

Accounts Receivable Automation

Collect More Cash Faster & More Efficiently with
BlackLine AR

May 2023



Webinar Agenda



Speaker Introductions



Current State of Accounts Receivable



Overview of Accounts Receivable Automation



Implementing Accounts Receivable Automation



Case Study



Conclusion & Q/A

Presenter Introduction: John Wolf

Background

With 11+ years of accounting and consulting experience, John is a proven leader in process improvement and automation initiatives.

As an accounting professional, John was last an Accounting Manager at a Shared Services Center for Ascension Health. While there, he owned global responsibility for the Blackline Application and managed the administration and reconciliation governance for 730+ users. John also designed and implemented multiple Robotic Process Automation processes, using various applications, during his tenure.

John is skilled at helping organizations analyze current processes and finding and implementing process improvements and automations.

Relevant Experience & Education

- 11+ years of accounting and consulting experience, John is a proven leader in process improvement and automation initiatives.
- John has served clients across a number of industries including healthcare, insurance, banking, energy, and aerospace
- Certified BlackLine Implementation Specialist
- Bachelor of Arts, Accounting, University of St. Francis



Manager

Finance Automation
Technology Consultant
Indianapolis, IN

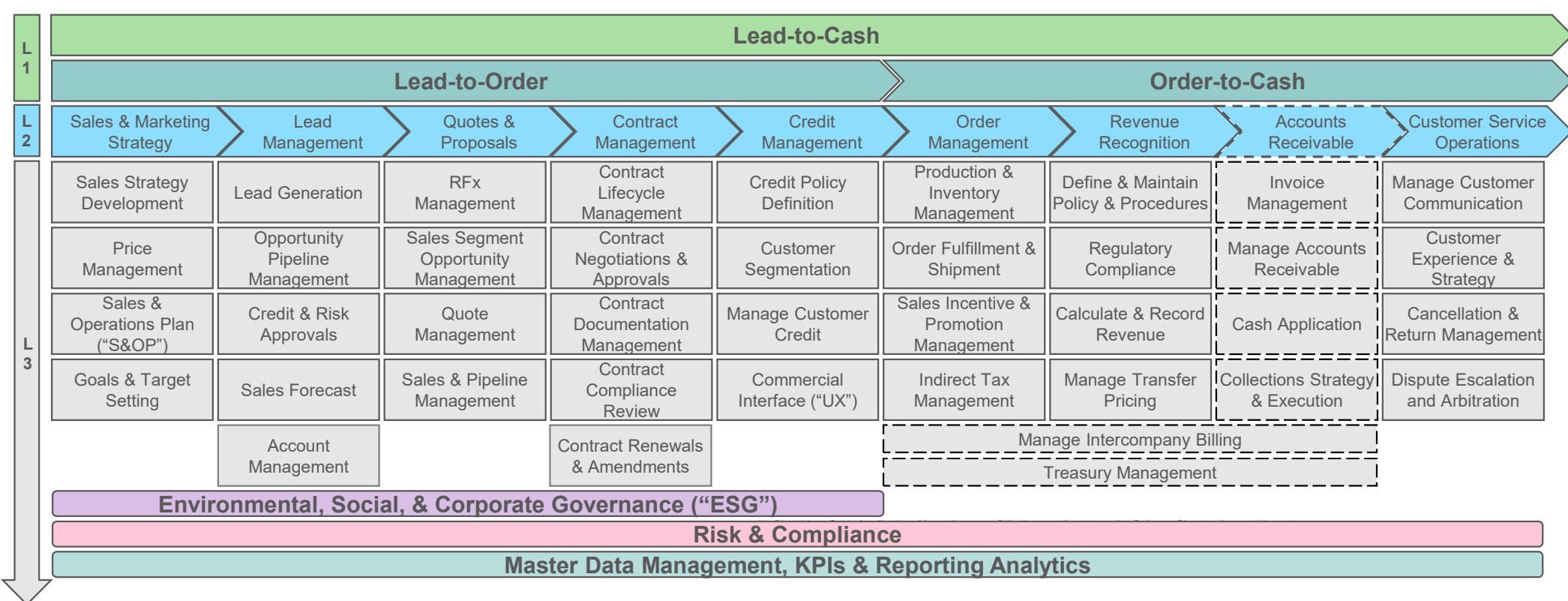
John.Wolf@rsmus.com
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Current State of Accounts Receivable

