Automating Cash Application With Artificial Intelligence

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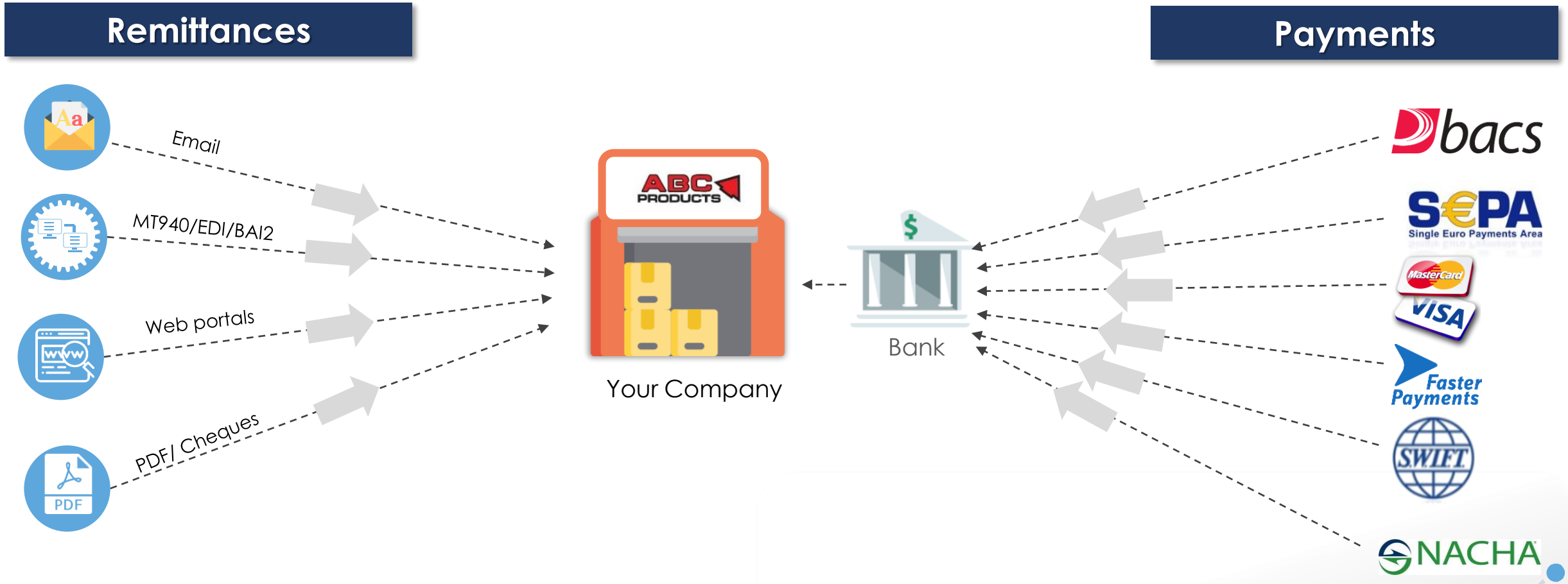
Manual Cash Application

The Payment and Remittance Scenario

Difficulty in reconciling decoupled payments and remittances



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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

Payments

Remittances

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Manual Effort in Gathering Remittance

COMPANY'S ACCOUNTS RECEIVABLE TEAM

BUYER'S A/P TEAM

Open A/R info

Matched invoices

Cash Application Team

Remittance Handling

Payments

Remittances

Manual work involved:

- Download remittance from different sources
- Capture line-item information
- Link remittance with payments

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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

Cash Application Team

Invoice Matching

Payments

Remittances

Manual work involved:

- Match payments with open invoices
- Post payments against invoice or on-account

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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

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Cash Application Automation

The Unfulfilled Promises of RPA

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

SAP
ORACLE
JD EDWARDS
sage
Microsoft Dynamics

Robotic Process Automation

Payments

Faster Payments
SEPA Single Euro Payments Area
MasterCard
VISA
SWIFT
bacs

Remittances

WHAT RPA CANNOT DO

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

Continued intervention from Cash Application team for handling exceptions!

