

AUGUST 19, 2021



# Practical Applications of Artificial Intelligence in Credit, Collection & Deduction Management



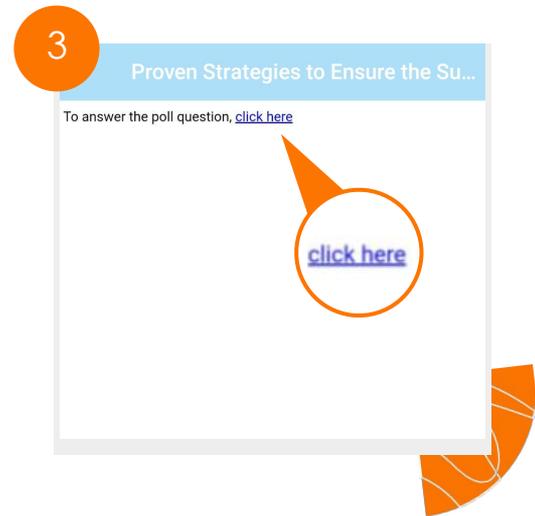
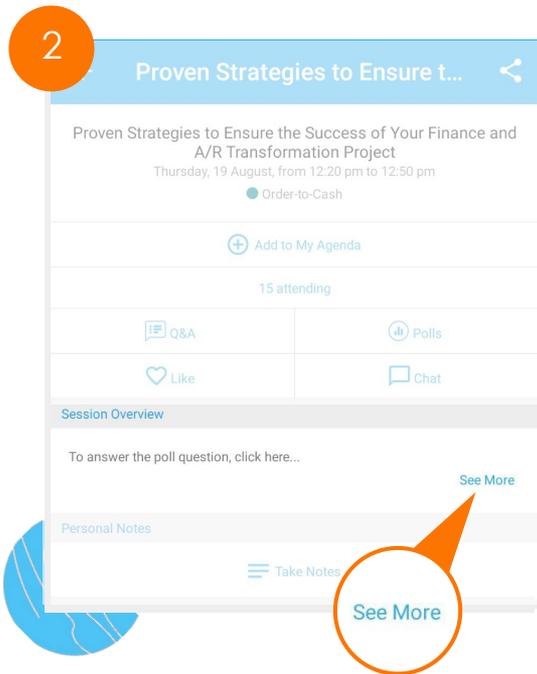
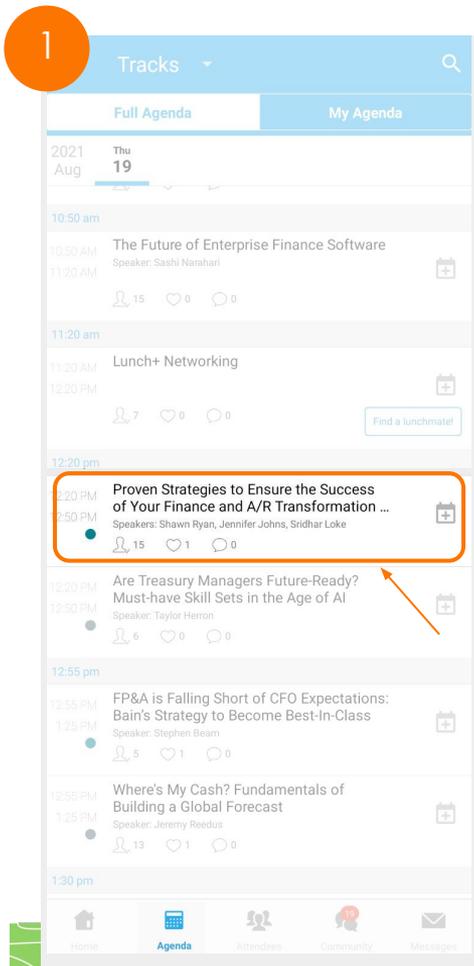
**Molly Pryor**

Director of Transformation Solutions - Credit & Treasury

Sirius Solutions



# How can I register my vote during polling sessions?





# Agenda

1. Major Challenges in the Life of Credit & Collection Teams
2. Artificial Intelligence as a Game Changer
3. Major Benefits of HighRadius Applications



# Major Challenges in the Life of Credit & Collection Teams

## Mitigate Credit Risk

- How can I protect the business from unexpected delinquency?
- Can I keep the risk exposure of my entire portfolio in check?
- How do I fast track approvals of credit limits?

