

MODERNIZING ACCOUNTS RECEIVABLE PROCESSING: 2022 SURVEY RESULTS



RICK SCHOLZ

Director, Payment Advisory Services
Deluxe

JONATHAN GUSTAVE

Vice President, Treasury Management
Deluxe

CRAIG JEFFERY

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Strategic Treasurer



WHAT

Discussing the accounts receivable results from the 2022 Modernizing AP/AR Processing Survey.



WHEN

Tuesday, September 20, 2022
11:00 AM – 12:00 PM EDT



WHERE

Live online presentation
Replays at StrategicTreasurer.com



This presentation is provided by Strategic Treasurer and Deluxe

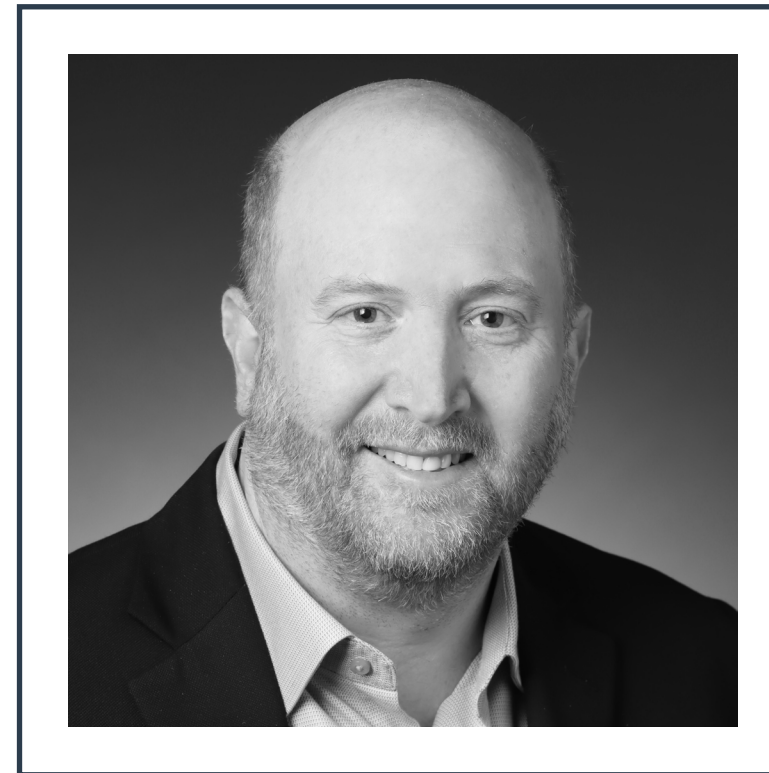
ABOUT THE SPEAKERS

GET TO KNOW TODAY'S SUBJECT MATTER EXPERTS



RICK SCHOLZ

As Managing Director of Payment Advisory Services, Rick Scholz works closely with banks and corporations to drive revenue growth, improve efficiency, and optimize customer experience using Deluxe state-of-the-art technology and a new approach to data analytics. He has spent more than three decades in all aspects of the payments business in banking and consulting positions, with a special focus on customer engagement. Prior to joining Deluxe four years ago, Rick managed the Treasury Management (TM) business at a \$180 billion financial institution in Colorado, after successful TM sales and product development roles at some of the largest banks in the US.



JONATHAN GUSTAVE

Jon Gustave has built a career in Treasury Services both from an innovative and strategic perspective. Jon joined Deluxe in November of 2021 as Vice President of Treasury Management, within the Payments Division. Prior to joining Deluxe, in 1998, Jon founded one of the first national integrated receivables companies, Klik Technologies, servicing some of the largest financial institutions. After a successful exit through an acquisition by Union Bank of California, Jon founded his second company which focused on electronic bill presentment and payments. Shortly after, he again exited through a sale to Output Services Group where he was asked to develop their digital product offering. Jon holds a Bachelor's degree from the University of Maryland.



CRAIG JEFFERY

Craig Jeffery formed Strategic Treasurer in 2004 to provide corporate, educational and government entities direct access to comprehensive and current assistance with their treasury and financial process needs.

His 30+ years of financial and treasury experience as a practitioner and as a consultant have uniquely qualified him to help organizations craft realistic goals and achieve significant benefits quickly.