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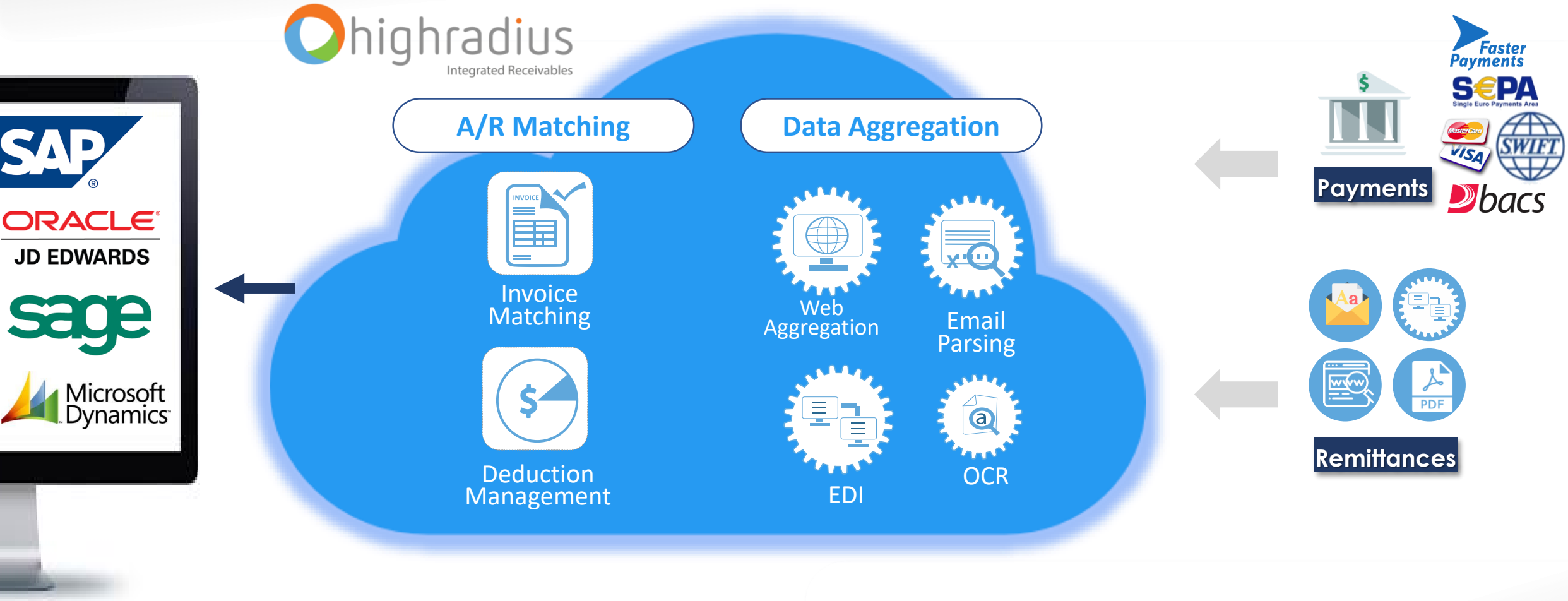
AI-enabled Cash Application Cloud with HighRadius



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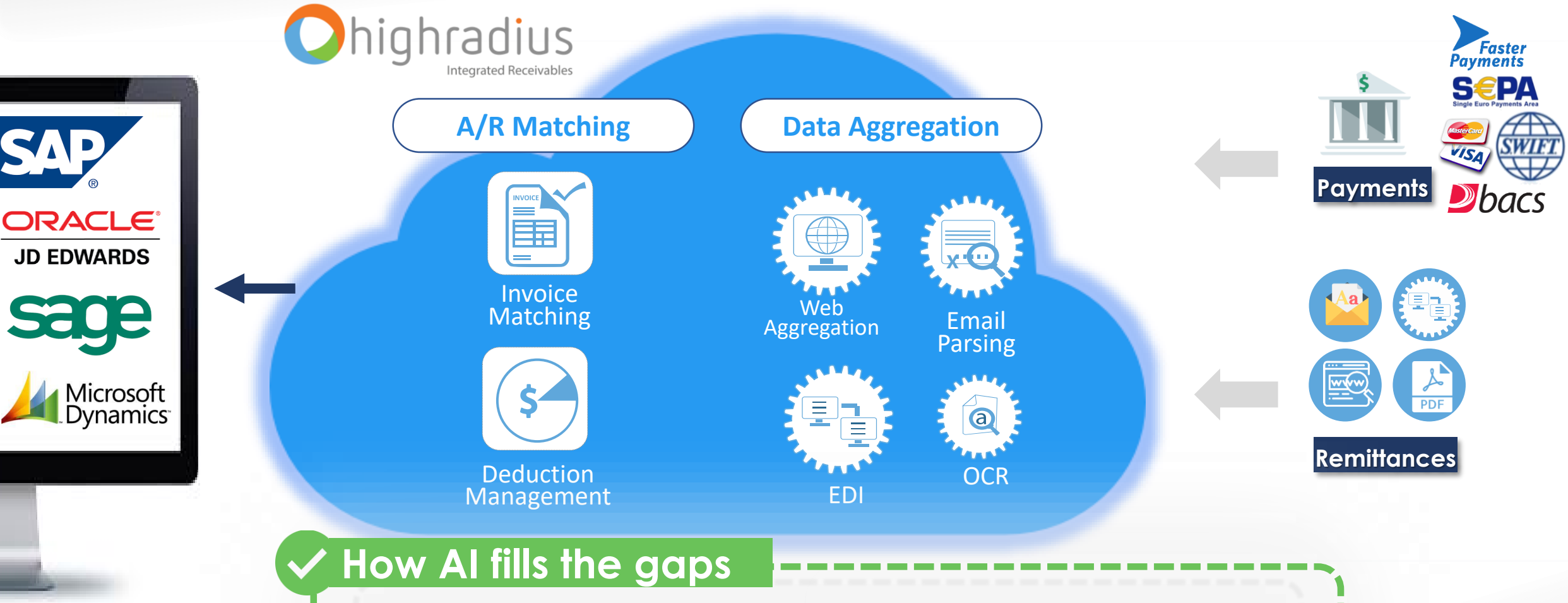
AI-enabled Cash Application Cloud with HighRadius



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

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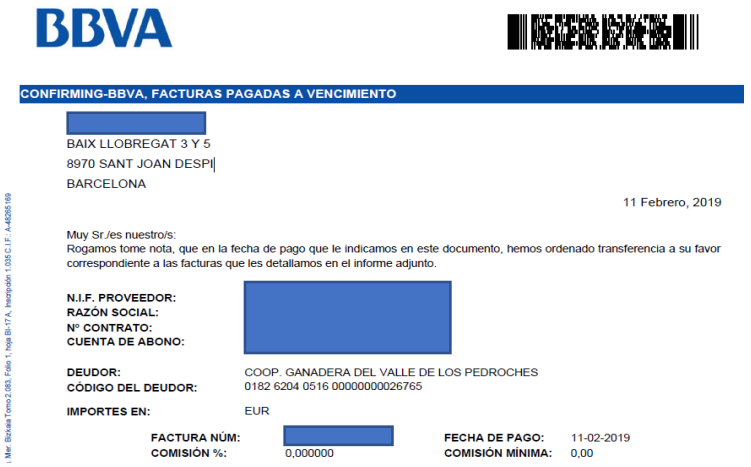
International Language Remittance Capture



BBVA

CONFIRMING-BBVA, FACTURAS PAGADAS A VENCIMIENTO

[redacted]
BAIX LLOBREGAT 3 Y 5
8970 SANT JOAN DESPI
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.

