MODERNIZING AR PROCESSING

2021 SURVEY RESULTS

RICK SCHOLZ
Managing Director, Payment Advisory Services
Deluxe Corporation

CRAIG JEFFERY
Founder & Managing Partner
Strategic Treasurer

WHAT
Results, analysis, discussion and takeaways from the 2021 AP/AR Survey.

WHEN
Tuesday, October 5, 2021
2:00 – 3:00 PM Eastern

WHERE
Live online presentation
Replays at StrategicTreasurer.com

Certified Treasury Professional®

STRATEGIC TREASURER

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This presentation is provided by Strategic Treasurer and Deluxe Corporation

ABOUT THE SPEAKERS

GET TO KNOW TODAY'S SUBJECT MATTER EXPERTS

RICK SCHOLZ

Rick Scholz is a payments and treasury management expert with extensive experience helping companies optimize their payment processing systems by identifying activities that create delays and increase manual efforts. Rick's ability to work on strategic and tactical levels allows him to generate solutions that meet objectives and requirements on all fronts — business, operations, technical and human. With a career that spans financial services and consulting spaces, Rick is comfortable developing and executing transformational shifts that drive successful change management. Rick holds a bachelor's degree in political philosophy from Brandeis University.

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.

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TOPICS OF DISCUSSION

KEY AREAS OF FOCUS & ANALYSIS

ABOUT THE SURVEY

SURVEY & FIRMOGRAPHICS

AUTOMATION

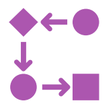
FULLY ELECTRONIC DRIVERS AND CHALLENGES

DESIRE TO BE ELECTRONIC

RANKED VERY IMPORTANT

PAIN POINTS

OF THE ACCOUNTS RECEIVABLE PROCESS



WORKFLOW MANAGEMENT

NEED AND FUTURE PLANS

KEY TAKEAWAYS

FROM THE RESEARCH

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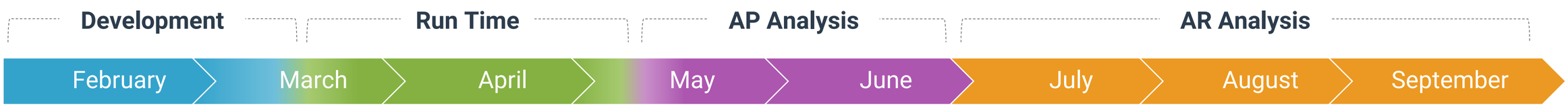
SURVEY QUICK STATS

