

Looking for Cash

Ways AI is Improving the Order-to-Cash Process

MFM Credit Conference

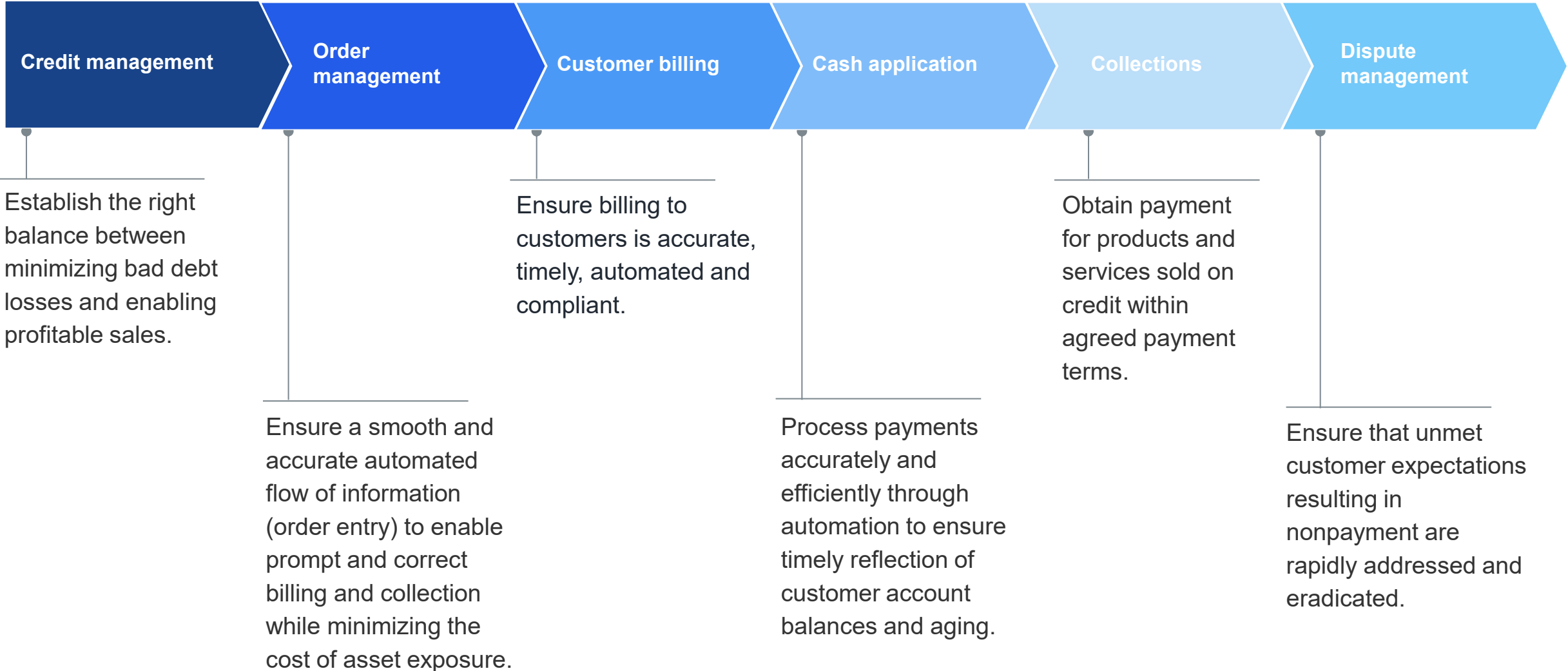
November 12, 2025

Agenda

- The Hackett Group's Customer-to-Cash Process Overview
- Hackett Benchmark Data in C2C
- Cash Application Software Vendor Market Perspective
- AI Agents in Customer-to-Cash

The Hackett Group's Customer-to-Cash Process Overview

Key objectives of the customer-to-cash process from credit management through to dispute management



Key capabilities of Digital World Class® Customer-to-Cash Organizations

PERFORMANCE MEASUREMENT | Performance measurement framework aligned with objectives and targets. Reporting automation through real-time KPI dashboards.

TOUCHLESS ORDER ENTRY AND ACCEPTANCE | Leverage EDI, online self-service and IDC/AI to receive and validate orders per policy and contracts; integrated to fulfillment to ensure delivery commitments.

INTEGRATED TECHNOLOGY LEVERAGE | Supports customer interaction based on customer preference and delivers low-touch or high-touch, as needed.

EFFECTIVE DISPUTE MANAGEMENT | Log disputes in a central repository, underpin workflow with a resolution matrix, leverage AI to identify and resolve issues.

