENTA DE ABONO:

DEUDOR: COOP. GANADERA DEL VALLE DE LOS PEDROCHES  
CÓDIGO DEL DEUDOR: 0182 6204 0516 0000000026765

IMPORTE EN: EUR

FACTURA NÚM: [REDACTED]  
COMISION %: 0,000000

FECHA DE PAGO: 11-02-2019  
COMISION MINIMA: 0,00

1-Mir: BBVA-Tomo 2.001-Folio 1-1099-BI-17A-Integrado: 0302 C.I.F. A-40265 089

## Spanish

Gentile Cliente,

Da un riscontro contabile le seguenti fatture risultano scadute e non saldate:

Data documento	Numero documento	Livello	Data Scadenza	Giorni di Scaduto	Valuta	Importo
19.10.2018	870A189382	1	17.01.2019	8	EUR	170,00
Tot. partite					EUR	170,00
Saldo					EUR	170,00

In conformità ai termini e condizioni di vendita, le ricordiamo che gli importi non pagati entro la data di scadenza indicata comporteranno l'applicazione degli interessi di mora e/o penalità come specificato in fattura.

La ringraziamo anticipatamente per la Sua collaborazione.

## Italian

Pingo Doce - Distribuição Alimentar, S.A.  
Sede: Rua Actor António Silva, n.º 7 1649-033-Lisboa  
Contribuinte nº PT500829993 Capital Social: 33.808.115,00 EUR C.R.C Lisboa nº 500829993

Forn/Ciente ...106642 [REDACTED]

Nº de Fax do Forn/Ciente: 214172031

Transferência efectuada pelo BPI01 35D a vosso favor.

Exmo.(s) Sr.(s)

Num. Doc	Data Doc.	Valor	Desc.PP/IRF
FT8238126351	18.12.18	42.737,82	522,91
Total .....		42.737,82 EUR	522,91 EUR

## Portuguese

Madame, Monsieur

Nous vous informons par la présente que nous venons d'effectuer un virement de 2 867.94 € en date du 12/02/2019 sur votre banque SG , compte n°: 30003 01194 00025100888 69 correspondant aux factures ci-dessous:

07/12/2018	P814095	619318/	[REDACTED]	96.63
14/12/2018	P814576	626697/	[REDACTED]	86.92
18/12/2018	P814575	629097/	[REDACTED]	254.08
18/12/2018	P814333	630911/	[REDACTED]	36.76
20/12/2018	P815050	633432/	[REDACTED]	255.61
26/12/2018	P814870	636401/	[REDACTED]	1 995.00
27/12/2018	P814871	637183/	[REDACTED]	142.94

## French

# Remittance Detail – Email Body

Secure | https://cloud.highradius.com/RRDMSProject/dms/Home.do

highradius **ABC PRODUCTS** Welcome raj samal  
Last Logged in Time : Feb 15 2017 11:19:58 AM CST

Home Administration Cash Application Credit Request Summary Collections POD & Claims Deductions Trade Promotions EIPP Document Indexing

Payment Batches Payments Remittances Email Inbox Image Batches Images Outbound Files Inbound Files Customer Master MICR 2130705 x

A0.body | Email Status: Remittance Extracted | User Status: Assigned | Approve | Reject

R0-1 | Customer: OXIPUR S.A. (3906) | C | EC | [Icon] | [Icon]

Remittance Status: Success | Rules Status: Completed

Header Amount: 31,678.94 | Total Net Amount: 31678.94 | Difference: 0.00 | Running Total: 0.00

	Reference Field1	Reference Field2	Net Amount	Gross Amount	Discount
<input type="checkbox"/>					
<input type="checkbox"/>	1	6875008	30,020.01	0.00	0.00
<input type="checkbox"/>	2	6910081	435.50	0.00	0.00
<input type="checkbox"/>	3	6881225	1,223.43	0.00	0.00
<input type="checkbox"/>	4				
<input type="checkbox"/>	5				
<input type="checkbox"/>	6				
<input type="checkbox"/>	7				
<input type="checkbox"/>	8				
<input type="checkbox"/>	9				
<input type="checkbox"/>	10				
<input type="checkbox"/>	11				
<input type="checkbox"/>	12				
<input type="checkbox"/>	13				

Email Preview Attachment Preview Open AR

**From:** dbarroilhet@oxipur.cl  
**To:** "Eduardo Estrada"  
**Date:** Dec 12, 2016 8:13:49 PM  
**Subject:** BANK TRANSFER DATED DECEMBER 13, 2016 US\$31,678.94  
**Attachments:**

Dear Eduardo:

Tomorrow we are transferring the amount of US\$31,678.94 cover

Invoice 6875008 US\$30,020.01  
Invoice 6910081 US\$435.50  
Invoice 6881225 US\$1,223.43 (Partial payment)

Shall send copy of corresponding swift as soon as available.

