

Trends in Accounts Receivable Process



Summary Results | May 2022

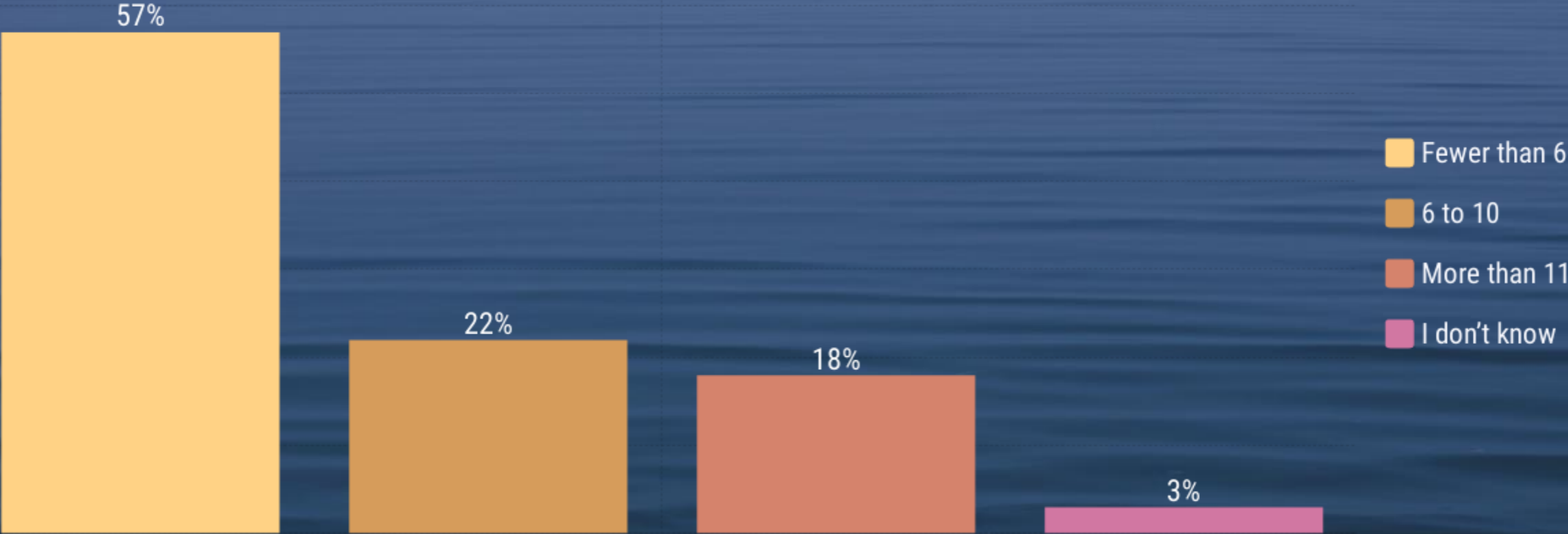
EXECUTIVE OVERVIEW

Collecting amounts due, assessing and granting credit, managing cash flow, and optimizing working capital are critical to the success of every company. What are companies doing to improve outcomes in these areas?

This survey asks respondents to report:

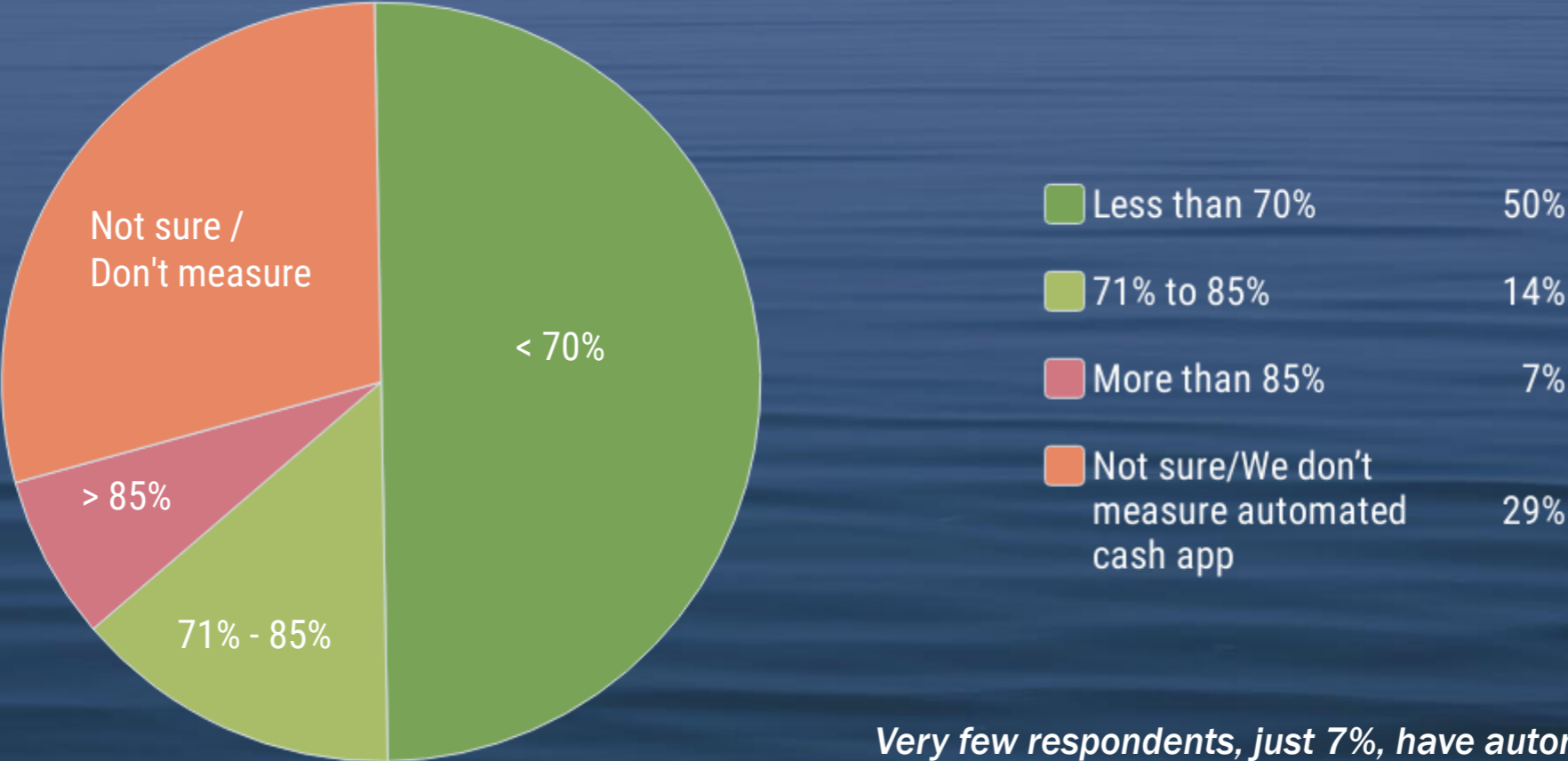
- What percentage of cash is applied automatically? How many people are on your A/R team?
- What customer data can your team access to manage delinquency and evaluate bad debt risk? Do you have sufficient reporting and data available to support rapid, informed decision-making?
- In which areas would you like to have more business intelligence available?

How many people are involved in A/R and credit management?



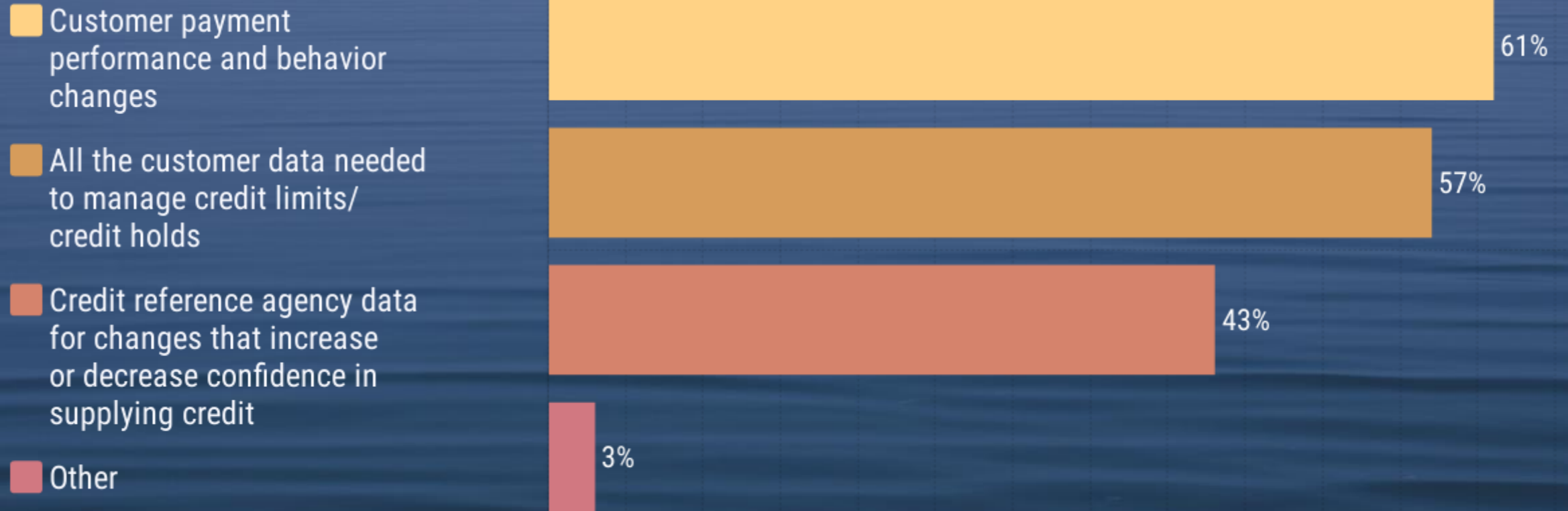
The majority of respondents report having a team of ten or fewer people to handle A/R and credit management.

