

The logo for EMAGIA, featuring the word "EMAGIA" in a stylized, bold, white font with a trademark symbol (TM) to the upper right. The letters are interconnected, with the 'E' and 'M' sharing a vertical stroke, and the 'A' and 'G' sharing a vertical stroke. The background of the entire slide is a dark blue circuit board pattern with glowing white lines and dots. Various icons are scattered across the background, including dollar signs (\$), a globe with four people icons, a brain with circuit patterns, a head profile with gears inside, and three interlocking gears. A blue arrow points to the right on the right side of the slide.

EMAGIA™

MASTERCLASS

**Top Technology Trend in 2021:
Hyper-Automation of
Accounts Receivable
Operations**

Agenda

- **Introduction**
- **The Productivity Hierarchy**
- **What is Hyper-Automation?**
- **Hyper-Automation in:**
 - Credit
 - Collections
 - Cash Application
 - Deductions Processing
- **Customer Success Stories**
- **Conclusion and Questions**

Introduction

- Increased productivity has been an objective for virtually every department of every organization for decades
- Many approaches, technologies, philosophies, etc. have been used to increase productivity with varying degrees of success
- The latest, and potentially most promising, is the deployment of three interrelated “touchless” technologies:
 - a. Intelligent Document Processing (IDP)
 - b. Robotic Process Automation (RPA)
 - c. Artificial Intelligence (AI)



Introduction

VERY BRIEF HISTORY OF PRODUCTIVITY BOOSTING TOOLS

- 1980's – Total Quality Management (TQM), W. Edwards Deming, Lean and Six Sigma methodologies
- 1990's – Process Re-engineering, EDI, OCR, ERP's, Macro's
- 2000's – Widespread Internet adoption & related technologies
 - Best-of-Breed Bolt-ons
 - Vendor & Customer (EIPP) Portals
 - Advanced Metrics and Analytics
 - Auto-cash algorithm improvement
 - Digital commerce (invoicing & payments, etc)
- **Today** – IDP, RPA, AI powered Digital Assistants, FinTech



The Productivity Hierarchy

INCREMENTAL

- Process Redesign
- Optimize EDI
- OCR Technology
- Auto-Cash Algorithm Improvement
- Optimize ERP
- Synchronize with Customers' Vendor Portals
- Improved Policy Compliance
- Improved Operational Metrics

ADVANCED

- Policy Changes
- Best of Breed Bolt-Ons
- Customer Self Serve Portals
- Analytics Driven Improvements
- Remediation of large account customization & behavior

EXPONENTIAL

TOUCHLESS

- Intelligent Document Processing
- Robotic Process Automation
- AI Powered Digital Assistants

