



## Maximizing automation in your cash collection

### Introduction

One of the components businesses have in common is cash. It's the oxygen of a company and to keep it healthy this oxygen must flow as fluent as possible to every corner of the business. Organizing and controlling this fluent cash flow with a limited amount of resources is therefore one of the key business objectives, whereof a large piece is called "Cash Collection". To achieve this objective automation helps a hand.

The following paragraphs briefly outline the reason for maximizing the automation of cash collection and describe a few ways of tackling this issue in our Dynamics AX cash collection module.

### Cash collection

Cash collection mainly exists of 2 parts: handling open debit amounts and their corresponding incoming payments. As usual with large amounts of data, the corresponding processing demand for intensive human labor and a large equivalent cost if it's not done automatically.

This is certainly true for companies with for example 400.000 customers who need to pay every month. Therefore the use of automated processes in this area reduces the human intensive & mostly slow work dramatically and thereby helps every process leader/manager to achieve their quality objectives: improving business process time, cost... To reach this important improvement our cash collection module is designed to maximize automation.

### Maximizing automation in our cash collection module

One of the aspects of our cash collection module is the automatic posting, matching and settling of customer payments. In most situations the payment reference helps in directly finding the corresponding open debit amount, but mistakes in the payment specification happen and this doesn't make it always straight forward.

Every payment has a reason and it is the task of our cash collection module to automatically find this reason. To do so the framework uses matching codes and matching percentages as conclusion characteristics of a possible reason. If a matching percentage is above a configured threshold we say that we found the reason and the payment is said to be automatically matched, and is used for settling with one or more corresponding open debit amounts. If for one payment too much open debit amounts are found, business rules are addressed and these eventually make clear which open debit amount(s) to use for the payment settling.

Another aspect of our cash collection module is the creation of collection letters. The credit insurance company Euler Hermes estimated that in Belgium 1 on 3 invoices are paid later than its due date. This means that creating collection letters can be an immense work if it is not done in an automatic way. To do this automatically our collection letters module demands for information about which customers and transactions to check for overdue open amounts. The result is the creation of 0, 1 or more collection fees and the bundling of the needed information for each customer. This processing can be scheduled so automation is at today's maximum.

Automatic posting, matching and settling of customer payments and creating collection letters are not all that cash collection implies and which asks for as much automation as possible. A few others are: the generation of automatic incasso payments, the parsing of bank documents and their related processing, passing bad payers to an incasso office and handling their results...

**Synthesis**

Eventually in all the areas of cash collection (and actually beyond) is reducing process time and cost of equally importance as reducing it in the previous described aspects. Mostly it is constantly a large amount of data that needs to be handled in a short amount of time. Maximizing automation is therefore one of the main tasks of our cash collection module. Not to forget that in the module this comes together with 100% business rule correctness, user friendliness, error freeness, and maximizing response & security.

**References:**

<http://www.eulerhermes.com/>