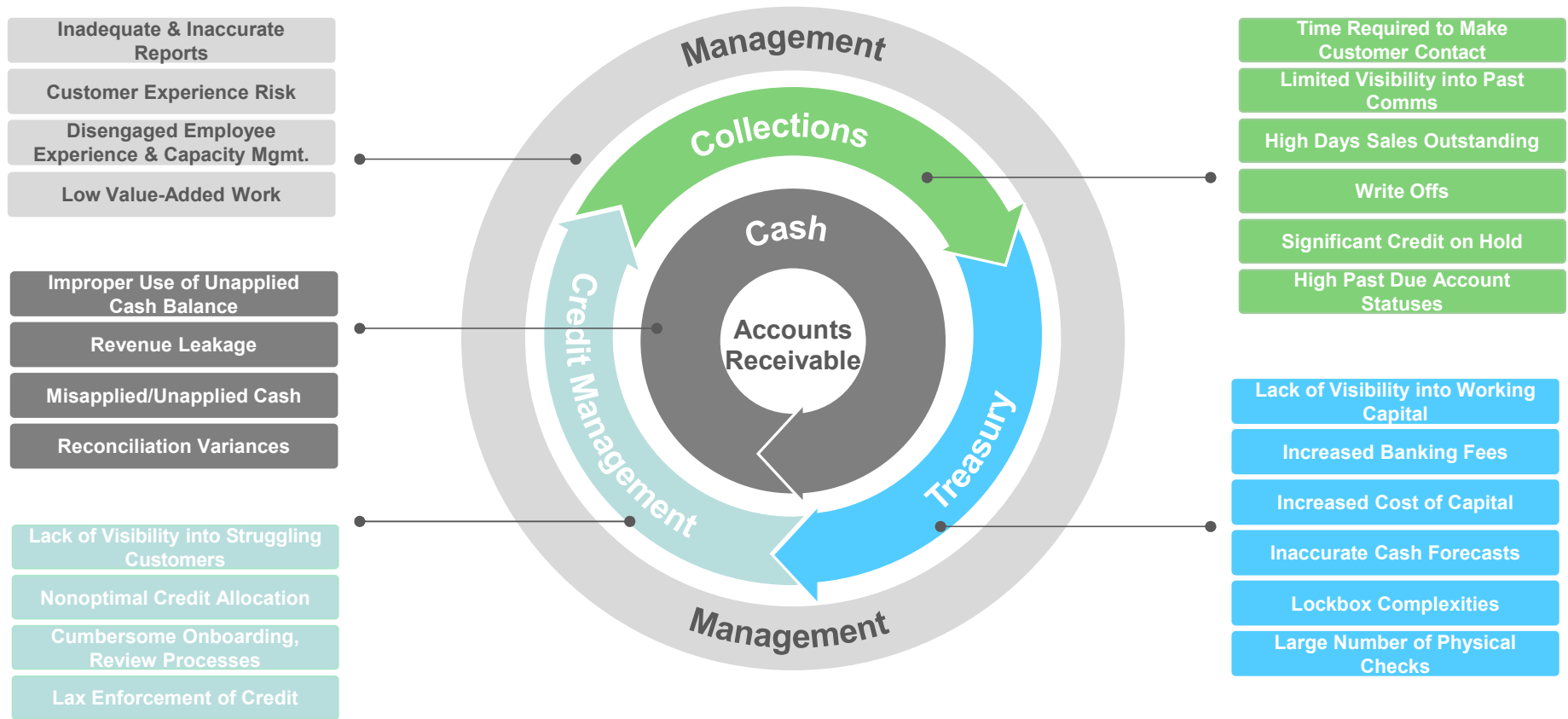


Rapidly Transforming:

Consumer preferences and demographics continue to be reshaped by dramatic market shifts and rapid advancement of digital technologies. Agile and fit-for-purpose order-to-cash (O2C) solutions streamline the cash conversion cycle and improve overall customer experience to optimize cash flow and working capital through faster revenue realization.



Common AR Pain Points



Slide 5

LM28 [@Finrow, Ellie]
Langley, Madison, 5/12/2023

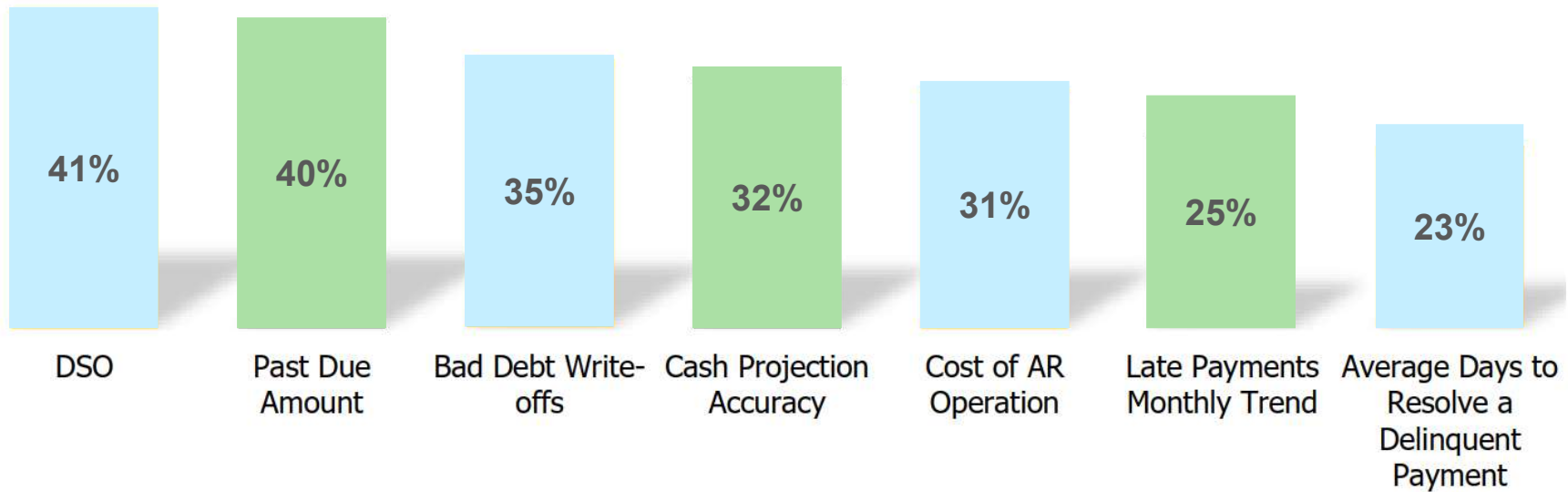
FE61 Ready for review
Finrow, Ellie, 5/16/2023