TOPICS OF DISCUSSION

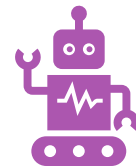
KEY AREAS OF FOCUS &
ANALYSIS



ABOUT THE SURVEY
SURVEY & FIRMOGRAPHICS



AUTOMATION
SITUATIONS, DRIVERS,
PRIORITIES & BLOCKERS



AI/ML
USAGE



FORECASTING
HEAVY EMPHASIS



PAIN POINTS
WHERE IT HURTS



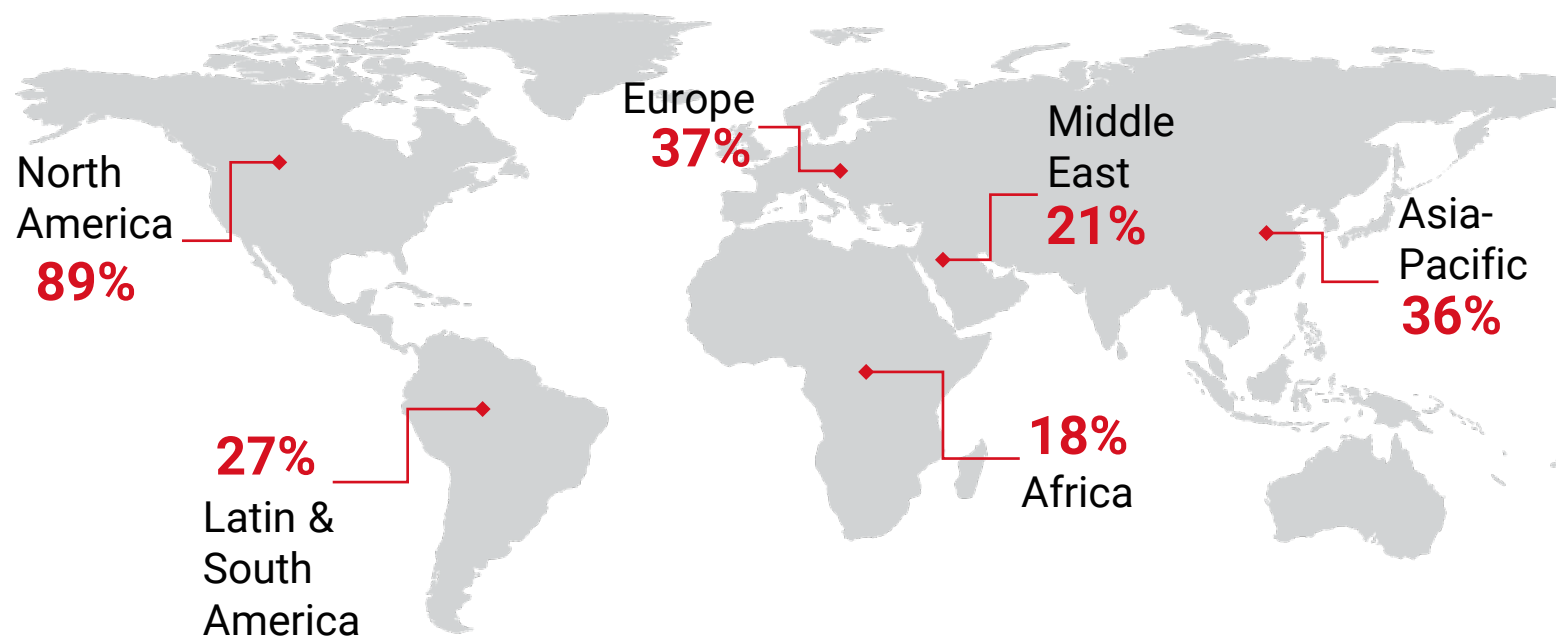
KEY TAKEAWAYS
FROM THE RESEARCH

SURVEY QUICK STATS

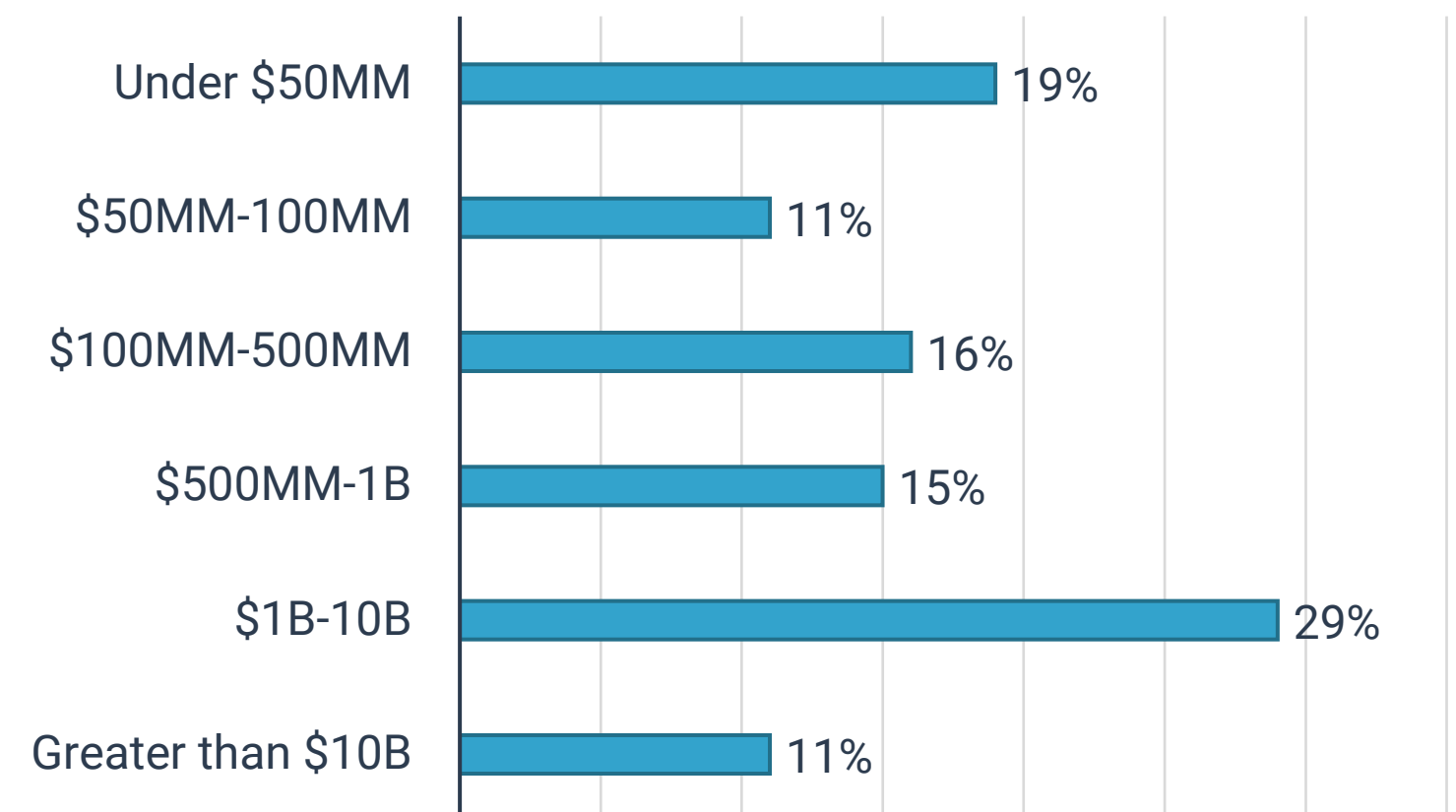
2022 Modernizing AP/AR Processing



Regions of Operations

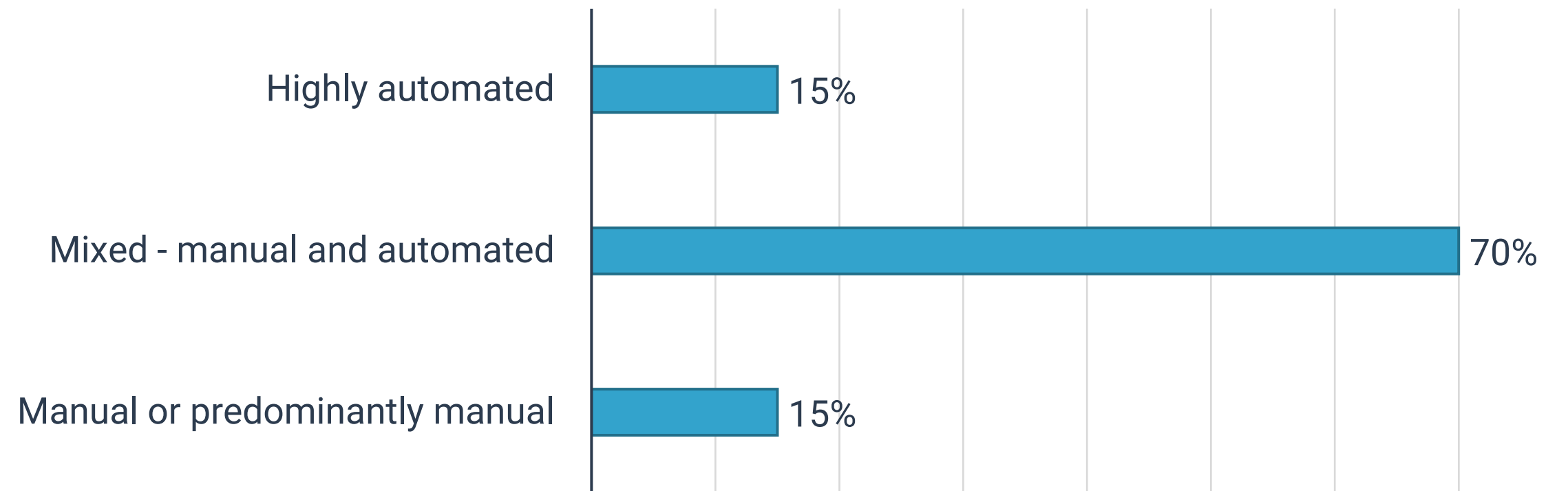


What is your company's annual revenue? (in USD)

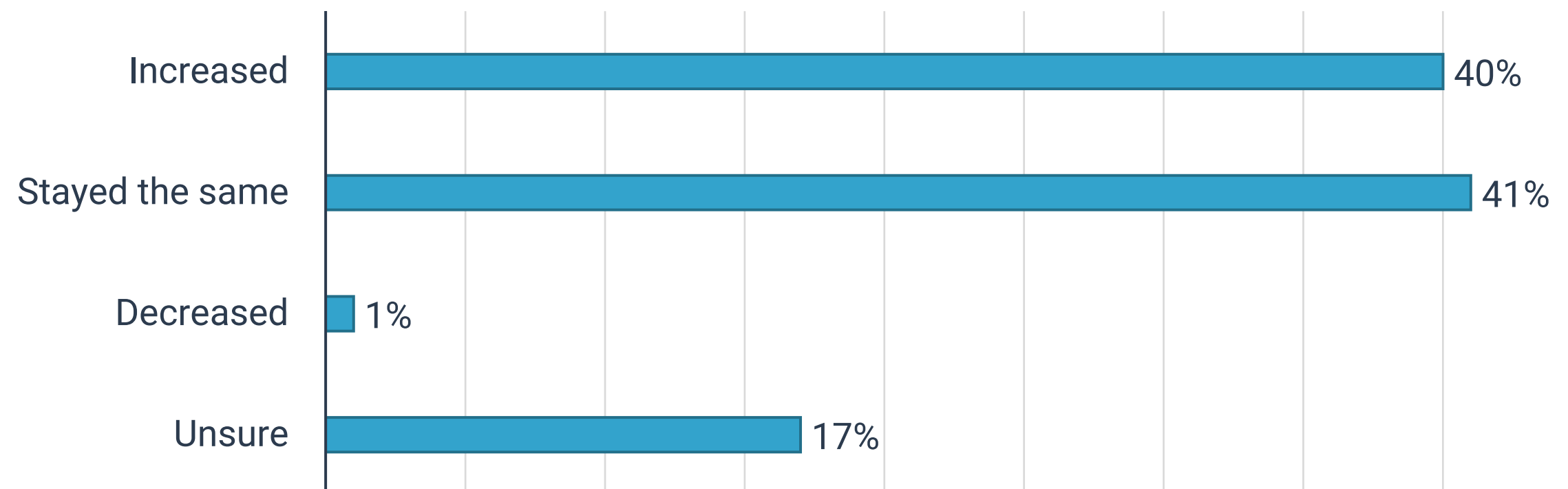


POLL QUESTION

For AR we consider ourselves to be:



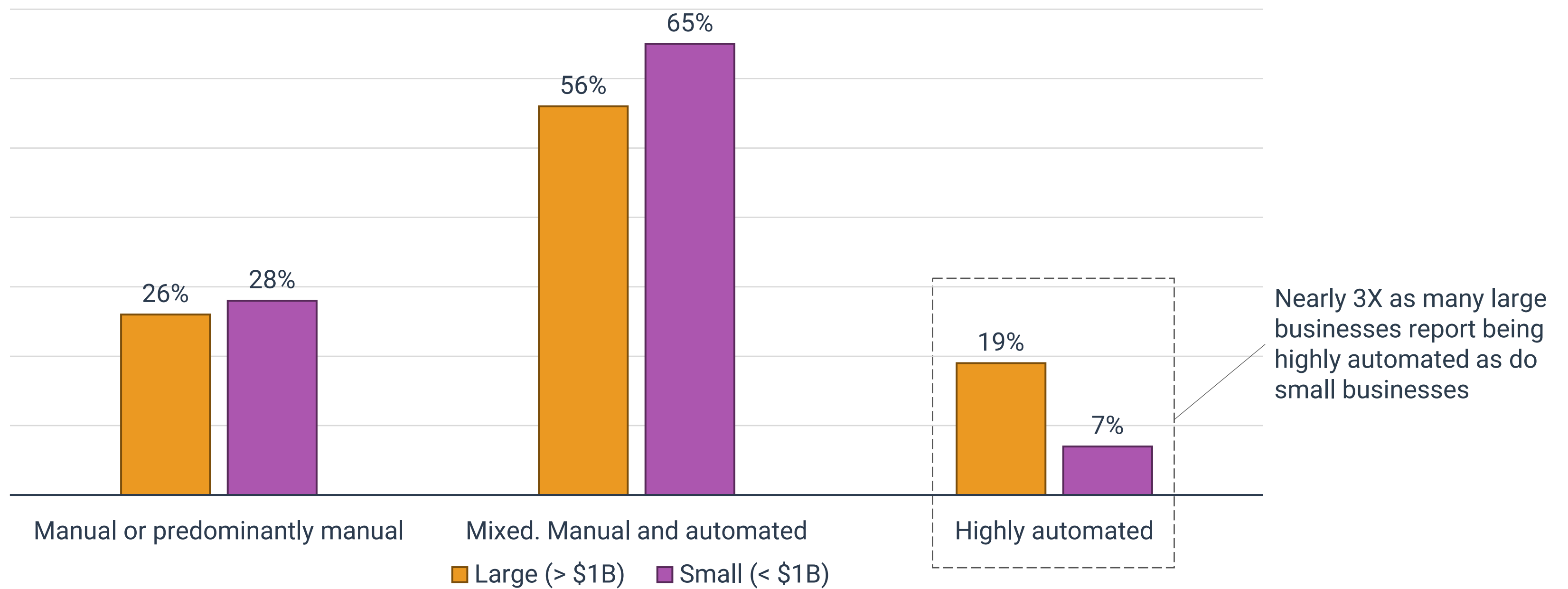
Our focus on forecasting AR over the past year has:



AR AUTOMATION

LARGE BUSINESS LEADS THE WAY

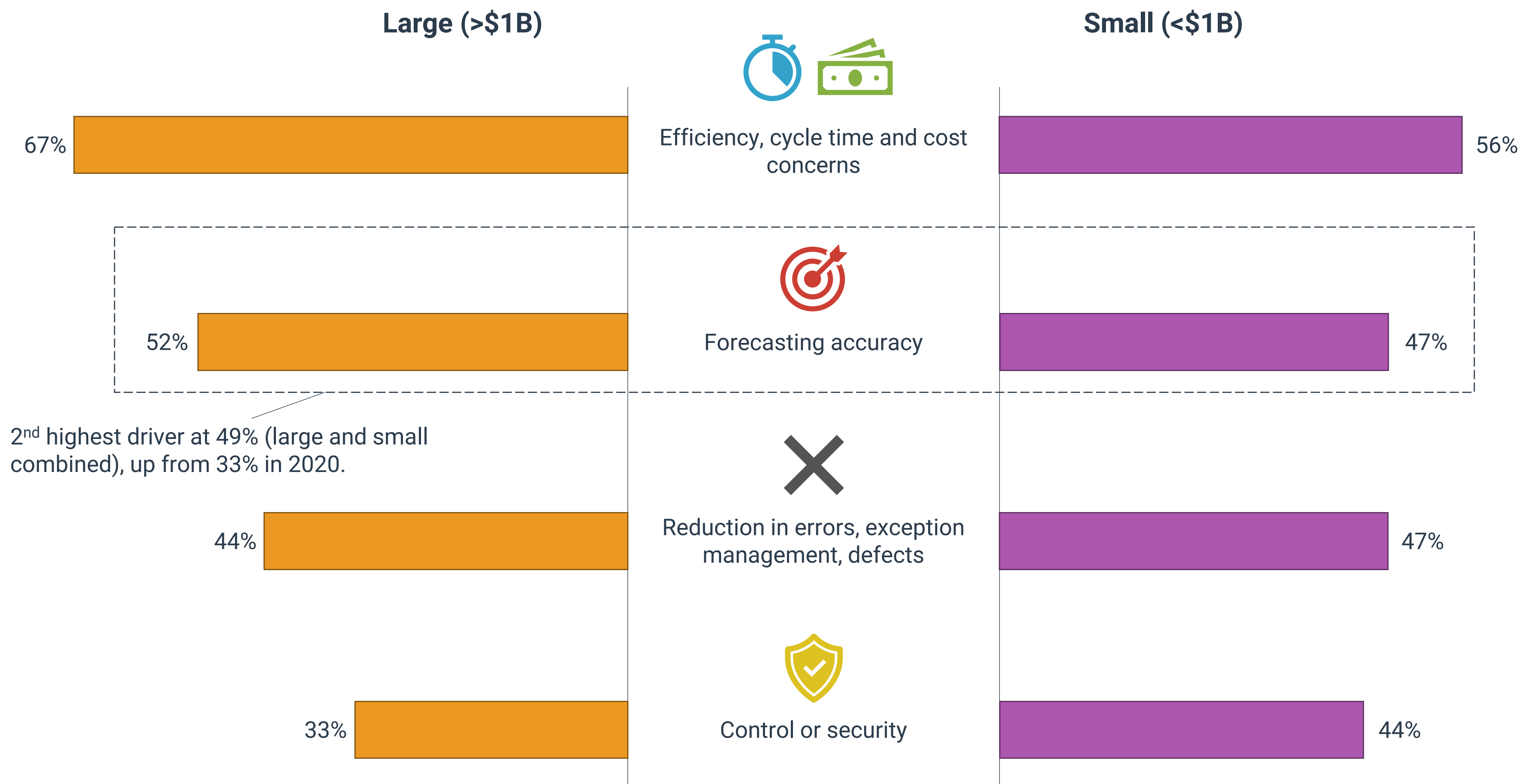
» For AR we consider ourselves to be:



DRIVERS TO AUTOMATION

BIGGEST MOTIVATORS ARE EFFICIENCY/COST & FORECASTING ACCURACY

» What would drive you / or drove you to more AR automation? (Select all that apply)



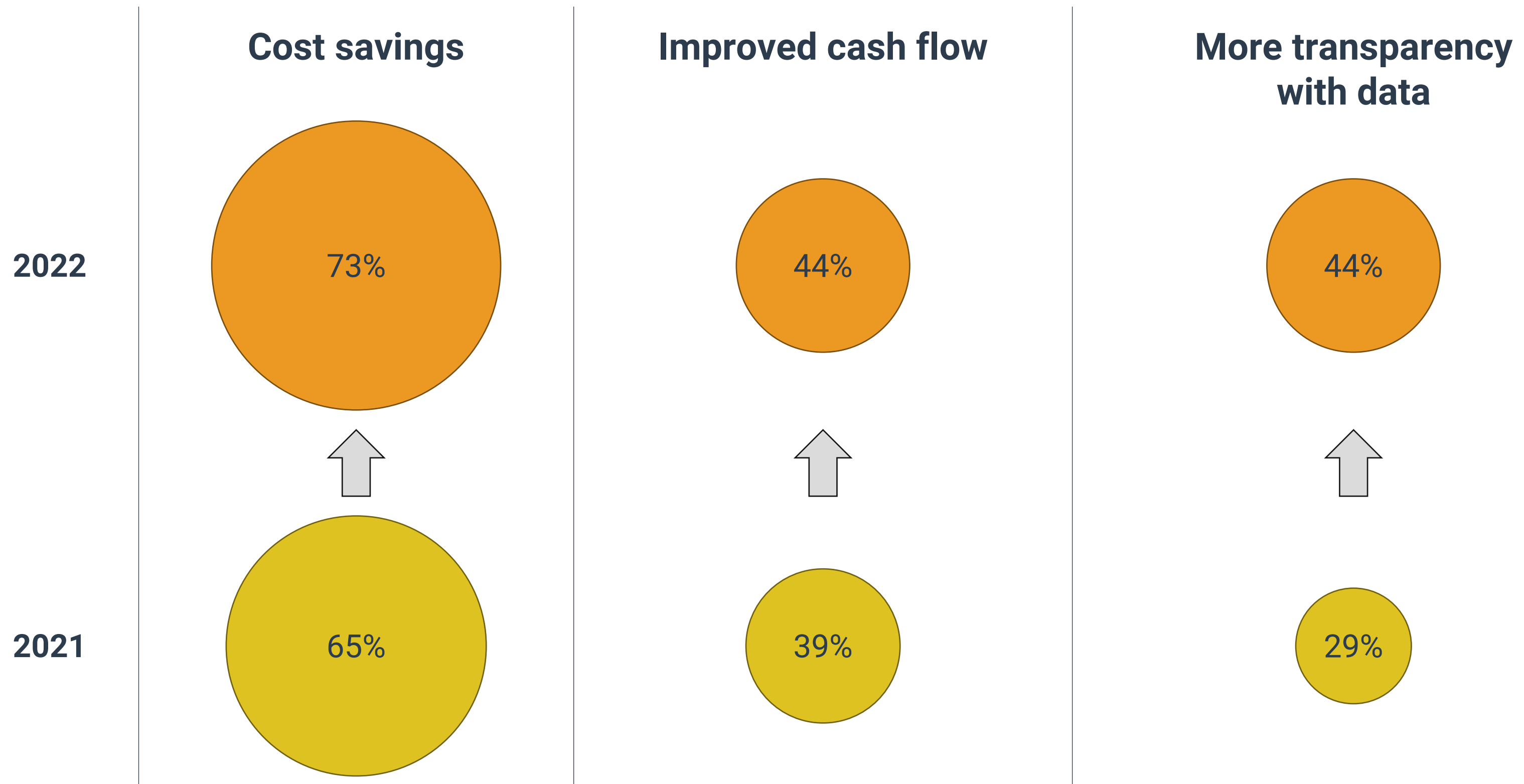
Note: Only top choices of respondents shown