2021 Modernizing AP/AR Processing



150+ Respondents

84% Corporates

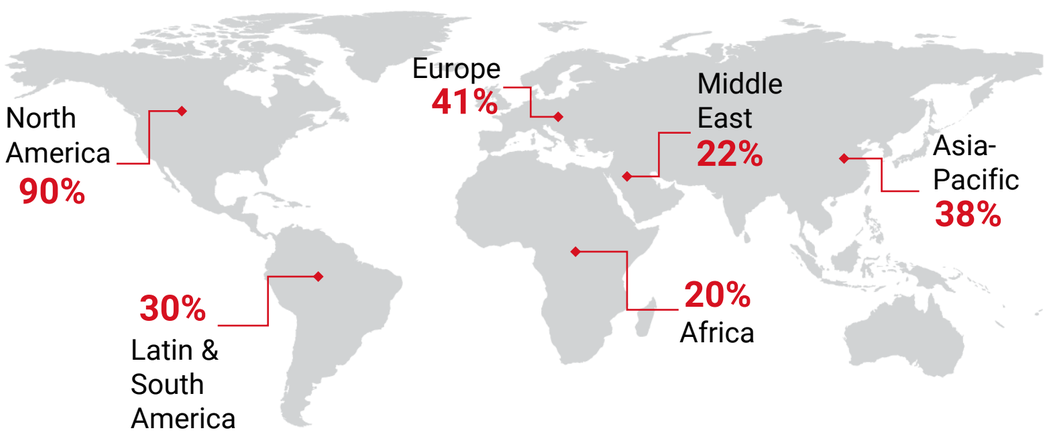
16% Banks

2nd Year of Research

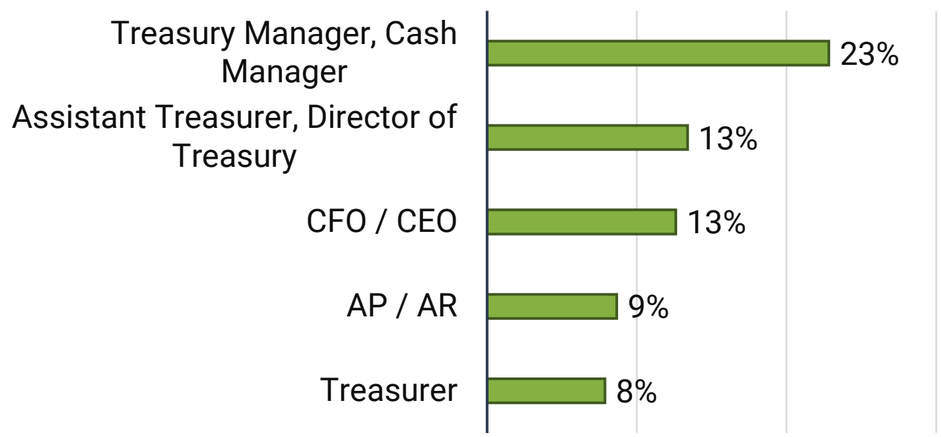
6 Week Survey Run Time

50+ Questions

Regions of Operations



Top Respondent Roles



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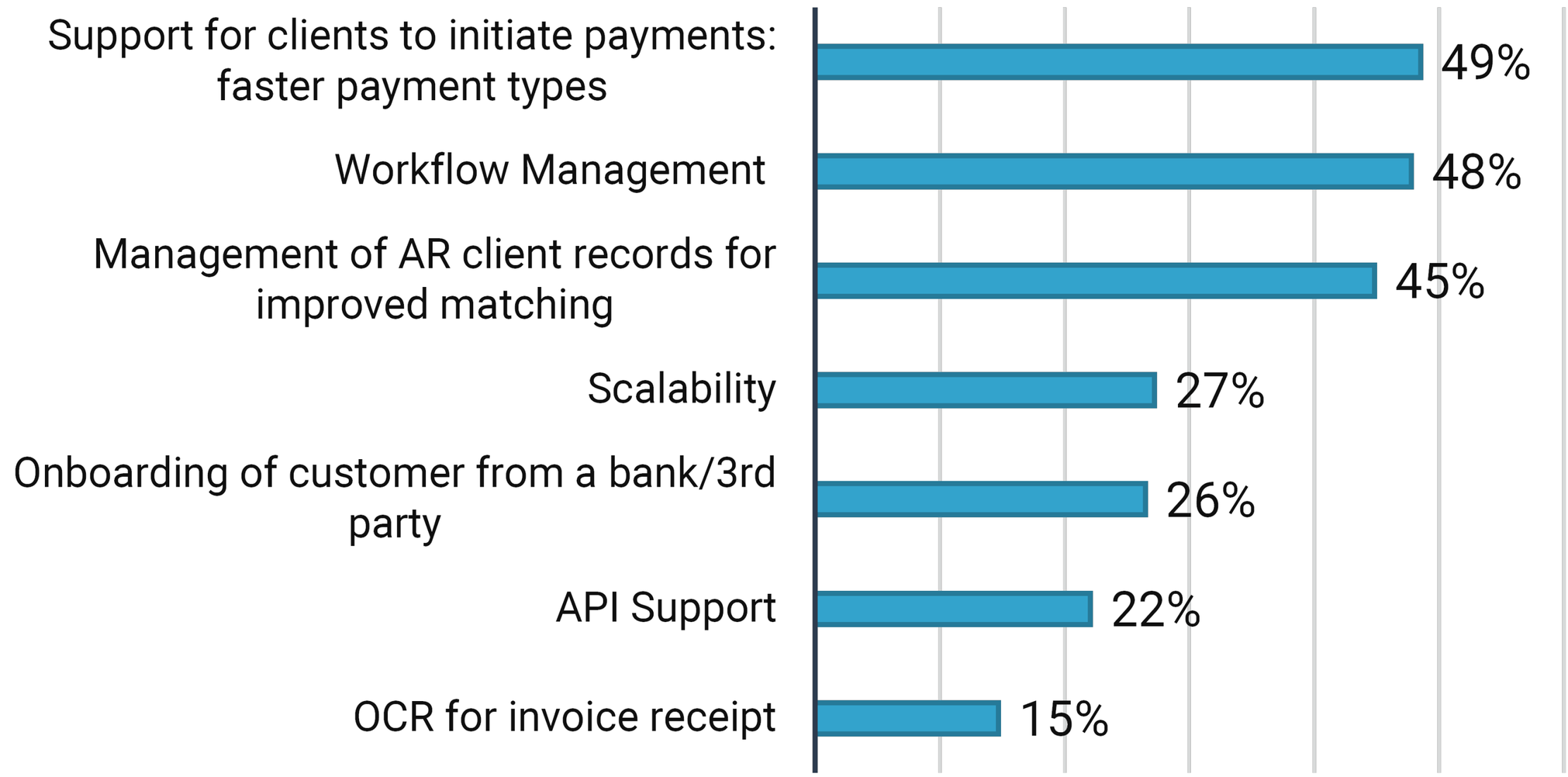
POLL QUESTION

Which of the following are the most important Accounts Receivable services?

(Select up to three)



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AUTOMATED OR HEADED THAT WAY

PART 1

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LOCKBOX SERVICES

55% of corporates currently use a commercial lockbox

5% are using a third party directly

Half of all corporations (49%) use lockbox services through a bank provider

WHICH PATH TO TAKE?

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Wants to Be Fully Electronic

Nine times (9x) as many organizations view moving to full electronic processing as important vs. those who do not

IMPORTANCE OF FULLY ELECTRONIC

IMPORTANT / VERY IMPORTANT 72%

72% of corporates view full electronic processing as important or very important

LOW / NO IMPORTANCE 8%

Only 8% view that state as having low to no importance

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AUTOMATION LEVELS VARY

AR vs. AP

AR groups are more highly automated and predominantly manual in their processing than their AP counterparts.

ACCOUNTS RECEIVABLE		ACCOUNTS PAYABLE
Manual or Predominantly Manual		
23%		20%
Mixed. Manual & Automated		
48%		61%
Highly Automated		
29%		20%

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DRIVING THE DESIRE TO AUTOMATE

EFFICIENCY EXPANDING THE LEAD AS A TOP DRIVER

» *What would drive you / drove you to more AR automation?*

DRIVER	2021	2020
Efficiency, cycle time and cost concerns	▲ 71%	68%
Reduction in errors, exception management, defects	▲ 58%	50%
Control or security	▲ 52%	38%
Ability to scale	▲ 39%	33%
Reduced IT requirements	▲ 26%	15%
Working capital considerations or cash flow flexibility	▼ 23%	32%

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DESIRE TO BE ELECTRONIC

PART 2

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72% of corporates view full electronic processing as important or very important