What percentage of cash is applied automatically (no human intervention)?



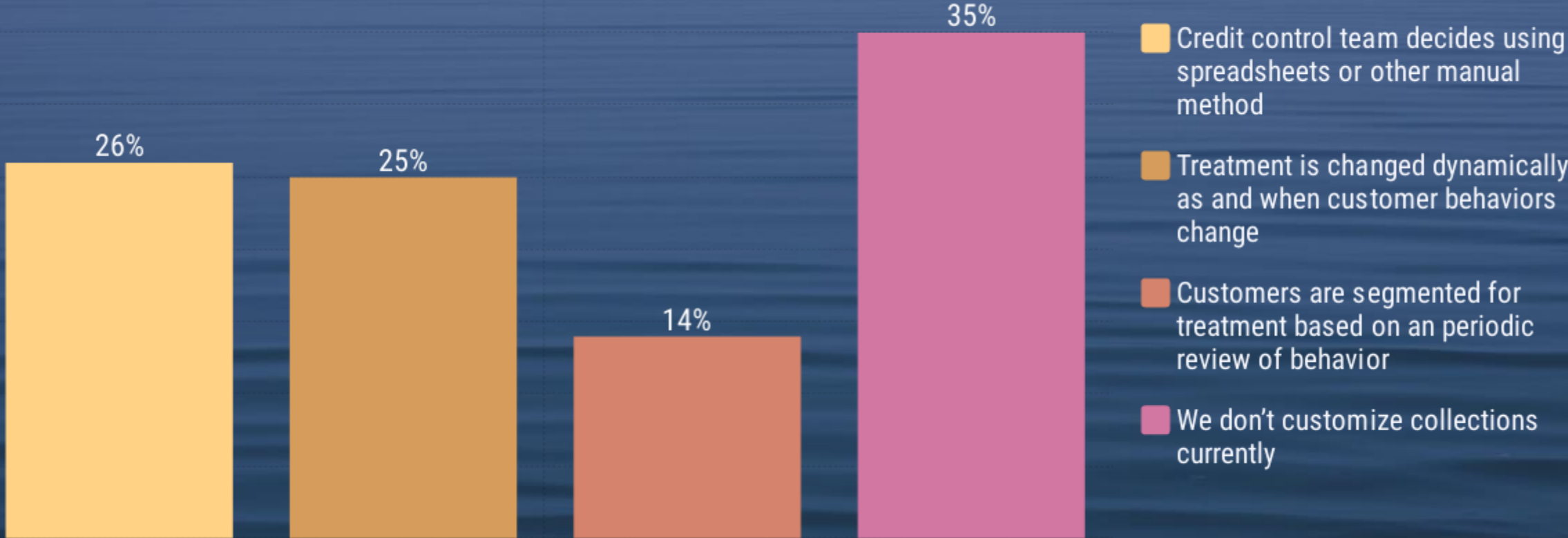
Very few respondents, just 7%, have automated cash application for the vast majority of their transactions, requiring intervention less than 15% of the time.

What customer information can your team access to manage delinquency and evaluate bad debt risk?



Having access to customer payment history and payment behavior changes assists 61% of respondents in managing delinquency and bad debt risk. 57% have access to data that helps them apply credit limits and holds. 43% rely on credit reference agency data.