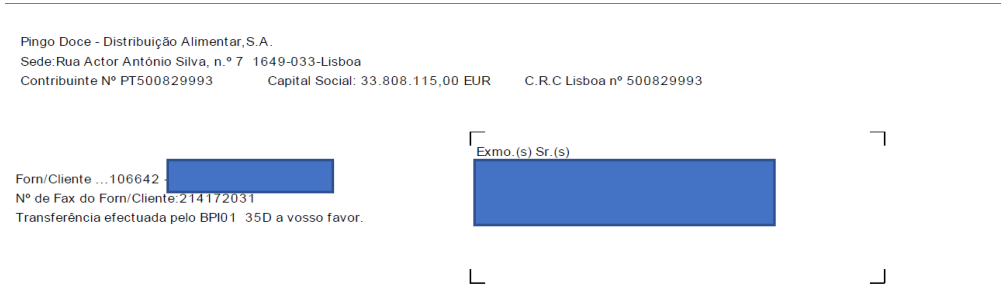
N.I.F. PROVEEDOR: [redacted]
RAZÓN SOCIAL:
Nº CONTRATO:
CUENTA DE ABONO:

DEUDOR: COOP. GANADERA DEL VALLE DE LOS PEDROCHES
CÓDIGO DEL DEUDOR: 0182 6204 0516 00000000026765

IMPORTES EN: EUR

FACTURA NÚM: [redacted] FECHA DE PAGO: 11-02-2019
COMISIÓN %: 0,000000 COMISIÓN MÍNIMA: 0,00

Spanish



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

Exmo.(s) Sr.(s)
[redacted]

Forn/Cliente ...106642 [redacted]
Nº de Fax do Forn/Cliente:214172031
Transferência efectuada pelo BPI01 35D a vosso favor.

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

Gentile Cliente,

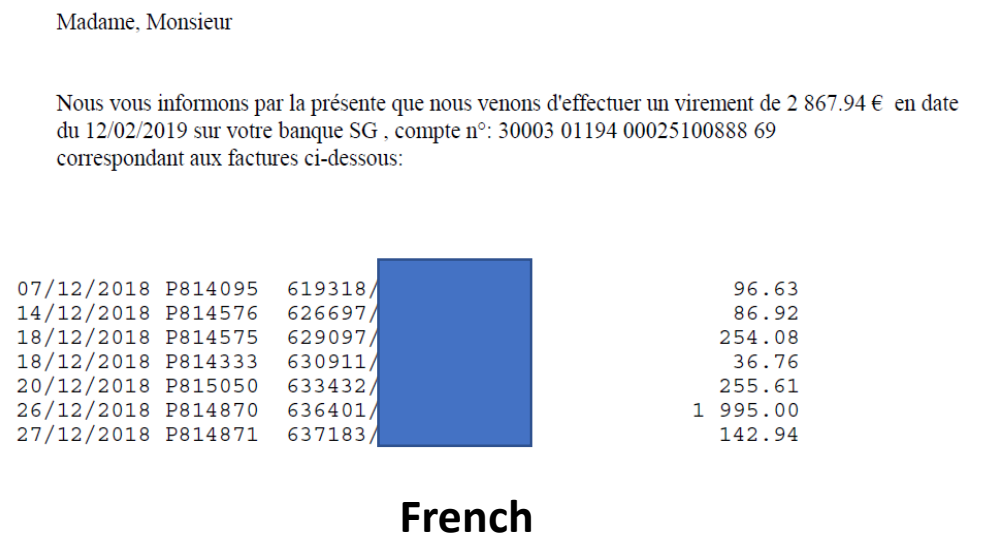
Da un riscontro contabile le seguenti fatture risultano scadute e non saldate:

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



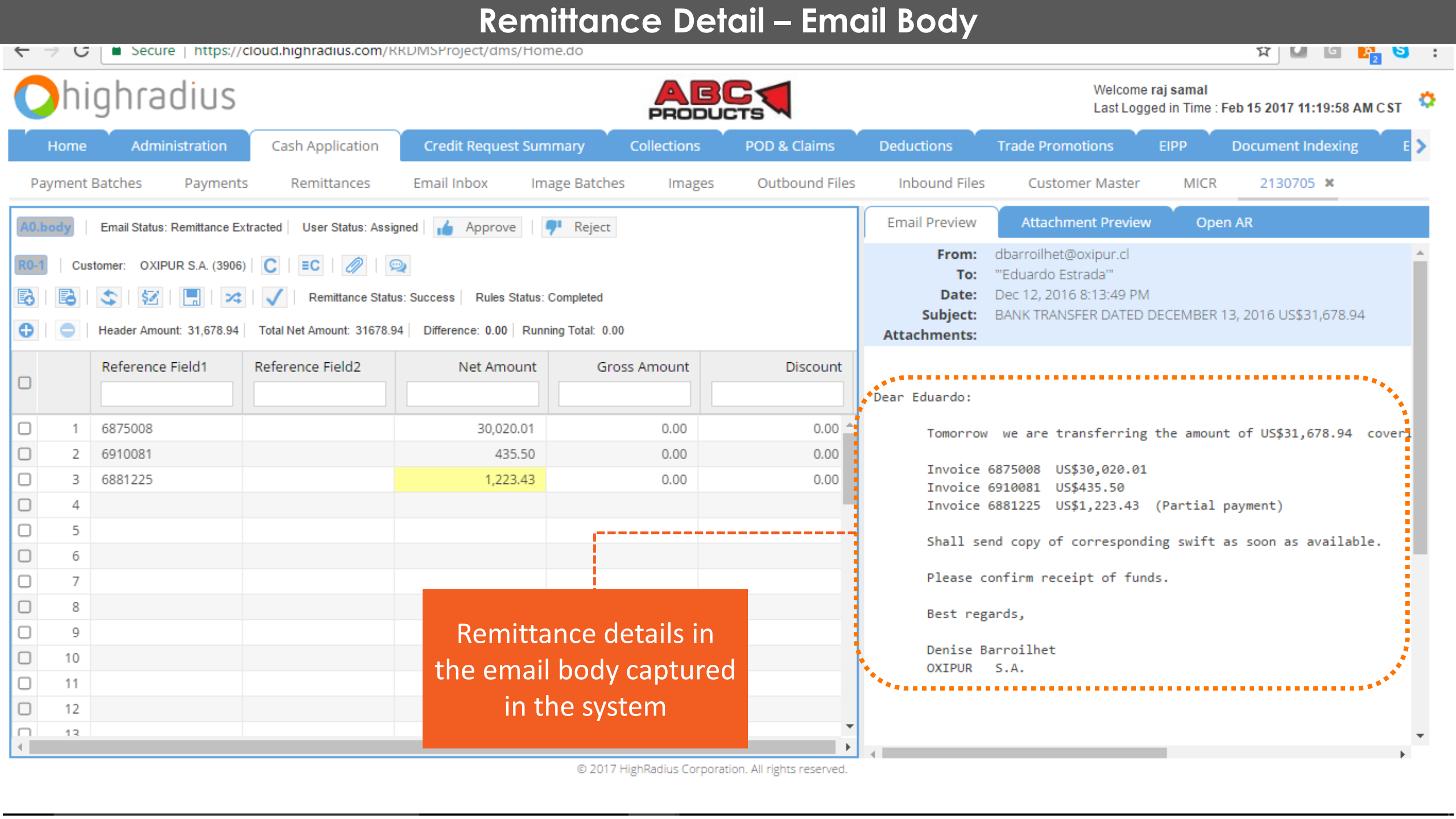
Madame, Monsieur

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/	86.92
18/12/2018	P814575	629097/	254.08
18/12/2018	P814333	630911/	36.76
20/12/2018	P815050	633432/	255.61
26/12/2018	P814870	636401/	1 995.00
27/12/2018	P814871	637183/	142.94

French

Remittance Detail – Email Body



Remittance Prediction

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ABCPRODUCTS

Welcome **Laura Edwards**
Last Logged in Time : 14 February, 2019, 12:21:53 pm

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

Edit | Manage Mappings

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:	Download
Exception Status:	Exception	Payer Account Number:	8373636389	Supporting Documents:	
Exception Details:	PRLF	Payer Routing Number:	736336376	Notes:	
		Machine Learning Confidence:			