#GOSTRATEGIC

REASONS TO MOVE

SAVINGS, CASH FLOW, DATA TRANSPARENCY

» What would move full-electronic processing up on the priority list? (Select all that apply)

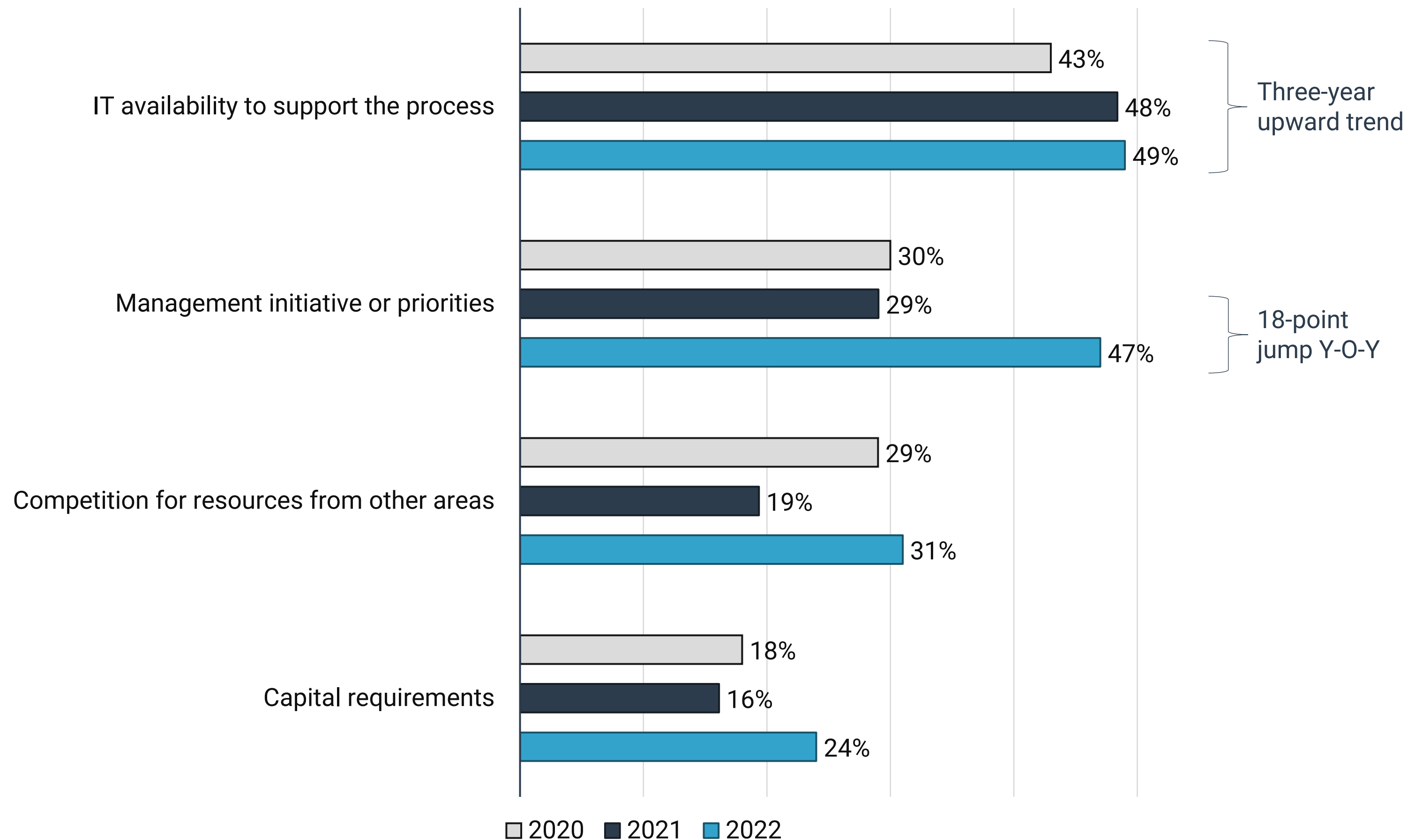


Cost savings remains the top motivator

ROADBLOCKS TO AUTOMATION

IT AVAILABILITY AND MANAGEMENT INITIATIVES ARE TOP BLOCKERS

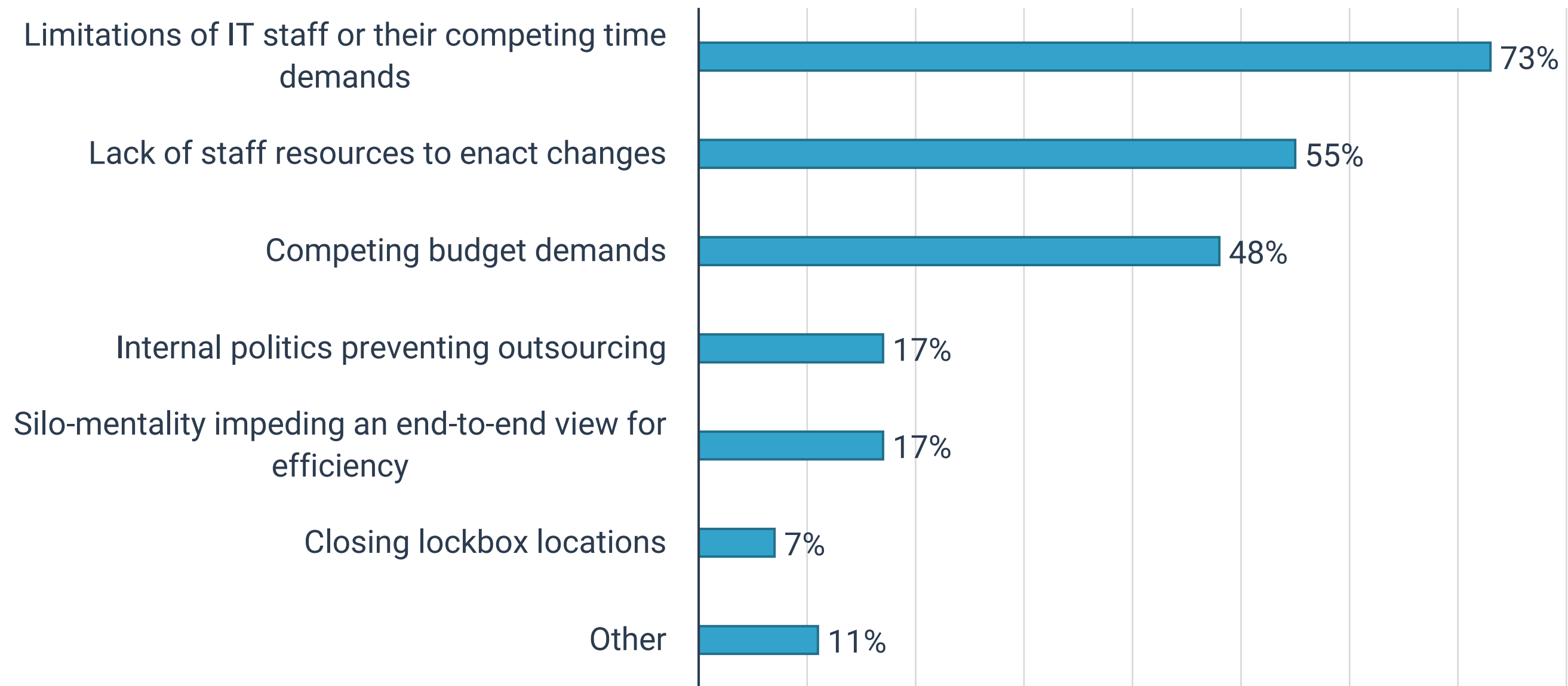
» What prevents you from being highly automated? (Select all that apply)