Please confirm receipt of funds.

Best regards,

Denise Barroilhet  
OXIPUR S.A.

Remittance details in the email body captured in the system

# Remittance Prediction



ABCPRODUCTS

- Home
- Credit
- EIPP
- Cash Application
- Deductions
- Collections
- Analytics

- Payment Batches
- Payment Batches-140590 ✕
- Payment-43534 ✕
- Payments
- Remittances
- Enriched File
- Recommendations
- RDC Batches
- RDC Mobile Batches

Tools:

### Details

Payment Number:	43534	Customer Name:	Largest Health Care Center	Remittance Source:	
Payment Amount:	100.00	Customer Number:	100067	Linked Remittance File:	
Payment Date:	January 10, 2019	Payer Name:		Original Payment File:	<a href="#">Download</a>
Exception Status:	Exception	Payer Account Number:	8373636389	Supporting Documents:	
Exception Details:	<a href="#">PRLF</a>	Payer Routing Number:	736336376	Notes:	
		Machine Learning Confidence:			

- Received Data
- Transformed Data

Payment Amount: 100.00 Net Amount: 0.00 Difference: 100.00

Page 0 of 0 No Records to display

Reference Field*	Total Amount	Discount Amount	Description	Exception Details	Reference Key1
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

There are no Records

Exception coding and help

# Remittance Prediction

Add Invoices **Remittance Predictions**

Search Filter: Local Search Advanced Search

Total Difference: 100.00 | Discount: 0.00 | Remaining Difference: 100.00 1-20 of 258

<input type="checkbox"/>	Invoice Number	Document Date	Due Date	Doc Type	Customer Number	PO Number	Order Number	Invoice Amount	Eligible Disc	Net Amount	Customer Number
<input type="checkbox"/>	8178251	Nov 20, 201...		RV	100067			171.50	0.00	171.50	
<input type="checkbox"/>	8178256	Nov 20, 201...		RV				478.24	0.00	478.24	
<input type="checkbox"/>	8179501	Nov 20, 201...		RV				62.72	0.00	62.72	
<input type="checkbox"/>	8178249	Nov 20, 201...		RV				33.22	0.00	33.22	
<input type="checkbox"/>	8178275	Nov 20, 201...		RV				38.22	0.00	38.22	
<input type="checkbox"/>	8178627	Nov 20, 201...		RV	100067			478.24	0.00	478.24	
<input type="checkbox"/>	8177757	Nov 20, 201...		RV	100067			31.36	0.00	31.36	
<input type="checkbox"/>	8178596	Nov 20, 201...		RV	100067			48.02	0.00	48.02	
<input type="checkbox"/>	8179510	Nov 20, 201...		RV	100067			21.56	0.00	21.56	
<input type="checkbox"/>	8177739	Nov 20, 201...		RV	100067			29.99	0.00	29.99	
<input type="checkbox"/>	8177815	Nov 20, 201...		RV	100067			37.73	0.00	37.73	
<input type="checkbox"/>	8179642	Nov 20, 201...		RV	100067			344.96	0.00	344.96	
<input type="checkbox"/>	8177858	Nov 20, 201...		RV	100067			38.22	0.00	38.22	
<input type="checkbox"/>	8178595	Nov 20, 201...		RV	100067			189.14	0.00	189.14	

There are no Records Add Cancel

AI predicts remittance for faster exception handling

# Remittance Prediction

Details

Payment Number  
Payment Amount  
Payment Date:  
Exception Status:  
Exception Details:

Add Invoices		Remittance Predictions						
<input type="checkbox"/>	Predictions	Probability	# of Invoices					
<input type="checkbox"/>	Prediction 1	95.30 %	2					
Invoice Number	Document Date	Due Date	Doc Type	Customer Number	PO Number	Order Number	Invoice Amount	Eligible Disc
500083428	Jan 3, 2019 12:00:00 ...	Jan 10, 2019 12:00:00 AM	RV	100067				0
500083425	Jan 3, 2019 12:00:00 ...	Jan 8, 2019 12:00:00 AM	RV	100067				0
<input type="checkbox"/>	Prediction 2	82.00 %	3					
Invoice Number	Document Date	Due Date	Doc Type	Customer Number	PO Number	Order Number	Invoice Amount	Eligible Disc
500083411	Jan 3, 2019 12:00:00 ...	Jan 3, 2019 12:00:00 AM	RV	100067				0
500083410	Jan 3, 2019 12:00:00 ...	Jan 3, 2019 12:00:00 AM	RV	100067				0
500083402	Jan 3, 2019 12:00:00 ...	Jan 1, 2019 12:00:00 AM	RV	100067				0
<input type="checkbox"/>	Prediction 3	54.00 %	3					
Invoice Number	Document Date	Due Date	Doc Type	Customer Number	PO Number	Order Number	Invoice Amount	Eligible Disc
500083398	Jan 3, 2019 12:00:00 ...	Dec 15, 2019 12:00:00 AM	RV	100067				0
500083392	Jan 3, 2019 12:00:00 ...	Dec 15, 2019 12:00:00 AM	RV	100067				0
500083389	Jan 3, 2019 12:00:00 ...	Dec 27, 2019 12:00:00 AM	RV	100067				0

Confidence score for each prediction

Received Data

Reference Field

There are no Records

records to display



# Mobile Payments and RDC

8:40

CUSTOMER SELECTION

FAVORITES CUSTOMERS

Enter the name

UNITED NATURAL FOODS EAST GREENWOOD  
0450021935

SPARTAN  
0450068171

KROGER  
0450024884

AMAZON FRESH GT  
0450070993

AMAZON FRESH GT  
0450070993

MT. PLEASANT ICE CREAM AP  
0450029550

MT. PLEASANT ICE CREAM AP  
0450029550

A. PANZA & SONS LTD AP  
0450029498



10:15

INVOICES

CANCEL Skip

Running Amount :\$4173.61

<input type="radio"/>	2600003742 Due Date 2018-03-03	\$1428.54
<input checked="" type="checkbox"/>	2140993481 Due Date 2018-02-27	\$12.66
<input checked="" type="checkbox"/>	2141012541 Due Date 2018-02-17	\$197.89
<input checked="" type="checkbox"/>	2141016057 Due Date 2018-02-12	\$3963.06
<input type="radio"/>	2141006655 Due Date 2018-02-12	\$13.26
<input type="radio"/>	2600004404 Due Date 2018-02-04	\$4605.12

NEXT



PAYMENT METHOD

Remittance Amount: \$2372.37

Check Amount: \$4968.00

Credit card

Check

Check-Image Front

Check-Image Back

Verified "Remittance Amount" matches with "Check Amount"

SUBMIT

# Summary: Why Choose AI for Cash Application

## 1. Improved team productivity

- Remittances downloaded and linked with payments automatically
- Automated matching of payments with outstanding invoices
- 95%+ straight-through processing achieved across all payments and remittance formats

## 2. Improved process accuracy

- Multiple parameter based matching eliminates errors
- Improved exception handling

## 3. Lower payment processing costs

- FTE dependence reduced due to automation
- Process could be scaled easily without deploying additional manpower
- SaaS allows deployment with minimal IT footprint and quick ROI

## 4. Optimized overall A/R processes

- FTE reallocated to more critical A/R processes such as collections
- Dispute resolution accelerated to faster deduction identification
- Regularly updated credit limits and decreases blocked order risk

# HighRadius at a Glance

## Integrated Receivables Cloud Platform



**375+ Clients.** 150 in last 2 years.  
#1 in Fortune 1000 market.



**\$1 Trillion** in receivables processed annually.

### Founded

Bootstrapped for a decade

### Philosophy

Profitability & Growth

2006

### Growth

75% CAGR

### Global Presence

Americas HQ - Houston  
Europe HQ - London  
Asia HQ - Hyderabad  
850+ employees