Received Data | Transformed Data

Payment Amount: 100.00 Net Amount: 0.00 **Difference: 100.00**

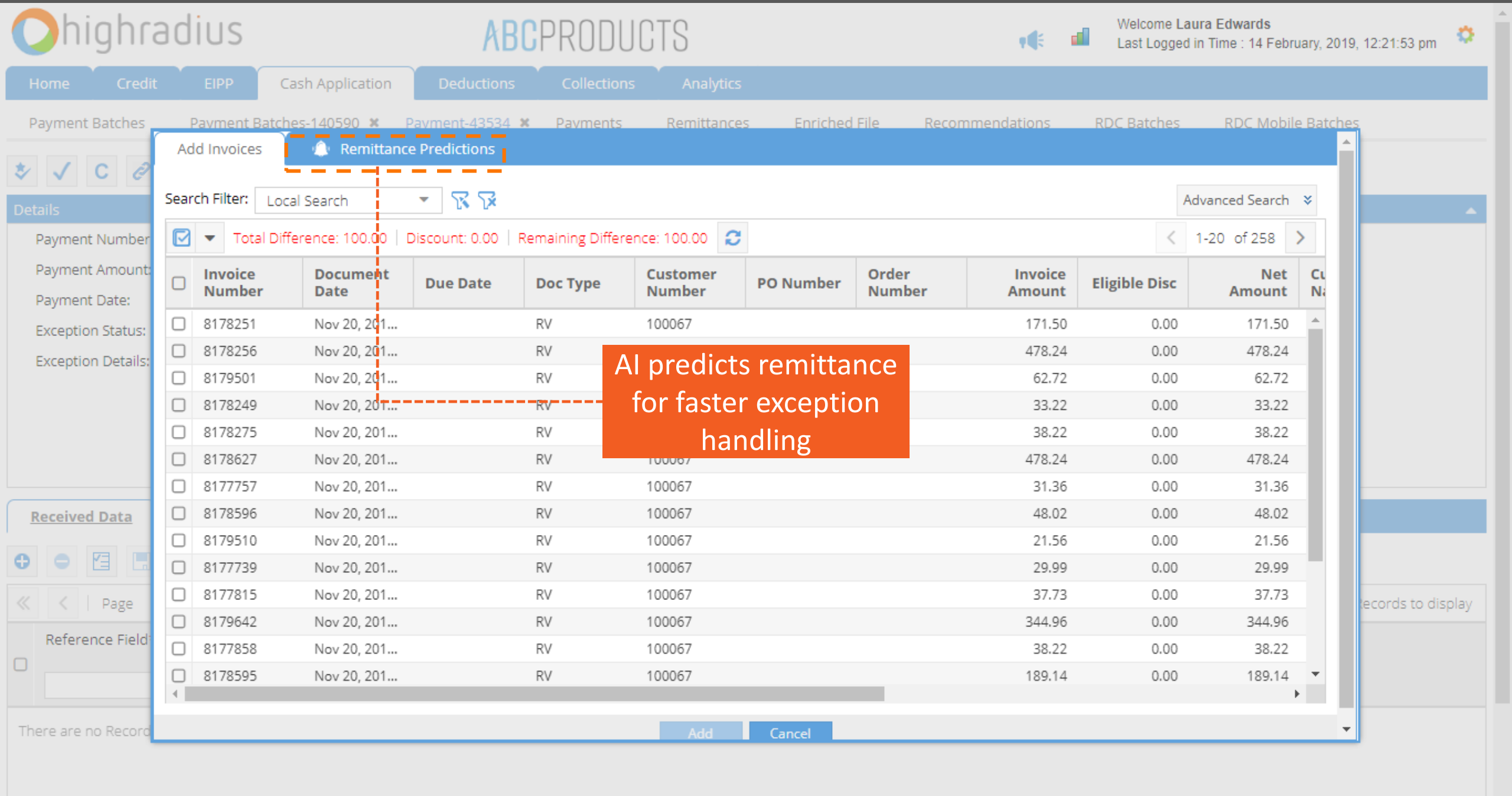
Page 0 of 0 | No Records to display

Reference Field*	Total Amount	Discount Amount			ription	Exception Details	Reference Key1

