

When
Good-enough
isn't
Good enough.

ERP Versus numberz AR

Are you settling for less?

nu,mb,erz

ERP - A Jack Of Many Trades

ERPs have been around for decades. They are a category of business management software that an organization uses, to collect, store, manage and interpret data from many business activities. They are quite broad in functionality and, having been created to manage the many internal processes in an organization, their prime focus has always been to maintain and balance books.

But this often leaves the ERP software – a jack of all trades. That’s because over the years, the solutions themselves have expanded greatly in their scope, going way beyond the traditional functions of finance, accounting, human resources and corporate governance.

ERPs are also built around the assumption that there’s dedicated personnel available to push all data into the system while all external factors are dealt with, manually. How optimal is that, really?

What Your ERP Isn't Giving You

If that hasn't managed to get your attention yet, here's more.

In the absence of a customized collections platform, there are things your ERP isn't giving you, leaving your collections process in a far from idea state. Here are a few of the.

Visibility to Internal Stakeholders

The key ingredient to a successful collections operation is the visibility of all the relevant details – that make decision making possible. The needs of this visibility is different across various stakeholders : management and the operational finance teams and even sales teams. **And ERP is suited to cater to these needs – only to some extent. Afterwards it needs the IT departments to create periodic 'dumps' for the finance teams to start wading through** – with their own set of excels and pivot tables. These manual and inefficient process interventions leads to a lot of delays and productive time being wasted only in facilitating that visibility – modifications, ad-hoc needs and decision making, still being far away!

The most basic of collection functions such as dunning

Since an ERP's primary focus is managing overall internal business processes, it doesn't cover any functional aspects of collections deeply, such as - working with partners, managing customer and stakeholder interactions around payments. **Even dunning, a primary collections task, is something that an ERP isn't built to handle optimally – unless you invest heavily in customizing it to your needs or to buy another module altogether.** In the absence of any such investment, dunning – even with an ERP - is mostly manual and inefficient.

A Dynamic Approach to Business

Key activities such field-sales and marketing are facilitated only by some native extensions to an ERP that are usually vendor-recommended. Furthermore, if a business wants to deploy an extension, they need to bear heavy expenses of customization, and comply with the restrictions imposed by the system. **This approach becomes the first casualty of vendor lock-in, mandating the business to follow what the ERP vendor has to offer, impacting the dynamism and creativity of the business' day-to-day functioning, heavily. The result : even with the ERP, you having to manage your own processes, especially in Collections, manually with many many excel sheets.**

Visibility to External Partners

Ideally, a business needs a centralized cloud-based collections management platform, which can be accessed by employees & customers on mobiles and desktops alike.

An ERP controls how data is exposed to external functionaries, and used by internal ones and, in the context of managing your unpaid invoices and collections, extending visibility to external partners & customers is not considered as a part of the package. If required, it needs specialized implementation,

licensing agreements & integration processes. To efficiently manage collections & serve the needs of the end users (such as a sales representative who interacts with the customer) ERPs need external resources. And currently all these interactions and data are managed over emails and spreadsheets. **ERPs cannot provide visibility of workflow amongst teams or support any kind of interaction between team members or clients creating huge bottlenecks in the collections process,** especially when there are disagreements and disputes.

Factoring in Risk in the Collections Strategy

Not all clients are the same – and there is a varying degree of behavior and risk of default associated with each of them. This risk usually manifests in the credit policies (amount, period etc). But this risk can actually be used for other interactions too. The focus of an ERP, by design, is on internal business processes. And it doesn't cover any external exchanges and interactions (including disputes and issues) made for collections or have any checks in place to see if these interactions have been made with the right customers, at the right time or in the right manner, leading to far from optimal results. Also, **as ERP systems cannot record customer responses, any data collected, stays on spreadsheets until a transaction is made and this eliminates any scope of dynamism in the company's collection strategy.**

ERP Versus **numberz** AR: The Acid Test

The core KRAs of a collections department or a team are Automating various processes in collections value chain to improve productivity and mitigate risk, Providing adequate visibility to the stakeholders of AR/collections including deep insights in order to facilitate decision making and ultimately reducing the DSOs and the write-offs. Various initiatives by the Finance/AR organization are in service to the above.

