GrowCFO

Tech Innovation Report

Revenue Management, Accounts Receivable and Cash Optimization

Table of Contents

Executive Summary

Mid-sized CFOs face mounting pressure to optimize financial operations amid persistent challenges across accounts receivable (AR), revenue management, and cash management. Traditional order-to-cash and recurring SaaS billing workflows are often bogged down by late payments, manual processes, billing errors, revenue leakage, and poor cash flow visibility—issues that directly threaten liquidity and growth. This white paper explores these critical pain points and evaluates how emerging technologies—particularly AI-powered AR automation, dynamic cash forecasting, subscription billing platforms, and embedded fintech solutions—are transforming finance operations. Drawing on real-world examples and vendor comparisons, the paper offers strategic insights and practical recommendations for CFOs seeking to streamline processes, improve working capital, ensure compliance, and position finance as a proactive driver of business performance.

What's the problem

The five main issues in AR, Revenue and Cash Management

To address these issues, organizations should consider leveraging advanced technologies, such as AP automation, data analytics, and integrated spend management platforms.

These solutions can help enhance fraud prevention, improve process efficiency, increase spend visibility, and strengthen supplier relationships.

Late Payments and High Days Sales Outstanding (DSO): Persistent customer delays in payment restrict cash flow, increase financial risk, and limit operational flexibility. CFOs must find ways to accelerate collections and reduce DSO.

Billing Errors and Revenue Leakage: Inaccurate or inconsistent billing—especially in recurring revenue models—results in lost revenue, increased customer dissatisfaction, and heightened compliance risk. Many companies lose 1–5% of EBITDA due to revenue leakage.

Manual, Fragmented Processes and Data Silos: Over reliance on spreadsheets, disconnected systems, and manual workflows leads to inefficiencies, errors, and a lack of real-time visibility—hampering decision-making and slowing month-end closes.

Inaccurate Cash Forecasting and Poor Liquidity Planning: CFOs struggle with cash flow forecasting using outdated tools and static models, often leading to missed opportunities, unnecessary borrowing, or excess idle cash.

Lack of Automation and Scalable Infrastructure: As companies grow, finance teams need modern, automated systems (e.g., AI-driven AR, SaaS billing, cash forecasting) to manage increased transaction volume, minimize manual work, and support strategic agility.

Several factors contribute to late payments and high DSO:

- **Customer delays** due to internal approval cycles, cash flow constraints, or disputes over invoice accuracy.

- **Manual invoicing and follow-up**, which slow down the entire order-to-cash process and reduce the likelihood of timely payments.

- **Lack of payment options**, such as not offering ACH, credit card, or real-time payment methods, which can inconvenience customers.

- **Poor collections prioritization**, where finance teams don't have the tools or insights to know which accounts to chase first.

- **Weak credit policies or enforcement**, leading to extended terms for customers who may be consistently delinquent.

- **Late payments and high Days Sales Outstanding (DSO) are among the most pressing challenges for CFOs in mid-sized companies,** as they directly impair cash flow, strain working capital, and increase financial risk. DSO measures the average number of days it takes a company to collect payment after a sale. A high DSO means cash is tied up in receivables for longer than necessary, reducing liquidity and potentially forcing the business to rely on debt or delay its own payments to suppliers.

- **The impact of late payments is significant:** according to industry research, over 55% of B2B invoices are paid late, and 42% of companies report a DSO over 60 days, far above the optimal 30–45-day benchmark. In some sectors, like equipment manufacturing and healthcare, average DSO can exceed 90 days, pushing many companies into cash crunches. Late payments also increase the risk of bad debt—around 9% of US B2B sales eventually go uncollected—and can damage customer relationships when disputes or poor communication arise.

- To combat high DSO, CFOs are turning to **AI-powered accounts receivable automation** tools that improve invoice accuracy, automate follow-ups, provide payment portals, and apply machine learning to predict payment behavior and prioritize collection efforts. Companies that adopt AR automation typically see **DSO reductions of 10–20 days**, improved cash flow, and reduced reliance on short-term financing. In short, reducing late payments and DSO is not just a financial goal—it's a strategic lever for stability, growth, and improved customer satisfaction.

Billing errors and revenue leakage are silent but costly problems

1–5% of EBITDA lost annually.. Common causes include manual invoicing, misapplied discounts, missed usage fees, and failed subscription payments, all worsened by disconnected systems and recurring revenue complexity. These issues delay cash flow, increase compliance risk, and harm customer relationships. SaaS companies are especially vulnerable, with up to 9% of recurring revenue lost to failed payments. To fix this, CFOs are adopting automated billing platforms, revenue recognition tools, and payment recovery systems that ensure accurate, compliant, and timely invoicing. Tackling revenue leakage is essential not just to recover lost income, but to support scalable, reliable growth.

Billing errors are one of the most common sources of leakage, and they happen more often than many CFOs realize:

- **Underbilling:** Discounts not properly applied, missed usage fees, or services/products delivered but not invoiced.
- **Overbilling:** Charging for the wrong amount, invoicing for canceled subscriptions, or duplicating charges—leading to disputes and delays.
- **Mismatched terms:** Misalignment between the sales contract and what gets invoiced (e.g., incorrect proration, skipped renewals, or out-of-date pricing).

These errors typically arise from manual processes, poor system integration (e.g., between CRM, billing, and accounting), and lack of visibility. For example, if sales closes a custom contract and finance manually builds the invoice without full context or automation, something is likely to go wrong.