## Improve Working Capital

- How should I build the most effective dunning strategy?
- How should I improve my process efficiency?



## Improve Visibility Into Your Business

- How do I make sure that the C-suite can get access to all critical credit, collection and deduction related metrics at one-single place?

## Sales Enablement

- How can my team is able to anticipate blocked orders and also identify growth opportunities?

## Control Operating Costs

- How do I shift my focus from transactional activities like cash application and spend more on strategic processes like credit and collections?
- How do I make sure that I am able to maintain the perfect balance between cash flow and customer experience?

slido



**Which of the 5 following areas is your biggest concern for the next year?**

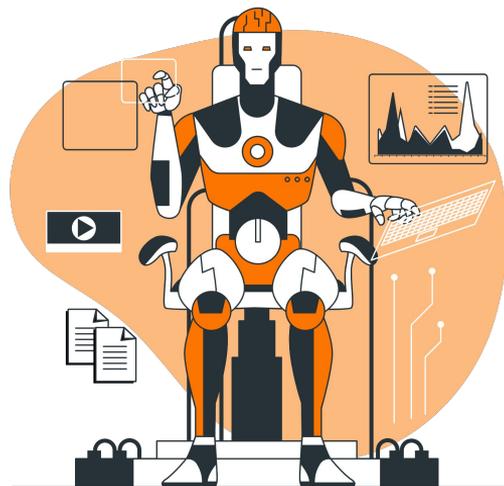
① Start presenting to display the poll results on this slide.

# Artificial Intelligence as a Game Changer

## Mitigate Credit Risk

- Automated or manual financial analysis for credit risk assessment and limit recommendations
- Initiates credit reviews by automatically identifying changes in risk categories sourced by agency data
- Triggers real-time risk alerts to analysts
- Automated workflow for credit approvals

- Predicts your customers next payment date enabling better dunning strategies
- Helps in dynamic customer segmentation with worklist prioritization for maximum efficiency
- Touchless dunning for low risk customers



## Control operating costs of running the A/R process

- Automates 95% of cash application process saving FTE cost as well as bank lockbox fees
- Automatically downloads claim documents, POD & BOL from customer portals saving deduction team's time and effort

## Improve Visibility into the business impact of A/R

- Ai Enabled integrated cloud platforms create a connected network enabling easy flow of information as well as better executive visibility

## Sales Enablement

- AI predicts blocked orders even before they are blocked to unlock more sales potential
- Provides release recommendations and auto-releases orders based on payments & cash app data

# Real Time Credit Risk Monitoring

Home   Invoicing   Collections   Cash Recon   **Credit Risk**   Analytics   Administration

Dashboard   **Worklist**   Customers   Approvals

Select filter to search... Analytics Advanced Search

Edit Credit Limit Email Link Credit File References

Page **1** of 1   Pending (13)   Completed (61)   All (74)   Prioritize   Reviews 1 - 13 of 13