Note: Only top choices of respondents shown

POLL QUESTION

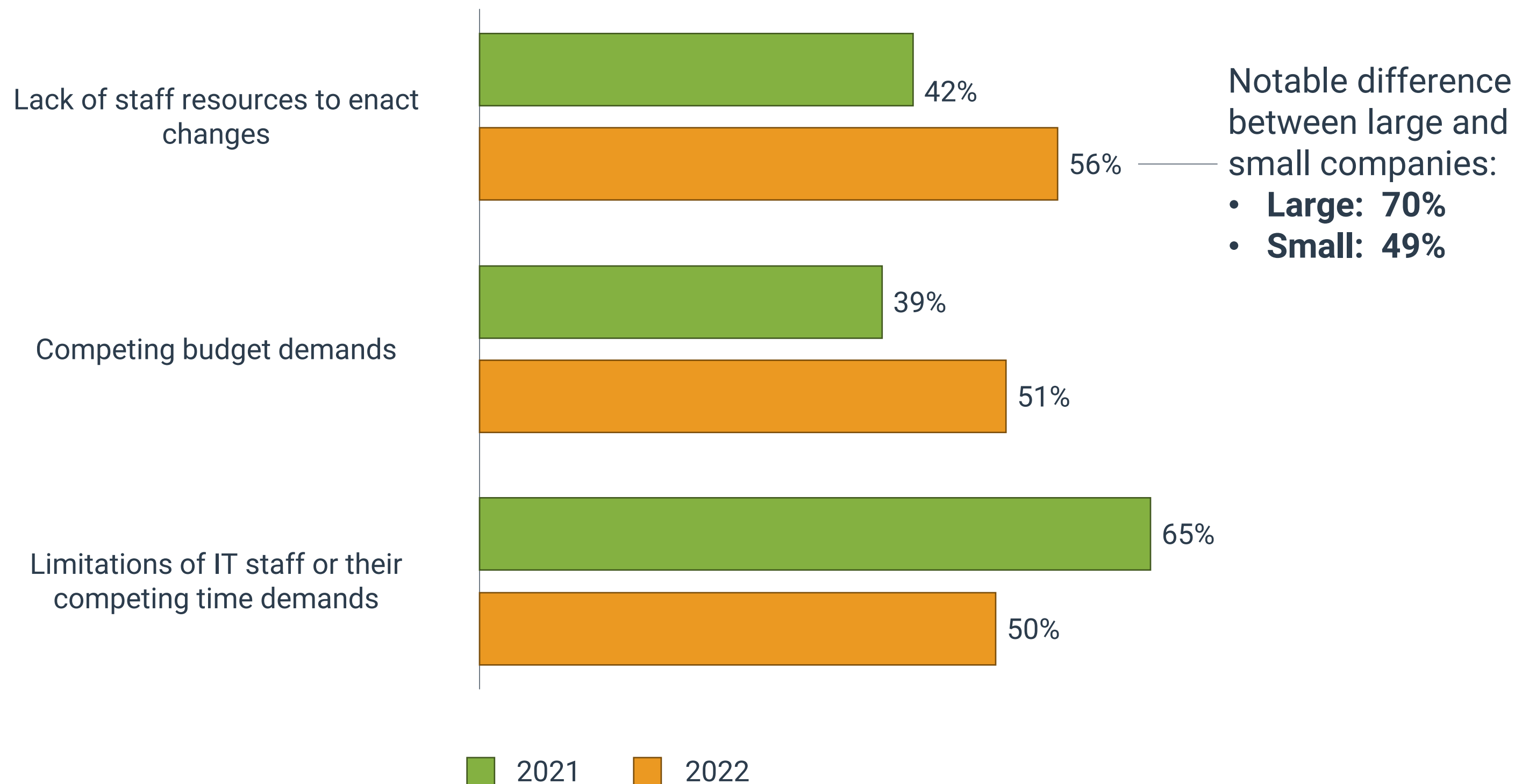
Our biggest obstacles to making the changes we need are: (Select all that apply)



OBSTACLES TO CHANGE

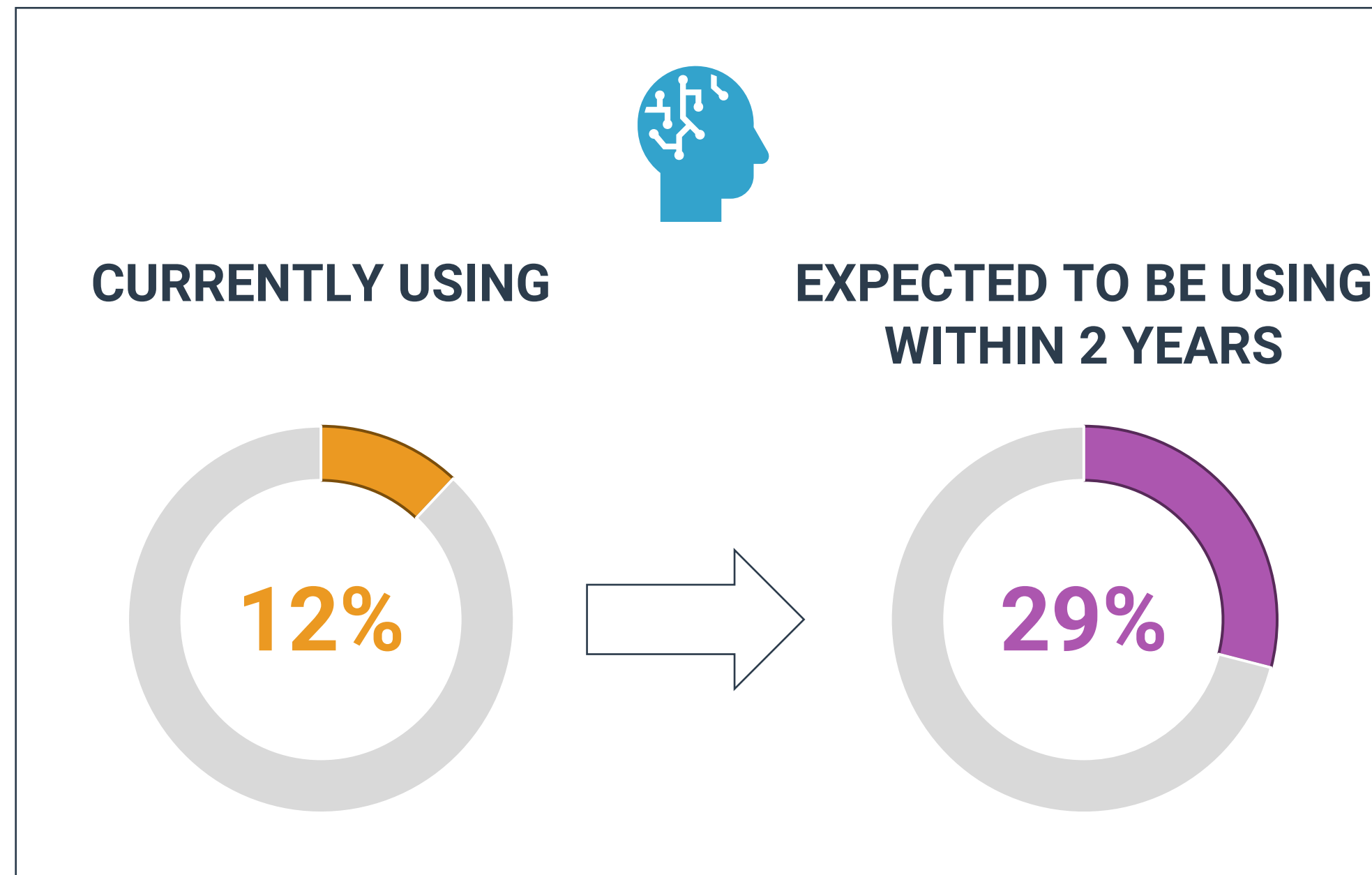
LIMITED RESOURCES AND COMPETING DEMANDS ARE THE MAIN ISSUES

» Our biggest obstacles to making the changes we need are: (Select all that apply)