Recurring Revenue Makes It Worse

In subscription-based businesses, billing is continuous and often complex. Challenges include:

- Upgrades/downgrades mid-cycle that need proration.
- Usage-based billing, where actual usage may not be properly tracked or invoiced.
- Renewals not being triggered on time or being misconfigured.
- Failed payments that aren't followed up on (leading to involuntary churn and missed revenue).

Without robust systems, even well-intentioned teams miss charges or allow outdated pricing to linger, leaking money month after month. In fact, SaaS companies lose around 9% of their recurring revenue to failed payments alone, much of which is recoverable with better tools and processes.

Manual, fragmented processes and data silos

Manual, fragmented processes and data silos are a major barrier to financial efficiency and scalability for CFOs—especially in mid-sized companies where finance teams often juggle multiple responsibilities without the support of fully integrated systems. These inefficiencies span across accounts receivable, billing, revenue recognition, and cash forecasting, and they lead to slow operations, costly errors, and poor decision-making.

Here's how this issue typically manifests:

- **Manual workflows** like keying invoices, reconciling payments, and managing spreadsheets are time-consuming and error-prone. For example, manually matching bank transactions to open invoices can lead to misapplied payments or missed collections.
- **Siloed systems**—such as disconnected ERPs, CRMs, billing platforms, and bank portals—prevent real-time visibility and make it hard to get a single version of financial truth. Staff often have to export data from multiple systems and consolidate it manually, increasing risk and delaying reporting.
- **Delayed period closes and inaccurate reporting** are frequent consequences. Without real-time integrations, finance teams struggle to reconcile data between sales, billing, and accounting, which slows down monthly closes and undermines trust in the numbers.
- **Poor coordination between departments** (e.g., sales and finance) due to fragmented data can cause revenue leakage—like billing the wrong amount or missing billable usage altogether.
- **Limited scalability is another big problem:** as a business grows, the volume and complexity of transactions increase. If finance processes are not automated and integrated, the team becomes a bottleneck, unable to keep up without adding headcount.

These issues aren't just internal productivity problems—they impact customers and business agility. For example, a customer disputing an invoice may experience delays in resolution if the finance team can't quickly access the right data across systems. Likewise, leadership may be flying blind on key metrics like cash runway, DSO, or ARR if reports are outdated or inaccurate.

Inaccurate cash forecasting and poor liquidity planning are critical vulnerabilities

Cash forecasting is essential for ensuring a business can meet its obligations, plan investments, and avoid last-minute borrowing. Yet, many finance teams still rely on static, spreadsheet-based models that are time-consuming, error-prone, and quickly outdated. The result? CFOs often lack confidence in their forecasts, operate with unnecessary buffers, and miss opportunities to use cash more strategically.

Why forecasting breaks down

- Manual data gathering from disconnected systems (e.g., ERP, CRM, payroll, banks) delays the process and increases the risk of errors.
- Lack of real-time data means forecasts are based on historical or outdated information—missed customer payments or unexpected expenses can quickly invalidate assumptions.
- No automation or scenario modeling, making it hard to adjust forecasts on the fly when inputs change (e.g., a delayed deal or supplier payment).
- Overly simplistic models fail to capture seasonality, payment behavior, or revenue variability—particularly dangerous in businesses with recurring or usage-based income.

How can technology help?

How is technology helping solve these problems?

01

AI-Powered Accounts Receivable Automation

02

Smarter Revenue Management and SaaS Finance Tools

03

Dynamic Cash Forecasting and Treasury Management

04

Embedded Finance and Payment Innovations

1. AI Powered Accounts Receivable Automation

Digital Invoicing and Payment Integration

- Automation platforms create electronic invoices from order data with minimal human input.
- Invoices can be delivered via preferred channels (email, online portal) and often include secure payment links to expedite cash receipt.
- Offering multiple digital payment options improves collection speed and reduces manual errors, aligning with the demand for real-time payments.

Automated Dunning and Collections Management

- AI enhances collections by analyzing customer payment behavior and prioritizing follow-up efforts.
- Algorithms predict late payments and automate personalized reminders, ensuring consistent follow-ups.
- This systematic approach has led to significant reductions in Days Sales Outstanding (DSO), with some companies reporting a 15-day decrease after implementing AR automation.

Intelligent Cash Application

- AI automates the matching of incoming payments to invoices, reducing manual reconciliation efforts.
- Pattern recognition allows systems to learn from payment behaviors and improve match accuracy.
- Vendors can achieve auto-match rates above 80%, minimizing errors and keeping the AR ledger updated.

Analytics and AR Dashboards

- Real-time reporting provides CFOs with insights into the AR pipeline, including DSO, overdue amounts, and cash forecasts.
- AI can score customer risk, helping finance leaders make informed decisions regarding credit limits and collections strategies.
- Automation has been linked to improved cash flow and cost savings for mid-sized firms.

AI Assistants and Predictive Insights

- Advanced AR tools utilize conversational AI to provide forecasts and actionable insights for the AR team.
- Predictive models estimate when invoices are likely to be paid and suggest timely reminders to optimize collections.
- The goal of "Autonomous Receivables" is to minimize manual intervention, allowing staff to focus on exceptions and customer relationships.

Notable AR Automation Vendors:

A number of fintech companies offer solutions in this space, each with slightly different strengths. HighRadius (and its mid-market product RadiusOne) is well-known, offering end-to-end AI-driven AR automation for credit, invoicing, collections, and cash application. Billtrust is another major player, providing invoicing and payment solutions and even B2B payment network integration. Versapay focuses on a collaborative AR network, where buyers and sellers communicate through a portal to resolve issues and pay invoices (Versapay's clients often see improved customer experience in AR).

