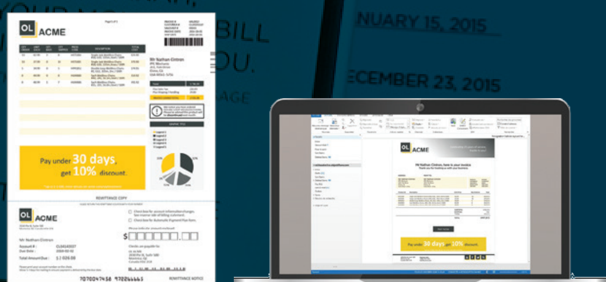
What are accounts receivable?

Accounts Receivable (AR) are amounts owed by customers for goods and services a company allowed the customer to purchase on credit. In order to have an accounts receivable process, you need two things: a sale and a purchase.

A company sells an item or service to a buyer and extends credit to that buyer so that the total cost of the sale can be paid later and on terms that are agreed upon by the seller and buyer.

An Accounts Receivable process is typically executed by generating an invoice and either mailing or electronically sending it to the customer, who in turn must pay it within an established time frame, called a credit term or payment term.

Invoice/bill



A business document issued by a company to a customer relating to a transaction. It indicates the products, quantities and agreed prices for the products or services.

Target Customer

Companies that are struggling with high volumes of financial documents, manual tasks, and disparate data sources.

Their invoicing process includes many steps that require employees to manually create, review and send invoices. Our solution can easily adapt to specific needs to improve business productivity, unlocking new revenue streams.

What is the typical process?

Once the customer has ordered and received a product or service, an invoice needs to be sent out. The accounts receivable department verifies the customer data, confirms the customer's PO and delivery note match and post the transaction, in order to create the invoice.

The department creates the invoice, prints and folds it, inserts it into an envelope and puts a stamp on it. The document can be sent to the post office and delivered to the customer.

Alternatively the printed invoice is scanned to send by email. Scanned invoices are often indexed manually in order to archive them in an electronic content management system. Others are simply copied and filed in a filing cabinet.

Target buyers and what they want:

1. The operations manager needs to reduce the time spent on customer inquiries and disputes, as well as reduce or eliminate manual processes, handling of paper and manual errors.
2. The accounting manager is looking to modify invoice templates on demand and send electronic invoices and documents.
3. The IT manager wants a solution that easily adapts to the company's systems and processes.
4. The CFO expects to lower per-invoice costs and reduce consultant fees.

What to ask?

1. Are you able to send invoices by email to your customers?
2. How long does it take you to create an invoice?
3. Are you able to modify the design of your invoices as quickly as you want?
4. Can you easily extract customer data from your systems and integrate it into your invoices?
5. Are your invoices entered manually into your system? If so, what is the labour cost?
6. Do you have a process for detecting data entry errors? If so, what is the labour cost?
7. What is your error rate and how much time is spent resolving errors?

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