How are Finance Leaders measuring Success?



At the end of the day, the goal is to collect as much money as possible and avoid revenue leakage while being as efficient as possible

Figure 2 -Top 7 AR Success Metrics Leveraged



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(1): AR in 2023: Expectations, Technology, Opportunity

Benefits & Outcomes



Revenue Leakage Reduction

Optimized processes ensure accurate application and recording of cash and mitigate revenue leakage to ensure revenue accuracy.



40%

Reduction in expected Revenue Leakage⁽¹⁾



Operational Improvements

Cohesive strategy and processes increase operational efficiency with straight-line, measurable impact to financial results



20%

Team capacity reallocated from remittance collection⁽²⁾

\$96.0K

Overall cost to perform Accounts Receivable⁽³⁾ process (assuming \$100M in revenue)⁽⁴⁾



Working Capital Optimization

Streamlining billing and A/R to optimize an organization's cash flow and working capital impacts upstream operations and overall business strategy



25%

Current assets trapped as accounts receivable⁽⁵⁾

\$1.5 Trillion

Cash trapped on Balance Sheet⁽⁶⁾



Technology Enablement

Both agile and fit-for-purpose Lead-to-Cash solutions enable accurate cash application and streamline collections management



84%

Automated Cash Application⁽⁷⁾

(1): The AR Sweet Spot to Cap Revenue Leakage at the CFOs Office

(2): BlackLine: BTB AR Automation in Action: Everything a Controller Needs to Know

(3): Accounts Receivable defined as including: AR Collections, Adjustments & Deductions

(4): APQC: Accounts Receivable and Collections Key Benchmarks

(5): BlackLine: Cash Application

(6): BlackLine: Cash Application: Managing one of the Largest Assets on the Balance Sheet sales enablement

(7): BlackLine: BTB AR Automation in Action: Everything a Controller Needs to Know



Who is BlackLine?

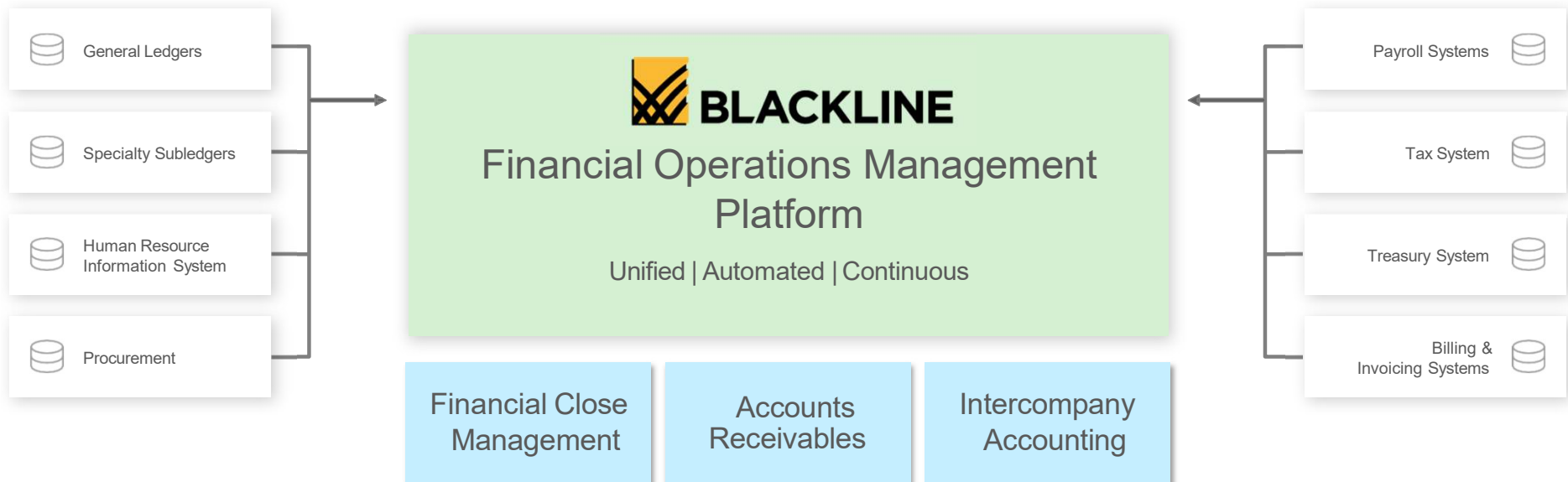


 3,200+ Customers in 130+ countries	\$BL Built for Sustainability \$50M in R&D YoY	 Gartner Leader 4 Years Running Customers' Choice 2020 Gartner Peer Insights 2.67x Average ROI Nucleus Research	 75+ Strategic Partners
 280,000+ Users	FORTUNE 500 37% Fortune 500	FORTUNE 50 60% Fortune 50	 Los Angeles Sydney Tokyo New York Vancouver Johannesburg Melbourne London Singapore Frankfurt Paris Ede Hong Kong Pleasanton