AI/ML USE SET TO DOUBLE

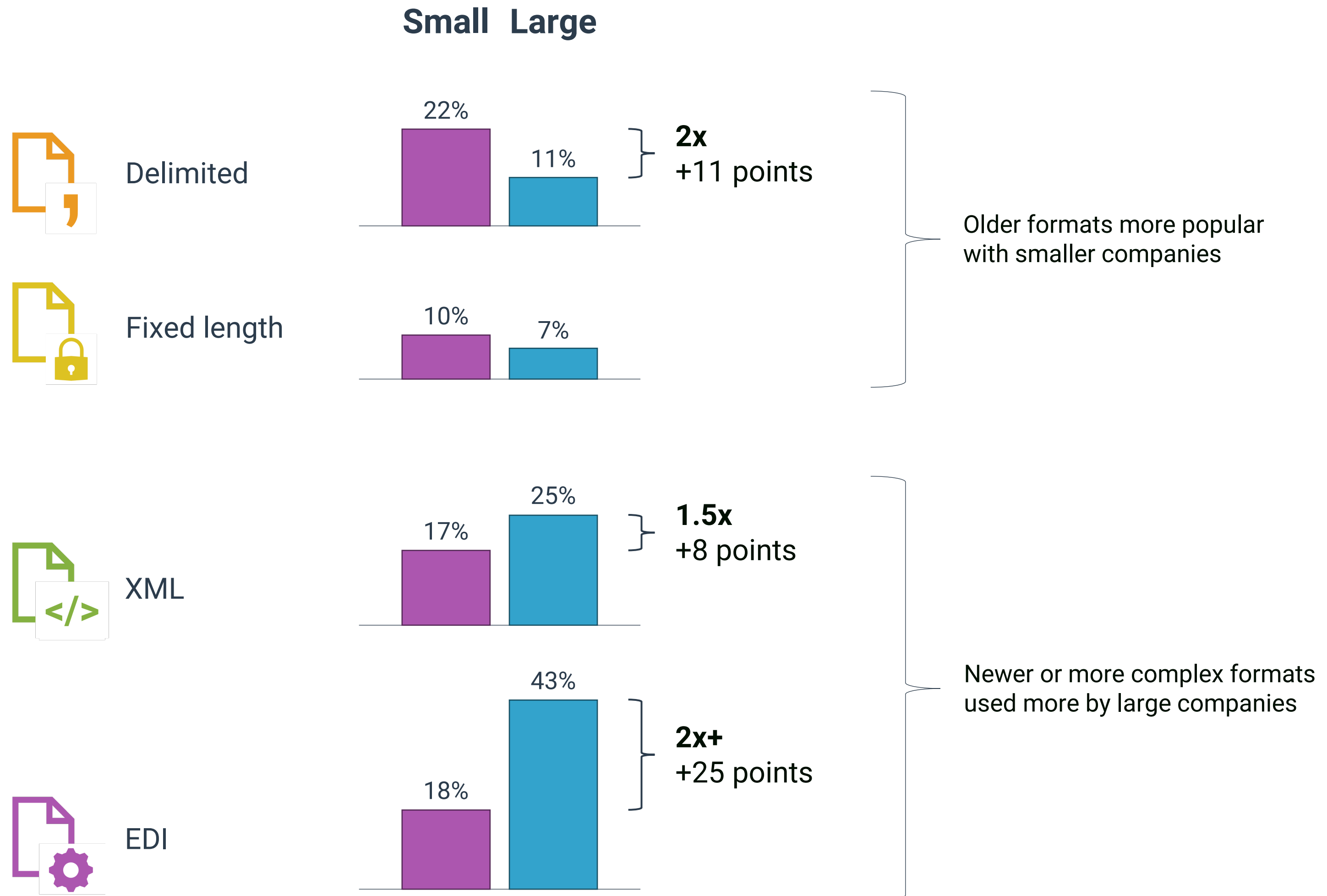
IN CASH APPLICATION PROCESSES



When combined, current and future use of AI/ML is higher in cash application than in any other areas of the order-to-collect (O2C) process, including credit management, invoicing, collection, dispute resolution, and reporting.