SEGMENTATION TO SUPPORT COLLECTION STRATEGIES | Define segmentation based on risk and value, utilize predictive analytics to monitor risk trends and drive collections based on segmentation and risk.



CREDIT POLICY | Provide a framework and technology enablement for the end-to-end process, with well-defined roles and responsibilities.

CUSTOMER MASTER DATA | Capture complete and accurate master data to ensure accurate, timely billing and basis for business intelligence and analytics; integrate to trusted sources for validation.

HARMONIZED PAYMENT TERMS AND CONTROLS | Define standard payment terms; control nonstandard payment terms through a workflow-enabled approval process.

DYNAMIC CREDIT MANAGEMENT | Define inputs, outputs and strategies; leverage automation and AI to determine credit risk changes; integrate credit and order management processes.

ELECTRONIC INVOICING | Eliminate manual billing triggers; reduce time-to-invoice and increase accuracy; standardize electronic billing methods (email, EDI); automate monitoring of invoice receipt and acceptance.

Hackett Benchmark Data in C2C

The Hackett Group – Helping our clients build high performing organizations

We are an intellectual property-based consultancy with leading Enterprise benchmarking and leading practice implementation assets to enable efficiency, effectiveness, and experience outcomes



We quantify Digital World Class® performance so you can achieve it – Faster.

Our expert guidance is based on unparalleled intellectual property and unmatched benchmarking data is unmatched.

We capture the best practices of leading companies worldwide and measure peak performance so executives can confidently accelerate business transformation to deliver more value.



Leverage the collective knowledge of the world’s best businesses and our experienced professionals

97% of Dow Jones Industrials	70% of DAX 40
98% of Dow Jones Global Titans	55% of CAC 40
55% of FTSE 100	70% of SMI 20



IP-infused solutions spanning across assessment, design, and implementation supported by our digital assets

57,700	Performance Metrics
26,600	Benchmarking Studies
2,050	Best Practices
550	Process Maps
330	Implementation and configuration guides



Benchmarking
Business Transformation
Advisory Programs
Technology Enablement
AI Enablement

We educate, identify, design, and deploy sustainable business performance improvement solutions

- SG&A benchmarking “gold standard” - We start with “why not”, fact-based, research & intellectual capital
- Technology and Best Practices driven transformation yielding sustainable results
- World-class Service Delivery execution capabilities
- Leading Oracle Cloud & AI Implementer
- AI Assessment, Planning and Implementer with AIXPLR & Leeway Hertz acquisition



These C2C benchmark metrics align with The Hackett Group Value Grid™ – measure and monitor your C2C performance against Digital World Class®

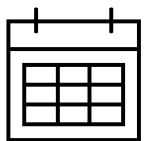
 Effectiveness	 Experience	 Efficiency	 Business Process Automation
▪ Percentage of orders requiring modification ▪ Percentage of customer invoices corrected for billing errors ▪ Percentage of unapplied cash ▪ Average days delinquent ▪ Percentage of receivables over 90 days past due ▪ Percentage of invoices resulting in disputes ▪ Doubtful debt provisioned as a percentage of revenue	▪ Average time in business days to complete a credit review ▪ Percentage of customers with debt value higher than credit limit ▪ Invoice date to dispute identification date ▪ Dispute identification to resolution date ▪ Dispute resolution to close date	▪ Time in days required to fulfill an order from time of receipt ▪ Average time in business days from order fulfillment to bill sent to customer ▪ Average time in business days to apply cash ▪ Process cost per credit review ▪ Process cost per order ▪ Process cost per billing transaction ▪ Process cost per remittance ▪ Process cost per collection contact	▪ Percentage of automatic credit scoring ▪ Percentage customer orders/contracts are received electronically ▪ Orders processed automatically per order processed ▪ Percentage of customer invoices generated and distributed electronically ▪ Automatic remittance posting match rate



Access The Hackett Group’s C2C [benchmark metrics](#) on Hackett Connect

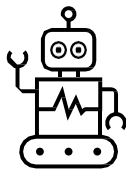
What Digital World Class® Customer-to-Cash Looks Like....