For mid-market, Stuut offers AI agents tailored to collect and apply cash. YayPay (Quadient) is designed for mid-market finance teams, providing user-friendly collections automation and predictive analytics. Other entrants include Gaviti, Chaser, BlackLine AR (BlackLine acquired Rimilia for cash app automation), and Corcentric (which offers AR and AP solutions). The landscape is rich, but common to all is the promise of reducing DSO and freeing staff from low-value tasks. Indeed, a PYMNTS study found 62% of firms saw DSO improvement after AR automation investments

By adopting such tools, CFOs can address late payments and manual work head-on. The ROI often comes in the form of improved working capital (cash freed from receivables) and reduced staffing costs or ability to reallocate staff to higher-value work. For instance, the heavy equipment industry saw 75% of companies report significant cash flow improvements after AR automation, and 88% achieved measurable value, reflecting how even traditionally slow-to-adopt sectors are seeing positive returns . It's important to note, however, that technology alone isn't a panacea – successful projects pair these tools with process changes and staff training. Yet the trajectory is clear: accounts receivable is evolving from a labor-intensive, reactive function to a highly automated, data-driven one, with AI helping to predict and accelerate cash conversion.

2. Smarter Revenue Management and SaaS Finance Tools

Subscription Billing & Management Platforms	• Tools like **Zuora**, **Chargebee**, and **Stripe Billing** automate recurring invoicing. • They allow finance teams to easily configure pricing plans and manage billing cycles, including proration and renewals. • These platforms help prevent underbilling and overbilling, which are common sources of revenue leakage, by ensuring accurate invoicing for all charges.
Dunning Management and Payment Retry Tools	• Many SaaS billing solutions include **dunning features** to reduce involuntary churn. • Automated notifications and scheduled payment retries help recover failed payments, addressing potential revenue losses. • Effective dunning processes can significantly improve customer retention and lifetime value (LTV).
Revenue Recognition Automation	• Tools such as **Maxio, Zenskar** and **Oracle NetSuite** automate the accounting processes related to revenue recognition. • They ensure compliance with ASC 606 by scheduling revenue recognition based on billing inputs, producing audit-ready reports, and minimizing manual errors. • Automation can expedite month-end closes and improve financial reporting accuracy.
Analytics and Forecasting for Recurring Revenue	• SaaS finance tools provide dashboards for key metrics like Monthly Recurring Revenue (MRR) and churn rates. • Platforms like **Chargebee** and **Mosaic.tech** integrate operational data with financial projections, leveraging machine learning for predictive insights. • These analytics help identify revenue trends and potential issues, enabling proactive management.
Comparative Benchmarking and Assurance	• Technologies that benchmark revenue metrics against industry peers allow CFOs to identify outliers and areas for improvement. • Understanding how a company's revenue leakage compares to industry norms can motivate action to tighten billing processes.

Vendor Landscape

A few names already mentioned dominate certain segments:

- **Zuora**: an enterprise-grade subscription management platform, known for flexibility and scale (multi-region taxation, complex catalogs).
- **Chargebee**: popular with mid-market SaaS, offering quick deployment and a wide range of integrations (connectors to accounting, CRM, etc.).
- **Stripe Billing:** often favored by developer-centric teams or those already using Stripe for payments; good for simpler subscription setups and easy payments integration.
- **Zenskar:** Recurring revenue platform ranked easiest to use by G2.
- **Recurly:** another SaaS billing platform with strengths in billing flexibility and dunning.
- **Maxio:** formed by the merger of SaaSOptics (rev rec and SaaS analytics) and Chargify (billing) – aimed at growth-stage SaaS companies needing all-in-one finance ops.
- **Sage Intacct:** an accounting system with strong revenue management features, widely used by SaaS firms graduating from QuickBooks.
- **FloQast or BlackLine:** while these are close management tools, they also help automate reconciliations including deferred revenue reconciliation, ensuring nothing falls through.
- **Baremetrics:** provides analytics on subscription data (for Stripe, Braintree etc.), including a helpful dashboard for cash vs. accrual revenue and health metrics.

Ultimately, the goal of these solutions is to ensure no money is left uncollected and no accounting rule left unmet. By automating subscription billing and rev rec, CFOs can eliminate most billing errors (improving customer happiness) and plug revenue leaks from things like missed upgrades or outdated pricing. They can also accelerate growth by enabling new pricing strategies: e.g., implementing usage-based pricing which 61% of SaaS companies are expected to adopt in some form , or quickly rolling out new offerings – all without the finance infrastructure becoming a bottleneck. This level of agility and accuracy in revenue management is a competitive advantage in the subscription economy, where, as noted, companies with legacy systems often cite them as barriers to growth.

3. Dynamic Cash Forecasting and Treasury Management

AI-Driven Cash Flow Forecasting

- Traditional forecasting relies on historical data and manual adjustments, while AI analyzes extensive datasets to identify patterns and seasonality.
- AI-driven forecasts adjust continuously as new data comes in, improving accuracy to around 90%.
- Companies using AI have reported tighter variances between forecasted and actual cash flows, enabling proactive management of liquidity crises.

