

Smarter machines: Better cash application accuracy using AI and robotics

Companies that approach this process with strategic goals in mind gain considerable advantages over those that do not. While it's important for a business to recognize the opportunity to reduce costs involved in the order-to-cash process, the benefits go much further.



Do you interact with artificial intelligence?

- Do you use Siri, Google, Cortana or Alexa to get information?
- Do you get Spotify recommendations based on the music you listen to?
- Did Facebook ask you to tag your friends in your photos?
- Does your smart thermostat automatically keep your house comfortable?

If you answered yes to any of these, you've used some form of artificial intelligence (AI).

In real life, technology inspired by creative authors and movie makers is being used to help businesses automate processes, increase customer satisfaction and make smarter decisions.

If you haven't brought automation technology into your business, there's a huge opportunity for you to increase efficiency and accuracy within your organization while providing a better customer experience.

Let's first understand what AI really means.

AI Terminology

What do we really mean when we talk about AI? Here are a few definitions to help us get the conversation started:

- A **Robot** is a mechanical or virtual machine that is guided by a computer program to follow a specific program. It is typically used for repetitive tasks.
- **AI** mimics human decision-making. Computers using AI can be programmed to identify nuances and variations through real-life interactions and produce different, but more accurate results. Visual perception, speech recognition, translation and other tasks requiring human intelligence fall under AI.
- **Supervised Machine Learning (SML)** is the ability of software programs to adapt and learn from the input data and the environment using AI, as well as user feedback. A supervised machine-learning program needs to go through a learning phase before it can make intelligent decisions on data that it has not seen before.

- **Robotic Process Automation (RPA)** is the use of technology that allows employees in a company to configure computer software or a "robot" to capture and interpret existing applications for processing a transaction, manipulating data, triggering responses and communicating with other digital systems.

Now let's learn how using these technologies can help businesses streamline back-end processes for a better customer experience.

It's time for smarter AR technology

- Traditionally, AR teams handle invoicing and payments as a series of separate tasks:
- Print invoices, stuff them into envelopes and mail them to “paper” customers
- Email invoices to any customers willing to get them electronically
- Open envelopes and deposit checks that trickle in (watch out for paper cuts!)
- Collect lockbox, credit card and ACH payments
- Manually match payments with open invoices
- Answer the phone calls regarding customer queries and issues
- Resend lost invoices and track down misapplied payments

At the end of every month, cash application departments across the country are deluged by payments. The money is in, but until the manual task of tracking down remittance data and applying cash is complete, company credit is tied up and business slows down.

Today though, smart technology can help you automate these tasks and integrate them into a single workflow process.

“The days of manual ledger entries, double entry books, shoe-boxes and color-coded folders are behind us. Software robots will help take over simple and complex functions, including file transfers, OCR and data validation.”

Farhad Khalafi, Billtrust Data Scientist

Building a smarter cash application solution

We've explored and tested all of the options and discovered that the most accurate method for cash application automation today is a hybrid approach which uses supervised machine-learning and robotics.

For example, when you first sign up for a Spotify account, it doesn't know what type of music you like. It learns what you like and gets more accurate the more you listen.

Billtrust uses the same adaptive algorithms to identify data patterns accurately. Using our hybrid SML and RPA technology, Billtrust Cash Application can extract transactional data from any source and intelligently matches it to existing open receivables, correcting any exceptions and producing the highest match rates available.

In other words, our cash application software “learns” the more it works. As it is exposed to more remit statements and payments, Billtrust Cash Application improves its predictive performance, resulting in higher auto match and accuracy rates.

Supervised machine-learning allows us to automate more than 90% of the manual, repetitive tasks so you can focus on the few exceptions that need human analysis. When you implement Billtrust Cash Application, your entire team becomes more efficient and can focus on strategic initiatives as you increase the speed of cash flow back into your business.

Accuracy that can't be matched by humans

Not only is Billtrust Cash Application faster than manual processing, it's also more accurate thanks to auto-correlation technology that can scan emails, invoices and remit statements for specific keywords, tokens, dollar amounts and other data for faster, more accurate matching. As Billtrust Cash Application finds each piece of data, it's given a confidence score. You can teach the system to identify higher confidence rates and teach it how to handle exceptions. Billtrust Cash Application learns from your decisions and will adapt to create higher confidence scores for greater accuracy and speed.

The smart solution

How has Billtrust changed the way businesses process payments? Through creative software innovations like these, which accelerate the entire order-to-cash process, Billtrust Cash Application handles payments fast. We're the experts in order-to-cash solutions and we're here to drive productivity for cash appliers, provide greater visibility and keep business moving.

Cash Application is mission critical and we've created a seamless software solution for every scenario. Billtrust Cash Application automates the process of applying payments from multiple sources quickly and accurately to reduce DSO and accelerate cash flow.

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