PAYMENT FORMATS AR RECEIVES

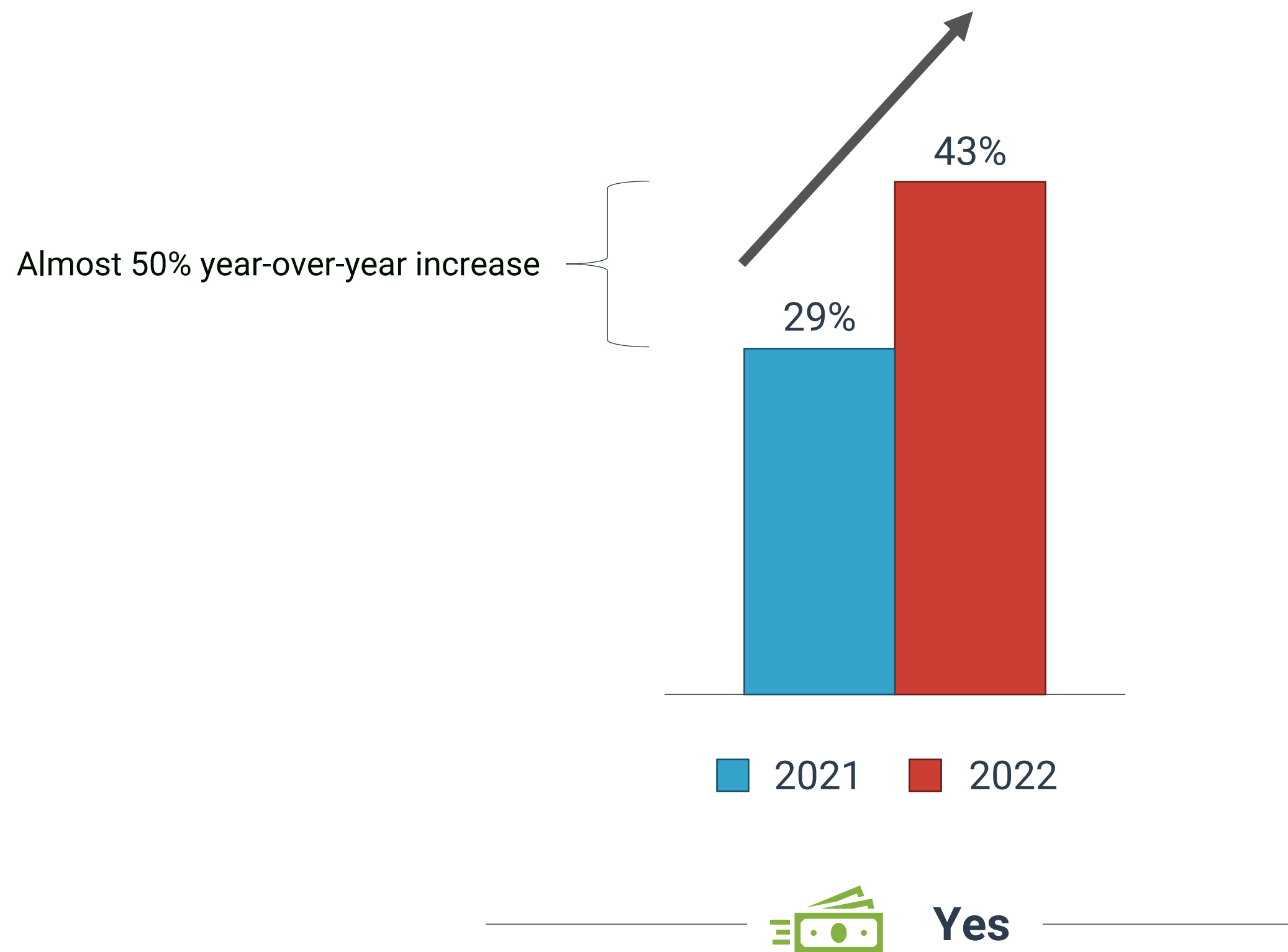
PRONOUNCED DISTINCTIONS BETWEEN LARGE AND SMALL COMPANIES



PAYING FOR SPEED

GETTING FUNDS DEPOSITED MORE QUICKLY

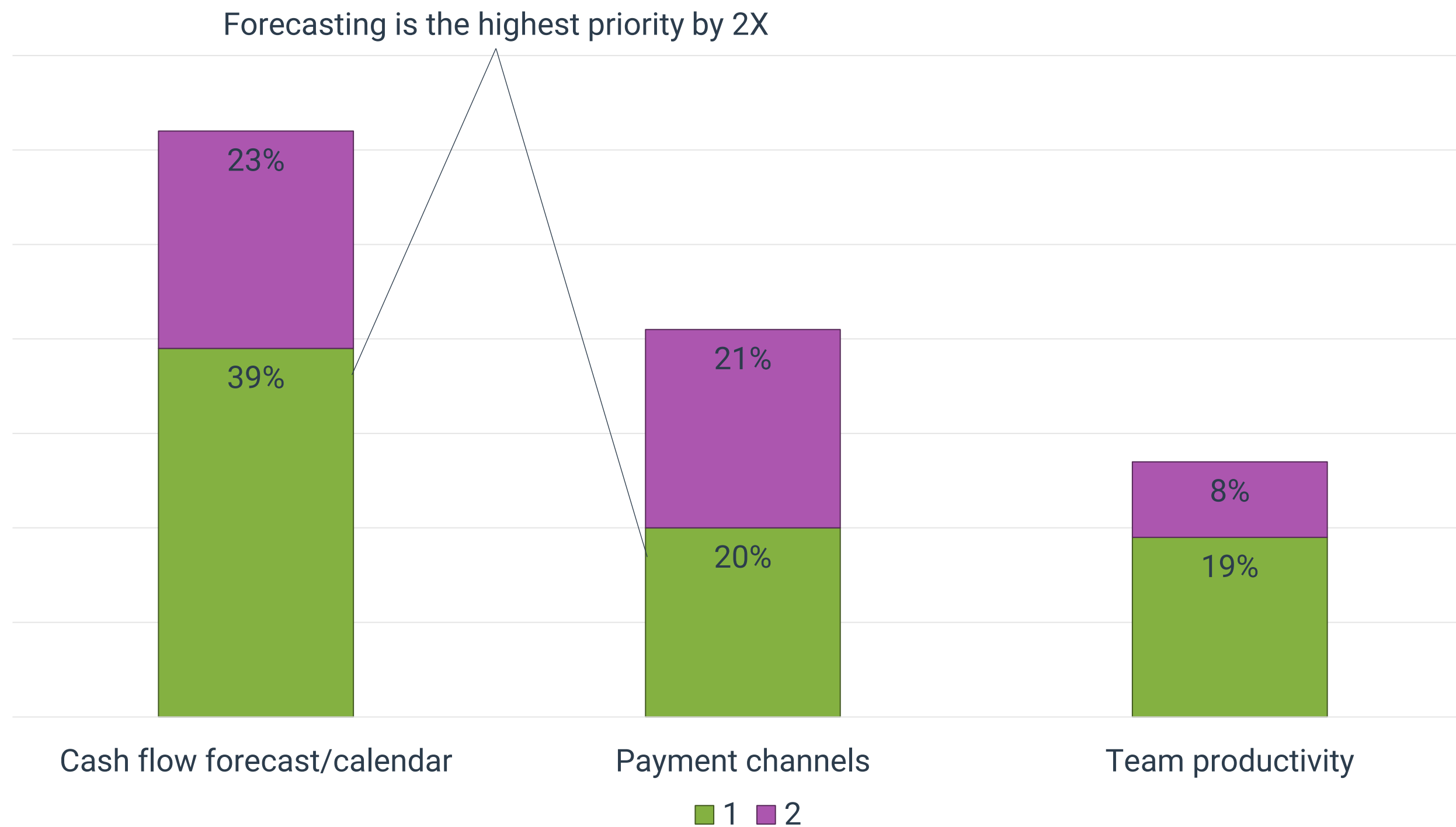
» Would you be willing to pay a fee in order to get faster access to funds deposited?



FORECASTING

A TOP PRIORITY FOR AR, AND BANKS ARE SENSING THIS

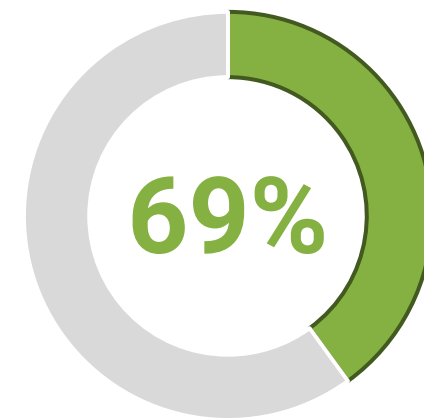
» Please order the following priorities for Accounts Receivable, with 1 being the highest priority and 6 being the lowest.



72% of banks view offering forecasting improvements, including the use of AI/ML projections, as either of very high or high value to their clients.

VISIBILITY

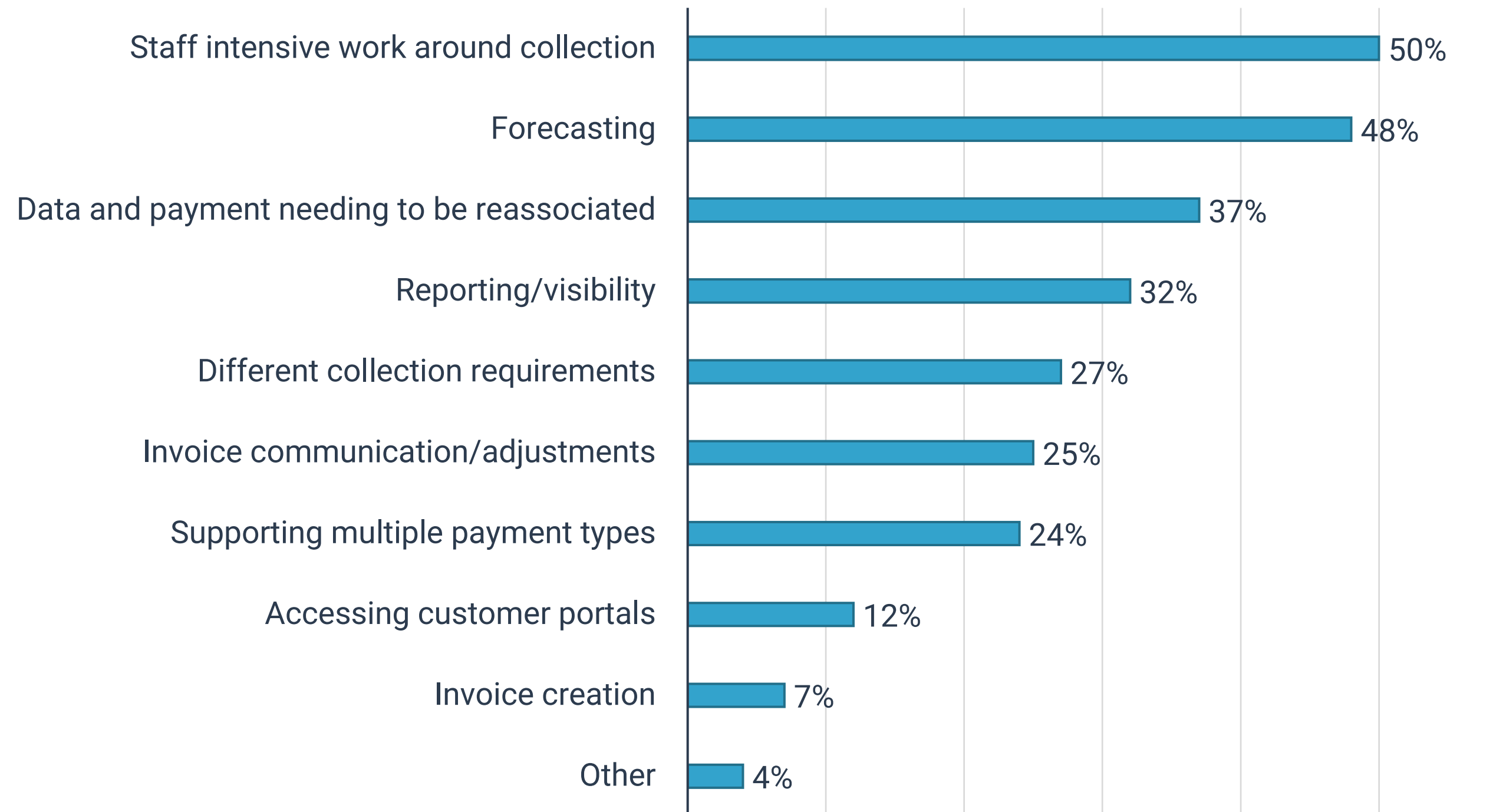
TO CASHFLOW FORECAST REPORTING



69% want real-time or same-day visibility to cashflow forecast reporting. Second only to reporting by payment channel.