Credit Decision Cycle Time



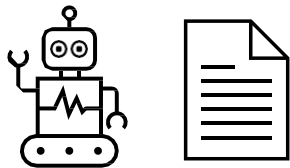
1.5 fewer
business days

Customer Orders



66% of customer
orders received
digitally

Touch-less Cash Application



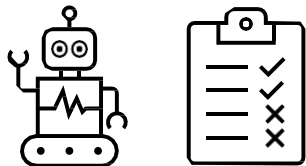
97% automated,
touchless customer
payment posting

Average Days Delinquent



1.7 days (DSO less
Best Possible DSO)

Credit Decision Automation



100% of risk analysis
data inputs and
modeling is automated

Self Service Enablement



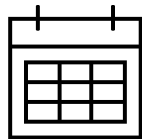
1.25% of customer
invoices require rework

Unapplied Cash



0.3% Unapplied cash
reported as a percentage of daily
cash receipts

Dispute Cycle Time



9 days from dispute
identification date to
resolution date

Digital World Class Matrix: Cash Application Software Vendor Market Perspective

Vendors included in this edition of the Cash Application Software Digital World Class Matrix®

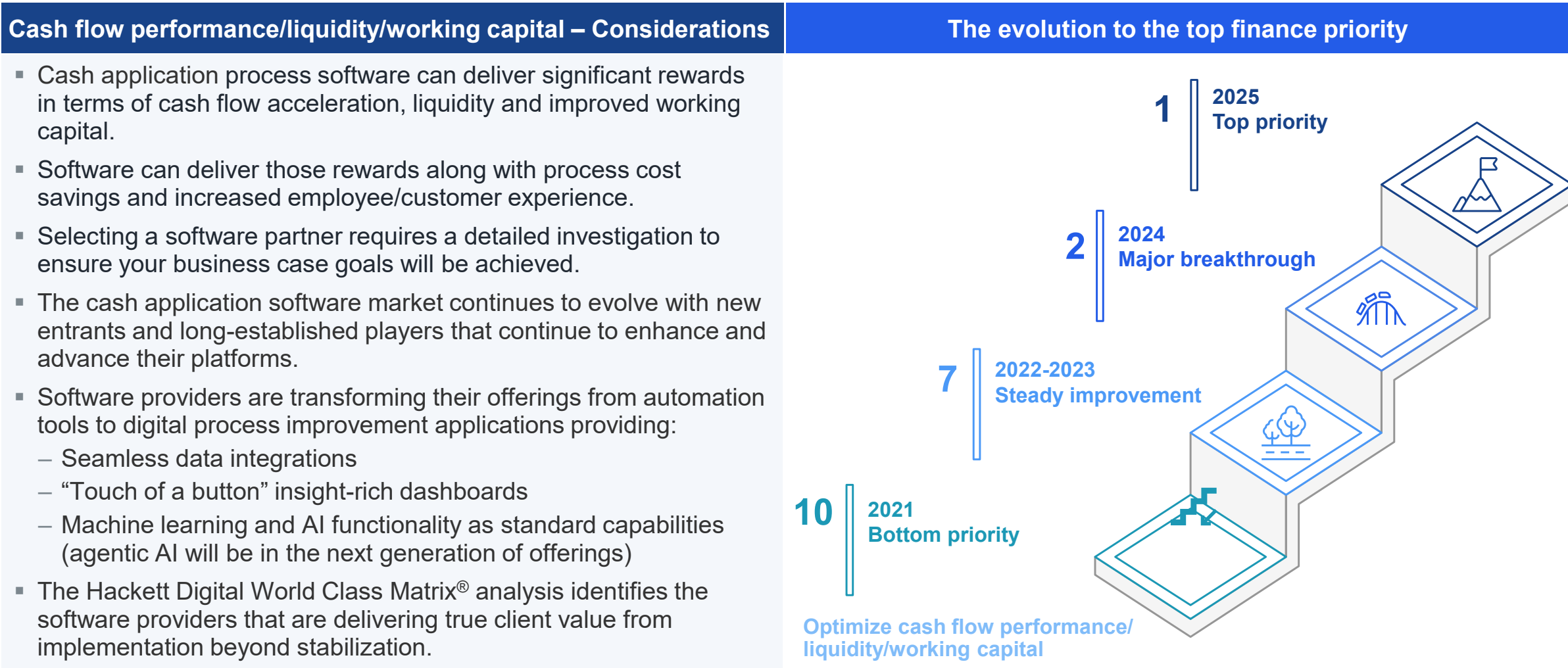
Evaluation criteria for the cash application software Digital World Class Matrix[®]



*Process cost includes ONLY fully-loaded labor costs and process outsourcing costs.

Why are these Digital World Class Matrix® findings so crucial?

The Hackett Group 2025 Finance Key Issues Study identified *Cash flow performance/liquidity/working capital* as the top objective



The cash application process directly influences cash flow and working capital!

