



Automating accounts receivable: CFOs weigh in

With advances in technology, automation has become a key component in managing accounts receivable (AR) processes. But how much impact do these technologies actually have on businesses? A recent survey from PYMNTS.com and Corcentric explored how specialized AR automation adoption affects Days Sales Outstanding (DSO) and operational efficiency among CFOs of US-based firms with over \$250 million in annual revenues. Here are the key findings of the survey — in numbers:

93% of businesses that automated at least 50% of their AR processes were satisfied with their outcomes

Automation reduces DSO

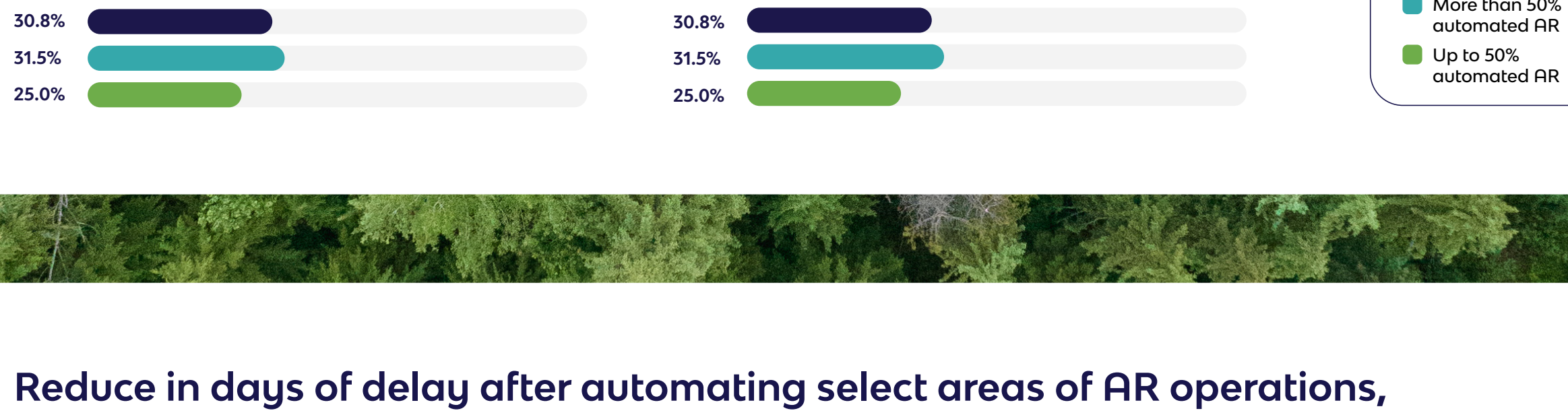
85%

OF CFOs THAT AUTOMATED AT LEAST 50% OF THEIR AR PROCESSES ACKNOWLEDGED A DECREASE IN DSO BY 32% OR 19 DAYS

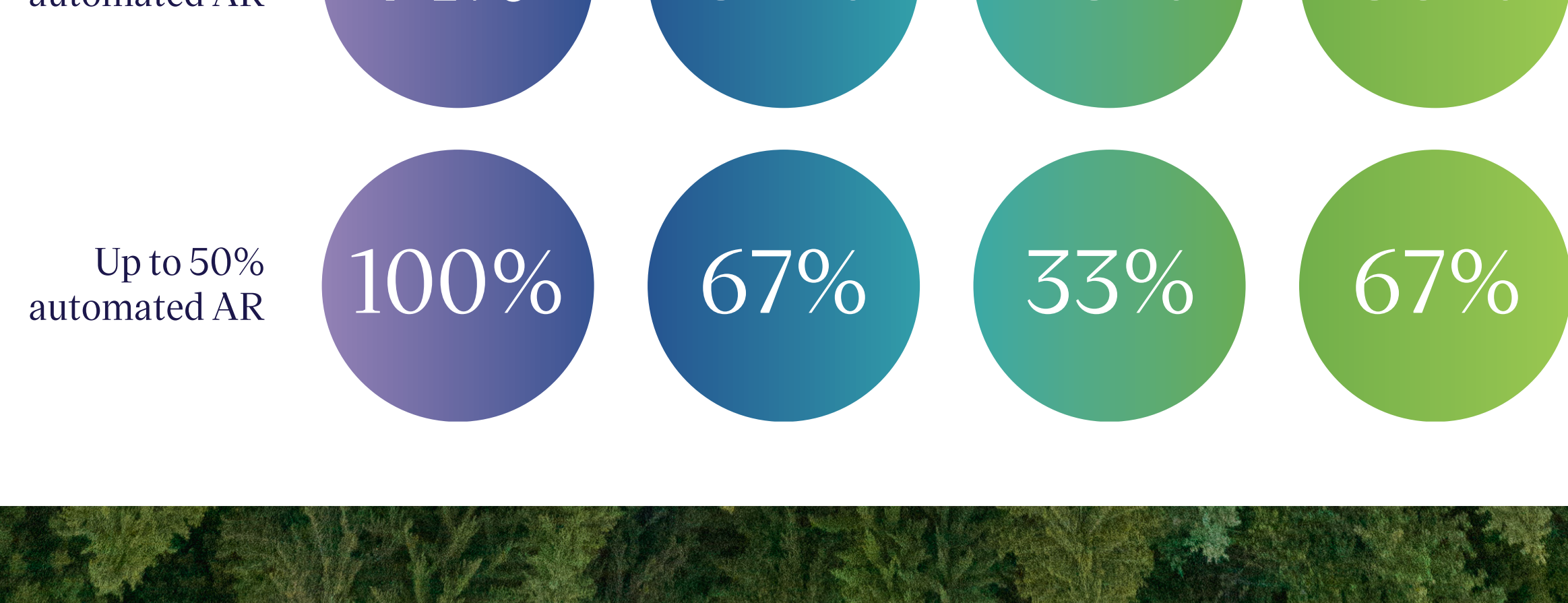
67%

OF CFOs BELOW THE 50% THRESHOLD SAID THE SAME

The average decrease in DSO using automation in select areas of AR operations, by level of automation.



Reduce in days of delay after automating select areas of AR operations, by level of automation.