BlackLine Financial Operations Management



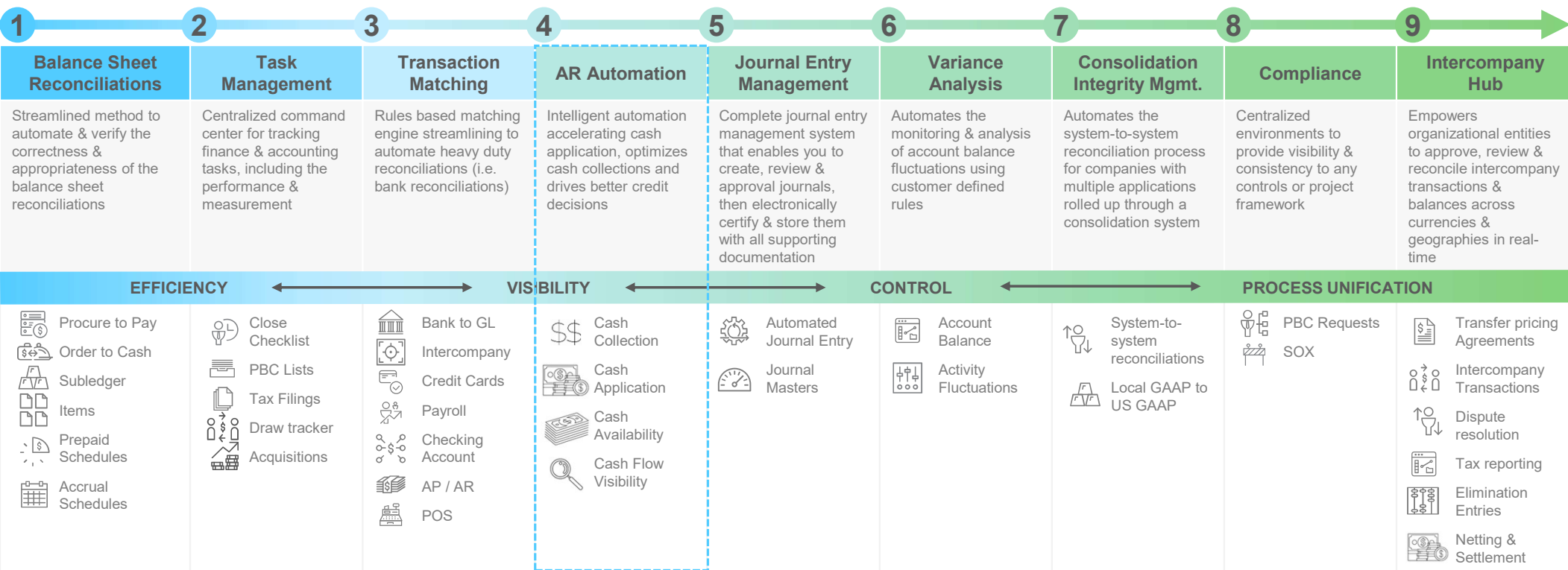
Financial Close Management | AR Automation | Intercompany Accounting



