



Perceptive Intelligent Capture for Accounts Receivable

Gain insight into outstanding balances and rapidly resolve disputes

Customer retention is paramount in both good and bad economic times. Customer relationships can directly align to process efficiency with your order-to-cash (OTC) cycle. Are disputes and payment discrepancies extending your DSO, inflating your costs for collections and hurting your relationships with customers?

These problems have driven world-class organizations to invest in technologies and process improvements to help optimize their accounts receivable (AR) operations. As the final link in the OTC cycle, the AR department is often left to resolve the numerous disputes and issues that occur during the process. This diverts valuable manpower away from the crucial task of tracking down the cash and getting it into the bank. More importantly, inefficiency with the overall AR process could erode customer relationships, leading to lost revenue streams.

How can you gain control while increasing accuracy and speeding the process of exception handling? Perceptive Intelligent Capture for Accounts Receivable, from Lexmark, automates reconciliation of payments to invoices, which allows you to control the remittance process. By automating the data extraction from remittance statements you can correctly and quickly apply payments, detect and analyze customer payment disputes, and gain a better understanding of your cash position.

Cleaning up order-to-cash

Throughout the entirety of the OTC process, the number of touches between sales, operations, logistics, customer service and accounts receivable can cause all sorts of errors. This is particularly true of systems that rely heavily on paper-intensive, manual processes. For example, discrepancies between customer POs and updated pricing guides can cause deductions on invoices. Alternatively, problems with shipping or mishandling of merchandise can lead to returns or discounts. Eventually, these kinds of issues end up having to be

resolved by the AR department when payments inevitably differ from customer account balances. Perceptive Intelligent Capture helps identify these discrepancies sooner, allowing the AR clerks to collect on any leftover balances.

Supplementing lockbox operations

Nearly 74 percent of all business-to-business payments are still made by check. Lockbox services get the checks in the bank quickly but the remittance statements still need to be reconciled. Some lockboxes offer data entry services to key the remittance data; however, these services are often expensive and offer a limited value back to the consumer.

Perceptive Intelligent Capture's patented technology takes the electronic images provided by these lockbox services, or even from your own scanning operations, and automatically extracts the necessary payment and account data. This eliminates expensive lockbox keying fees or time-consuming manual data entry by AR clerks.

Superior auto-cash and account matching

Even after the data is captured from the remittance documents, there is still a significant amount of effort required to match the payment information to the appropriate accounts and open invoices. While auto-cash programs can help this process, they typically only successfully match 30-50 percent of these payments. On the other hand, Perceptive Intelligent Capture utilizes sophisticated algorithms that match payments on an individual invoice level, even for multipage, multitable, complex remittance statements. Detection of disputes and discrepancies is accelerated and prioritized, driving efficiency in the overall collections process.

Dispute resolution in record time

Every stage in the OTC process grants its own opportunity to create errors and discrepancies between what the customer expects to pay and what you expect to collect. All too often this means that you don't get paid the money that should be coming to you. Therefore, slow dispute resolution causes delays – not only in the processing of payments, but also the collection of funds.

If this process takes too long, it may even result in your customers being placed on credit hold until the problems are resolved. With Intelligent Capture, these discrepancies can be identified as soon as the remittance is received, thereby kick-starting the dispute resolution process and getting you your money even sooner.

Accurate and timely cash management

This accelerated time to reconcile payments provides near real-time access to the status of your receivables, empowering you to make more informed financial decisions. In addition, you gain insight into the overall efficiency of your remittance processing—from receipt to reconciliation—as well as a complete audit trail of who did what and when.

Solution highlights

- ▶ Process remittances from any source including scan, email and fax
- ▶ Optional support for check processing, including CAR/LAR extraction and validation
- ▶ Supports remote document and check capture, including distributed branches and lockbox locations
- ▶ Handles any digital format, including TIF, PDF, DOC, XLS and many more
- ▶ Accurately automates extraction of relevant payment transaction content at rates of 80-90 percent
- ▶ Superior data capture from checks and remit statements without using templates, keywords or scripted rules
- ▶ Enables straight-through processing with automatic invoice reconciliation
- ▶ Seamlessly integrates with existing ERP, ECM, DMS and other back-end systems
- ▶ Document format, type and language agnostic for checks and remit statements
- ▶ Provides full-text, fault tolerant search capabilities using associative content analysis