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Introduction

- Artificial Intelligence (AI) powered Digital Assistants can perform 70 to 90% of manual operations in a process, which delivers enormous efficiency improvements.

- They also improve accuracy, speed, and customer response.

- Digital Assistants are particularly well suited to Order-to Cash (O2C) operations

- Digital Assistants are operating **today** in many companies, assisting both employees and customers.

What Are Digital Assistants?

- **Digital Assistants (aka AI powered Digital Assistants):**
  - Assist your workforce & provide information to Management
  - Engage & assist customers 24/7/365
  - Perform repetitive tasks
  - Read and extract data from documents in unstructured formats/multiple formats and convert them to structured data

- **AI Powered Digital Assistants utilize advanced technology:**
  - Artificial Intelligence with cognitive <u>self-learning (Machine Learning)</u>, using Deep Learning Neural networks
  - Natural Language Processing – ability to interpret text & voice
  - Enterprise Information Processing – integrate with ERP

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Digital Assistants' Benefits for Credit

Digital Assistants perform/assist these Credit Risk Management activities

- Secure completed on-line Credit Application from applicant

- Obtain bank & trade references, Credit Bureau info, and payment history

- Verify business license, sales & use tax, OFAC, legal address, etc.

- Perform Credit scoring

- Make Credit decisions based on pre-defined rules to assign credit limits

- Route Credit Limits for Approval guided by Delegation of Authority policy

- Trigger periodic credit limit update process

Digital Assistants' Benefits for Collections

- Digital Assistants perform an automated, customer-service oriented collection inquiry and, when combined with a Customer Care Portal, can drive a completely automated Collection contact effort

- AI Powered Digital Assistant:
  - E-mails collection inquiry & secures payment (via ACH, or payment card), or PTP thru interactive **dialogue** with customer
  - Posts PTP in Collection application
  - Engages with customers to help them make payments via ACH or credit/debit card
  - Enables 100% Portfolio collection coverage for target accounts
 - Processes customer electronic payment

Benefits:
  - Increased cash flow, lower past due AR and DSO
  - Reduced bad debt exposure
  - Greatly increased Collection productivity

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Digital Assistants' Benefits for Cash Application

- Perhaps the largest beneficiary of (AI) Powered Digital Assistants is Cash Application

- Digital Assistants can automatically extract remittance data from multiple **sources & documents** in many different formats, enter the data and auto-apply the payments to open invoices

- It is a dramatic leap forward in the evolution of Cash Application:

Manual → **OCR** → **RPA** → **AI**
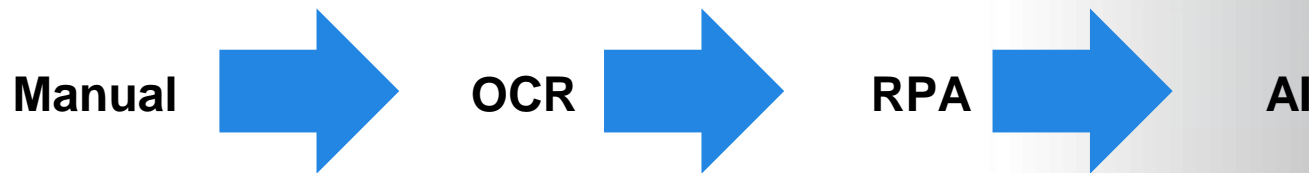
Digital Assistants' Benefits for Cash Application

- AI powered Digital Assistants extract remittance data from multiple customer sources/documents in multiple formats. Machine Learning/Natural Language processing enables the robots to "learn" where to find required data on each individual customer's remittance format which progressively increases accuracy

- AI powered Digital Assistants **convert unstructured data into structured data** (CSV file) for further processing

- Remittance data automatically applied to open invoices by Auto-Cash engine

- Auto-Cash engine can yield 85 – 95% hit rate

- Digital Assistant automatically creates deductions to be routed for resolution

- 24/7/365 operation with access from all types of mobile devices

Digital Assistants' Benefits for Cash Application

AI Enabled Digital Assistants extract remittance data from multiple customer sources with multiple formats, such as:

- Customer Vendor Portals
- Your own EIPP Portal populated by your customers
- Excel/PDF files and statements from customers and lockboxes
- EDI 820 or BAI2 transmissions from customers

AI Enabled Digital Assistants can auto post cash receipts to right invoices

- Integrate with bank lockboxes and your own AR and Collection modules and with ERP system
- Contains its own auto-cash engine (applies based on invoice, PO or sales order #)
- Enables pre-set tolerance levels for matching payments to open invoices
- Outperforms RPA when dealing with multiple unknown document formats

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Digital Assistants' Benefits for Deductions

Digital Assistants:

- Automatically create deductions to be routed for resolution

  (customer number, invoice # & value, payment # & value,

  deduction # & value, dates, reason code, assigned resolver, etc.)

- Establish unique record for every individual deduction

- Extract reason code from customers' vendor portal, remit advice,

  debit memo, email, etc. & assign it to the deduction record.

  "Unknown" reason code is default.

- Store digital images of all documents

- Execute Automatic Small Balance Write-Off

- Match & clear credit memo or payment with open deduction via

  deduction #, or original invoice #

Digital Assistants' Benefits for Deductions

Digital Assistant Automation:

Routing – of deduction to designated Resolver based on deduction reason code:

- Formatted message stating time period for resolution, defining resolution (credit memo or routing to Collector or alternate Resolver)
- Full deduction record, including document images
- Allow re-routing from one Resolver to another
- Route credit memo request thru Approval Hierarchy

Tracking – of every deduction

- Add every deduction record to open deduction file at "Creation" stage
- Move deduction to "Closed" file only when it is removed from Open AR ledger
- Record and change Resolver based on routing
- Send reminder notice to Resolver when allowed time period for Resolution expires. Execute Escalation Protocol to Resolution Hierarchy as time elapses on unresolved deduction

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Benefits of a Digital Assistant Enhanced O2C Process

Dramatically Increased Employee Productivity & Morale
Improved AR aging profile and DSO
Faster response to Customers
Increased accuracy and quality of operations

A better Customer Experience &
"Freed up" Staff Resources

Improved Customer Experience/Satisfaction » **Customer Loyalty** » **Greater Market Share** » **Increased Revenue & Profit**

Customer Success Story – Global Medical Products Supplier

Challenge:

AR management needed overall improvement.
SAP deployed in 30 countries, multiple languages

Solution:

Emagia AI Powered Digital Assistants for Deductions, Cash Application,
Collections and Analytics modules

Customer Value Achieved

- Deduction resolution cycle time reduced to 5 days
- Auto-cash hit rate increased from 50 to 80%
- DSO reduced 7% in 6 months

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Case Study - Leading Building Materials Dealer   CALI

Client Challenge

The client is a fast growing supplier of building materials selling to a customer base highly dependent on vendor financing. While they sought to **provide this financing** quickly while **managing credit risk**, their manual systems could not keep pace with growth. They needed a B2B digital credit solution to evaluate more customers quickly and increase their revenue.

Customer Value

Deployed Emagia **Digital Credit Automation** Solution (thecreditapplication.com) with Digital Assistant

- Digital Credit Application with digital signatures, digital trade and bank reference checks
- Integrated with Experian & Netsuite analytical tool; automatic credit limit decisions enabled.
- Automated resale certificate verification process
- **Automated > 80%** of Credit Vetting process
- Now processing increased volume of credit applications on timely basis
- Scalable foundation for digital ecommerce growth

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Conclusion

AI Powered Digital Assistants:

- Are used by many companies **TODAY !!**

- Increase productivity by 70 - 90% in manual operations

- Enable faster response to customers

- Improve the accuracy of transaction processing

If you have any questions or comments about this session, please let us know in the chat box or write to us at info@emagia.com