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AR AND TREASURY: DEVELOPING A FEEDBACK LOOP FOR EFFECTIVENESS



JASON MURANTE

Business Development, Invoice to Cash Application,
Esker

CRAIG JEFFERY

Founder & Managing Partner, Strategic Treasurer



WHAT

Exploring how AR and treasury can work together to achieve greater organizational effectiveness.



WHEN

Wednesday, December 6, 2023
2:00 PM - 2:30 PM EST



WHERE

Live online presentation
Replays at StrategicTreasurer.com



This presentation is provided by Strategic Treasurer and Esker.

ABOUT THE SPEAKERS

GET TO KNOW TODAY'S SUBJECT MATTER EXPERTS



JASON MURANTE

Jason has been a thought leader in the Invoice to Cash space for over 12 years having served in sales leadership and product development roles at 3 of the major players in the space. Jason also spent 4 total years at FIS and Kyriba so he understands the role of Treasury and its direct collaborative relationship with Finance and AR.

At Esker, Jason is responsible for Business Development of Esker's Invoice to Cash Application platforms where he leverages his background & experience to help companies identify areas and workflows where manual work and costs can be driven out with AI driven, Cloud-based AS automation software platforms.



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



CASH CONVERSION CYCLE

INTERACTION BETWEEN AR AND
TREASURY



DIFFERING CONCERNS

OF AR AND TREASURY



SEEKING SYNERGY

WORKING TOGETHER FOR GREATER
SUCCESS

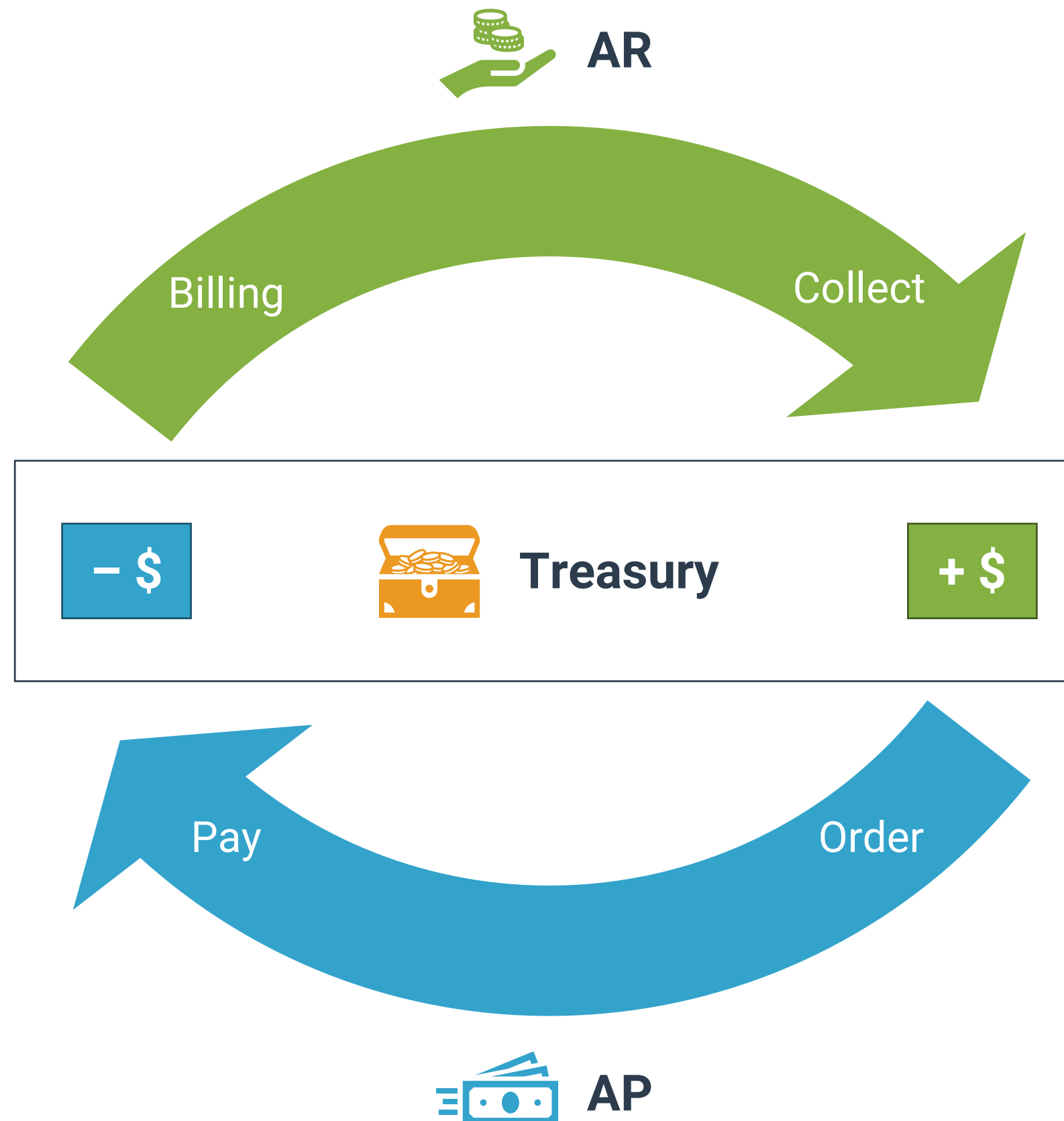


KEY TAKEAWAYS

AND FINAL THOUGHTS

CASH CONVERSION CYCLE

INTERCHANGE BETWEEN AR, AP AND TREASURY

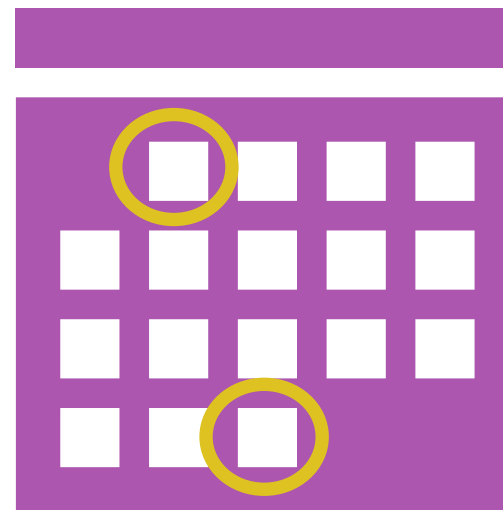


A TALE OF TWO VIEWS

DSO AND LIQUIDITY

DSO view

- Primary concern: Efficiency



Typical DSO calculations