BlackLine Journey

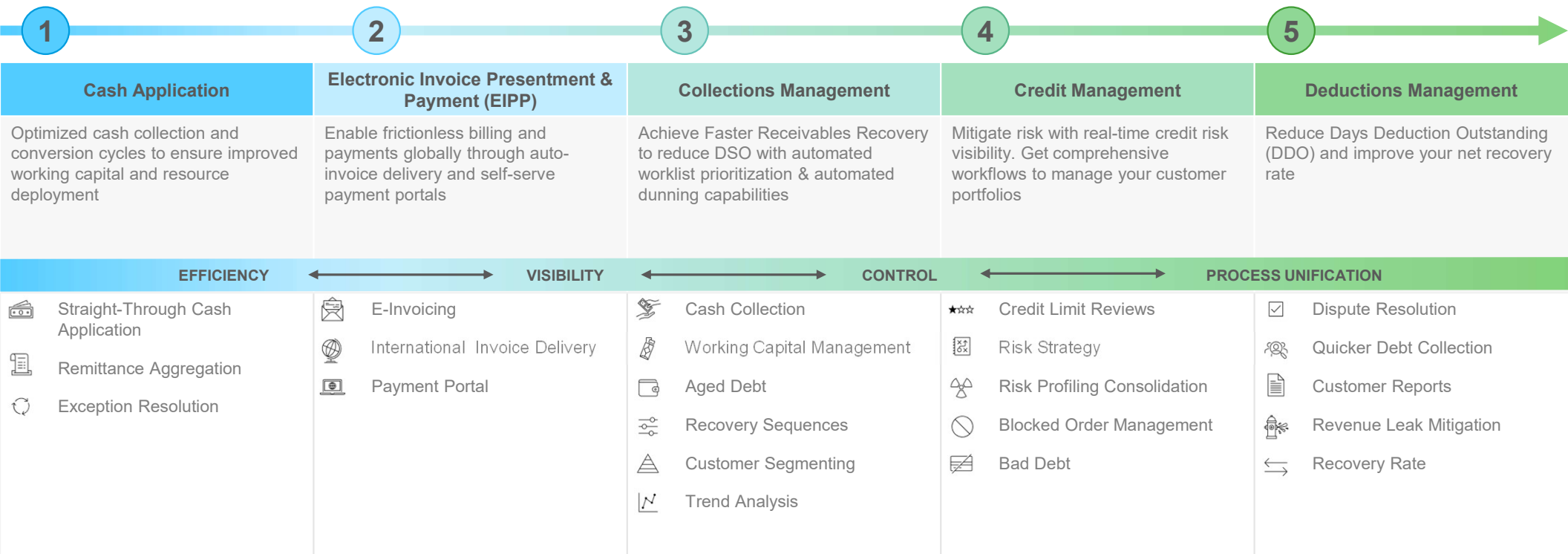


Expanding your use and **maximizing the value of BlackLine** is a journey accelerated by an initial **leading practice implementation** and **exceptional user adoption** on which you can **build for years to come**.



AR Automation Journey

Expanding your use and **maximizing the value of BlackLine's AR Automation** is a journey accelerated by an initial **leading practice implementation** of **Cash Application** and **exceptional user adoption** on which you can **build for years to come.**



FE8 Definition of AR automation & Key components of AR automation technology

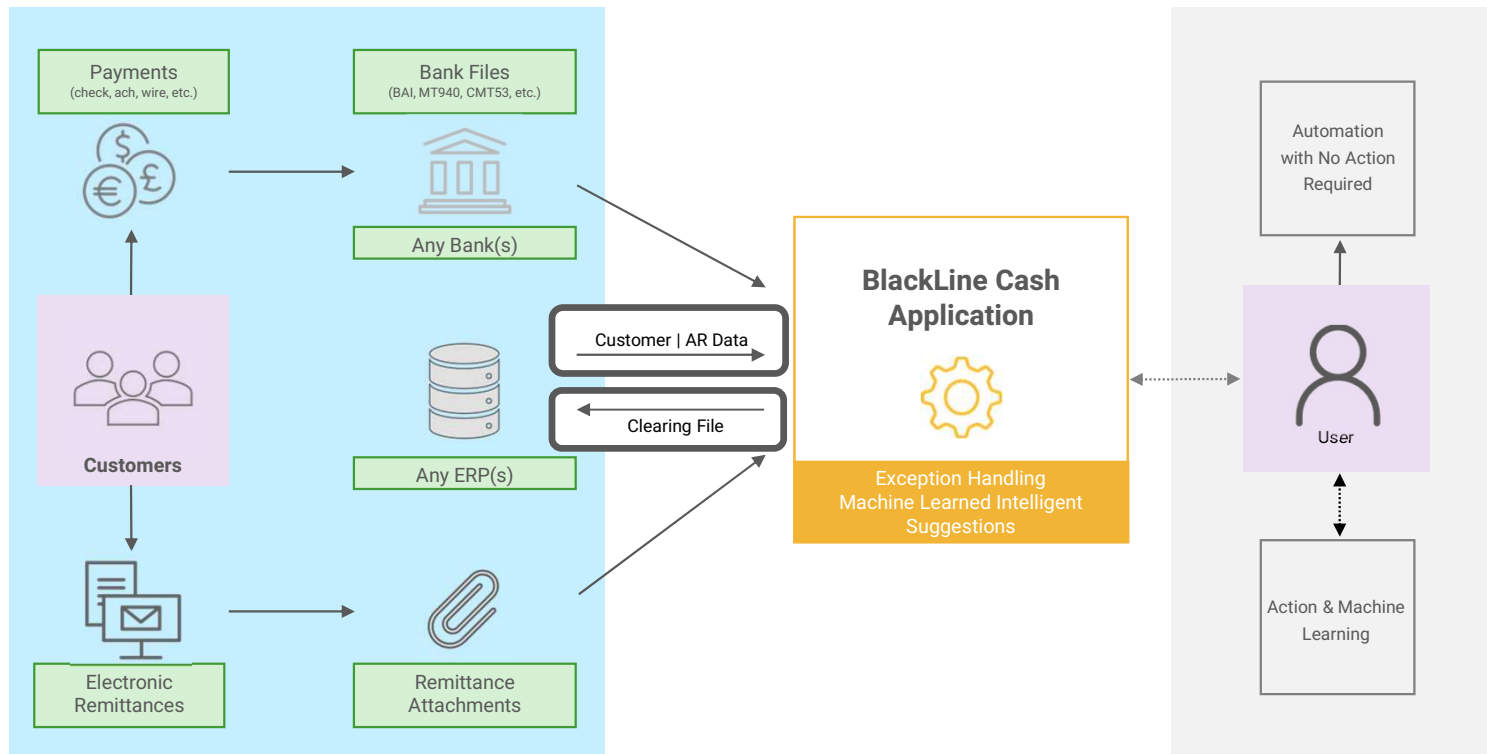
Different types of AR automation solutions