Automation reduces AR friction

60%

OF CFOs ATTRIBUTED IMPROVED PROCESSING SPEED AND REAL-TIME UPDATES TO A DROP IN DSO

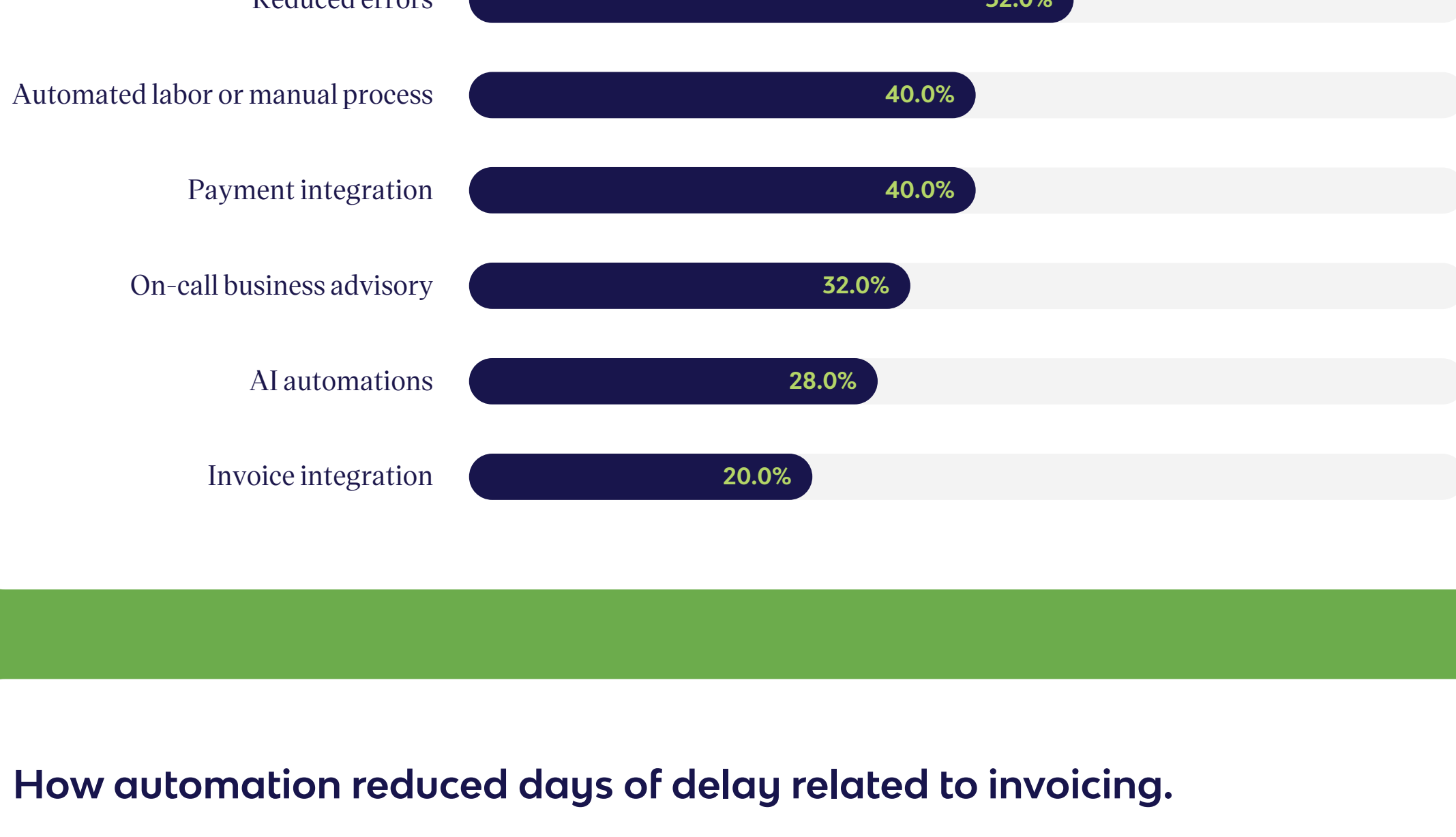
40%

ATTRIBUTED THEIR REDUCED DSO TO