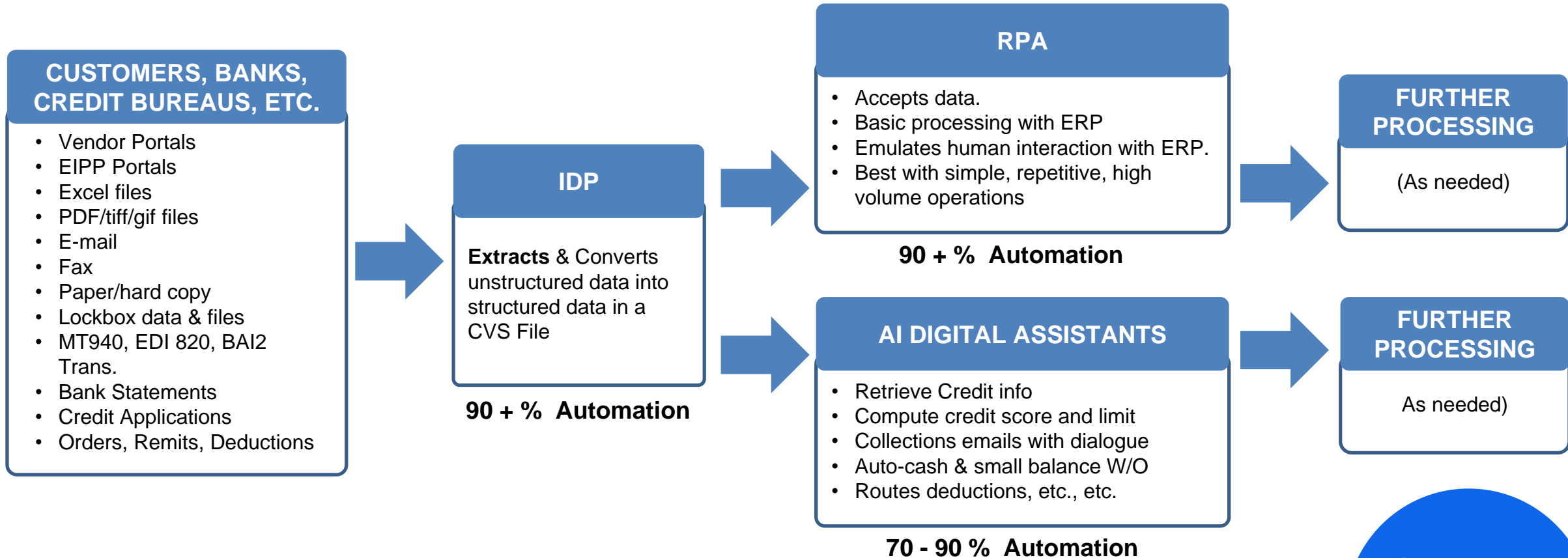


What is Hyper-Automation?

- **Automatic processing of 70-90% of transactions in an operation**
- **If an Operation:**
 - has a high volume of transactions, and
 - is performed manually
 - labor savings of 70 – 90% are feasible vs 10-25% of other productivity enhancing methods
- **Accuracy and Speed is improved:**
 - Rework reduced



Hyper-automation: IDP Feeds RPA & AI



Intelligent Document Processing (IDP)

Intelligent Document Processing (IDP) extracts & **converts unstructured data** into a usable **structured**, format for the next step in processing that data. It extracts **all and only** the required data.

It utilizes cognitive Artificial Intelligence (AI) and other related technologies such as Machine Learning & Natural Language Processing.

Source documents are scanned & data is extracted:

- The documents are stored digitally
- The data is available to authorized users anywhere in the world, 24/7/365 in digital form.

IDP is faster, cheaper and more accurate than having humans read documents.

IDP accommodates multiple languages and currencies & delivers **substantial increases in speed, accuracy and productivity**

Robotic Process Automation (RPA)

Robotic Process Automation (RPA) utilizes software robots (“bots”) that learn and execute rule-based business processes.

The “bots” (aka Digital Workforce) emulate human interaction with digital tools, ERP’s, etc.

It utilizes technologies such as Machine Learning & Natural Language Processing.

RPA operates 24/7/365 and is faster and more accurate than having humans perform the operation.

RPA delivers substantial increases in speed, accuracy and productivity

AI Digital Assistants

- **Digital Assistants:**

- Assist your workforce & provide info to Management
- Engage & assist customers 24/7/365
- Perform repetitive tasks

- **AI Powered Digital Assistants utilize advanced technology:**

- Artificial Intelligence with cognitive self-learning, using Deep Learning Neural networks
- Natural Language Processing – ability to interpret text & voice
- Enterprise Information Processing – integrate with ERP



Hyper-Automation in Collections

- Hyper-Automation's Digital Assistants perform an automated, customer-service oriented collection inquiry and, when combined with a Customer Care Portal, can drive a completely automated Collection effort for select customers
- AI Powered Digital Assistant:
 - E-mails collection inquiry & secures payment (via ACH, or payment card), or PTP thru interactive **dialogue** with customer
 - 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



Hyper-Automation in Cash Application

- IDP extracts remittance data from multiple customer sources/documents in multiple formats. Machine Learning/Natural Language processing enables “learning” where to find required data on each individual customer’s remittance format which progressively increases accuracy
- 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
- Executes automatic small balance write-offs



Hyper-Automation in Deductions

- Automatically create deductions and routes for resolution (customer number, invoice # & value, payment # & value, deduction # & value, dates, reason code, assigned resolver, etc.) with relevant documents attached
- Extract reason code from customers' vendor portal, remit advice, debit memo, email, etc. & assign it to the deduction record. "Unknown" reason code is default.
- Establish unique record for every individual deduction
- Store digital images of all documents
- Match & clear credit memo or payment with open deduction via deduction #, or original invoice #
- Sends reminder notice to Resolver for "old" unresolved deductions



Benefits of Hyper-Automation in AR Operations

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



Lower Costs



Greater
Cash Flow



Increased Revenue
& Profit

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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



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



Conclusion

Hyper-Automation:

- Is used by many companies **TODAY !!**
- Can increase productivity by 70 - 90%
- Enables faster response to customers
- Improves 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

Next Emagia MasterClass Session:

Topic: B2B Credit Management in the New Normal