- Monthly (via beginning and end of month)
- Average of monthly amounts

Liquidity view

- Primary concern: Cash



Liquidity fluctuates throughout the month

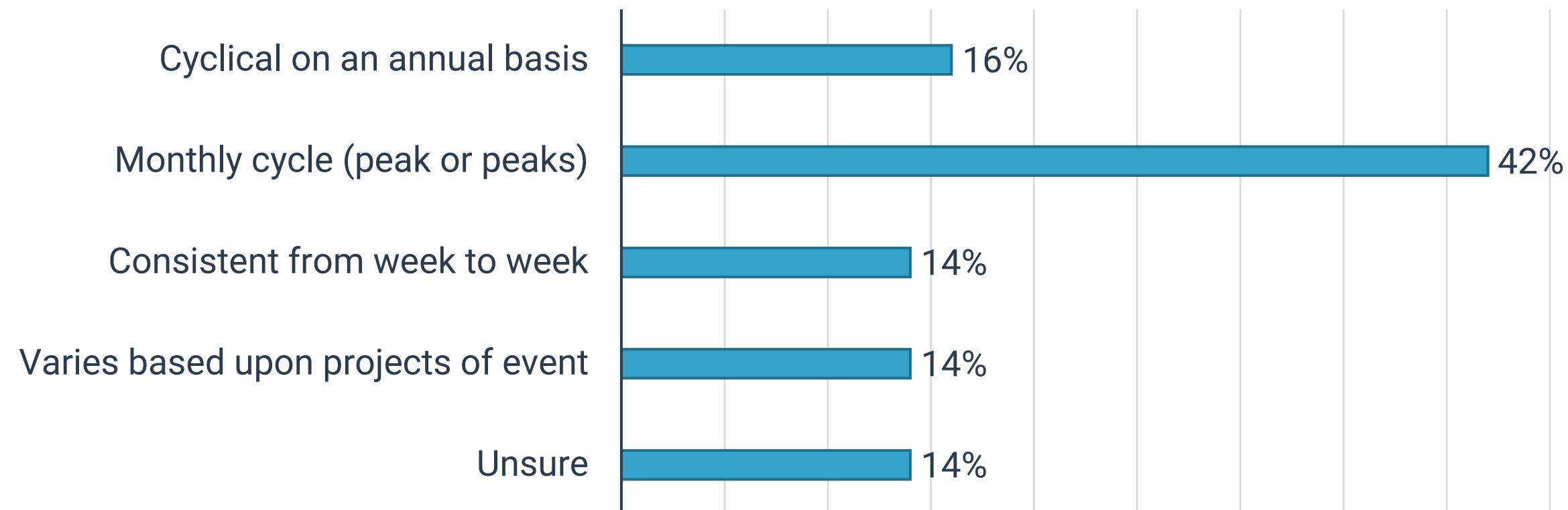
DSO is consistent

Day 1

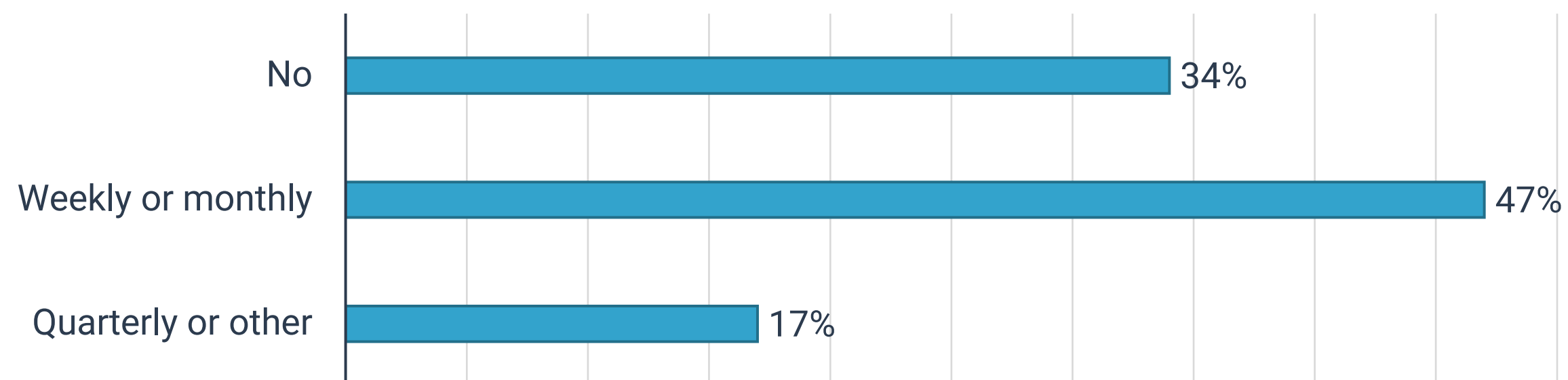
Day 30

POLL QUESTION

Poll 1 - How would you describe your cashflow from AR?



Poll 2 - Do treasury and AR have a regular meeting cadence?



TREASURY AND AR

DISTINCT CONCERNS



Treasury

Concerns:

- Daily cash/liquidity
- DSO
- View:
 - Detailed view (6–12 months) for forecast
 - Macro view (1–5 years) for balance sheet



AR

Concerns:

- Keeping DSO down
- Release goods as credit opens up
- View: Snapshot of beginning and end of month for DSO

WORKING TOGETHER

ON FORECASTING



Treasury

- Provide feedback to AR on accuracy
- Don't ignore AR operations
 - Accomplished through:
 - Relationships
 - Liquidity
 - Efficiency

