

# 7 TIPS

FOR EFFECTIVELY MANAGING YOUR ACCOUNTS  
RECEIVABLE PROCESS IN CHALLENGING TIMES

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During times of significant disruption and uncertainty, it's essential for organizations to **maintain business process efficiency** as well as communication with customers and team members. With more companies making the necessary transition to a remote workforce, it's changing the way accounts receivable (AR) teams work.

Today's unprecedented situation has had a direct impact on businesses and their ability to manage their AR process and collect cash. As a credit and collections manager, your job is to preserve cash flow and provide the same service level to customers.

We've compiled **seven tips** to help you adapt your collections strategy, continue collecting cash, take care of your customers, empower your team, and come out on top (without being impacted too severely).

# 01 REASSESS YOUR RECEIVABLES SITUATION

While some customers have seen little change to their operations, others have been heavily impacted and, as a result, are struggling to pay their invoices. Payment extensions and credit limits are sharply increasing. Fast action is imperative, but before diving in headfirst, you must take the time to analyze your business and understand what cash can be realistically collected, what customers you can talk to, who is at risk, etc.

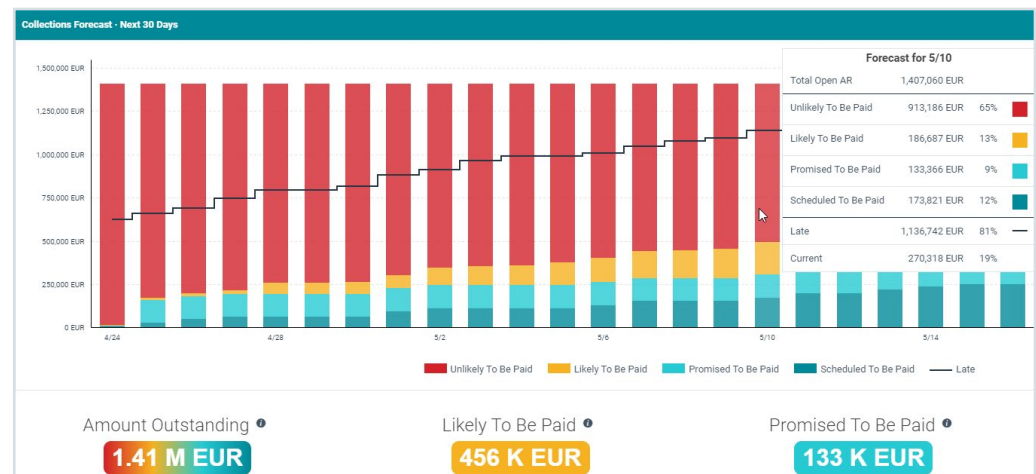
## TAKE THE PULSE OF YOUR BUSINESS

Start by reviewing your situation (e.g., customer categories, aging balance, at-risk cash, etc.) to make the most informed decisions and prioritize your efforts correctly. Continue to monitor daily performance evolution and cash forecasting (i.e., cash expected to come in and predictions), as it's crucial to keep an eye on your daily activity, particularly in uncertain periods, and put effort and resources where they need to be. Lastly, adjust your collections category following analysis.

## WHY ESKER?



The ability to report through customer categories (e.g., by industry, profile, payer rating, etc.), dashboards and KPIs help analyze your risk and orientate your collections efforts.



# 02

# ADJUST YOUR COLLECTIONS STRATEGY

Your collections strategy has been set up to manage “normal” situations with a full staff. In today’s current climate and when understaffed, your strategy may need to be adjusted to continue to bring efficiency to your collections process. Focus on “at-risk” customers and maintain contact with them.

## TAILOR YOUR PROCESS TO COLLECT CASH QUICKLY

Your priority needs to be on collecting all the cash that can be collected, and efforts should be focused on that objective. Suspend your usual activity and prioritize activities according to your business’s needs. Target the highest amounts to be collected, customers most at risk according to industry, payer ratings, or past-due (e.g., 90+ days on your aged balance). You may also need to adjust your methodology (e.g., send emails or make calls instead of mailing letters) or have your available staff focus on specific tasks. Search for efficiency more than ever!