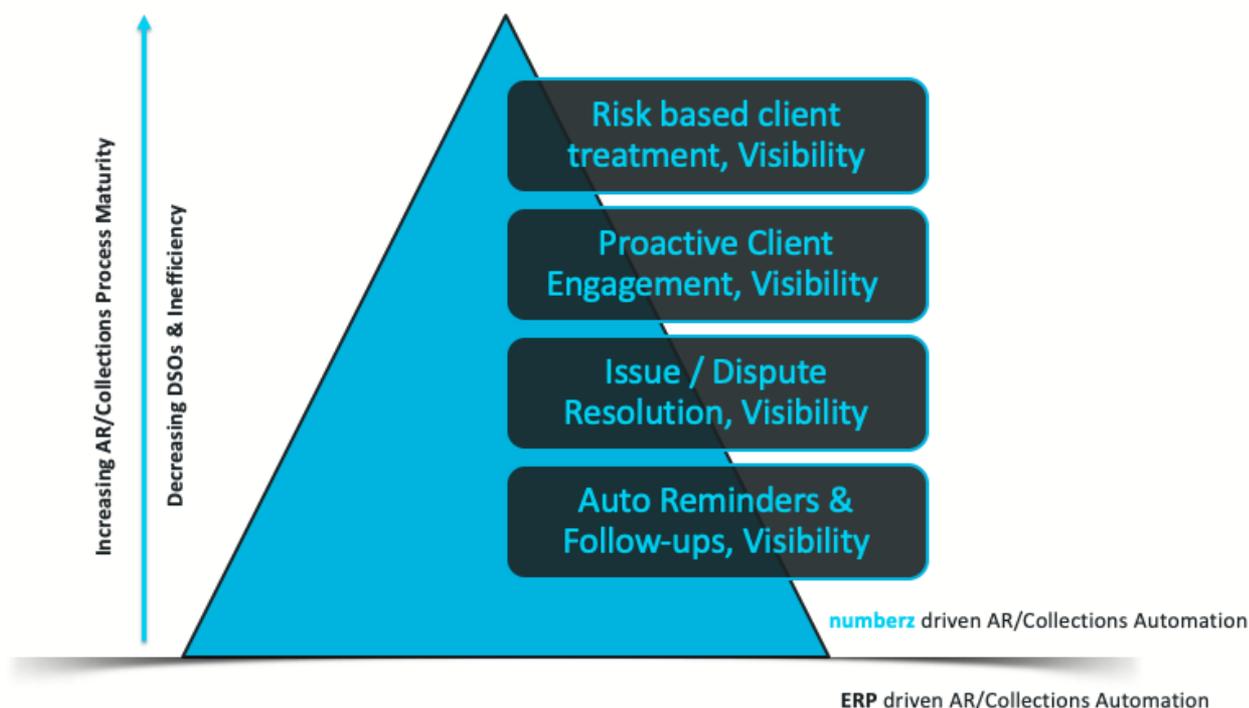
As an industry analyst from Paystream Advisors rightly puts it, **“ERP solutions have been woefully inadequate in terms of credit and collections functionality.”** Let’s understand why.

Features	ERP	numberz AR
Enhancing Visibility: Sharing books	<ul style="list-style-type: none"> Manages cash discounts, credit notes, debit notes, adjustments etc. with information sharing with customers on done using a printed document sent via courier or delivered in-person. 	<ul style="list-style-type: none"> Facilitates real-time presentment of invoice data (book), viewing of credit notes, cash discounts etc. and communication to all involved parties on Web and Mobile.
Improving Automation: Processing Payments	<ul style="list-style-type: none"> Just records the action of payment made at the recipient’s end. All related communication made using emails/spreadsheets, before a final number is pushed into the ERP. 	<ul style="list-style-type: none"> A unique ‘Pay Now’ option helps process payments in multiple ways such as - Payment Gateway, UPI etc. with an option to record ‘Promise-to-pay’, to build better projections for Finance & Strategy teams.
Improving Visibility & Productivity: e2e Collections Workflow	<ul style="list-style-type: none"> Only generic for workflow around collections. No out of the box support for activities such as communication between departments or with customers or deducing a resolution based on customer behavior. 	<ul style="list-style-type: none"> A CRM for collections that offers integrated workflow to manage communications at both customer & invoice level and captures details that are not part of the usual payments process, like promise-to-pay, disputes, data-issues etc. Allows leaders to track performances & take actions for improvement. Integrated with modes of communication such as IVR, email & SMS, to drive clarity. Maintains the entire activity trail towards the client actions – including disputes etc.
Improving Automation: Handling Cash Discounts	<ul style="list-style-type: none"> Cash Discounts managed using standard, industry-specific variants with information conveyed using emails and spreadsheets. 	<ul style="list-style-type: none"> Allows for configuration of rules-driven and dynamic cash discounts, offering every customer a unique experience. Allows the collection agents to