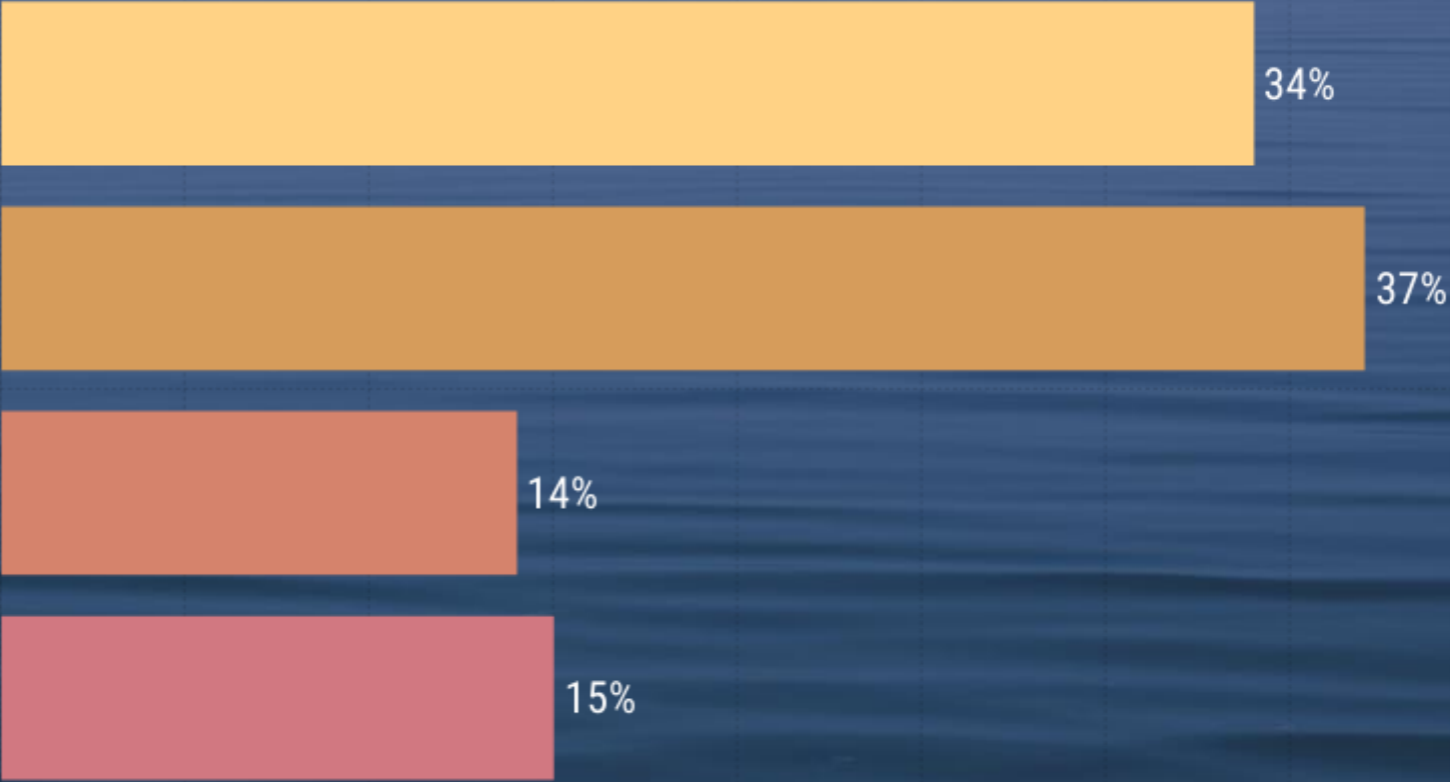
How does your team customize collections treatment by customer behavior?



Customizing collections is handled using spreadsheets (say 26% of respondents), or is changed when customers behavior changes (25%), or as a result of a periodic review (14%). More than a third don't customize treatment.