1	Accelerates cash conversion and improves liquidity: Accurate/timely matching of customer payments to invoices ensures that payments are promptly recognized and posted. This reduces Days Sales Outstanding (DSO), shortens the order-to-cash cycle and accelerates the availability of cash for reinvestment or debt reduction.
2	Reduces unapplied cash and operational risk: Unapplied or misapplied cash can distort financial reporting, increase order holds, delay collections and increase customer disputes. Modern cash application systems – especially those using AI and machine learning – help reduce these issues by automating remittance matching and improving accuracy.
3	Enhances working capital optimization: Cash application plays a pivotal role in working capital strategy. By improving the speed and accuracy of cash posting, companies can better manage receivables, reduce reliance on external financing and free up capital for growth.
4	Supports digital transformation and scalability: Modern cash application software is integrated with AI, analytics and ERP platforms. This enables scalable, touchless processing and supports broader digital transformation goals.
5	Improves customer experience: Efficient cash application minimizes potential order holds and ensures that customer accounts are up to date. Seamless data integration with downstream receivables tools improves the dispute resolution process.

Value realization | The call to action and Digital World Class® opportunity

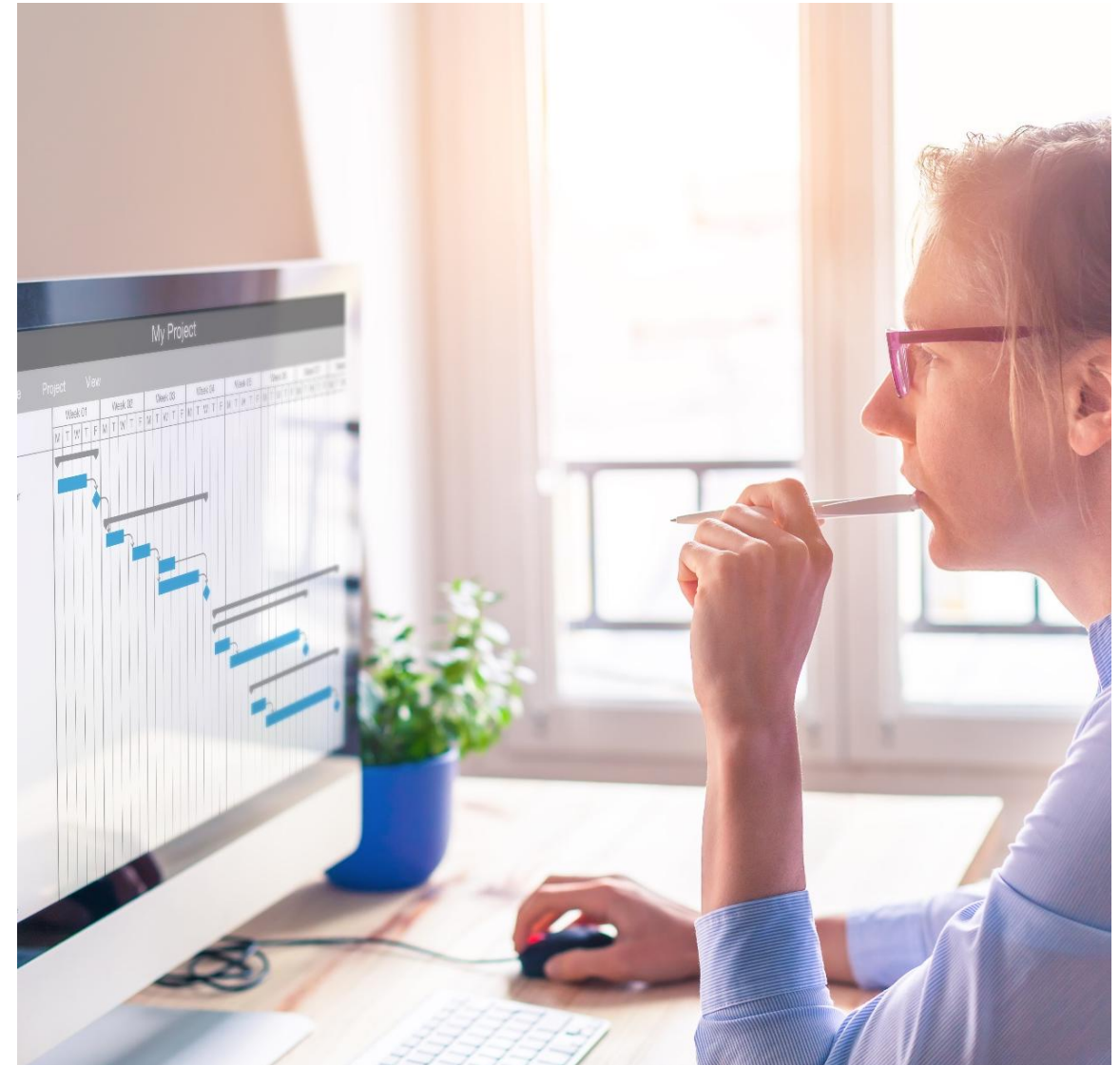
Cash application software can deliver reduced cost, increased productivity and accelerated cash flow