AUTOMATING TEDIOUS, LABOR-INTENSIVE TASKS

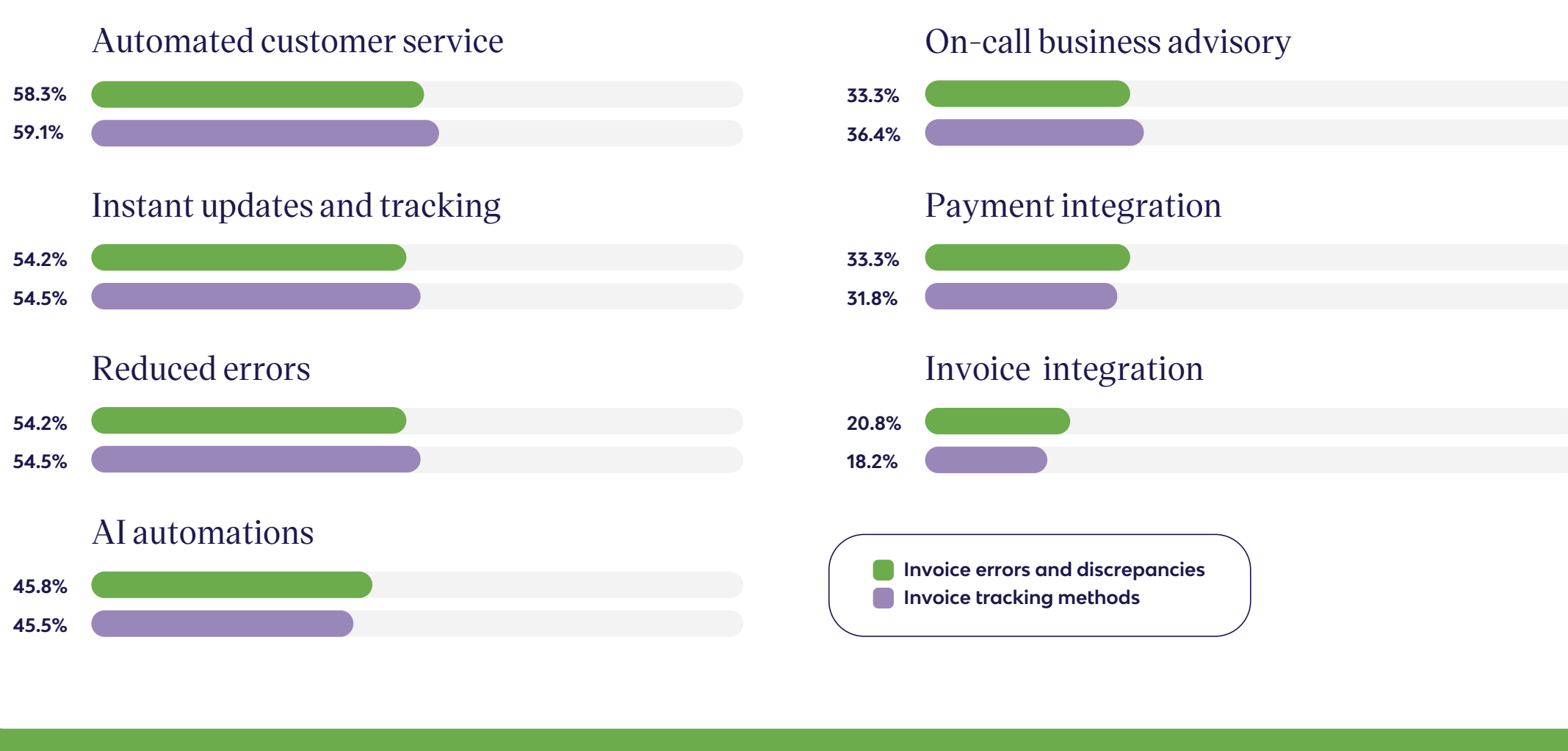
63%

WITNESSED FEWER INVOICING ERRORS

How automation reduced days of delay in payment and exceptions around payment.