High Level Architecture of automation solution

BlackLine Introduction

Finrow, Ellie, 5/1/2023

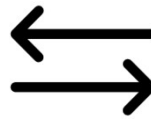
BlackLine Cash Application



Cash Application powered by Machine Learning

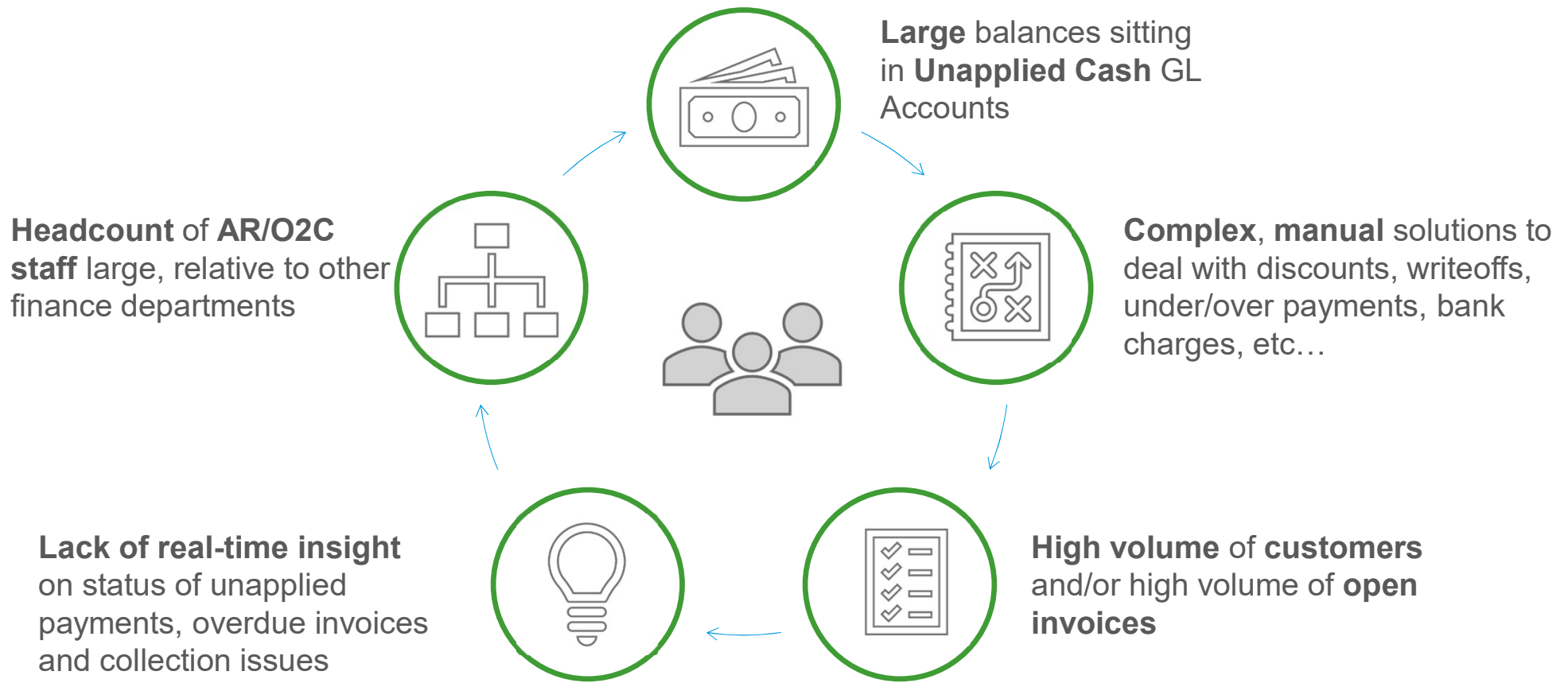


A/R Aging Detail			
Slippery Noodle Inn			
Customer: ABC123			
as of 2/5/2012			
Invoice #	Amount	0-15 days	15+ days
123	\$ 300.00		\$ 100.00
321	\$ 120.00		\$ 120.00
456	\$ 650.00		\$ 650.00
654	\$ 225.00		\$ 225.00
789	\$ 100.00	\$ 100.00	
987	\$ 475.00	\$ 475.00	