For organizations with automatch rates ≤40%			For organizations with automatch rates ≤40%		
57%	^	Increase in AI/ML-powered automatched transactions	63%	✓	Reallocated staff driven by touchless transactions in cash application, collections and dispute management
3X	✓	Reduction in cycle time to match remittance advice to customer payments and apply to invoices	43%	✓	Reduction in process costs in cash application, collections and dispute management
\$15M	✓	Increased working capital and operational cash flow through reduced unapplied cash payments	2 days	✓	Reduction in average days delinquent receivables

These cash and cost improvements can be achieved only by an exceptional client experience.

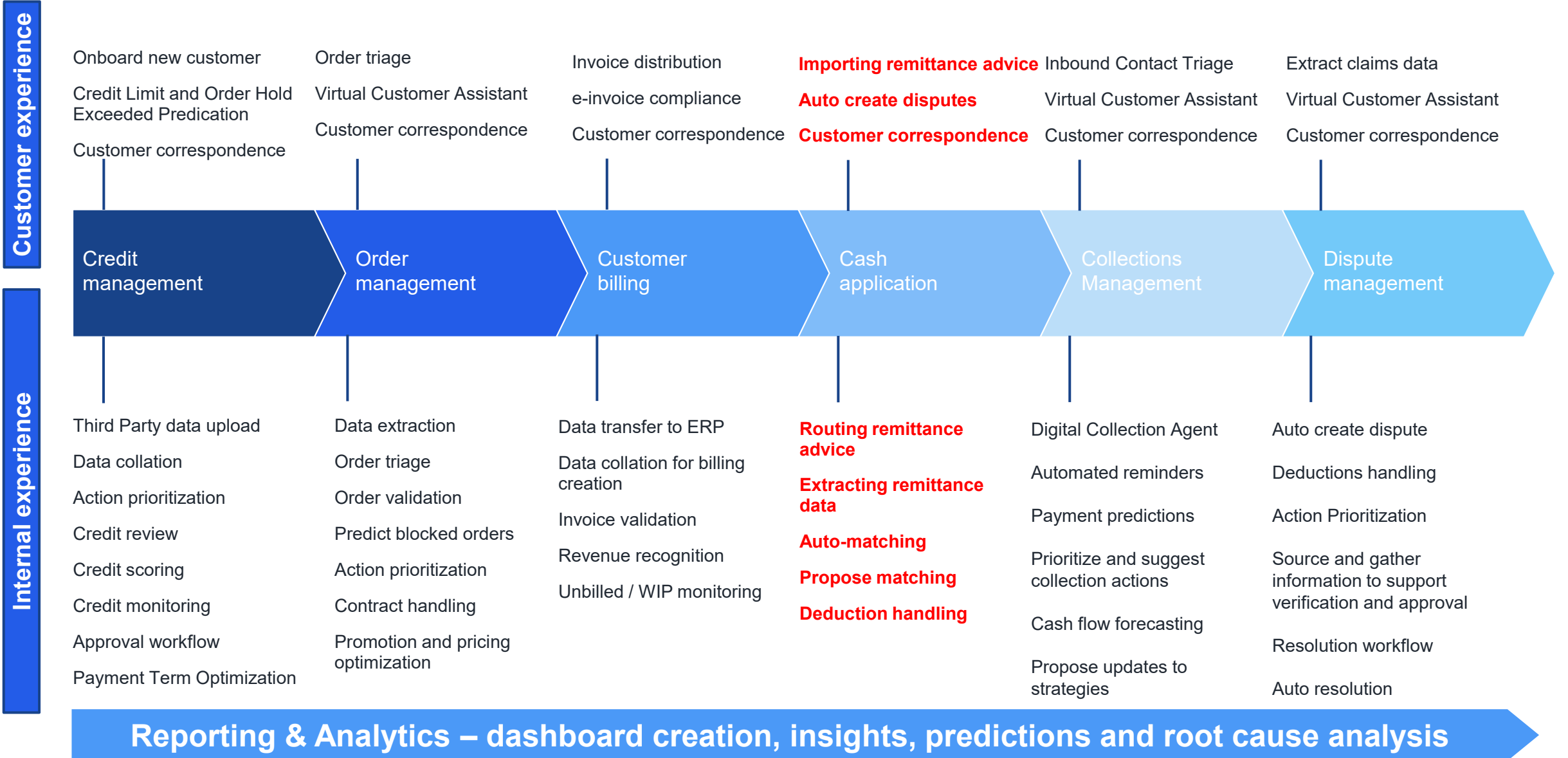
Critical factors to consider when selecting cash application software