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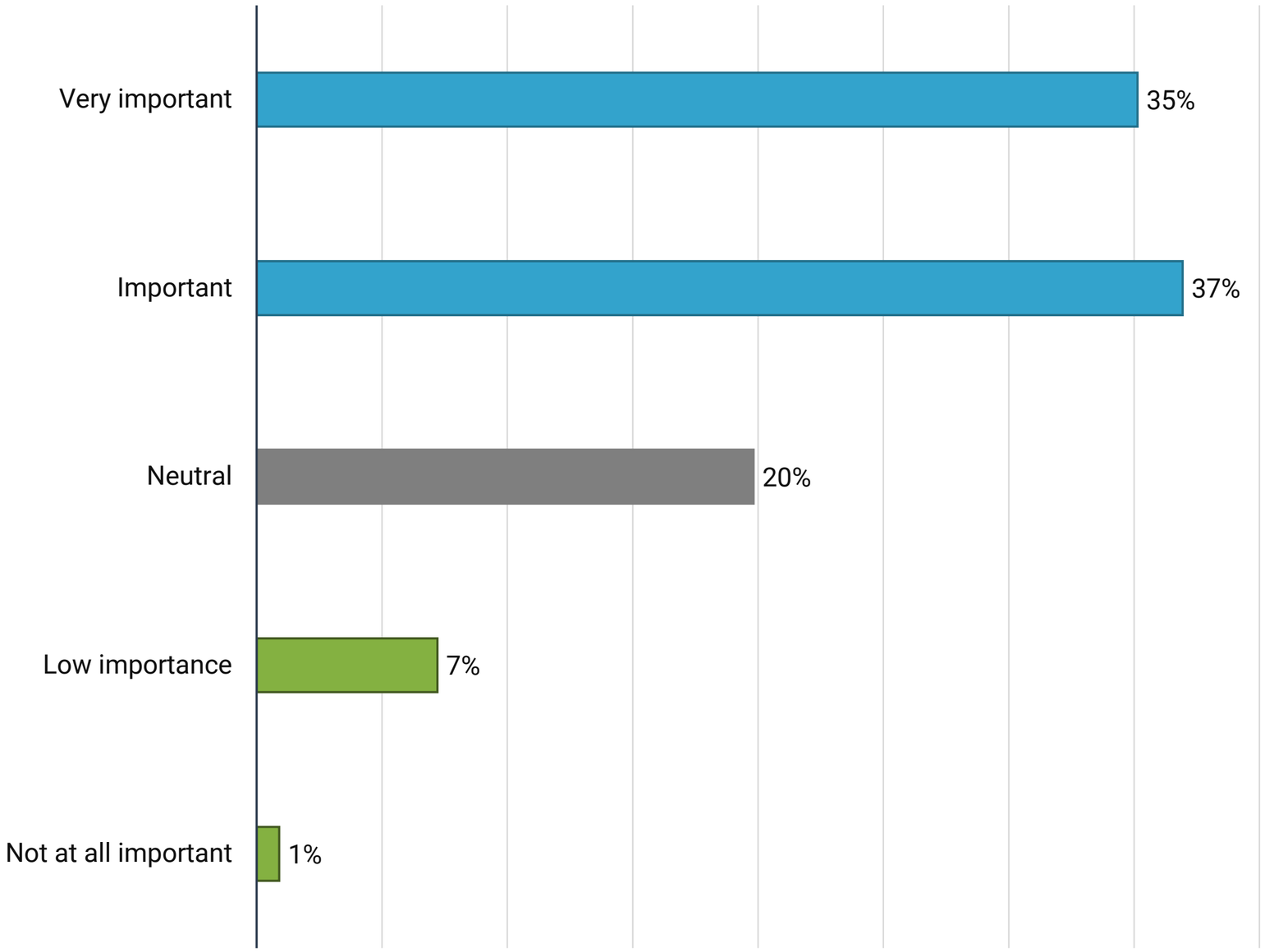
MOVE TO ELECTRONIC

UNIFYING DESIRE ACROSS CORPORATES

» *Our desire to move toward full-electronic processing is best described as:*



9X

View full-electronic processing as very important or important vs. those that view it as low or no importance.

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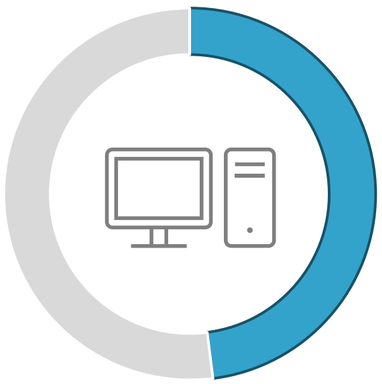
IT SLOWING AUTOMATION