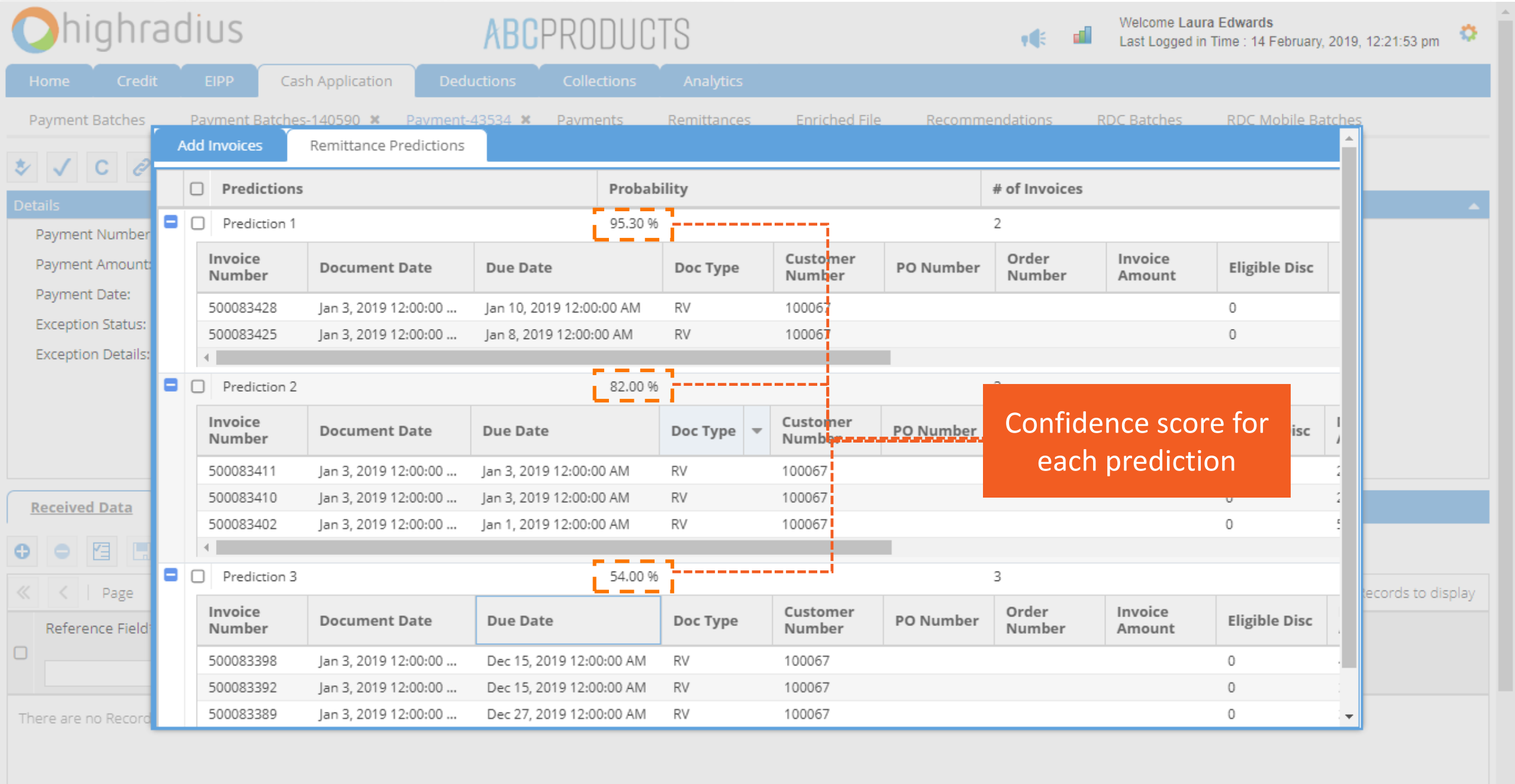
There are no Records

Exception coding and help

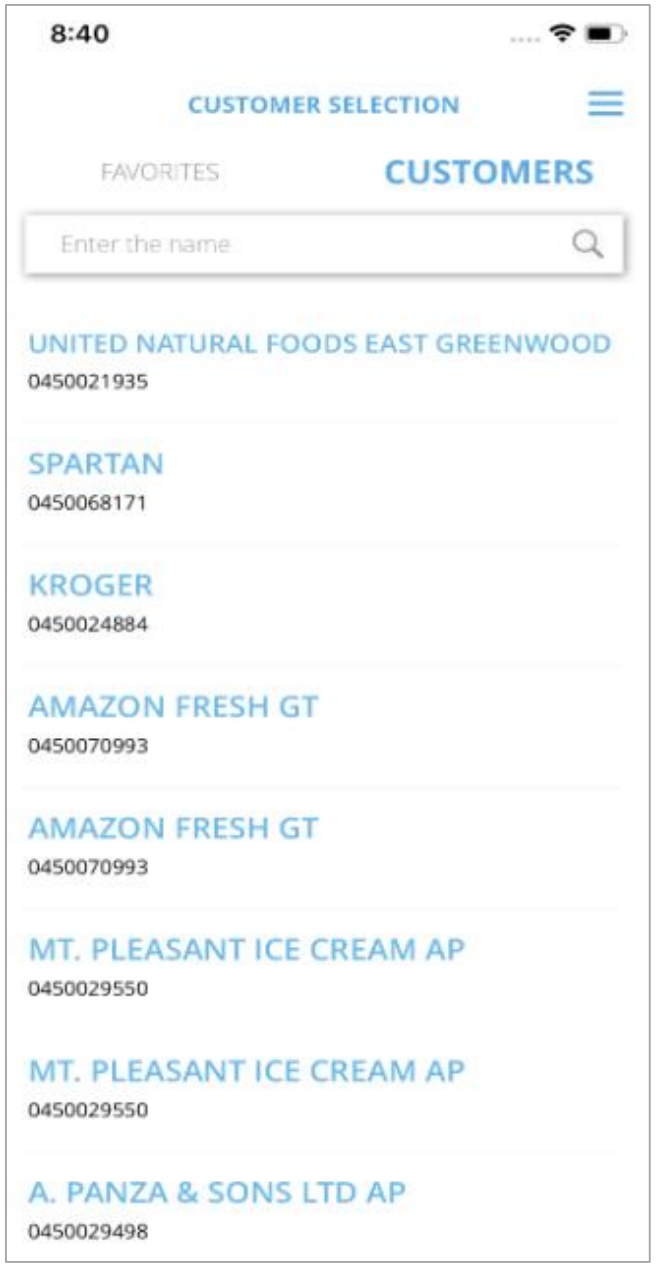
Remittance Prediction

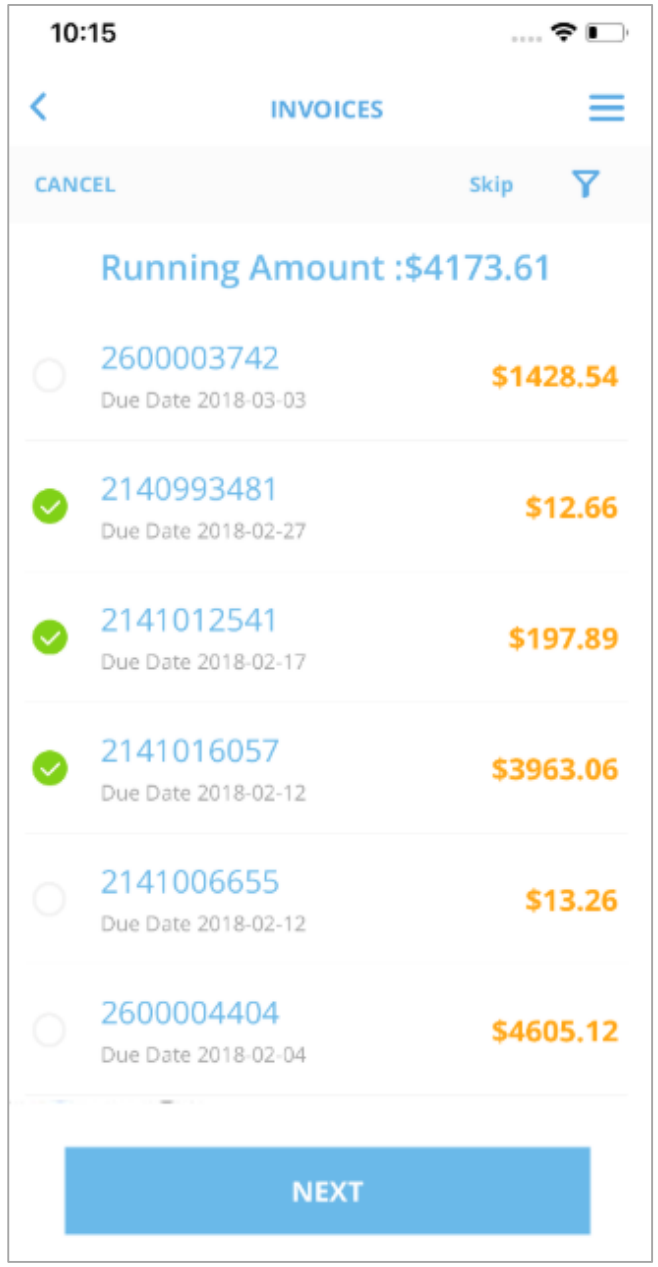


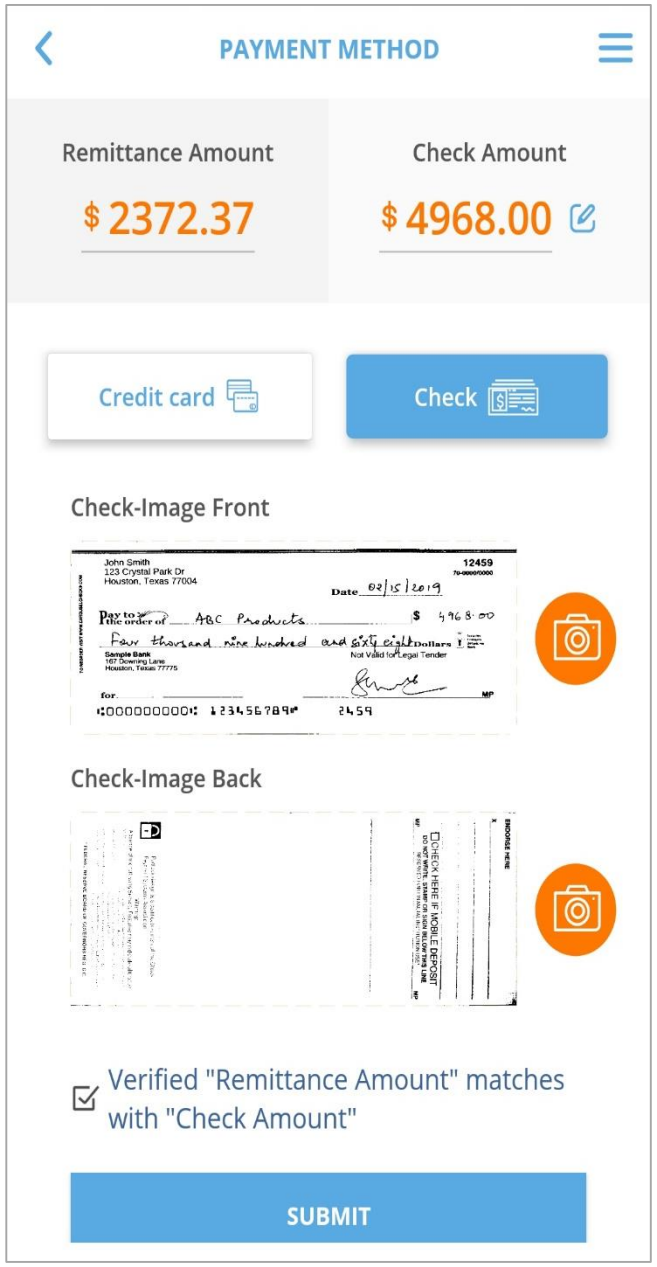
Remittance Prediction



Mobile Payments and RDC







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

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HighRadius at a Glance