<input type="checkbox"/>	Workflow ID	Workflow Type	Customer	Customer #	Processor	Credit Score	Risk Class	Calculated Credit Limit	Approved Credit Limit	Credit Exposure	Review Status
<input checked="" type="checkbox"/>	57	<a href="#">Bankruptcy Alert</a>	Retailing Pvt	31531237	Nikola Tesla	0	Critical	0.00	62,000.00	42,000.00	Awaiting Ap...
<input type="checkbox"/>	60	<a href="#">Slow Payer</a>	Largest Life L...	3153122344	Marie Curie	35	High	0.00	35,000.00	20,000.00	Manual
<input type="checkbox"/>	59	<a href="#">Rating Downgrade</a>	Retail Chain	895503663	Marie Curie	65	Medium	40,000.00	50,000.00	39,000.00	Manual
<input type="checkbox"/>	55	Security Expiry	Public Retail...	315312290	Marie Curie	89	Low	50,000.00	50,000.00	30,000.00	Manual
<input type="checkbox"/>	52	<a href="#">High Past Due</a>	Mutual Life In...	100092	Marie Curie	37	High	20,000.00	40,000.00	30,000.00	Awaiting Ap...
<input type="checkbox"/>	51	<a href="#">High Utilization</a>	Packaging C...	100060	Nikola Tesla	65	Medium	40,000.00	50,000.00	49,500.00	Awaiting Ap...
<input type="checkbox"/>	50	<a href="#">High Utilization</a>	Tire Manufac...	31531228	Nikola Tesla	39	High	20,000.00	23,000.00	22,000.00	Awaiting Ap...
<input type="checkbox"/>	48	New Customer	Norgren Inc	HR102856083	Nikola Tesla	83	Low	50,000.00	0.00	0.00	Awaiting Ap...
<input type="checkbox"/>	47	New Customer	Folsom Inc	HR102856082	Tim Cook	62	Medium	40,000.00	0.00	0.00	Awaiting Ap...
<input type="checkbox"/>	38	New Customer	Forsythe INC	HR102856079	Tim Cook	40	High	20,000.00	0.00	0.00	Awaiting Ap...
<input type="checkbox"/>	35	New Customer	PANTHER LLC	HR102856081	Tim Cook	87	Low	50,000.00	0.00	0.00	Awaiting Ap...
<input type="checkbox"/>	56	Tax Expiry	Health & WeL...	100902348	Tim Cook	70	Medium	40,000.00	40,000.00	29,000.00	Manual

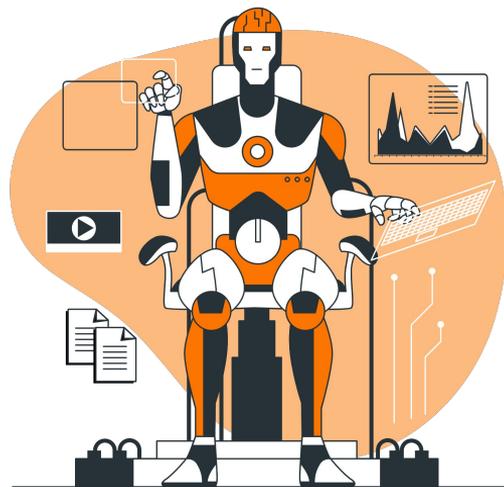
# Artificial Intelligence as a Game Changer

## Mitigate credit risk

- Initiates proactive credit reviews by automatically identifying change in risk categories, troubled financials
- Triggers automated real-time risk alerts to concerned teams
- Enables automated credit scoring, limit recommendations & auto-capture of credit agency data

## Improve Working Capital

- Dynamic customer segmentation with priority worklist for dunning strategy and efficiency
- Predicts customers payment delays to enable proactive dunning
- Touchless dunning for low risk customers



## Control operating costs of running the A/R process

- Automates 95% of cash application process saving FTE cost as well as bank lockbox fees
- Automatically downloads claim documents, POD & BOL from customer portals saving deduction team's time and effort

## Improve Visibility into the business impact of A/R

- Ai Enabled integrated cloud platforms create a connected network enabling easy flow of information as well as better executive visibility

## Sales Enablement

- AI predicts blocked orders even before they are blocked to unlock more sales potential
- Provides release recommendations and auto-releases orders based on payments & cash app data

# Automated Customer Payment Date Prediction

The screenshot displays the HighRadius Collections dashboard. At the top, the user is identified as Laura Edwards. The main navigation bar includes Home, Cash Application, Credit, EIPP, Deductions, Collections (active), and Analytics. Below this, a sub-navigation bar lists Worklist, Search Customer, P2P, Email Inbox, Portal Updates, Invoices, Bulk Upload, and Payments. A filter dropdown is set to 'Select filter to search...'. Action buttons for Analytics and Advanced Search are visible. A toolbar contains icons for Assignment, Snooze, Change Collection Status, Change Customer Status, Call Log, and Calls. The main data area shows a table of 24 collections, with the first page displaying 10 items. Summary statistics at the top of the table indicate an Open amount of 9,347,169.49, a Current amount of 5,586,267.86, and a Past Due amount of 5,212,221.04. The table columns are Customer Number, Customer Name, Priority, Customer Segment, Disputed Amount, Committed Amount, DSO, and Suggested Actions.