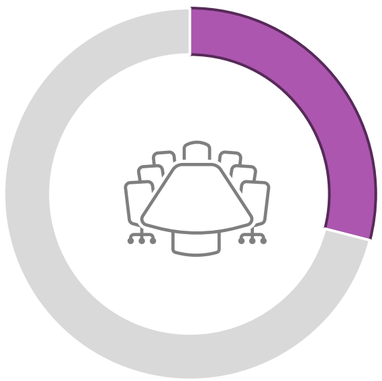
LIMITED IT RESOURCES THE TOP BLOCKER

» *What prevents you from being highly automated?*



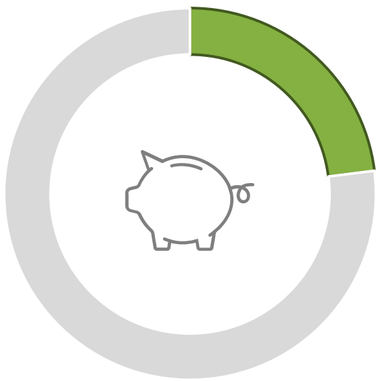
48%

IT availability to support the process



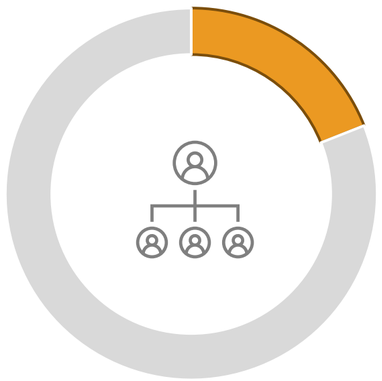
29%

Management initiatives or priorities



23%

Financial payback or ROI of automation



19%

Competition for resources from other areas

AP and AR Respondents

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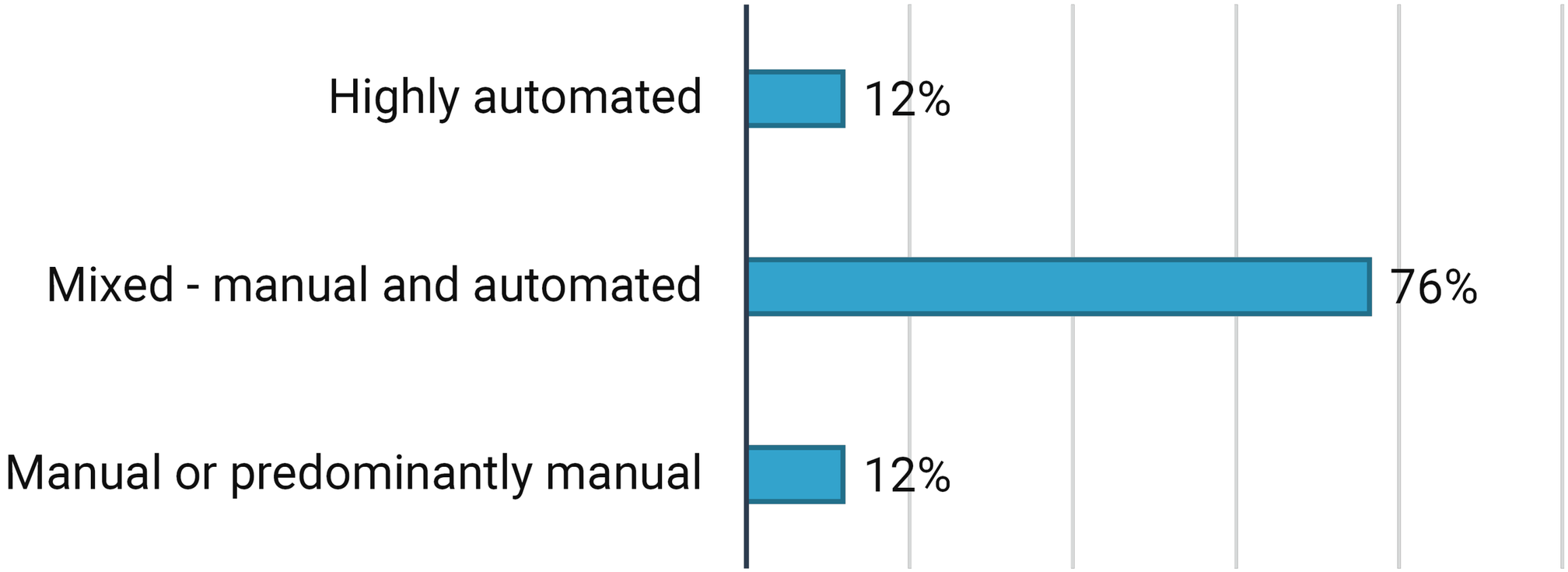
POLL QUESTION

For AP/AR we consider ourselves to be:



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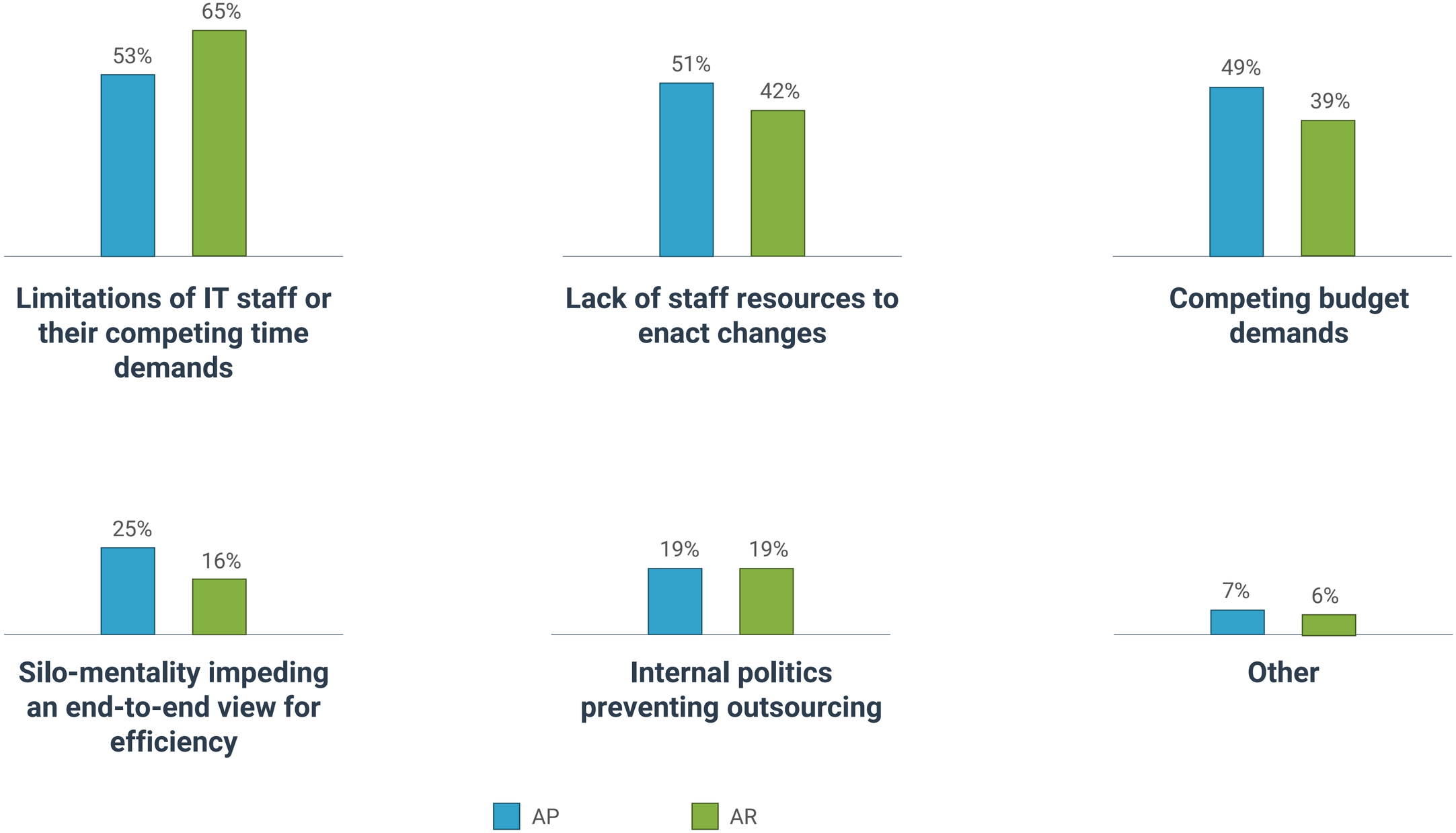
OBSTACLES OF CHANGE

BOTH AP AND AR POINT TO IT LIMITATIONS

» *Our biggest obstacles to making the changes we need are:*



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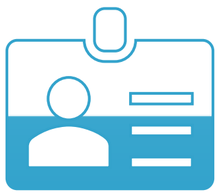
WHERE AR HURTS