Real-Time Bank Connectivity and Cash Visibility Tools

- Fintech solutions like Agicap provide real-time aggregation of bank balances through APIs, creating a comprehensive treasury dashboard.
- These tools connect to accounts receivable (AR) and accounts payable (AP) systems, enhancing cash flow visibility and analysis.
- Alerts for unusual transactions support early fraud detection and error correction.

Scenario Planning and Treasury Workstation Capabilities

- Modern cash management software allows CFOs to create various cash projections (best, worst, and base cases) with ease.
- Scenario modeling helps assess the impact of financial decisions, such as loans or payment delays.
- This capability is crucial in uncertain economic climates, enabling CFOs to plan for multiple outcomes.

Working Capital Optimization and Recommendations

- Some platforms, like Tesorio, provide prescriptive recommendations alongside forecasts.
- AI can identify opportunities for early payment discounts to accelerate cash flow or suggest short-term investments for surplus cash.
- These tools enhance working capital management by optimizing collections and payments.

Risk Management (FX, Interest) and Compliance Automation

- Specialized fintech solutions help manage FX exposure and hedge forecasted positions, alerting CFOs to currency risks.
- Compliance automation ensures that audit trails and documentation meet regulatory requirements, particularly for SOX compliance in larger firms.
- There is a growing demand for integrated solutions that address governance and risk management alongside core treasury functions.

Examples of Cash Management Tools

Tesorio: Markets itself as a "cash flow performance" platform. It connects to ERP/CRM to pull AR/AP data and uses AI to forecast collections. It also has a collections module (overlap with AR automation) and provides a clear picture of cash drivers. Companies using Tesorio (like Slack, Veeva in case studies) were able to reduce their reliance on spreadsheets and improve forecast accuracy and collection efficiency.

Agicap: A European startup focusing on SMBs, offering intuitive cash flow management. One can link bank accounts, categorize cash flows, and forecast. They stress ease of use for finance teams and have content around AI benefits . The platform also allows collaboration across departments (each department head can input expected cash flows).

Kyriba: An established treasury management system now with AI features. Often used by larger mid-market or enterprise, but they have a mid-market offering too. Kyriba touts real-time visibility and 90%+ forecasting accuracy with its AI. It also covers payments, risk, and working capital (a very comprehensive suite).

Float or Dryrun: Lighter-weight cash forecasting apps that plug into accounting systems like QuickBooks or Xero. These serve smaller mid-market firms and provide basic scenario forecasting and visualization of cash over time.

Planful / Anaplan / Acterys / PowerBI: General FP&A planning tools that many companies use for integrated financial planning, including cash flow. They can be configured to model cash receipts and disbursements with much more flexibility than Excel, and can ingest data automatically. These aren't specialized just for cash, but can be powerful if set up correctly (often needs an internal analyst or external consultant to implement).

Adopting these tools yields tangible results. Companies have reported reducing the time spent on cash forecasting by 70-80%, freeing the finance team to focus on analysis rather than data gathering. More importantly, better foresight allows proactive moves: securing a credit line before you need it, adjusting payment terms with customers or suppliers, or timing big purchases when cash is available. In a survey, 72% of senior finance leaders reported higher organizational productivity when using AI for tasks like forecasting , indicating that automating these processes doesn't just save time – it improves the effectiveness of decisions. And as one Treasurer magazine article put it, for every CFO we speak with, AI in forecasting is an opportunity they believe will soon shift from a competitive advantage to a standard expectation.