Integrated Receivables Cloud Platform

375+ Clients. 150 in last 2 years.
#1 in Fortune1000 market.

$1 Trillion in receivables processed annually.

Founded
Bootstrapped for a decade

Philosophy
Profitability & Growth

2006

Growth
75% CAGR

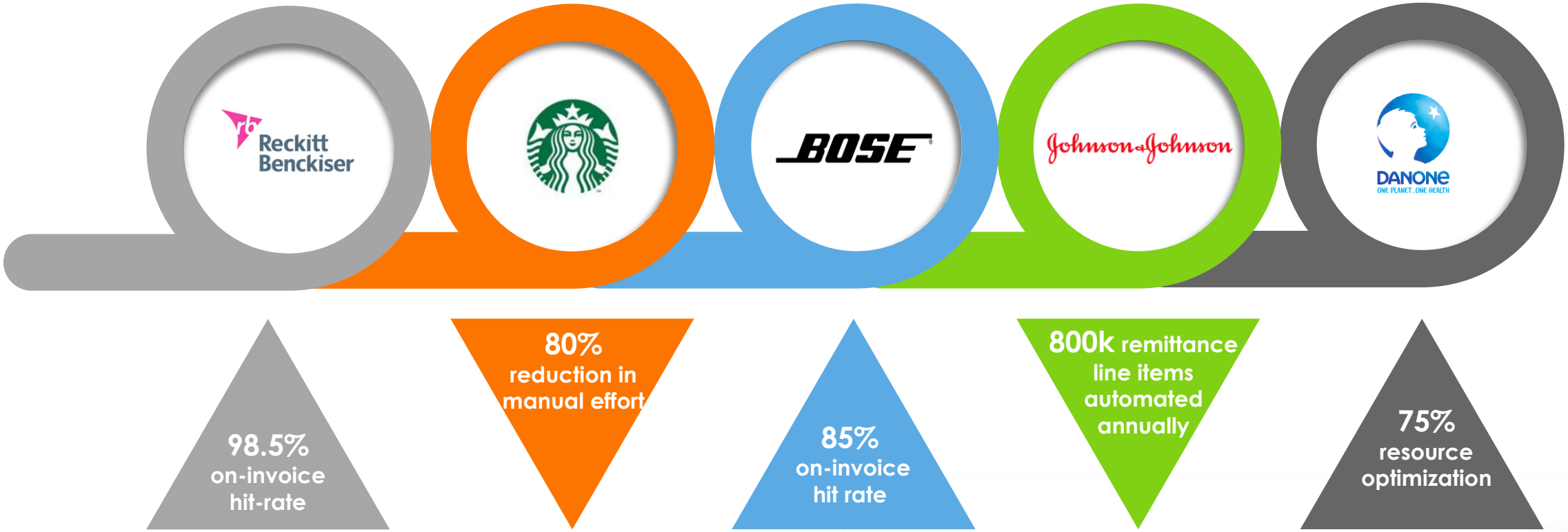
Global Presence
Americas HQ - Houston
Europe HQ - London
Asia HQ - Hyderabad
850+ employees