STAFFING, REASSOCIATION & PORTALS

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

Staff intensive work around collection
39%

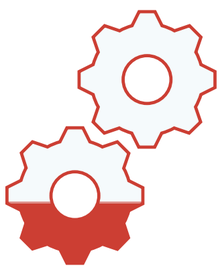


Data and payments needing to be re-associated
29%

Accessing customer portals
26%

Different collection requirements
26%

Supporting multiple invoicing modes
23%



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IMPORTANCE OF ELECTRONIC

PART 3

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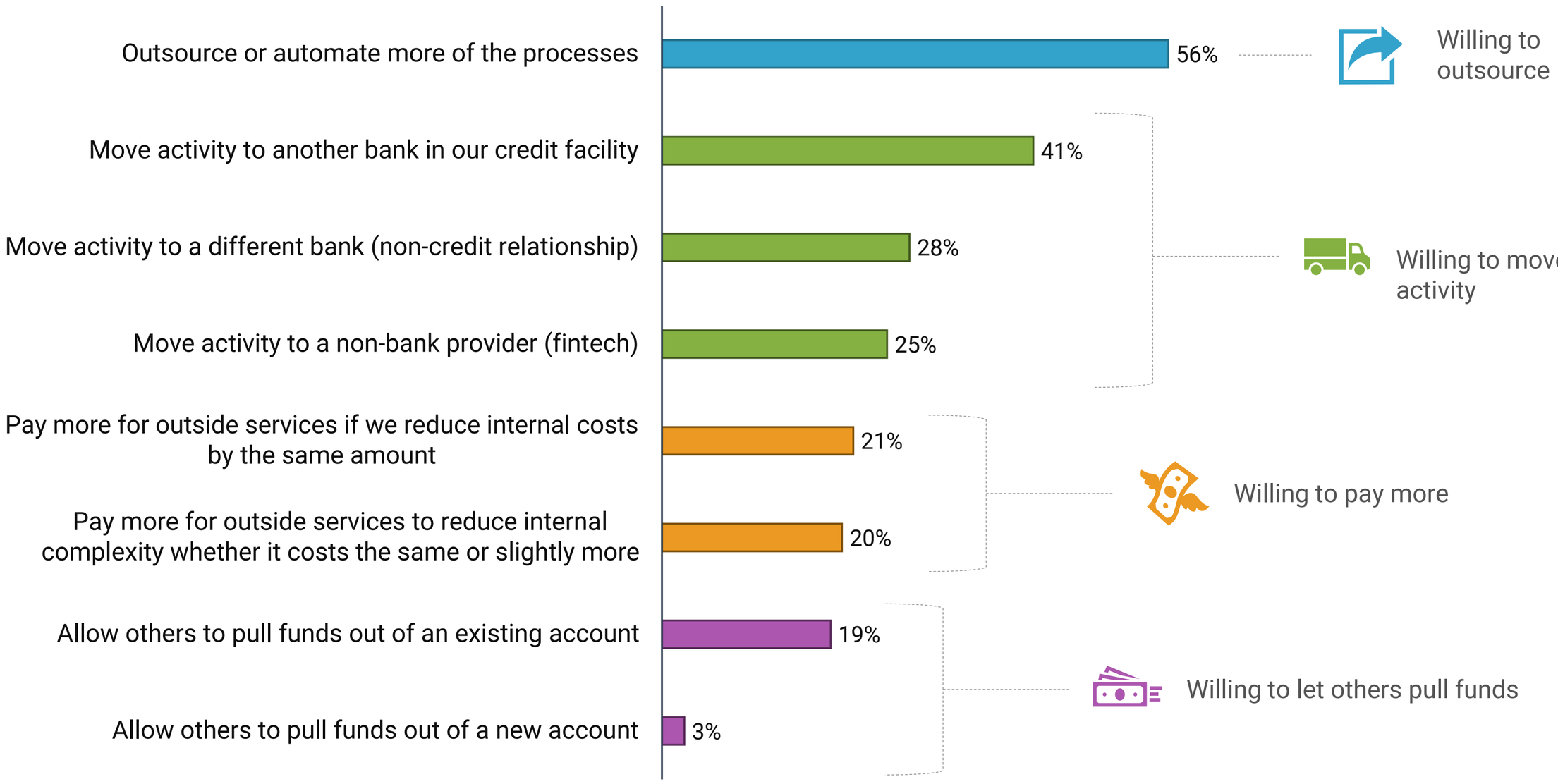
MOTIVATED TO MOVE TO ELECTRONIC

AND WILLING TO SWITCH BANKING PROVIDERS

Companies are willing to shift payment providers if their current bank doesn't adequately support a fully electronic payment processes.

» *Moving to fully-electronic processing is important enough for us to: (Select all that apply)*