Customer Number	Customer Name	Priority	Customer Segment	Disputed Amount	Committed Amount	DSO	Suggested Actions
<input checked="" type="checkbox"/> 0450024848	Rite-aid	Critical	High risk		2,773,537.04	30	<a href="#">2nd Past Due Notice</a>
<input type="checkbox"/> 0450028998	WENDY'S COMPANY	Low	All Others		305,741.77	2.19	<a href="#">Call - Escalate</a>
<input type="checkbox"/> 0450025167	COSTCO	High	High risk	63,931.32	11,664.50	29.54	<a href="#">1st Past Due Notice</a>
<input type="checkbox"/> 0450009646	LLBEAN-INFRASTRUC...	High	Low risk		98,268.38	2.37	<a href="#">1st Past Due Notice</a>
<input type="checkbox"/> 0450020083	ALDI INC	High	High risk	41,458.03	795,358.15	31.00	<a href="#">Final Demand Letter</a>
<input type="checkbox"/> 0450001273	AMAZON	High	All Others		0.00	15.17	<a href="#">Call for Follow-up</a>
<input type="checkbox"/> 0450021143	ONANON	High	All Others		0.00	1.38	<a href="#">2nd Past Due Notice</a>
<input type="checkbox"/> 0450029510	PUBLIX AP	High	Medium risk	16,843.80	2,807.90	98.45	<a href="#">Call for Follow-up</a>
<input type="checkbox"/> 0450009696	CVS	High	Medium risk	27,622.16	949,773.75	13.1	<a href="#">Blocked Order Notif...</a>
<input type="checkbox"/> 0450024884	KROGER	Medium	Medium risk	14,206.32	265,881.24	2.26	<a href="#">Call for Broken Com...</a>
<input type="checkbox"/> 0450024859	SILICON GRAPHICS IN...	Medium	Low risk		0.00	1.32	<a href="#">Proactive Payment r...</a>

# Automated Dispute Validation

The screenshot displays the HighRadius Deductions interface. The top navigation bar includes Home, Cash Application, Credit, EIPP, Deductions (selected), Collections, and Analytics. Below this, a secondary navigation bar lists Dashboard, Worklist, Approvals, Commitments, Promotions, Tracking Information, Customer Claims, Email Inbox, Correspondence, and Variance. The main content area is titled "Non Trade Deductions" and features an "Advanced Search" button. A toolbar above the table offers various actions: checkmark, refresh, edit, link, merge, AI Extract, split, resolution, correspondence, and action preset. The table header shows "Page 1 of 1" and summary statistics: "Unresolved Amount : \$13,007.49", "Open Amount : \$28,725.45", and "Deductions 1 - 15 of 15". The table columns are: Id, Type, Customer Name, Reason Code, Status, Priority, Attachment List, Processor, Owner, Validity Predictor, Confidence Score, Open Amount, and Original Amount. A red dashed box highlights the "Confidence Score" column. The table contains 15 rows of data, with the last row (ID 27532030) highlighted in green, indicating a "Valid" status. The bottom of the interface shows "Records Selected : 0", "Open Amt : 0.00", "Original Amt : 0.00", "Unresolved Amt : 0.00", and "Deductions 1 - 15 of 15".

Id	Type	Customer Name	Reason Code	Status	Priority	Attachment List	Processor	Owner	Validity Predictor	Confidence Score	Open Amount	Original Amount	Un
27567276	Deduction	SHAW'S GT...	Returns	Payback C...	Medium	<a href="#">L</a>	Chris Lee	Laura Edw...	Invalid	92.63	2,133.00	2,133.00	
27534153	Deduction	REGR WAL...	Returns	Correspon...	Medium	<a href="#">R</a>	Dorothy Wl...	Sowmya T...	Invalid	92.75	1,733.68	1,733.68	
27534112	Deduction	Largest Ra...	List Price DL	Payback C...	Low	<a href="#">I</a> <a href="#">P</a> <a href="#">C</a>	Dorothy Wl...	Laura Edw...	Invalid	91.53	530.00	530.00	
27534108	Deduction	REGR WAL...	Shortage	Payback C...	Medium	<a href="#">C</a> <a href="#">P</a>	Jess Saini	Laura Edw...	Invalid	99.82	2,337.26	2,337.26	
27532048	Deduction	TURKEY HIL...	List Price DL	Correspon...	Medium	<a href="#">P</a>	Tim Fogarty	Laura Edw...	Invalid	91.59	1,606.30	1,606.30	
27532036	Deduction	WEI-CHUA...	Repayment	New	Medium	<a href="#">P</a> <a href="#">C</a>	Laura Edw...	Laura Edw...	Invalid	92.63	1,710.18	1,710.18	
27532033	Deduction	REGR WAL...	List Price DL	Open	Low	<a href="#">C</a>	Tim Fogarty	Laura Edw...	Valid	98.24	834.17	834.17	
27532032	Deduction	REGR WAL...	Repayment	Open	High	<a href="#">C</a> <a href="#">R</a> <a href="#">C</a> <a href="#">2</a>	Dorothy Wl...	Laura Edw...	Invalid	97.25	3,579.71	3,579.71	
27532030	Deduction	REGR WAL...	Returns	Oopen	Low	<a href="#">P</a> <a href="#">C</a>	Tim Foaartv	Laura Edw...	Valid	97.31	750.45	750.45	