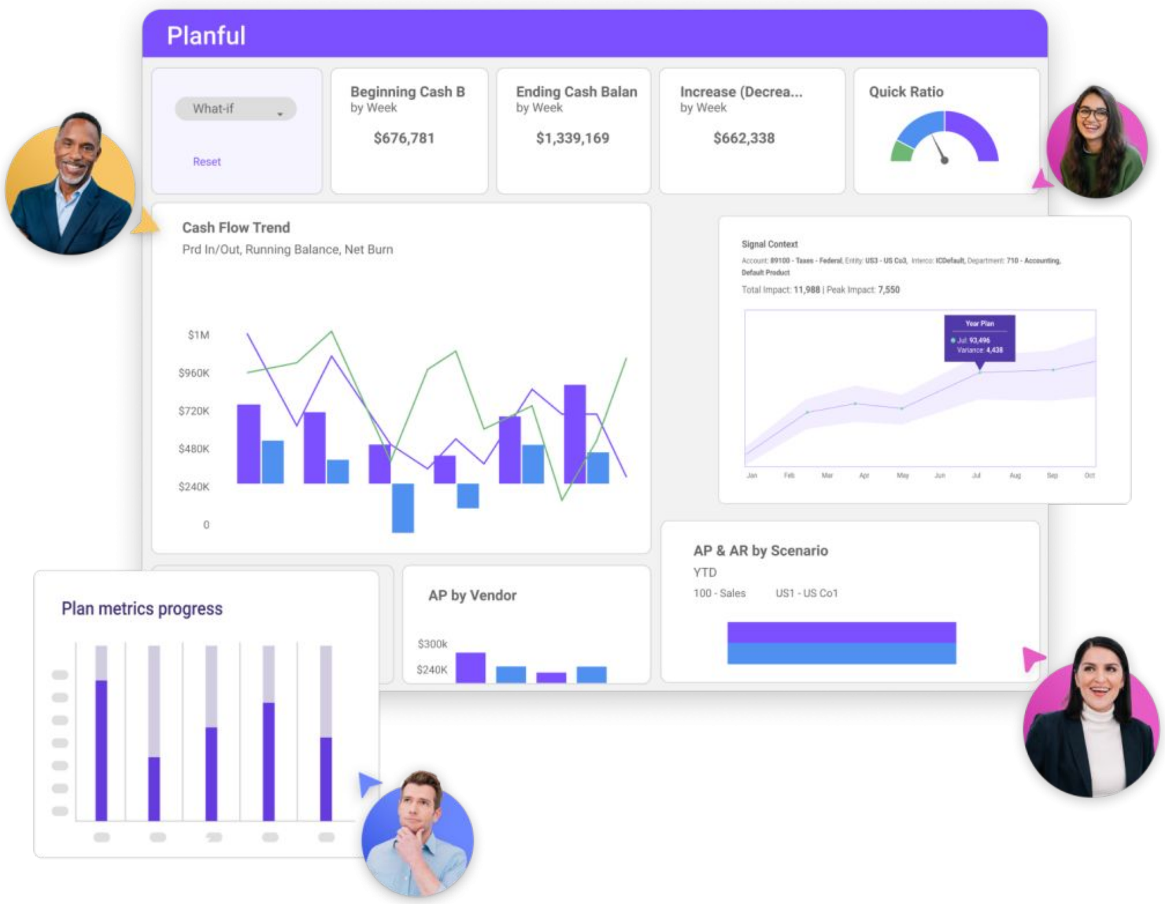
Cash Management Tool Showcase: Planful

Impact at a glance:

70–80 % reduction in manual cash-forecast prep

1–3 days shaved off weekly cash-visibility cycle, letting treasury lock rates or accelerate investments.

8–10 hrs/month analyst time liberated for scenario deep-dives instead of spreadsheet wrangling.



planful

What makes Planful different:

1. **Planful Predict™** – machine-learning projections plus anomaly detection that highlight outliers and create confidence bands around cash-flow estimates (no data scientists needed).

2. **Finance-owned AI** – revised Sept 2024 release lets Planful Predict™ run on only two years of history (down from three), a big win for fast-growing firms with limited legacy data.

3. **Granular cash drivers** – embedded alongside revenue, AR aging and AP schedules—so collections, payment-term changes, or subscription churn all cascade into a single liquidity view.

4. **Rapid implementation** – most mid-market customers are live in < 4 months (and many < 1 month), keeping consulting costs low and ROI visible in the first forecast cycle.

> ***Planful Predict™ enhances forecasting accuracy, reduces manual workload, and frees finance to focus on higher-value analysis.***

planful

Planful's cash forecasting capabilities aren't siloed—they operate within the same planning environment as revenue and AR collections. That means a single driver change—like a subscription renewal shift or the introduction of an early-pay discount—can instantly ripple through revenue recognition, AR aging, and projected cash flow. This shared data model enables finance teams to optimize the full order-to-cash cycle within one platform, aligning with the broader FP&A capabilities noted on your preceding "general FP&A tools" slide—but here with specific features that accelerate cash visibility and planning.

planful

4. Embedded Finance and Payment Innovations

Embedded finance integrates financial services directly into a company's operations or software, enhancing user experience and addressing cash management challenges for CFOs. Key applications include:

Embedded Payment Links & Accepting Digital Payments	• Integrating payment gateways (e.g., credit card, ACH) into invoices or software reduces friction for customers. • This accelerates payment processing and automatically records transactions. • It can lower processing costs, especially for B2B payments, and supports real-time payment requests.
Offering Financing Options to Customers (B2B BNPL)	• Companies can embed financing solutions at the point of sale, allowing customers to choose flexible payment terms (e.g., net-60). • Fintech partners pay sellers upfront while managing customer payments, alleviating cash flow issues and outsourcing credit risk. • This approach enhances sales flexibility and provides immediate cash to sellers.
Embedded Cash Advance on Subscriptions (Revenue-Based Financing)	• Platforms like Pipe allow SaaS companies to exchange future subscription revenue for upfront cash, unlocking cash flow aligned with recurring revenue models. • This strategy helps CFOs raise non-dilutive cash for growth or cover short-term needs without traditional loans.
Embedded Treasury and Banking Services	• Some ERPs, like NetSuite, offer banking-as-a-service features that integrate payments and cash management directly within the software. • This reduces manual steps and enables CFOs to manage all financial activities in one platform, improving efficiency.
Supplier Payments and Embedded AP Automation	• Automating accounts payable through embedded finance can streamline vendor payments and provide working capital options. • Solutions like Bill.com and Tipalti integrate with accounting systems, enhancing control over cash outflows.

Conclusion

The overarching theme of embedded finance is **integration and seamlessness**, which reduces errors, speeds up transactions, and opens new revenue streams. CFOs recognize that digitizing accounts receivable (AR) and accounts payable (AP) enhances customer satisfaction, making it easier for customers and suppliers to engage. This ultimately leads to healthier cash flow and stronger business relationships.

Industry specific solutions

Healthcare

Automated Insurance Claims Processing: Healthcare providers are focusing on automating claims processing and creating patient payment portals for medical bills.

Predictive Analytics: Used to forecast claim denials and proactively address issues, similar to AI forecasting in receivables.

Financing Tools: To manage long payment gaps, healthcare finance teams utilize financing options like factoring receivables from insurers.

Manufacturing Wholesale

AR Automation: Companies benefit from automating accounts receivable to enforce long credit terms and offer early-pay discounts.

Supply Chain Finance: Embedded finance allows suppliers to be paid faster through banks, improving manufacturers' payable terms.