POLL QUESTION

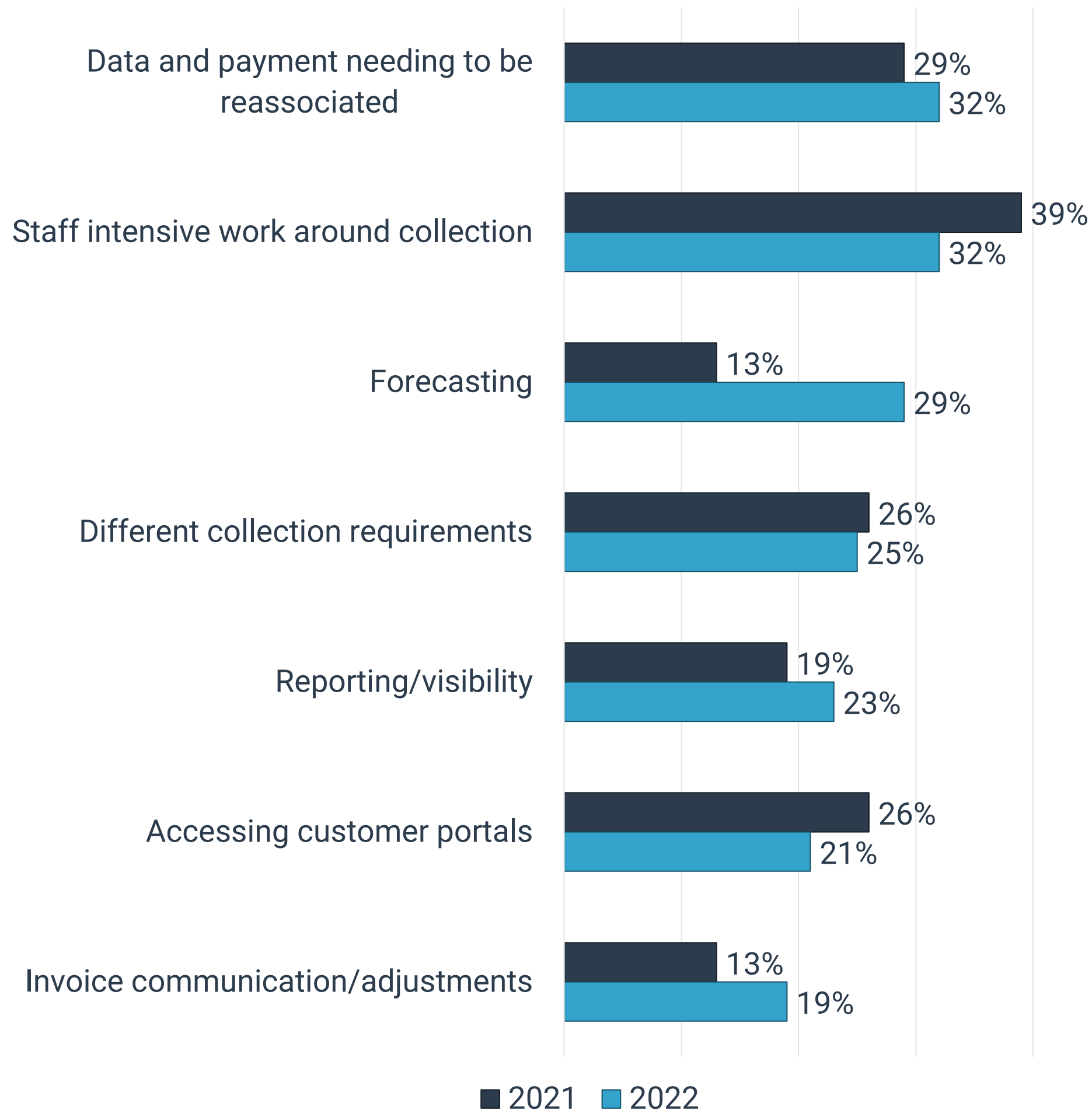
What task is the largest pain point in your AR process? (Select up to three)



WHERE AR HURTS

FORECASTING INCREASINGLY MORE PAINFUL

» What task is the largest pain point in your AR process? (Select up to three)



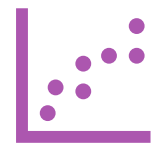
Forecasting was the third largest pain point, up more than 2X from 2021.

For AP, there was a 10-point increase from last year (now 30%), and forecasting ranked as the 2nd highest pain point.

Note: Only top choices of respondents shown

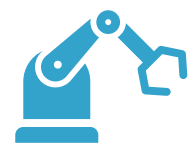
TAKEAWAYS

IDEAS AND POINTS TO BRING BACK TO THE OFFICE



FOCUS ON FORECASTING

- Forecasting grew in importance during the pandemic
- Increasing emphasis in light of macroeconomic headwinds



MOVE TOWARD AUTOMATION

- Your peers are investing
- Automation helps in good times and is vital in downturns



VALUE OF SPEED

- Liquidity management is a key lever
- When is your company willing to pay a fee to collect funds earlier?



THINK: ENTIRE PROCESS

- Data reassociation – communicating with AP
- Use services that reassociate details

LET'S CONNECT

DON'T LET THE LEARNING END HERE...
CONTACT US WITH ANY FUTURE QUESTIONS.

Thank you for your interest in this presentation and for allowing us to support you in your professional development. Strategic Treasurer and our partners believe in the value of continued education and are committed to providing quality resources that keep you well informed.



STRATEGIC TREASURER

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🎧 The Treasury Update Podcast

💻 [linkedin.com/in/strategictreasurer/](https://www.linkedin.com/in/strategictreasurer/)



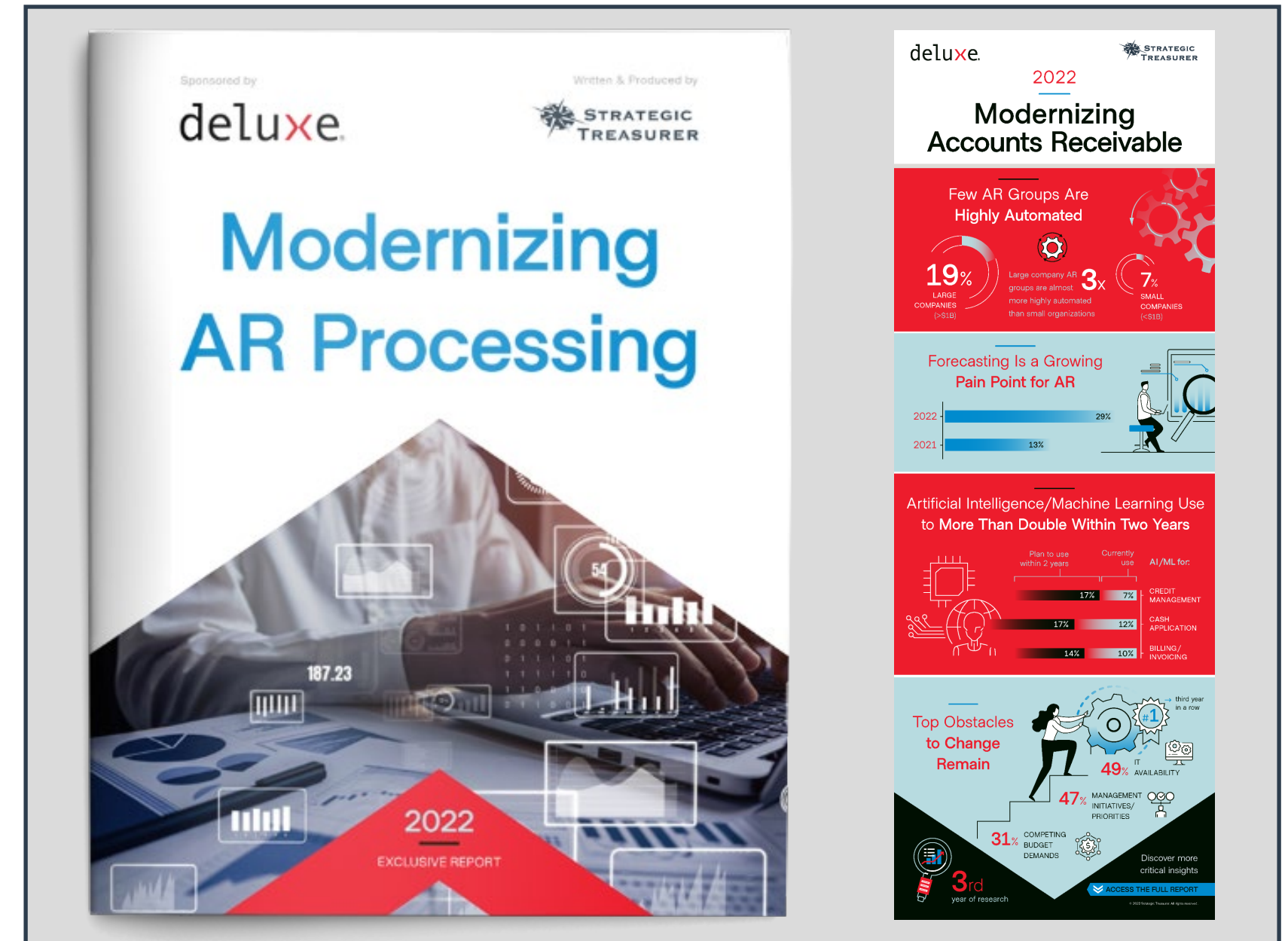
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SURVEY REPORT and INFOGRAPHIC

Download the 2022 Modernizing AP Processing Report for in-depth commentary. Survey respondents will be sent the exclusive, detailed report. The Modernizing AP infographic is also available for download.



Download Report