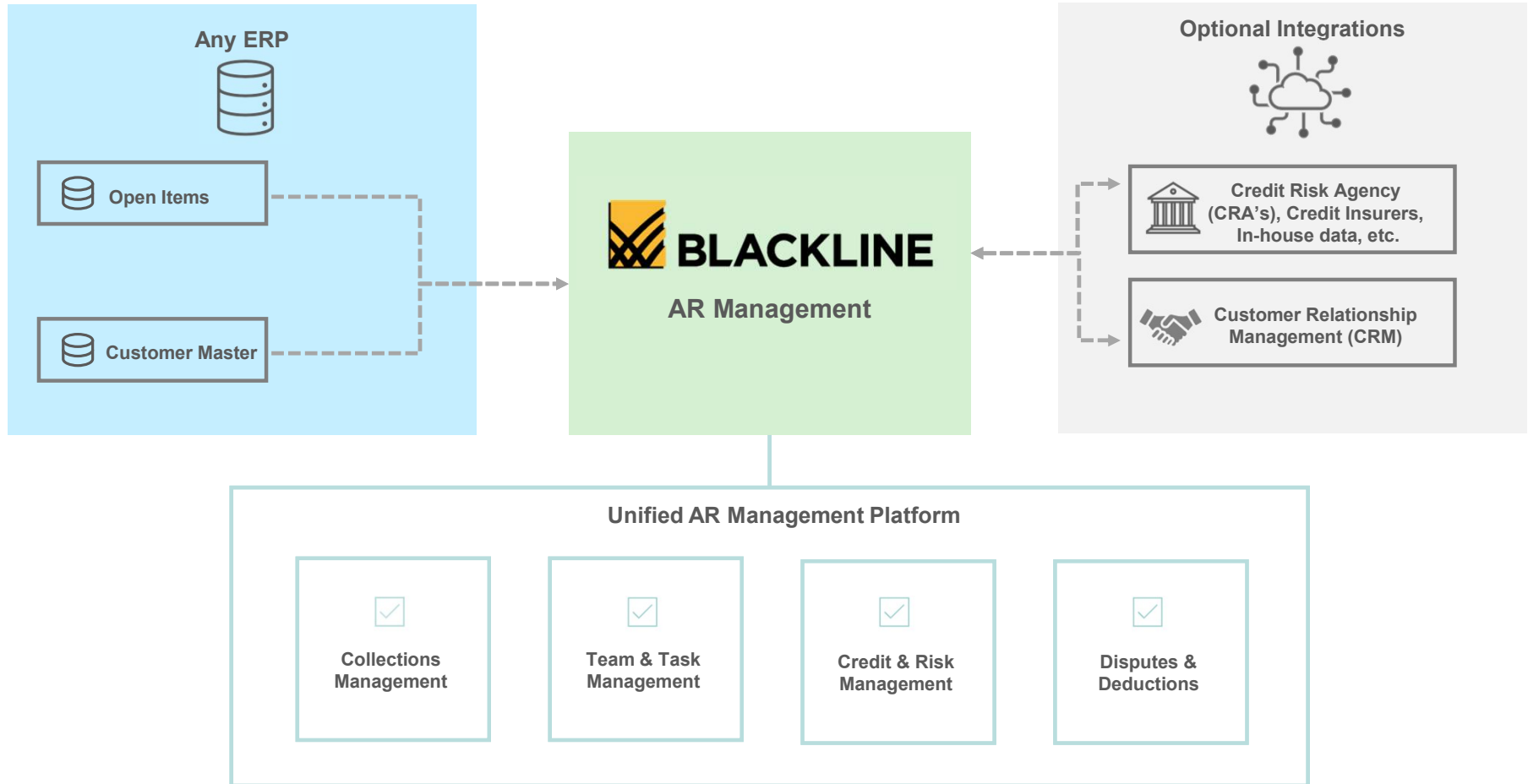
Number of Times Payments Received	Stage of Automation
1	Manual/Semi-Automated
2	Semi-Automated
3	Semi-Automated
4	Fully Automated
5	Fully Automated
6	Fully Automated

Clues you might need a Cash Application tool...

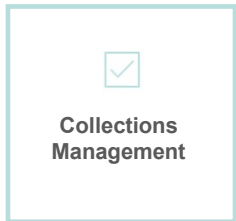


BlackLine AR Management Solution

High-Level Process / Data Flow



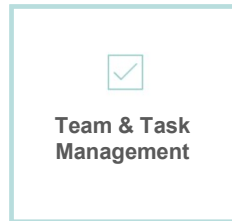
AR Management Overview



Collections Management

Understand what collection strategies work across the customer base. With Collections Management, automated escalating recovery sequences reach customers over their preferred contact methods. This allows your people to focus on customer relationship building and actions that impact business outcomes.