E-invoicing Compliance: Many manufacturers embed compliance features in AR software to automatically send invoices to government portals as required.

SaaS/Tech

Subscription Billing and Analytics: SaaS companies are early adopters of AI for financial forecasting, using it to project annual recurring revenue (ARR) and cash burn.

Usage-Based Pricing: Requires strong data integration between product usage and billing, representing a form of embedded finance.

Retail/E-commerce

Cash Management: While accounts receivable is less of an issue due to upfront consumer payments, cash management remains crucial.

Embedded Fintech: Integration with payment gateways and offering buy-now-pay-later options boost sales.

Treasury Management: E-commerce CFOs manage cash from various channels and hedge foreign exchange risks when selling internationally.

Actionable Insights and Recommendations for CFOs

Map Your Financial Processes and Identify the Biggest Gaps:

Begin by evaluating your current order-to-cash process, recurring billing, and cash management workflows. Identify the bottlenecks: Is it a high DSO from late payments, a heavy month-end workload due to manual revenue accounting, or significant variances in cash forecasts? Quantify the impact (e.g., how much cash is tied up in overdue AR, or how much revenue was lost last quarter due to billing issues). These pain points will indicate where technology can be most beneficial. For instance, if over 50% of your invoices are past due (which is common), that's a clear signal to enhance collections, possibly through AR automation. If finance staff are dedicating 10+ hours a week to reconciliations, that points to an opportunity for automation and integration.

Prioritize Automation in Accounts Receivable:

Given the strong ROI and relatively mature solutions in AR automation, this is often a quick win. Consider implementing an AR automation platform that integrates with your ERP/accounting software. Aim to automate invoicing (ideally e-invoices with online payment links), dunning, and cash application. Set targets like reducing DSO by X days or cutting manual processing by Y%. As cited, firms with automated invoice and payment processes have average DSO ~6–7 days shorter than those without . Even if you start small (maybe automating just the reminder emails and online payments), it can have an outsized impact. Importantly, involve your customers in the transition – communicate that a new portal or e-invoice system will make it easier for them to pay and track invoices. Their adoption is key to success.

Strengthen Credit and Collections Policies with Data:

Leverage data (and new analytics tools) to refine who you extend credit to and how you collect. For example, use the reporting from your AR system to identify chronic late payers and decide if you need to adjust their terms or require upfront payments. If AI-driven scoring is available, use it to segment customers into risk categories and tailor your approach (more frequent reminders for high risk, perhaps a courtesy call for VIP customers before they become overdue, etc.). Tightening credit where appropriate and focusing collections efforts systematically can quickly lower overdue ratios. Remember, disputes and miscommunications leading to $4 million in average outstanding invoices for mid-sized firms each month were noted – proactive communication and clear dispute resolution workflows (possibly via a customer portal) can chip away at that figure. Make AR a collaborative process, not an adversarial one.

Invest in a Scalable Billing and Revenue Platform:

If your company has or is moving toward recurring revenue, don't skimp on the billing system. Implement a subscription billing platform or ensure your ERP's billing module is fully utilized. This will pay off by preventing billing errors and capturing all revenue you're entitled to. It also future-proofs your business model – e.g., if you want to introduce a new pricing plan or a usage-based add-on, you can do so without a major system overhaul (recall that 32% of companies struggled with rolling out new pricing due to system limits). Additionally, connect this billing system with a revenue recognition tool or your GL so that compliance is automated. For many CFOs, especially in SaaS, an ideal stack might be something like: CRM (for sales) → Subscription Billing System → Accounting/ERP with rev rec → Business intelligence dashboard. Ensure data flows smoothly between them to avoid silos. Regularly audit a sample of invoices vs. contracts to ensure the system is billing accurately – if not, adjust configurations or business processes. Plugging revenue leakage (which, as noted, affects 42% of companies) could mean recovering 1-5% of EBITA , a substantial boost.

Embrace AI and Machine Learning in Forecasting

Start incorporating AI into your cash forecasting and planning. This could mean using a dedicated AI-powered tool, or it could be as simple as exporting historical data to an analytics solution for pattern detection. The goal is to improve accuracy and responsiveness. If a full treasury system is out of reach, even a tool that uses regression or machine learning on your cash flow drivers (like sales, AR, AP) can yield insights. Consider a pilot with a solution like Tesorio or Agicap for a quarter to compare AI forecasts with your manual forecasts. If the AI results are noticeably better or save time, build the business case to adopt it more broadly. Also, ensure someone on the team (or an external advisor) is focusing on data quality – AI is only as good as the data fed into it. Clean up your historical records (remove anomalies, properly categorize items) so the models learn from accurate information. Over time, integrate your forecasting tool directly with data sources (bank feeds, AR system) to enable continuous updates. A more confident handle on cash can empower strategic moves, like prepaying debt when excess is predicted or negotiating longer terms with suppliers if a shortfall is seen.