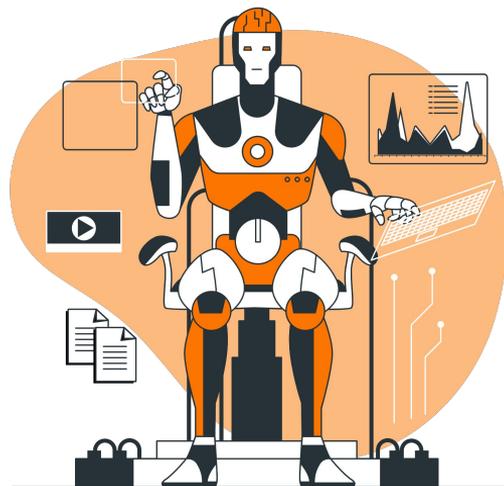
# Artificial Intelligence as a Game Changer

## Mitigate credit risk

- Initiates proactive credit reviews by automatically identifying change in risk categories, troubled financials
- Triggers automated real-time risk alerts to concerned teams
- Enables automated credit scoring, limit recommendations & auto-capture of credit agency data

## Improve working capital availability

- Predicts your customers next payment date enabling better dunning strategies
- Helps in dynamic customer segmentation with worklist prioritization for maximum efficiency
- Touchless dunning for low risk customers



## Control Operating Costs

- Automates 95% of cash application process saving FTE cost as well as bank lockbox fees
- Improves customer experience
- Automatically downloads claim documents, POD and BOL from customer portals
- Saves deduction team's time and effort

## Improve Visibility into the business impact of A/R

- AI Enabled integrated cloud platforms create a connected network enabling easy flow of information as well as better executive visibility

## Sales Enablement

- AI predicts blocked orders even before they are blocked to unlock more sales potential
- Provides release recommendations and auto-releases orders based on payments & cash app data

# Automated Cash Application (Identifies Multiple Remittance Formats)

Payment Number: 5355750194

Payment Amount: 19,408.02

Payment Date: 2020-01-10

Exception Status: Success

Exception Details:

Customer Name: Largest Grocery Store

Customer Number: 0450019495

Payer Name: Largest Grocery Store

Payer Account Number: 8373636384

Payer Routing Number: 736336371

Remittance Source: Website

Linked Remittance File: [Download](#)

Original Payment File: [Download](#)

Supporting Documents:

Check Image:

Received Data

Transformed Data

Payment Amount: 19,408.02 Net Amount: 19,408.02 Difference: 0.00

Page 1 of 1

Received Data 1 - 5 of 5

Reference Field*	Total Amount	Discount Amount	Payment Amount	Reason Code	Reason Description	Exception Details	Reference Key1
CB-566490505	-58.40	0.00	-58.40	A176			
30317294	4,686.00	-93.72	4,592.28				
30323665	4,329.28	-86.59	4,242.69				
30304890	1,275.30	-25.51	1,249.79				
30304891	9,573.12	-191.46	9,381.66				