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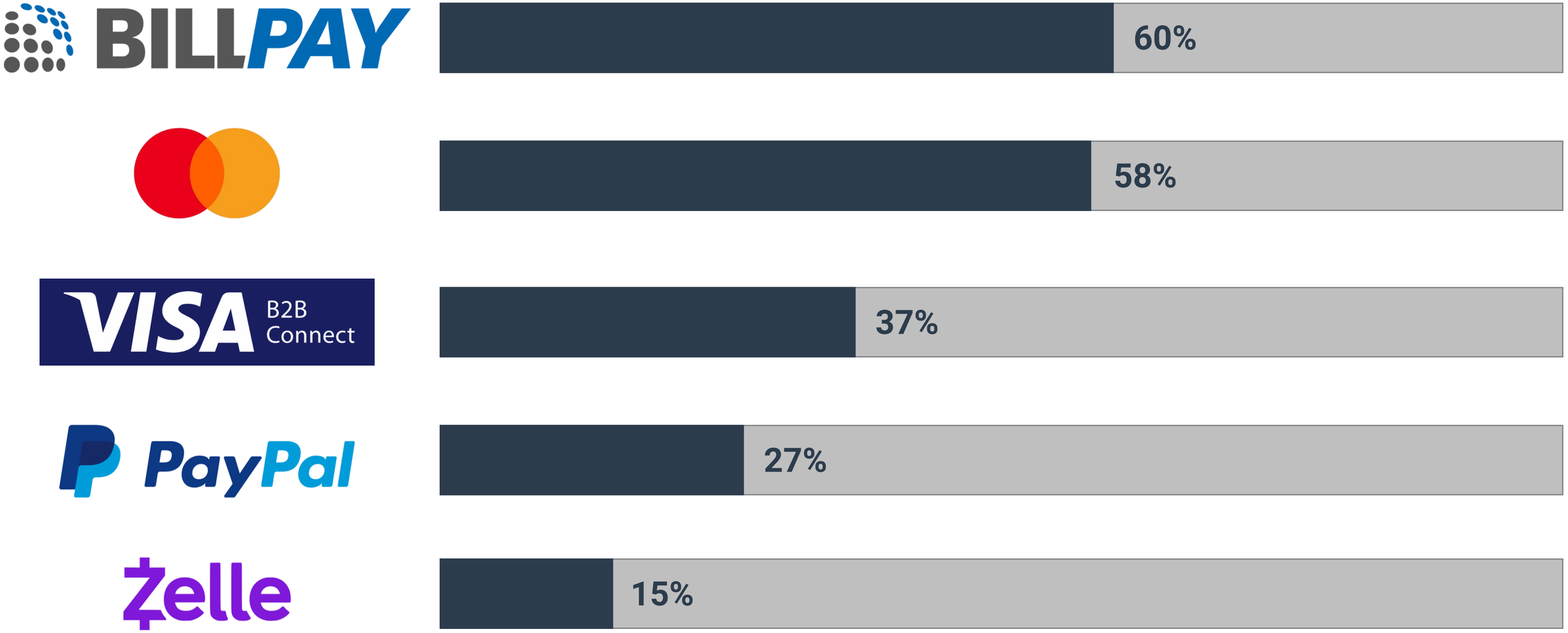
IN WITH THE NEW

ACCEPTING NEWER PAYMENT CHANNELS

AR groups are working through the complexity of accepting new payments now or will need to find solutions soon.

» *Which of these payment channels do you accept? (Select all that apply)*



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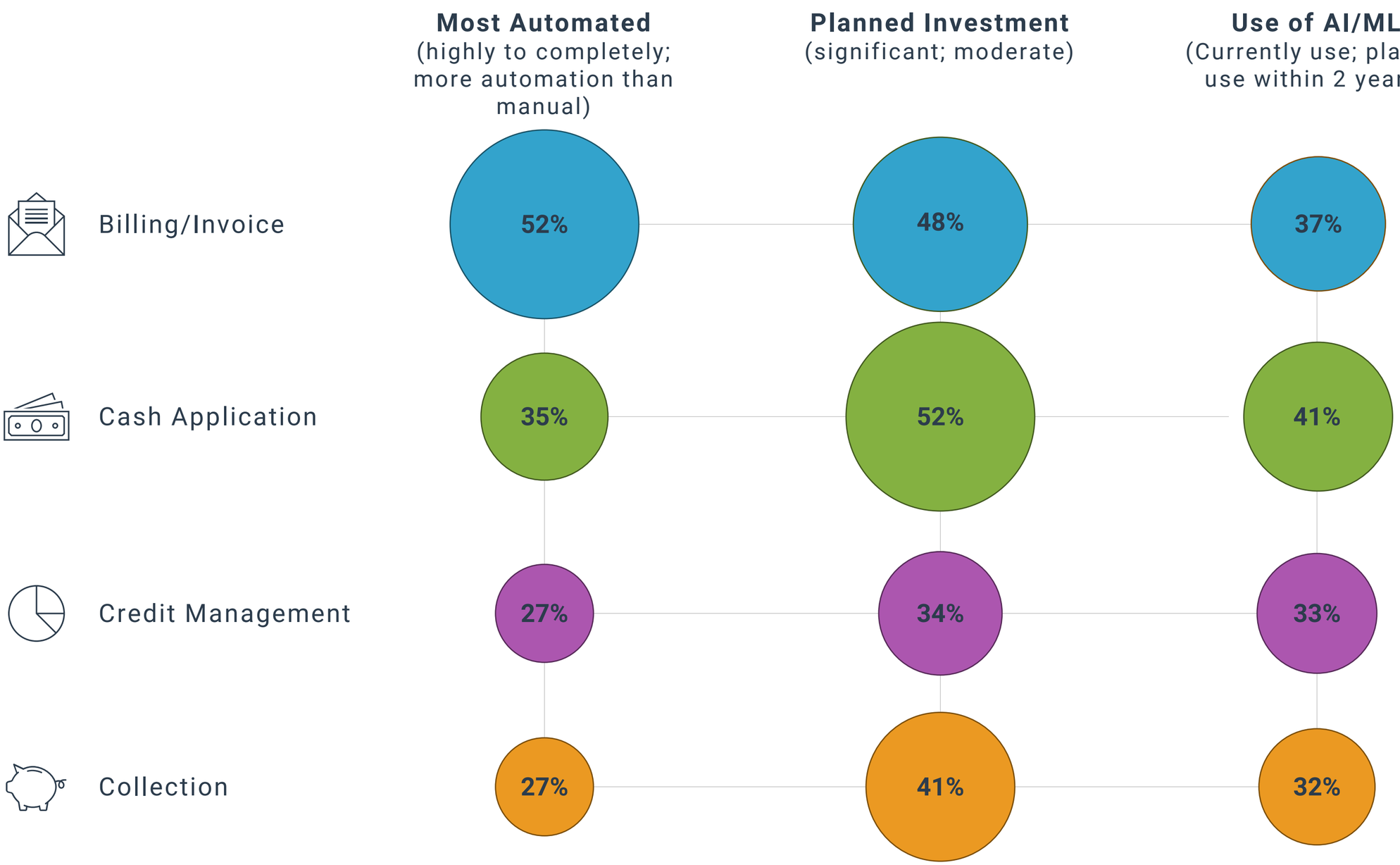
BILLING & INVOICE FAVORED