Utilize Dynamic Dashboards for Visibility:

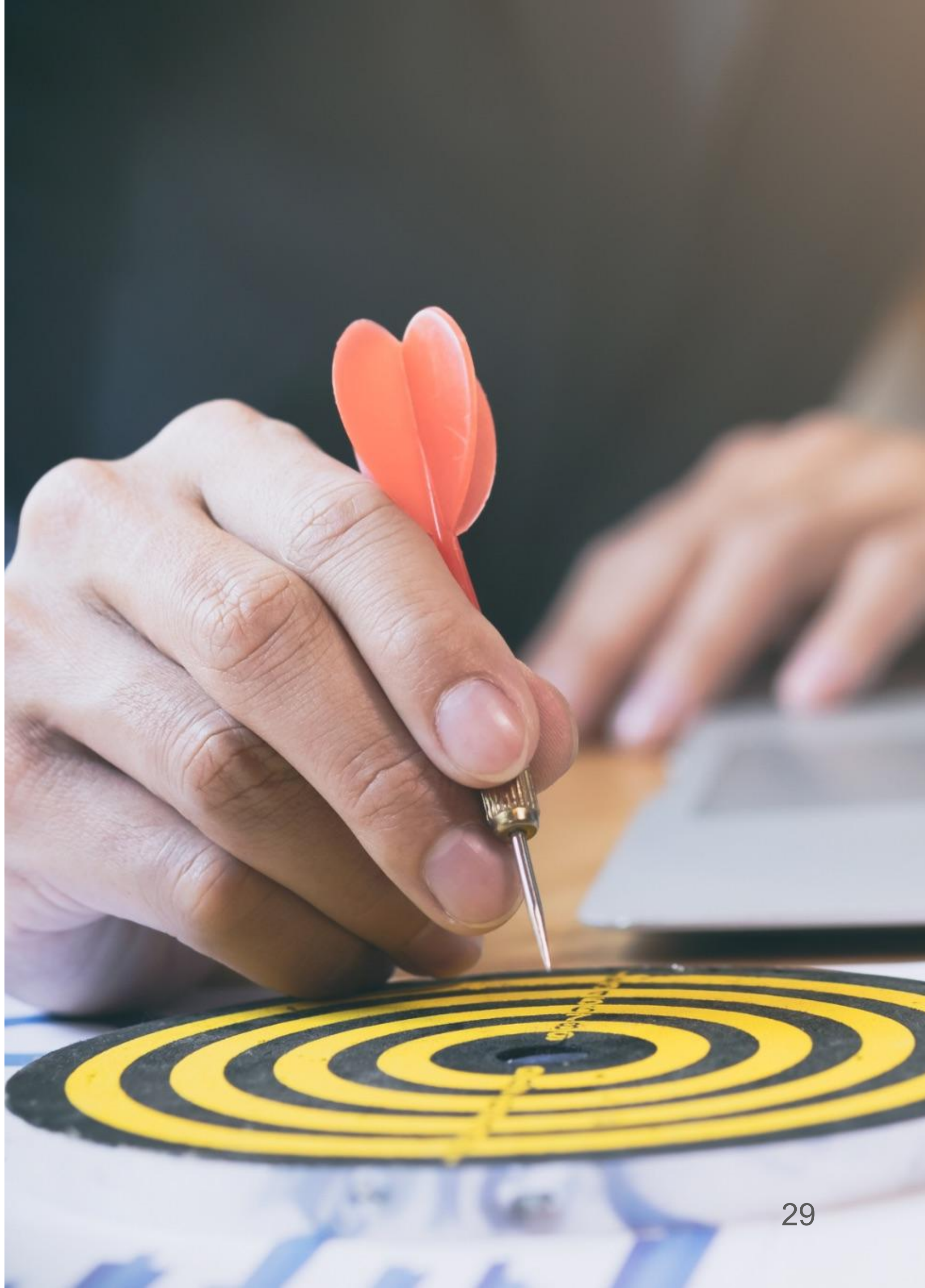
One immediate win is implementing dashboards for real-time visibility. Many modern accounting or FP&A tools allow creation of live dashboards. For example, connect your bank accounts and AR aging to a Google Data Studio or PowerBI dashboard. This way, at any point, you as CFO (and your finance team) can see cash on hand, today's collections, today's payments, and key metrics. It's far better than waiting for monthly reports. Encourage a culture of data-driven decisions – when department heads want to make expenditures, they should be aware of the company's cash position and projections. Share simplified dashboard views with other execs if appropriate, to foster cross-functional collaboration on working capital (e.g., sales might prioritize collecting on a big deal if they see its impact on cash). With over 55% of finance leaders admitting lack of visibility into key metrics , addressing this with modern BI tools can differentiate those finance teams that steer proactively from those that react.

Explore Embedded Finance Opportunities:

Consider where integrating a financial service could solve a problem. If late payments are a top concern, look into offering a financing program for customers – maybe partner with a fintech to allow customers to pay in installments while you get paid upfront. If collection is an issue because customers pay by check, embed an online payment option and possibly incentivize its use (e.g., small discount for ACH payments which settle faster and are cheaper than processing a check or card). If you operate a platform or marketplace, think about embedded payments to capture value (for instance, taking a tiny fee on transactions between your users). On the cash outflow side, if you have a lot of international payments, using an embedded FX service (like Wise or similar integrated into your process) might cut costs and improve speed. Keep an eye on emerging B2B BNPL offerings, as these can be marketing tools as well: "Buy now, pay later" for B2B purchases can attract more customers or larger orders, while a third party takes the risk. Any such program should be evaluated for cost vs benefit (financing fees vs improved cash flow and sales). The key is to treat cash flow management not just as an internal chore, but as something that can be improved via products and partnerships.