Strategic Partnerships
$60+ Million Growth Funding

Bank of America Merrill Lynch, citi, PNC, SGE Susquehanna Growth Equity, LLC

2017-2019

HighRadius Success Stories – Cash Application



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Partial List of Customers

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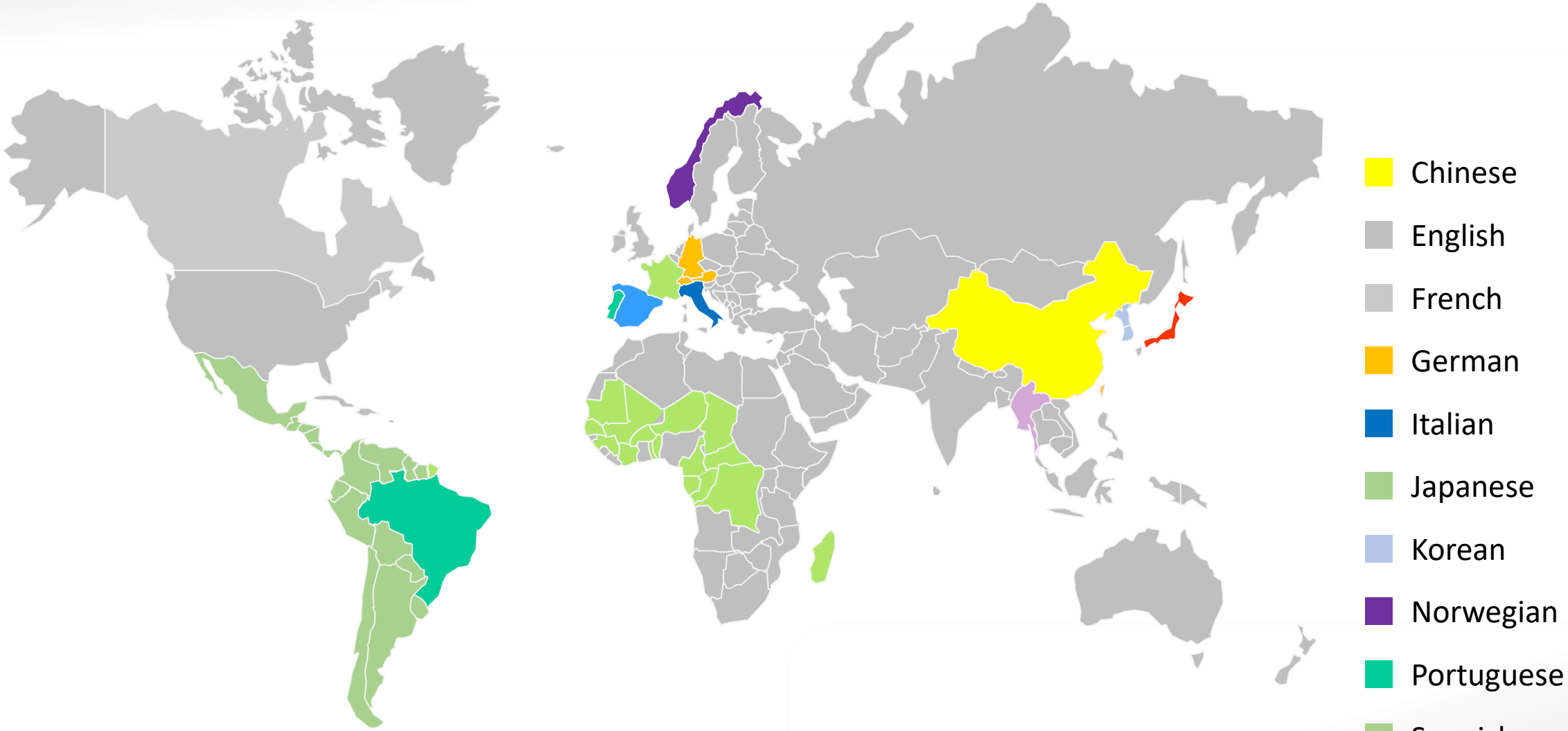
International Language Support for User Interface



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Thank You.