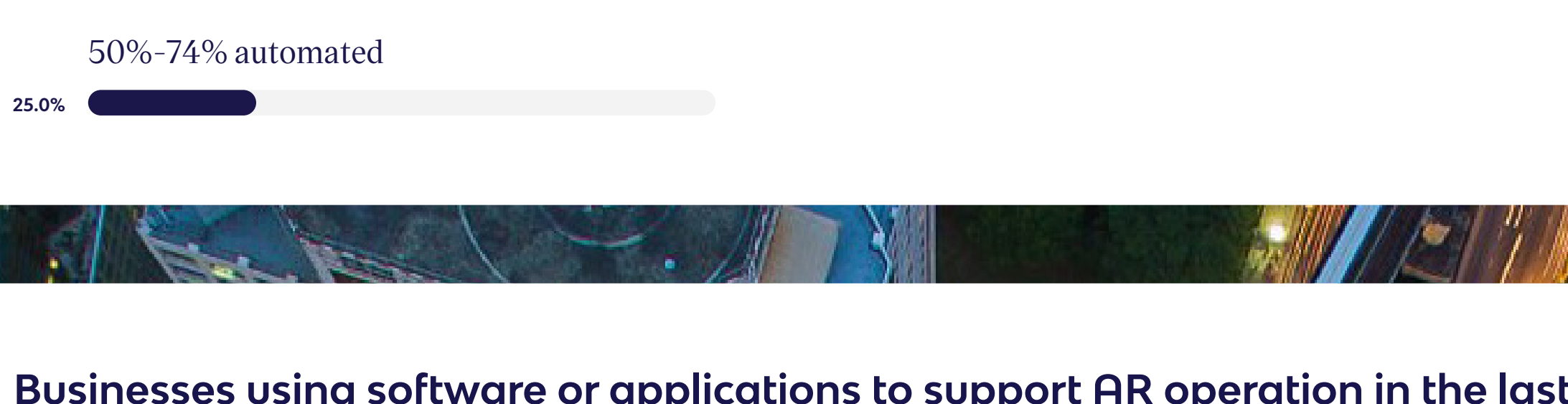


How automation reduced days of delay related to invoicing.



The overlooked potential of AR automation

Businesses that have met select thresholds of AR automation.



Businesses using software or applications to support AR operation in the last six months, by annual revenue.

	Firm-specific AR software	Industry-wide AR software	General use applications
SAMPLE	56.7%	53.3%	36.7%
ANNUAL REVENUE			
• More than \$1.5B	69.2%	46.2%	23.1%
• \$750M - \$1.5B	50.0%	50.0%	58.3%
• \$250M - \$750M	40.0%	80.0%	20.0%

Barriers to AR automation success

80%

OF CFOs SAID THE ABSENCE OF ON-CALL ADVISORY SERVICE SERVES AS A BARRIER TO REDUCING DSO

40%

ATTRIBUTED IT TO A LACK OF AUTOMATED CUSTOMER SERVICE

Reasons why specialized AR automations have not helped reduce days of delay, by areas.

	Receiving a purchase order	Invoice errors and discrepancies	Invoice tracking methods	Payments and exceptions
Too complex	57.1%	33.3%	50.0%	80.0%
Do not offer on-call advisory	14.3%	0.0%	12.5%	80.0%
Not working as intended	28.6%	66.7%	62.5%	40.0%
Do not offer AI automations	42.9%	50.0%	50.0%	0.0%
Unable to cater specific needs	28.6%	33.3%	25.0%	20.0%
Increase errors	14.3%	50.0%	37.5%	20.0%
AI automation are rudimentary	28.6%	16.7%	25.0%	0.0%
Do not offer automated customer service	0.0%	0.0%	12.5%	40.0%
Require special skill to operate	42.9%	16.7%	12.5%	20.0%
Unable to replace manual process entirely	28.6%	33.3%	25.0%	20.0%
Incompatibility with client's system	14.3%	16.7%	12.5%	0.0%

Unlocking the future of AR automation

AR automation has the potential to greatly enhance AR processes and improve cash flows. The effectiveness of AR automation depends on its application across a firm's AR process, and those that implement more automation experience a greater impact. However, there are challenges in using this new technology.

To fully capitalize on the benefits of AR automation while mitigating its challenges, CFOs should focus on ease of use and reliability when transitioning away from manual AR processes. This will enable firms to leverage the advantages of automating labor-intensive and error-prone human AR functions.

Read the full report for more insights on how automation can help businesses reduce receivable delays.

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