- **Multi-ERP integration:** Ensure the software can integrate seamlessly with multiple ERP systems. This is crucial for enterprises operating across different regions or business units that often operate on different ERPs.
- **Agentic AI-powered automation:** The software must have predictive AI and machine learning technology to support remittance capture, automated payment matching and exception handling.
- **Scalability and global support:** The software must be capable of handling high transaction volumes and support multicurrency and multilanguage operations when necessary.
- **Remittance capture flexibility:** Ability to ingest and read remittance data from various sources – emails, PDFs, EDI, customer portals and lockboxes.
- **Real-time cash visibility:** Software should provide real-time dashboards and reporting for cash positions, DSO and reconciliation status.
- **Integration with C2C ecosystem:** The software should integrate well with your broader C2C systems, including invoicing, collections and credit management. Where applicable customer segments exist, consider cash application software that integrates with electronic invoice presentment and payment (EIPP) tools.
- **Customization and user experience:** A user-friendly interface and customizable workflows and/or dashboards can significantly improve adoption and efficiency.



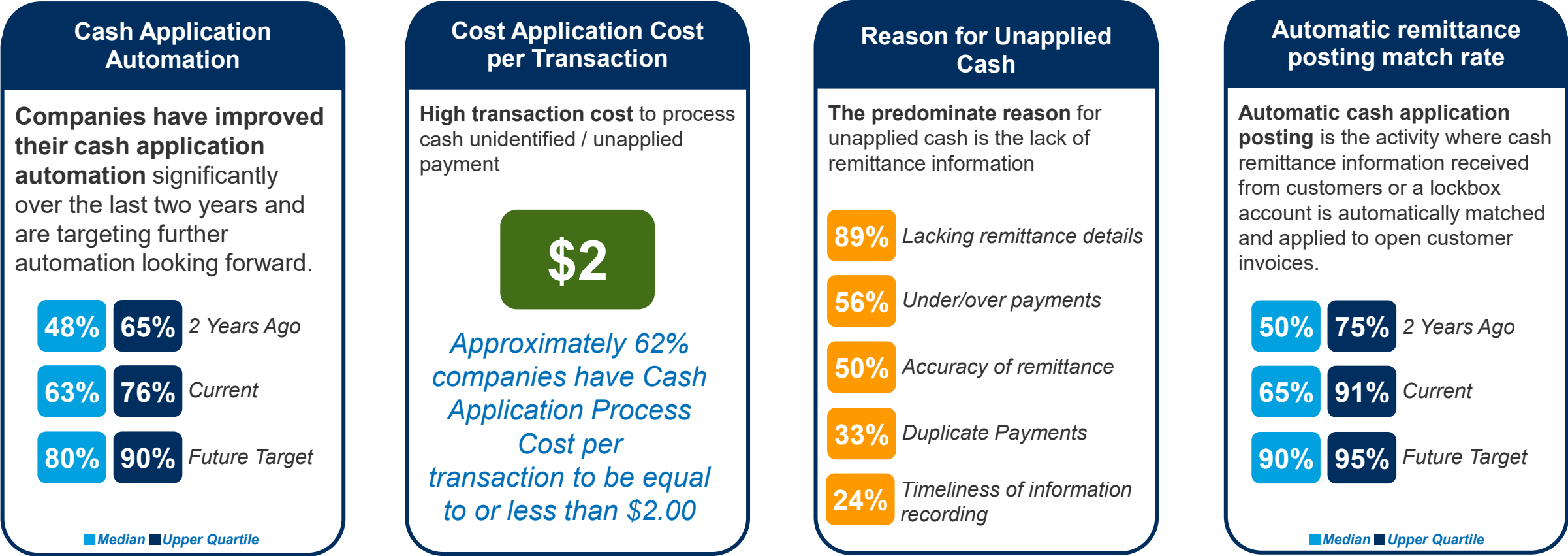
AI Agents in Customer-to-Cash

'Art-of-the Possible': AI opportunities by Customer-to-Cash Sub-process



Unlocking Agility: The Power of Cash Application Automation

Having an efficient Cash Application process is a critical component of a top performing Customer to Cash end to end process. Delays and rework can impact key AR performance metrics, cash flow forecasts, and even customer satisfaction.