		communicate and share real-time discount details with clients on the client portal.
<p>Improving Automation and Enhancing Productivity:</p> <p>Auto Reminder Engine</p>	<ul style="list-style-type: none"> • Supports centrally managed reminder management that require permissions to make any changes. • Reminders sent cannot create or track post-communication activities in their workflow/CRM. • Reminders are usually standalone - and don't have any previous context. 	<ul style="list-style-type: none"> • Offers a flexible, easy to configure reminder engine supporting IVR, Email and SMS communication. • The highly visible reminders, are connected to an activity workflow, and get prioritized and escalated automatically. • Reminders can be orchestrated according to the client behavior.
<p>Improving Automation:</p> <p>Framing of business rules</p>	<ul style="list-style-type: none"> • All business rules and frameworks defined are around internal control over the process lifecycle and functioning. 	<ul style="list-style-type: none"> • Business rules are also influenced by client behavior – without 'one size fits all' policies. • Generates process-friendly rules that help implement policies around information visibility, credit and collections without relying on ERP.
<p>Enhancing Visibility:</p> <p>Dashboards and reports</p>	<ul style="list-style-type: none"> • Standard reports and SOPs to modify the reports according to the requirements. Mostly manual and time consuming. • While the native or an third party BI solution provides dashboards and reports, they are organization wide and generic – and hence not deep enough for Collections/AR. • Changes have to be driven through IT – that needs time and efforts. 	<ul style="list-style-type: none"> • As part pf the CRM for collections, provides valuable insights on internal and external points of the collections activity. The data thus generated can be analyzed to devise strategies to increase Working Capital • A dashboard with charts and graphs that serves requirements of internal stakeholders at all levels. • It also supports custom generation of reports, ad hoc reporting, multi-level views etc. • Continually evolving product capabilities – basis the best practices.
<p>Improving Productivity and Customer Experience:</p> <p>Dispute Management</p>	<ul style="list-style-type: none"> • Mostly handled via manual emails and portals/workflows that are custom developed. • Many of these details are manually fed back into the ERP workflow for further action. 	<ul style="list-style-type: none"> • An e2e issues and dispute management module that ensures that the entire issue identification process is visible, automated and is seamlessly handled – arresting delays. • Workflow includes triggering, escalating, monitoring and communicating issues – also providing information like cash under disputes etc.

All Things Considered, Why **numberz** AR?

With **numberz** AR, you can future-proof your collections processes to meet your working capital demands, while improving the overall customer experience dramatically.



What's more, the **numberz** AR helps you:

- Bring down operating costs
- Study customer behavior and
- Formulate better business strategies with clear money-in projections.

And if optimizing your invoice-to-cash efficiency is what you're after, you must consider leveraging the value of your ERP with an Accounts Receivable automation platform. Especially a platform that can integrate well with your ERP software.

The **numberz** AR platform integrates with all leading ERP systems like SAP, Microsoft Dynamics, Oracle, Sage and numerous others allowing you to extend the capabilities of your existing investment and get the most out of not just your ERP, but your Accounts Receivable process and your team.

Let's talk **numberz** then, shall we?

ABOUT US

Incorporated in 2015, **numberz** is a fintech firm that offers you an AI-driven AR solution can integrate seamlessly with your ERP system and can help you track invoices, drastically bring down market outstanding figures and equip you with insights and data-trends that will help you take informed financial decisions.

Backed by marquee investors like **Sequoia Capital, Kae Capital** and **Vinod Khosla**, Numberz boasts an association with 30+ large and medium corporates that are managing their collections on this platform.

With a presence in **India** and **US**, **numberz** brings in the expertise of a 40+ strong team based in Gurgaon and Bangalore, and is fast becoming a one-stop-shop for Corporates to Automate, Analyze and Accelerate all things AR!

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