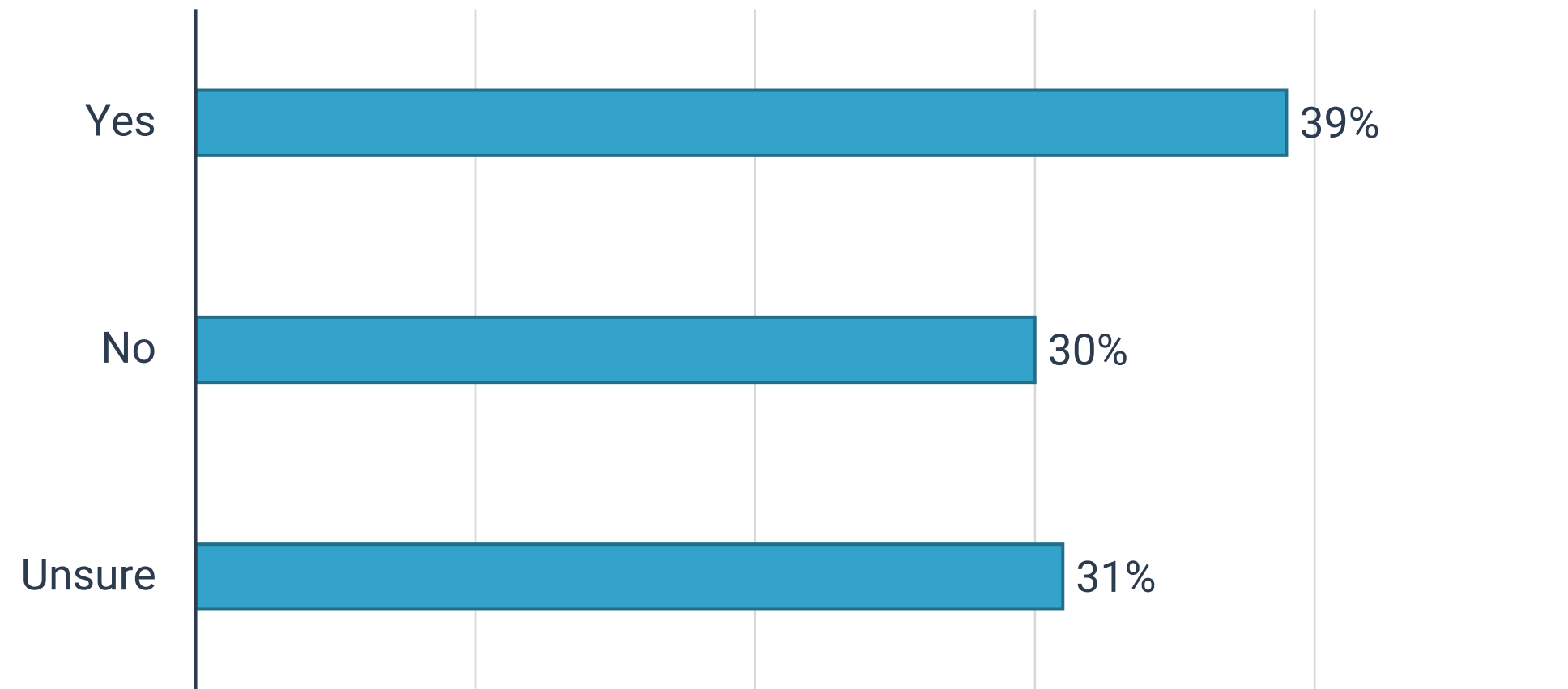


AR

- Move to daily concern by providing information in the system
- Communicate with treasury
- Clean process
 - No defects (which lead to delays)
- Visibility

POLL QUESTION

Poll 3 - Do treasury and AR have any combined KPIs?



COMPREHENSIVE KPIS

OPTIMIZING THE WHOLE PROCESS



Instead of competing concerns, AR and treasury move toward shared concerns:

- Liquidity
- Efficiency for cash
- Efficiency for operations

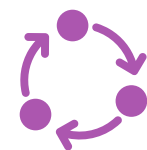


Treasury as advisor



Treasury as sourcer for services and technology

- Banks
- Fintech



Avoid optimizing just part of the process – optimize the entire process



Partnering

- AR
- Treasury
- Bank, fintech, services
- AP

FINAL THOUGHTS

HOW TO PROCEED



CONNECTED

- AR and treasury are connected
- Understand the other's role and drivers



COMMUNICATE

- Planned meetings increase collaboration



KPIs

- Common goals and KPIs improve performance



ALIGNMENT

- Liquidity goals and perspectives
- Process efficiency

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.



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