WHEN IT COMES TO AUTOMATION; NEAR THE TOP FOR SPEND AND USE OF AI/ML



AP and AR Respondents

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OUTSOURCING

PART 4

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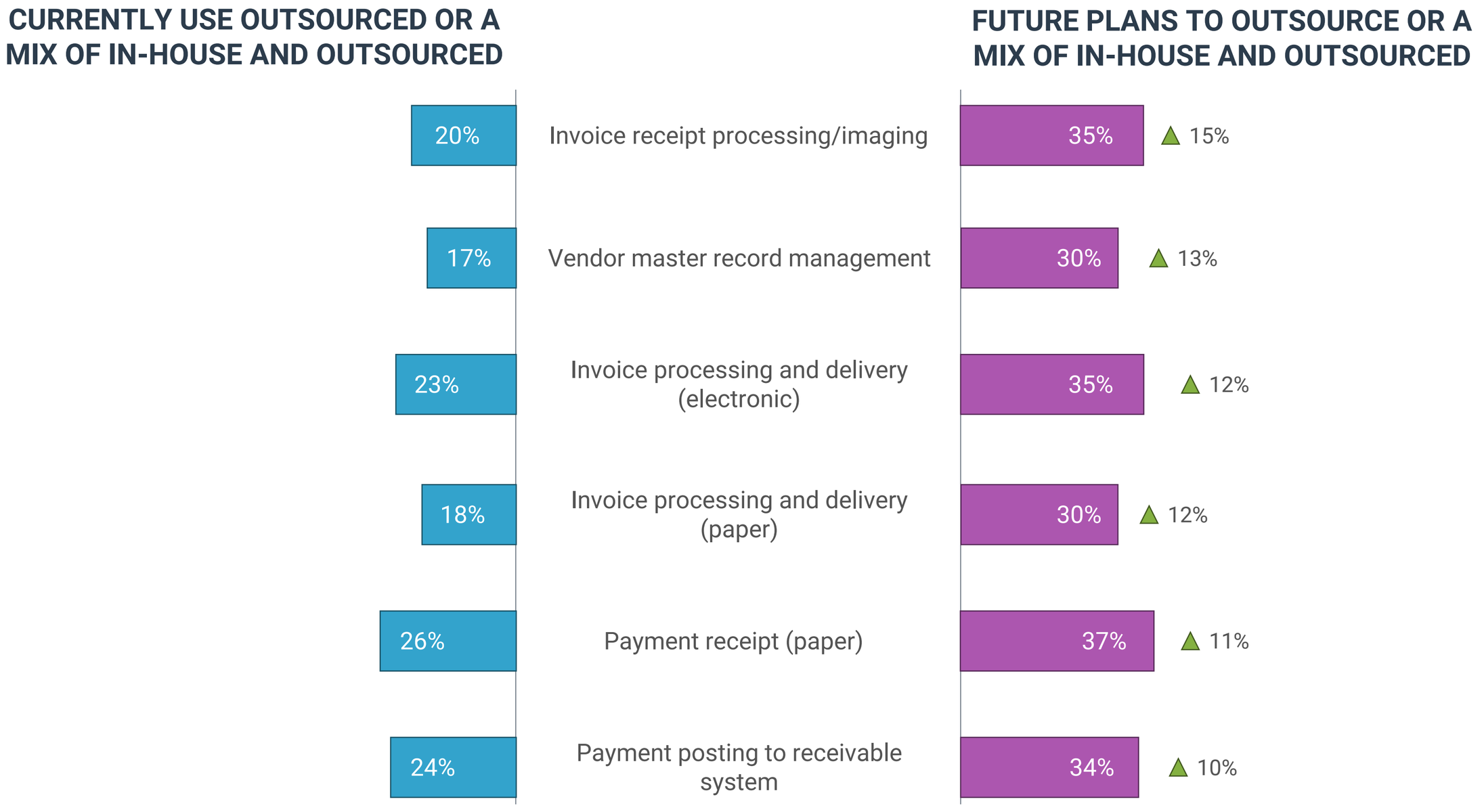
MOVE FROM IN-HOUSE

RAPID SHIFT TO OUTSOURCED OR MIXED ENVIRONMENT

» *Our current/planned use for process management is:*



Note: Only top 6 responses displayed

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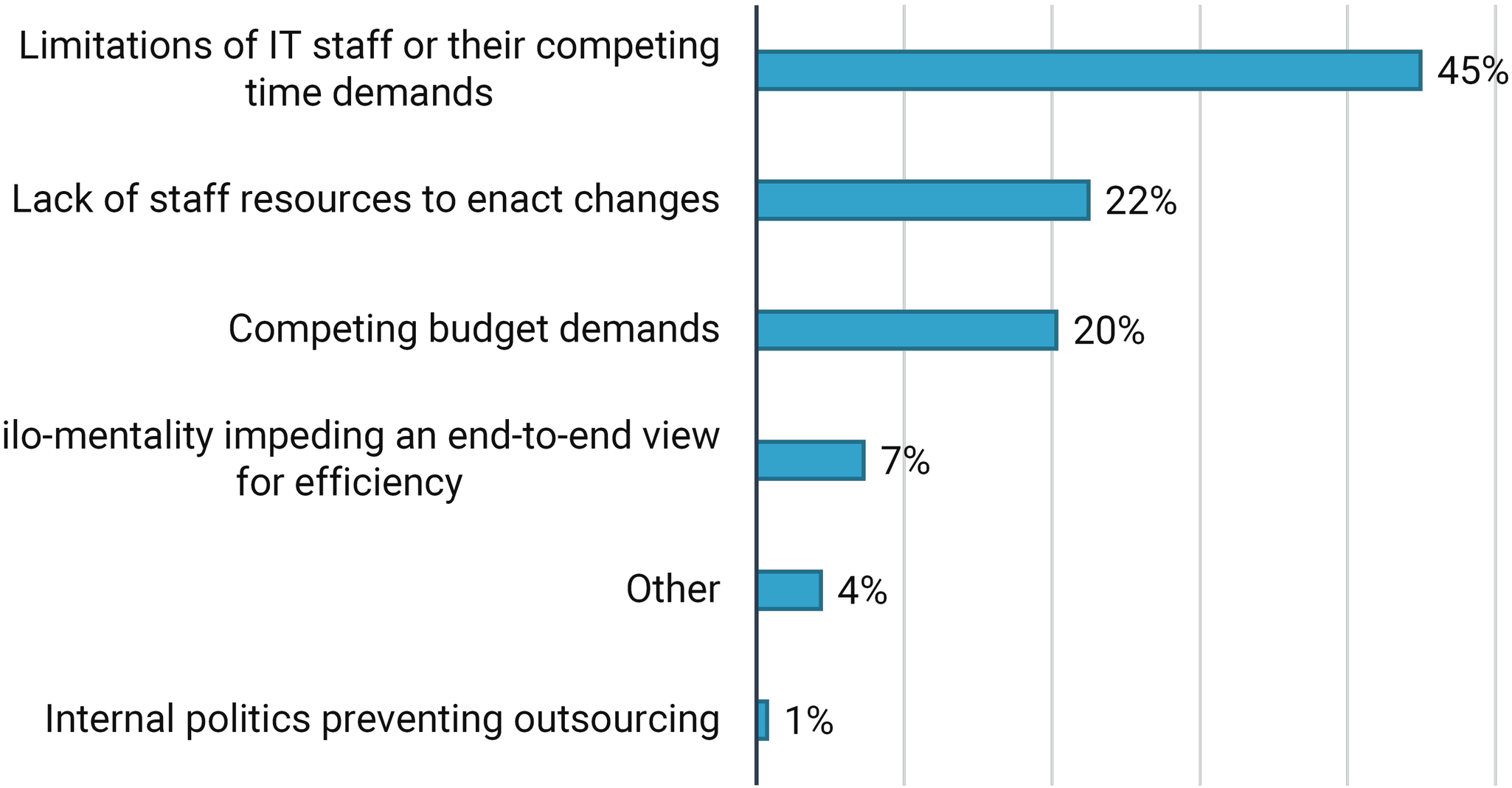
POLL QUESTION