### Strategic Partnerships

\$60+ Million Growth Funding



2017-2019

# HighRadius Success Stories – Cash Application



98.5%  
on-invoice  
hit-rate

80%  
reduction in  
manual effort

85%  
on-invoice  
hit rate

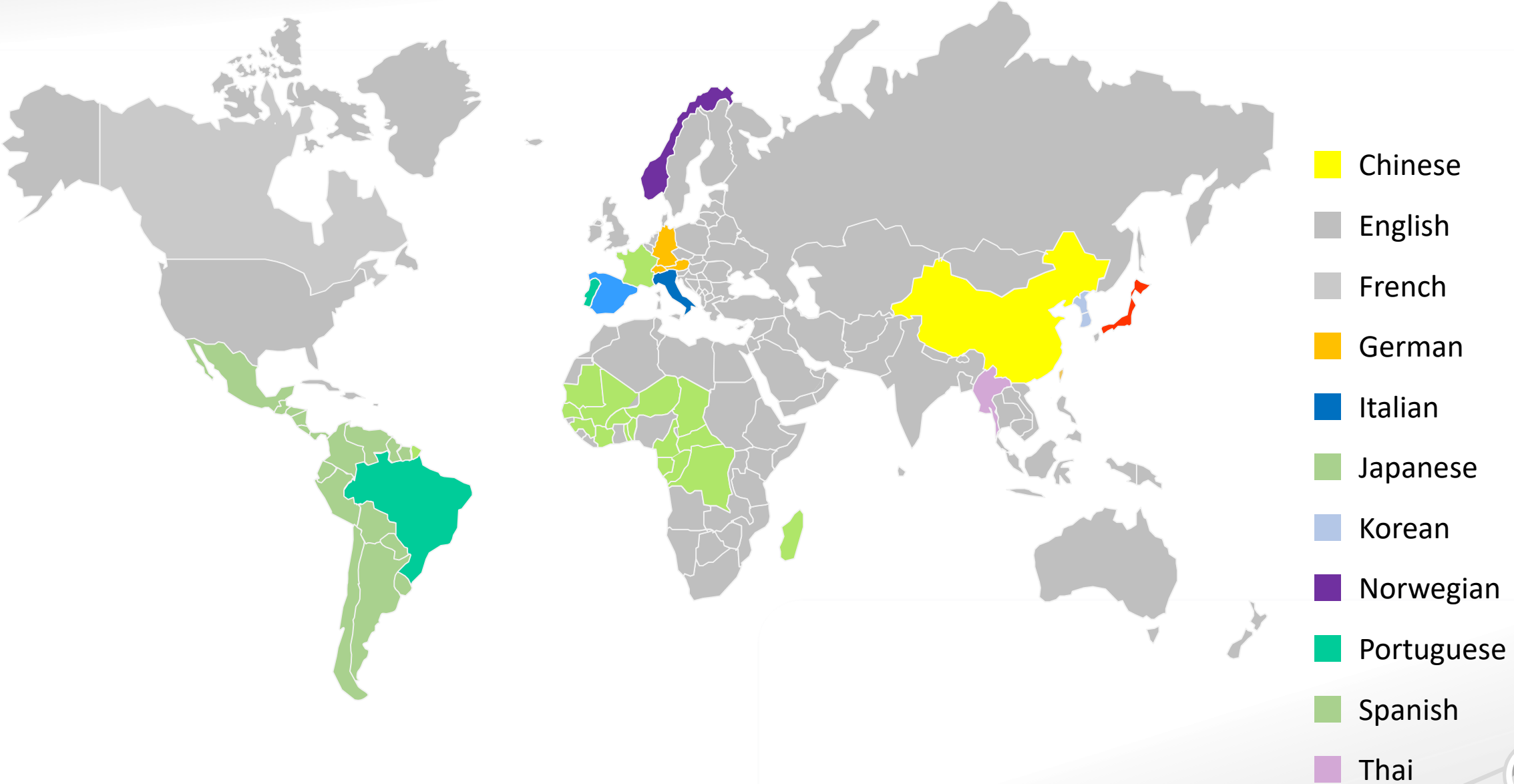
800k remittance  
line items  
automated  
annually

75%  
resource  
optimization

# Partial List of Customers



# International Language Support for User Interface



# Partial List of Customers



650+  
A/R Transformation Projects



Thank You.