### WHY ESKER?



Adapt your collections process and change the threshold for triggering collection calls, refine call priority to focus on overdue promise-to-pay or follow-up calls, and customize to-do lists.

To-do List - overall - My To-do list		
Manual tasks to be completed	<input checked="" type="checkbox"/> Done	
60+ Day Past Due	6 <a href="#">View</a>	
At Risk	26 <a href="#">View</a>	
Customers over credit limits	2 <a href="#">View</a>	
Escalation Calls	4 <a href="#">View</a>	
Follow-up calls	35 <a href="#">View</a>	
Invoice delivery errors to follow-up	<input checked="" type="checkbox"/> Done	

# 03

## MOVE YOUR CUSTOMERS TO E-INVOICING

With reduced postal services and invoices stuck in transit, now is the time to move your customers to e-invoicing. For reluctant customers who still require original invoices by postal mail, you can encourage them to move to e-invoicing by applying admin costs to each paper invoice. Alternatively, you can systematically send a copy by email to your AP contact.

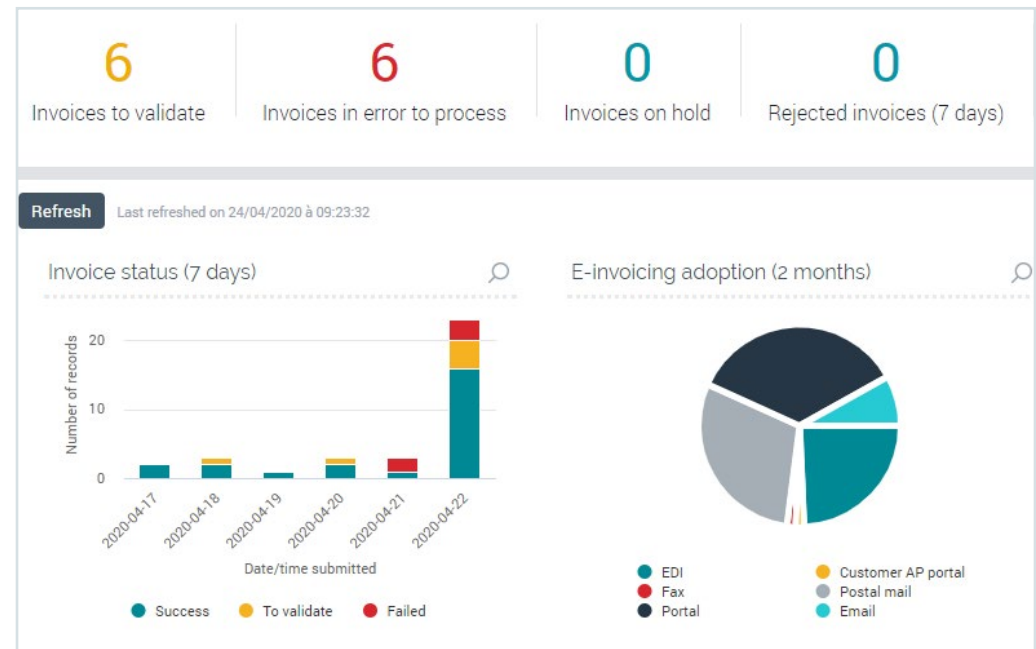
### ENSURE SUCCESSFUL INVOICE DELIVERY

In addition to being able to send invoices regardless of external factors, moving to e-invoicing lowers your admin costs, reduces invoice delivery time and provides your customers with more time to process, approve and potentially resolve any invoice-related issues with you. With real-time invoice delivery status, anticipate collections issues by (re) sending the original or a duplicate invoice by email to customers who usually receive their invoices by postal mail.

### WHY ESKER?



Seamless transition to e-invoicing and delivery status tracking from dashboards or collections module reports.



# 4 FACILITATE CUSTOMER PAYMENTS

In order to help customers who are struggling with cash flow, you may have to extend payment terms. Or, if you're having cash flow issues, you may wish to offer early payment discounts to help motivate customers to pay you in advance. Anything that can help you get your cash back in is welcome. A bird in the hand is worth two in the bush!