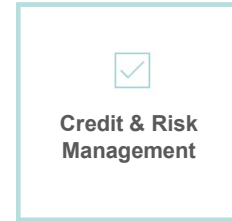
- Define **customer segmentation** based on **any data element** including risk data, if available
- Measure **collection strategy success** and see what is **working best** for different groups of customers
- **Increase capacity** by 35% as **automation releases time** for actions that drive results



Team & Task Management

Monitor critical actions against the volume of work and allocate resources to prioritize managing risk and collecting cash. Automation creates more time for people to do what machines can't do: build customer relationships

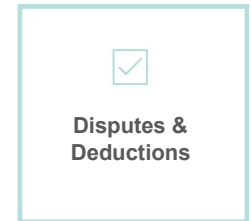
- **Optimize performance** by prioritizing tasks and bringing **focus and clarity** to what matters most
- **Monitor and analyze** user performance, ensuring **key actions** are performed in a timely manner
- **Reassign tasks** based on workload or absence **easily and quickly** without changing account ownership



Credit & Risk Management

Create and operate risk polices with dynamic reporting and alerts that highlight debtors at risk and ensure real-time risk profiling. Provide real-time analysis with greater insight to stay up on trends in customer behaviors.

- Use data from **numerous sources** such as **CRA, credit insurers**, and payment performance data in **real time**
- Utilize **risk policies** and **strategies** that monitor change in attributes and **automate credit limit reviews**
- Enable **rapid time to value** with **predefined risk policies** along with the **flexibility** to create new policies when required



Disputes & Deductions

Automated workflows and operational reporting help accelerate dispute resolution and maintain healthy customer relationships. Your team has full control and visibility into disputes and how they impact KPIs, such as DSO and aged debt provisions.

- **Log, monitor, and analyze** invoice disputes with **automated workflows** to prompt **speedy resolution**
- Feed **dispute information** into the CRM platform to maintain existing dispute management workflow and therefore **minimize disruption**
- **Process deductions** at the point of applying payments with **automated journals** posted back to the GL

AR Intelligence: Turn Data into Wisdom



Payment to Terms



Payment Forecasting



Bank Utilization



DSO Reporting



Sales Ledger Analysis



Business Partner



Customer Behavior

Change Management



RSM utilizes the following **Change Management** approach designed specifically for BlackLine projects. By following the four guiding principles below, users will have the confidence and support they need to **fully embrace the process and leverage BlackLine’s technology**.



1) LEAD

- Establish the correct “tone at the top” & lean on leadership to support the project
- Identify Champions with defined roles & responsibilities
- Align change with the organization's culture



2) COLLABORATE

- Work with Preparers & system support to drive a holistic understanding of each process & supporting technologies
- Establish a feedback loop to answer questions, reduce risks & increase buy-in to change



3) ENABLE

- Customize training plan based on capabilities & needs
- Utilize real world examples to drive understanding of & excitement around system functionality & benefits of adoption



4) EMPOWER

- Develop a support structure to ensure users have an outlet for questions & concerns
- Enable Subject Matter Experts at client to facilitate ongoing support & lack of reliance on external vendors



AR Automation Success Story



Background

Client is a nationwide fuel delivery provider. RSM was engaged to assess accounts receivable and cash application processes and implement a technology solution to bring better efficiency and accuracy to their AR process. RSM implemented BlackLine Cash Application tool and developed processes to bring efficiency in their Order-to-Cash (“O2C”) function.



Resources

RSM Resources:

- 1 Implementation Consultant

Client Resources:

- 10+ stakeholders including cash appliers, collections, Accounting, and executives



Scope & Timeline

- Timeline: 4 months
- Conduct process discovery sessions with key stakeholders
- Analyze current state cash application processes, identify areas for improvement and align with BlackLine solution and overall O2C best practices
- Implement BlackLine Cash Application tool, configuring to most optimally work with the client’s business requirements and align with best practices
- Create processes that are as automated and user friendly as possible to minimize change resistance and complexity of solution



Goals

- Automate banking feeds and remittance gathering to redirect team efforts to more value-added activities such as dispute resolution and clearing backlog of unapplied payments.
- Create processes that were as automated and user friendly as possible to minimize change resistance and complexity of solution



Lessons Learned

- Automation was achieved through a fully integrated technology stack leveraging best in class and fit for purpose solutions to enhance outdated ERP functionality
- Merger and acquisition activity is easily incorporated into tool to allow for quick, scalable growth in usage of the tool.



Results Achieved

50%+ Reduction in Time Spent on Cash Application

Successful roll-out provided almost **immediate trust** and **reduced resistance** to changes.

Re-deployed freed-up resources to other areas in business that needed attention.

90%+ Touch-free application

Why RSM?



BlackLine Excellence
Our team has more than **100 years of experience** and has delivered **500+ successful BlackLine projects** collectively.



Dedicated Team

30+ certified and **dedicated** BlackLine implementation experts



Nimbleness

Constant flexibility to adapt quickly to ever changing environments and business needs



Deliberate Approach

Our methodology and toolkit are **thoughtfully developed** to create **project efficiency** and **long-term customer success** for point solution implementations



Client Experience

Unwavering **commitment to customer service** and readiness to provide a **high-touch service** to solve challenges and meet business needs



Transformation Partner

Broad firm, industry, and team capabilities provides **leading practices and solutions** across the office of the CFO

Slide 20

WJ2 [@Finrow, Ellie] [@Langley, Madison] Can we throw in the AR automation badge on this one to replace the Alliance Partner
Wolf, John, 5/18/2023

FE77 done
Finrow, Ellie, 5/18/2023



QUESTIONS AND ANSWERS



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