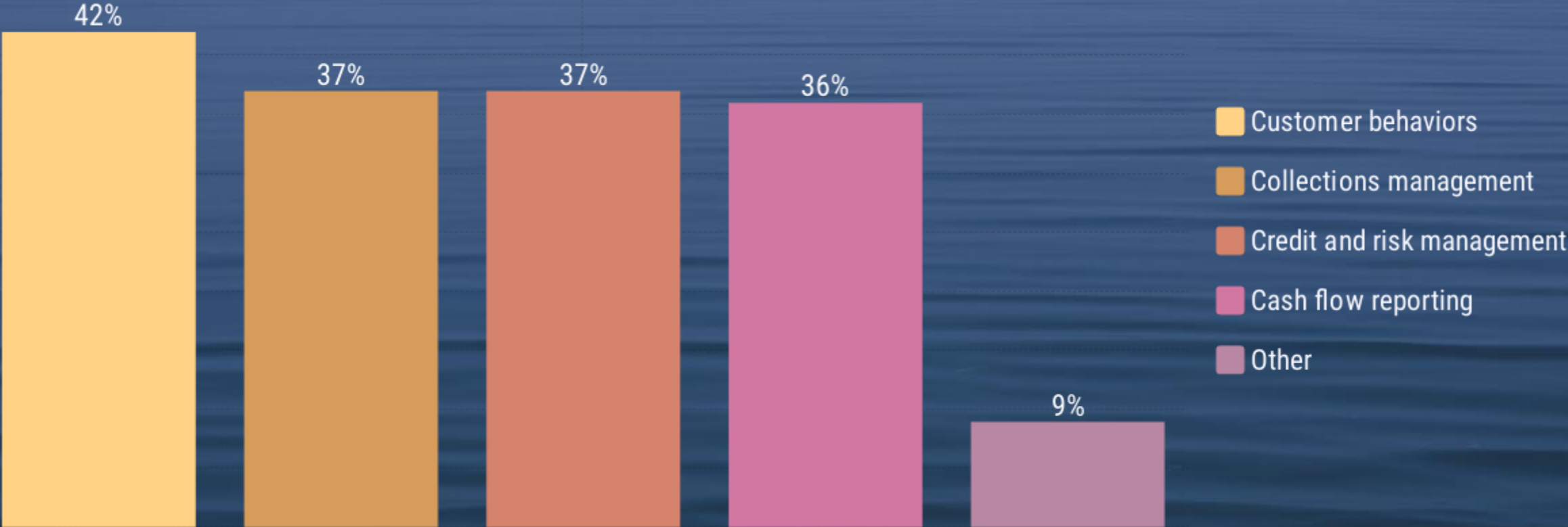
Do you have sufficient reporting and data available to support rapid, informed decision-making?

- Yes, we have a full suite of reports and dashboards to meet our requirements
- Yes, but quality or quantity needs some improvement
- We have the data but takes too much time to be useful
- Not at all



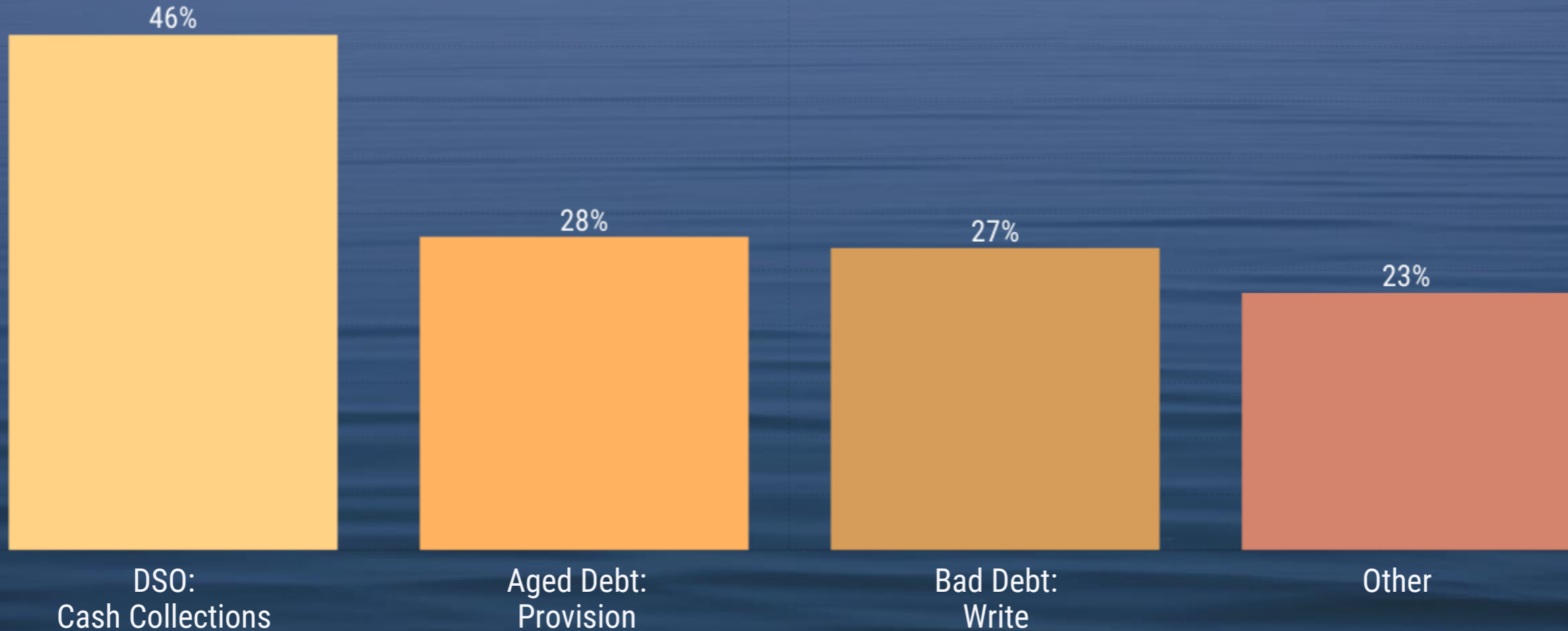
More than half (51%) of those surveyed report they have reporting and data for decision-making, but admit the information is lacking in one way or another, or takes too long to analyze and be useful. 15% admit they don't have nearly the data or reporting they need.