# Automated Cash Application (Transforms unstructured data into structured)

## Details

Payment Number:	5355750194	Customer Name:	Largest Grocery Store	Remittance Source:	Website
Payment Amount:	19,408.02	Customer Number:	0450019495	Linked Remittance File:	<a href="#">Download</a>
Payment Date:	2020-01-10	Payer Name:	Largest Grocery Store	Original Payment File:	<a href="#">Download</a>
Exception Status:	Success	Payer Account Number:	8373636384	Supporting Documents:	
Exception Details:		Payer Routing Number:	736336371	Check Image:	

## Received Data

## Transformed Data

Payment Amount: 19,408.02 Net Amount: 19,408.02 Difference: 0.00

Page 1 of 1

Received Data 1 - 5 of 5

Reference Field*	Total Amount	Discount Amount	Payment Amount	Reason Code	Reason Description	Exception Details	Reference Key1
<input type="checkbox"/>							
<input type="checkbox"/> CB-566490505	-58.40	0.00	-58.40	A176			
<input type="checkbox"/> 30317294	4,686.00	-63.72	4,592.28				
<input type="checkbox"/> 30323665	4,329.28	-86.59	4,242.69				
<input type="checkbox"/> 30304890	1,275.30	-25.51	1,249.79				
<input type="checkbox"/> 30304891	9,573.12	-191.46	9,381.66				
<input type="checkbox"/>							
<input type="checkbox"/>							

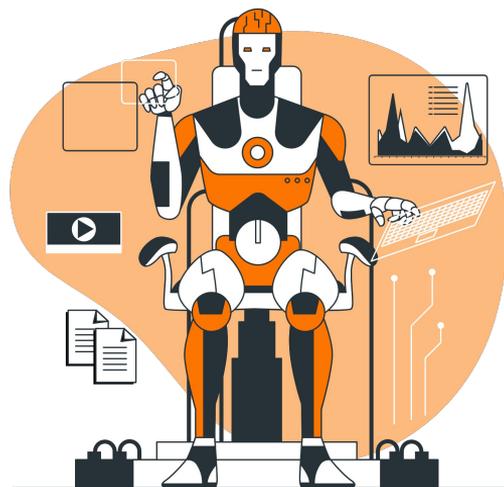
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## Control operating costs of running the A/R process

- Automates 95% of cash application process saving FTE cost as well as bank lockbox fees
- Automatically downloads claim documents, POD & BOL from customer portals saving deduction team's time and effort

## Improve Visibility into the business impact of A/R

- Ai Enabled integrated cloud platforms create a connected network enabling easy flow of information as well as better executive visibility

## Sales Enablement

- Artificial Intelligence predicts blocked orders
- Auto-releases orders based on payments and cash app data
- Provides release recommendations based on limit utilization and payment behavior
- Avoid pain points for sales and customers

# Probable Blocked Order Prediction

The screenshot displays the highradius software interface. At the top, the user is logged in as Laura Edwards. The main navigation bar includes tabs for Home, Cash Application, Credit (selected), EIPP, Deductions, Collections, and Analytics. Below this, there are sub-tabs for Worklist, Customers, Approvals, Correspondence, Orders, and Attachments. The interface shows a list of credit applications, with a filter for 'Radiance' and buttons for 'Autonomous Mode', 'Analytics', and 'Advanced Search'. A toolbar contains various action icons like Edit, Credit Limit, Seasonal Limit, Predicted Orders, Print, Email, Fax, Link, Agency Data, Credit File, and References. The table below shows a list of applications, with the 'Blocked Order' status highlighted in orange for the entry 'Aldi Süd'.