## OFFER FLEXIBLE PAYMENT SOLUTIONS

Offering your customers the ability to renegotiate payment terms and/or spread their debt with you over a longer time period helps create a relationship where customers are more likely to meet their payment obligations and, in turn, your business eventually secures revenue. Additionally, by providing early payment discounts to customers who are able to pay earlier, you maintain a healthy cash flow.

By being customer-focused and easy to deal with, your customers will most likely want to do more business with you in the future.

## WHY ESKER?



AutoPay plans give customers longer payment terms and you are more likely to receive payment at each instalment due date – a win-win situation for both you and your customers.

Payment Plan Details					
Customer	Coffee Delivered				
Vendor	ACME				
Amt. Remaining	32,439.00 EUR		Total Amt.	32,439.00 EUR	
Last Payment Date	Jul 01 2020				
<b>Installments</b>					
<b>Installment #</b>					
<b>Customer ID</b>					
<b>Pay Date</b>					
<b>Amount</b>					
<b>Stage</b>					
Last Payment Date					
May 01 2020					
Name	Installment 1	35721	May 01 2020	6,487.80 EUR	☐
Customer	Installment 2	35721	May 15 2020	6,487.80 EUR	☐
Vendor	Installment 3	35721	Jun 01 2020	6,487.80 EUR	☐
	Installment 4	35721	Jun 15 2020	6,487.80 EUR	☐
	Installment 5	35721	Jul 01 2020	6,487.80 EUR	☐

# 05

# MANAGE CUSTOMER RELATIONSHIPS

It's important to talk with your customers as much as possible to find out how they are dealing with the current situation, if they have any particular problems or how they foresee the next couple of months. This allows you to find solutions together (e.g., payment plans, early payment discounts, etc.). Additionally, you may need to inform them of changes in your operating structure (e.g., new business hours, how best to contact you, etc.).

Customers will certainly appreciate a supplier who is by their side supporting them through difficult times and will be more likely to show their loyalty when business gets back to normal.

## STAY IN TOUCH WITH YOUR CUSTOMERS

Based on the staff you have in place and your level of activity, you can choose to talk to certain customers in priority (e.g., industries in difficulty, highest outstanding amounts, etc.), send bulk messages to quickly reach out to a large customer base, or give customers access to a portal to access invoices, payment plans, aged balance and messages in real time.

## WHY ESKER?



With access to message templates, bulk messaging capabilities and a customer portal, your collections team has more time to focus on more important tasks like talking to at-risk customers.

### Send Message

Customers	Message
<p>The following 20 customers will receive this message:</p> <ul style="list-style-type: none"><li><a href="#">Ace Unlimited Corp. (27843)</a></li><li><a href="#">American Services, LLC (31782)</a></li><li><a href="#">Advanced Depictions, Inc. (29156)</a></li><li><a href="#">Coffee Delivered (35721)</a></li><li><a href="#">Aerotec, Inc. (30469)</a></li><li><a href="#">Container Corp. (37034)</a></li><li><a href="#">Dynamic Design (38347)</a></li><li><a href="#">Brewco Distributors (33095)</a></li><li><a href="#">Candles Inc. (65920)</a></li><li><a href="#">Cupware, LLC (67233)</a></li><li><a href="#">Dryers Plus (69859)</a></li><li><a href="#">Blue Shirts (63294)</a></li><li><a href="#">Dairy Supply (68546)</a></li><li><a href="#">Bull Dog Beer (64607)</a></li></ul>	<p>Subject Line</p> <p>Current situation</p> <p>*Multiple vendors are represented here. The dynamic text "{(vendor)}" e message when sent.</p> <p>My question/message is</p> <p>Dear customer,</p> <p>This unprecedented situation has forced us all to adjust our activity ar</p> <p>Choose a message template <span>Current situation</span></p> <p><input type="checkbox"/> Attach Account Statement PDF</p> <p><input type="checkbox"/> Record this message as a collection call</p> <p><a href="#">View recipients</a></p> <p><b>Send</b></p>

# 06

# MAKE COLLABORATION A PRIORITY

Collaboration is key and with so many working from home, being on top of your internal communication has never been more important. You must ensure business continuity and provide the same level of service to customers, including making sure questions are answered in a timely manner, disputes are addressed quickly, and tasks are offloaded to the right team members.