Industry Specific Tactics:

Apply solutions that align with your industry's nuances. A healthcare CFO might invest in claims management automation and partner with a medical factoring company to accelerate insurance payments. A manufacturing CFO should ensure their systems comply with e-invoicing mandates (where applicable) and perhaps use supply chain financing to extend payables without harming suppliers. A SaaS CFO should benchmark their metrics (churn, LTV/CAC, etc.) against peers using analytics tools, and focus on net retention (keeping and growing existing revenue) possibly by collaborating with customer success platforms. Understanding these specifics can guide which vendors or tools have expertise in your sector – for example, some AR platforms specialize in transportation or media industry invoicing quirks. Leverage user groups or case studies in your industry to see what's working for peers.



Change Management and Skills:

When adopting new tech, invest in training your team. The best tools fail if the team doesn't use them properly. Design new processes that take advantage of the automation (don't just layer tech on top of bad processes – re-engineer the process for efficiency). Perhaps upskill team members in data analysis, so they can interpret the rich analytics from these systems and turn them into actions. Many finance teams are now hiring or developing "Finance Automation Leads" or similar roles, which blend accounting knowledge with tech savvy to continuously improve systems. Encourage a mindset shift: less time on transaction processing, more on exception handling and strategic analysis. It might even mean redefining roles or KPIs – e.g., collectors' performance might be measured by DSO and customer satisfaction rather than number of calls made, after automation.

Monitor Metrics and Continuously Improve:

Finally, treat this as an iterative journey. Set baseline metrics (DSO, collection rate, close days, forecast variance, % recurring revenue leakage, etc.) and monitor them as you implement changes. Celebrate quick wins – for instance, if after implementing AR automation you see overdue invoices drop by 30% in three months (as one case reported) , share that success with the organization. Likewise, if forecast accuracy improves from 50% to 80%, it builds trust in the process, and you can aim for 90%+. Use those gains to justify further investment or tackling the next challenge. Also stay updated on emerging tech – for example, generative AI might soon handle even more complex tasks (like answering customer inquiries about invoices automatically, or writing draft management reports). Being an early mover where it makes sense can yield competitive advantages.

Selecting the right solution

Key factors to consider include:

1. Integration with Existing Systems

A solution must connect easily with your current ERP, CRM, billing, and banking platforms. Poor integration leads to more silos and manual work.

✅ *Check for native integrations (e.g. with NetSuite, QuickBooks, Salesforce, Stripe) or strong APIs.*

2. Automation Capabilities

Look for tools that automate high-impact tasks like invoicing, collections, cash application, revenue recognition, and forecasting.

✅ *Can the system reduce manual work, improve accuracy, and scale with your transaction volume?*

3. Real-Time Visibility and Dashboards

A good solution should give finance leaders instant access to KPIs like DSO, forecast variance, aged receivables, deferred revenue, or available cash.

✅ *Does it offer customizable dashboards and real-time reporting to support faster*

4. Ease of Use and Adoption

Even the most powerful tools fail if the finance team can't or won't use them. Look for user-friendly interfaces and minimal training requirements.

✅ *Ask for a demo and have team members trial key workflows (e.g. creating a forecast, applying a payment).*

5. Scalability and Flexibility

You need a solution that can grow with your business—supporting more customers, products, currencies, and geographies without major rework.

✅ *Can it handle complex pricing, multi-entity operations, or usage-based billing if you scale or expand?*

6. Accuracy and Compliance

Especially for revenue recognition and cash reporting, the solution must help ensure compliance with ASC 606, IFRS 15, or audit standards

✅ *Does it automate audit trails and enforce recognition rules accurately?*

Key factors to consider include:

7. AI and Predictive Capabilities

Modern solutions should go beyond automation and offer AI-driven insights—such as payment predictions, customer risk scoring, or forecast optimization.

✅ *Does it use historical data to improve accuracy and recommend actions?*

8. Vendor Credibility and Industry Fit

Choose vendors with a proven track record in your company size, sector, or business model (e.g. SaaS vs. manufacturing).

✅ *Request references, case studies, or benchmarks from similar companies.*

9. Time to Value and Implementation Support

Some platforms take months to implement; others are operational in weeks. Understand the setup time, onboarding support, and internal resources required.

✅ *Will you need IT involvement, a consultant, or can the finance team own the rollout?*

10. Total Cost of Ownership

Consider not just the subscription/license cost, but also implementation fees, user limits, integration costs, and training.

✅ *Weigh cost against ROI: how much time, cash flow, or revenue can it unlock?*

In short, The best solution is one that fits your current workflows, solves your biggest pain points quickly, and positions you for future growth, with minimal disruption. Look for a platform that combines automation, real-time visibility, and scalability with finance-specific intelligence, and make sure it's built for teams like yours.

How to find the right solution for you

- Be clear on your requirements and what is important to you.

- Examine all the alternatives. Read reviews, ask for recommendations from fellow finance leaders.

- Software comparisons are available in a number of places.
  - The reviews on G2 are particularly useful:
    - https://www.g2.com/categories/accounts-receivable?source=search
    - https://www.g2.com/categories/subscription-revenue-management?source=search
      https://www.g2.com/categories/treasury-management-systems?source=search

- Make a short list:
  - Ask vendors on your shortlist questions that will determine whether they meet your needs.
  - Consider whether a demo from the vendor would be useful, and don't be afraid to ask the vendor to tailor the demo to show how their product specifically meets your key needs.

Accounts Receivable, Revenue and Cash Management Tech Showcase

Live demos from top AR automation, revenue and cash management innovators

Wednesday | June 25, 2025
3:00 PM - 5:30 PM BST

FEATURING: stuut zenskar Agicap Revving

REGISTER NOW