The largest obstacles to making the changes we need are:



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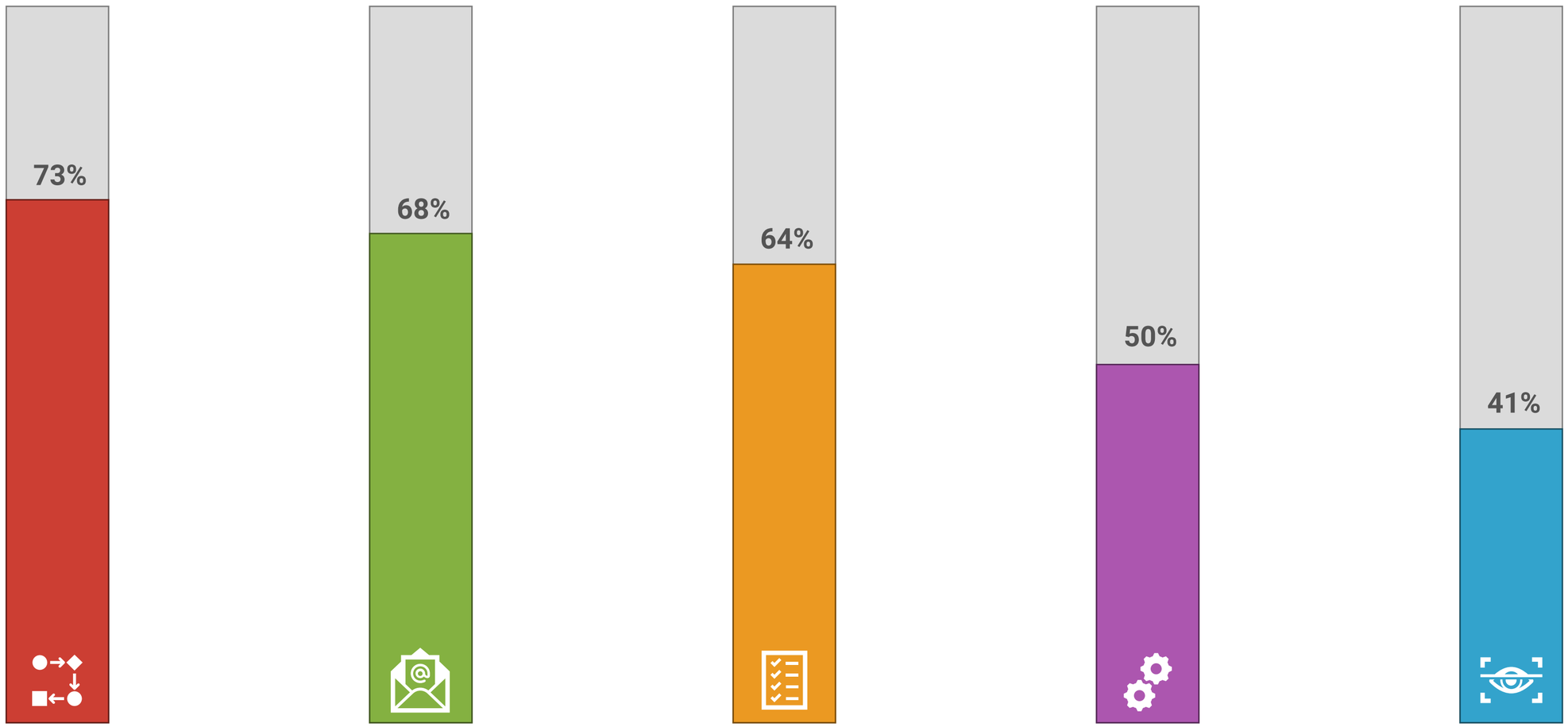
WORKFLOW MANAGEMENT

BANKS BELIEVE IT IS A TOP CORPORATE NEED

More important than electronic invoice delivery, scanning and OCR activities, banks put workflow management in the top position for corporate needs in AR services.

» *Accounts Receivable services rated as high or very high importance*



Note: Not all response options displayed

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FINAL THOUGHTS

IDEAS AND POINTS TO BRING BACK TO THE OFFICE

UNDERSTAND ROADBLOCKS

- Competition for resources
- Management and budget priorities
- IT resources and funding

KNOW THE OBSTACLES TO CHANGE

- Process control
- Industry standards
- Human resistance

LEVERAGE PARTNERSHIPS

- Internal and external
- Resource pools
- The power of a network

FUTURE EXPECTATIONS

- New payment options
- Joint planning & development
- End to end x2

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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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SURVEY REPORT and INFOGRAPHIC

Download the 2021 Modernizing AR Processing Report for in-depth commentary. Survey respondents will be sent the exclusive, detailed report. The Modernizing AR infographic is also available for download.

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