## ENSURE VISIBILITY & COORDINATION THROUGHOUT

It's crucial to continue collaborating with your team, share information and resolve issues, particularly around dispute or escalation calls (e.g., customers asking for installments, etc.). Teams working in silos from home with paper-based processes (e.g., Excel spreadsheets and ERP reports, printed invoices sent via postal mail, etc.) are struggling to focus on the activities that really matter — building customer relationships and getting paid faster.

## WHY ESKER?



Create, assign and monitor tasks directly from the CRM-like solution and collaborate with your team and co-workers as if you were in the office (minus the free coffee!).

Keep stakeholders up-to-date and ensure management can oversee team performance and ensure the collections strategy is correctly adapted to the situation.

00004 Escalated Collection Call to Rossi Task

Details			
Description	Status		
Request for payment plan	Not Started		
	Assigned to		
	Clara CM (clara.cm@esker.com)		
Customer Summary - see more details below			
	Invoices	Credits	Total
Rossi - 55416	27,544.00 EUR	277.00 EUR	27,267.00 EUR



# TAKE CARE OF YOUR TEAM!

Maintaining positivity and engagement within the team is not easy when people work remotely from different locations. Why not motivate your team with small challenges on cash collected? Reaching a goal as a team can be a great way to keep them motivated and make them feel part of a team.

## ENSURE STAFF WELL-BEING

Taking care of your cash and customers must be a top priority, but taking care of your employees should not be overlooked. By empowering them and acknowledging their work, particularly in difficult times, you are strengthening morale, purpose and team spirit.

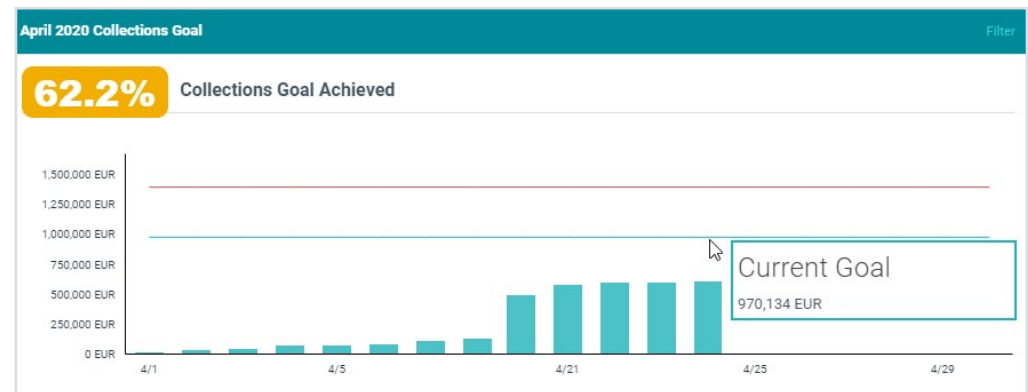
Be creative! Motivate your team with fun challenges. Set up rewards according to the percentage of achievements. If goals are 100% achieved, compensate the team when everyone's back in the office!

## WHY ESKER?



Use internal forecast team goals to set up an amount to be collected weekly or monthly.

Follow team activity and adjust workload as needed to help those who may be having difficulty.





## ANTICIPATE THE FUTURE

When the situation gets back to “normal”, take the time to review and see what worked and what could be improved should you be faced with a similar situation in the future.

# ABOUT ESKER

Esker is a worldwide leader in AI-driven process automation software, helping financial and customer service departments digitally transform their procure-to-pay (P2P) and order-to-cash (O2C) cycles. Used by more than 6,000 companies worldwide, Esker's solutions incorporate artificial intelligence (AI) technology to drive increased productivity, enhanced visibility, reduced fraud risk, and improved collaboration with customers, suppliers and internally.

Founded in 1985, Esker operates in North America, Latin America, Europe and Asia Pacific with global headquarters in Lyon, France, and U.S. headquarters in Madison, Wisconsin. In 2019, Esker generated 104 million euros in sales revenue.





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