Customer Name	Customer Number	Workflow Type	Application Type	Processor	Credit Exposure	Requested Credit Limit	Calculated Credit Limit	Approved Credit Limit	Calculated Risk Class	Review Status
Intercontinent...	HRI02607204	New Custome...	Privately held ...	John Moore	0.00	95,000.00	30,000.00	95,000.00	High	Awaiting App...
Norgren Inc	0450021995	Collateral Expl...	Publicly trade...	John Hopkins	65,000.00	120,000.00	150,000.00	120,000.00	Medium	Awaiting App...
Ability One Co...	0450020007	<a href="#">Bankruptcy Al...</a>	Government ...	jessica butler	10,010.00	55,000.00	50,000.00	50,000.00	Highest	Awaiting App...
<b>Aldi Süd</b>	0450025538	<b>Blocked Order...</b>	Publicly trade...	Laura Edwards	45,000.00	60,000.00	50,000.00	50,000.00	High	Awaiting App...
JOE FROYO LL...	0450091932	<a href="#">Risk Alert Wor...</a>	Publicly trade...	Laura Edwards	39,000.00	50,000.00	50,000.00	50,000.00	Low	Awaiting App...
Honeywell Int...	0450020000	Ad Hoc Review	Publicly trade...	jessica butler	55,000.00	150,000.00	30,000.00	90,000.00	High	Awaiting App...
Man GLG	HRI02581922	New Custome...	Publicly trade...	jessica butler	0.00	50,000.00	50,000.00	38,000.00	Highest	Awaiting App...
Pacific Intern...	0450020009	Extended Ter...	Education	John Hopkins	11,100.00	35,000.00	32,000.00	30,000.00	Medium	Awaiting App...
Weber Enterp...	0450091331	<a href="#">News Alert</a>	Publicly trade...	Robert Taylor	104,800.00	120,000.00	104,000.00	110,000.00	Medium	Awaiting App...
Panther Run ...	HRI02583154	New Custome...	Government ...	Dorothy Willia...	0.00	65,000.00	50,000.00	50,000.00	Medium	Awaiting App...
Norgren Inc	0450021995	Tax Certificat...	Publicly trade...	John Moore	65,000.00	120,000.00	150,000.00	120,000.00	Medium	Awaiting App...

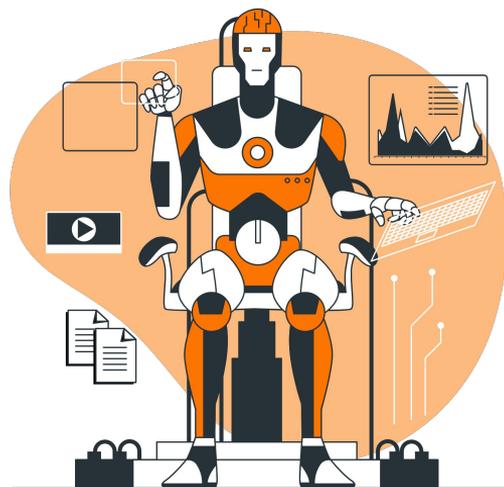
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## Control operating costs of running the A/R process

- Automates 95% of cash application process saving FTE cost as well as bank lockbox fees
- Automatically downloads claim documents, POD & BOL from customer portals saving deduction team's time and effort

## Improve Visibility into the Business

- Artificial Intelligence enables integrated cloud platforms to achieve full potential of order to cash
- Creates a connected network for a streamlined process and transparent information.
- Results in acceleration of cash, improved business relations and enhanced customer experience
- AI predicts blocked orders even before they are blocked to unlock more sales potential
- Provides release recommendations and auto-releases orders based on payments & cash app data

# Integrated Receivables Cloud Platform



## Credit

Online Credit Application

Credit Bureau Integration

Credit Scoring

Credit Workflow



## Collections

Collection Strategies

Notes, Reminder & Payment Commitments

Dispute Management

Automated Correspondence



## Cash App

Image Data Capture

Email, EDI, Web Data Capture

Invoice Matching

Deduction Coding



## Deductions

Claim POD Backup Automation

Automated Trade Matching

Shortage/ Price Variance Analysis

Automated Claim Denial Packages



## EIPP

Merchant Branded Portal

Invoice Templates

Dispute Management

Payment Gateway Integration

**Rivana artificial intelligence engine provides accurate decision making. Algorithm trained on \$2.2 trillion+ A/R data.**



# Major Benefits of HighRadius Applications

## Direct Business Impact

15%

DSO Reduction

\$6 M

Increased Working  
Capital

20%

Bad Debt Reduction

## Process Level Impact

2X

Collector's Productivity

95%

Automated Cash  
Application

100%

Reduction in Bank  
Lockbox Fees

60%

Released Blocked  
Orders



Thank you!

 highradius



# NEXT SESSIONS



O2C

## HighRadius Integrated Receivables Tech Showcase

14:50 PM CT | Main Stage



TREASURY



## Women in Treasury

14:50 PM CT | The Cantina

RADIANCE ON THE ROAD

HOUSTON