Generative AI adoption in Finance processes are deployed extensively in Revenue Cycles (e.g., credit, billing and cash application)

Unleash the Power of AI: Cash Application Automation Agent, Reinvented

Key Pain Points

- **Unstructured Inputs Delay Posting:**
 - Diverse bank and remittance formats require repeated manual matching
 - Inconsistent and missing remittance data
- **Repetitive Tasks Reduce Productivity:**
 - High-volume lookups and data entry consume time
 - Lowering AR throughput.
- **Lookup Burden Limits Analysis:**
 - Repeated searches consume analyst hours
 - diverting effort from strategic credit work.



Transform your AR operations with our AI Cash Application Automation Agent - the fastest, efficient and achieve higher accuracy to automate payment reconciliation.



Lightning Fast:

Automates payment reconciliation end-to-end.



Flawless Consistency:

Ingests bank statements and remittances, extracts relevant data, validates against your AR Application, applies exception rules



One-Time Investment, Endless Value:

Time Savings- 2 FTEs → 950+ hours saved/quarter. Cost Savings- \$50K–\$75K/quarter in productivity gains



Plug & Play ERP Integration:

Instantly unlocks the full power of your AR Application stack



Able redirect focus and efforts:

Enables increase in AR capacity to focus on credit and collections impact

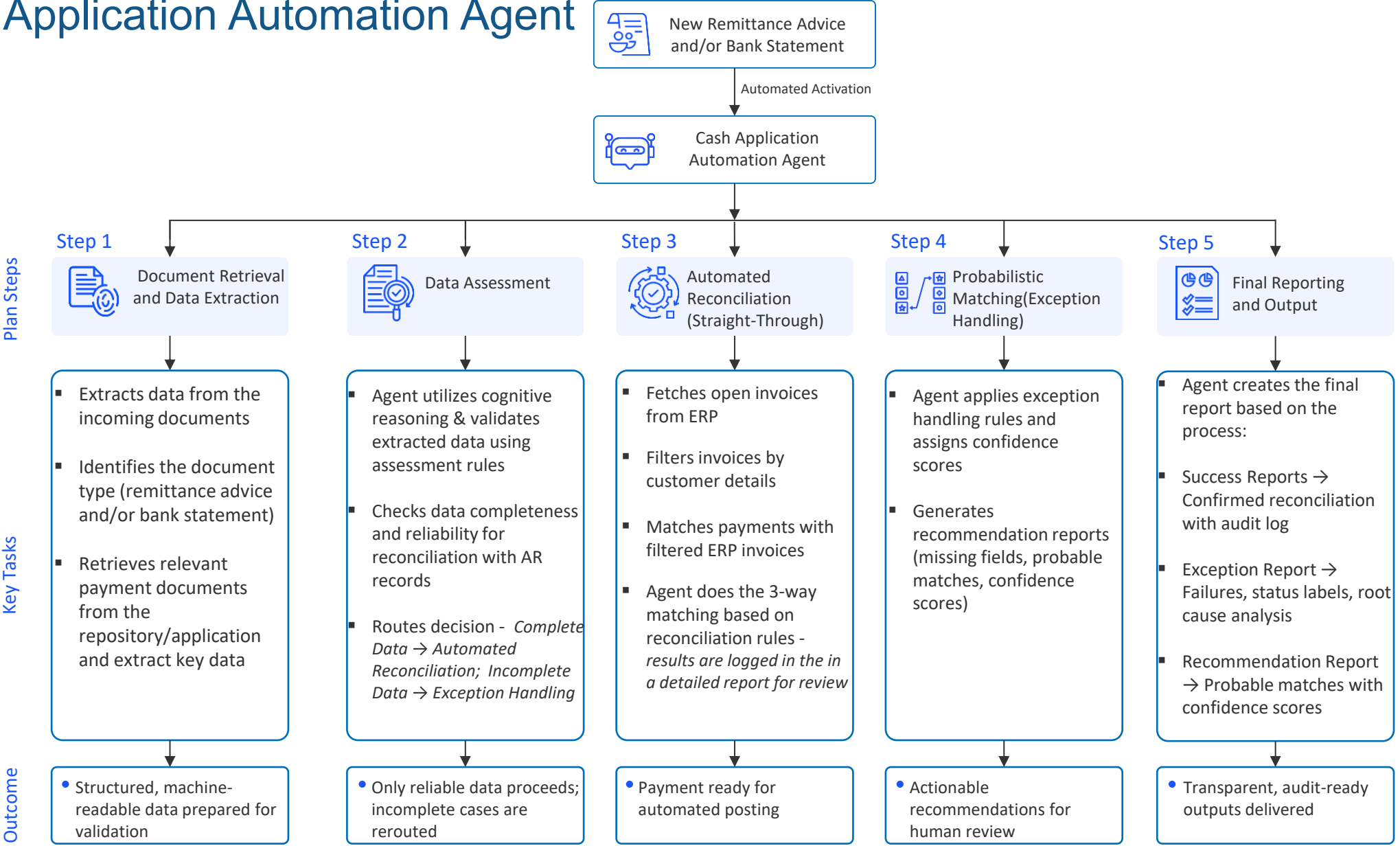


Automate payment reconciliation end-to-end

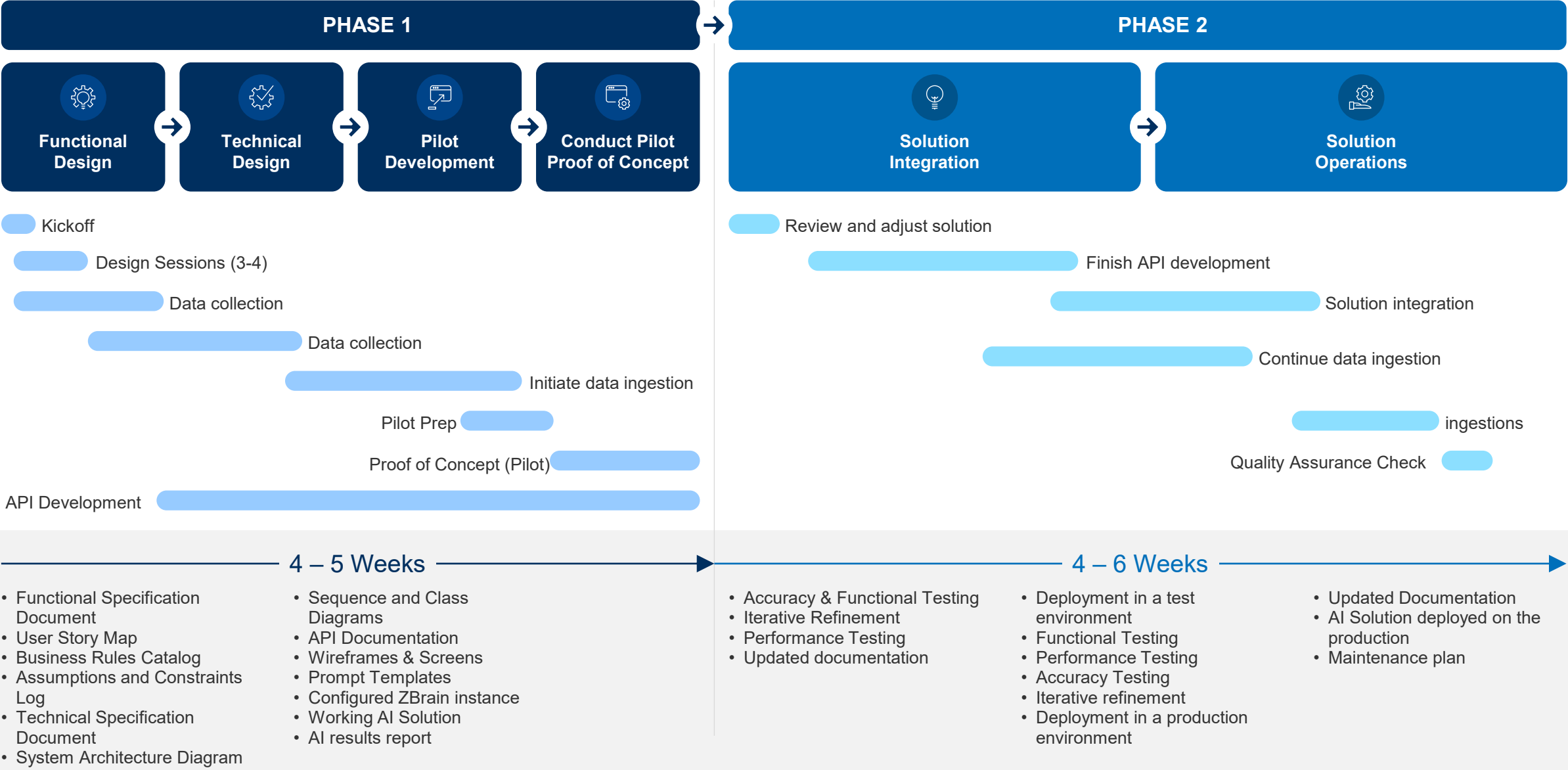
Start your Generative AI journey in Finance with automating you AR processes.

Are you ready?

Cash Application Automation Agent



Hackett's Typical Approach for Implementing the AR Cash Application Agent Solution



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