In which areas would you like to have more business intelligence available?



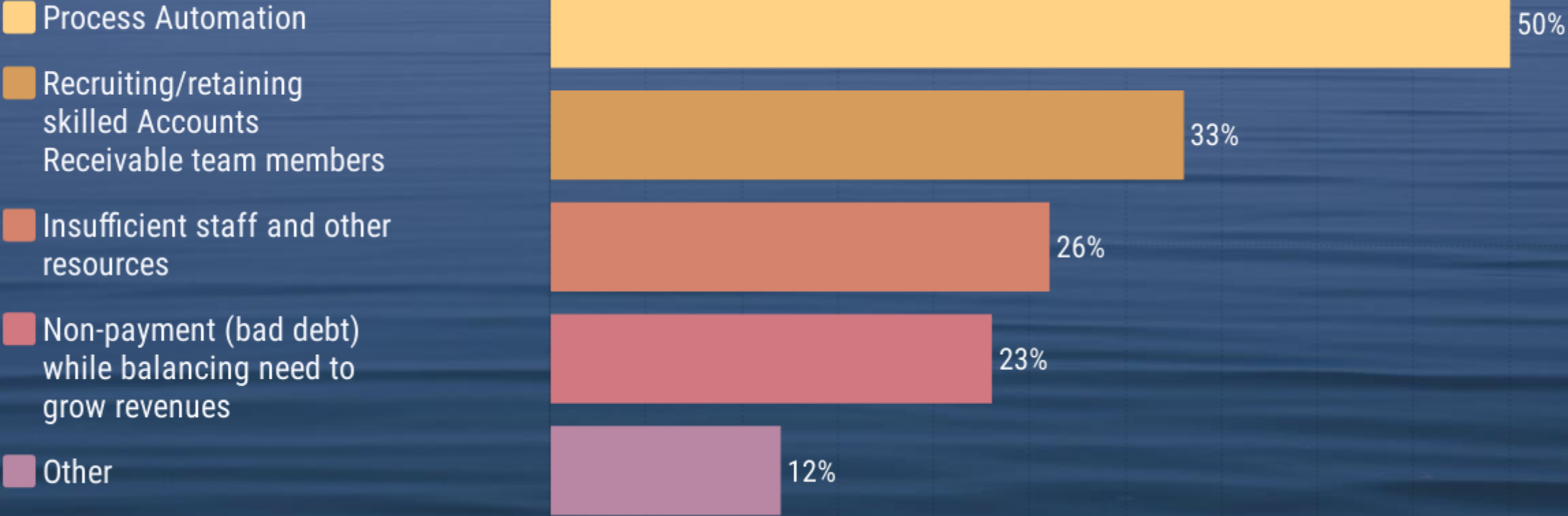
Customer behavior is such an important factor that 42% of respondents list it as a top area in which they'd like to improve business intelligence. In a near three-way tie for second place are these other areas lacking sufficient intelligence: Collections and credit/risk management (cited by 37% each), and cash flow reporting (36%).

Which of your metrics have been negatively impacted by the economic downturn?



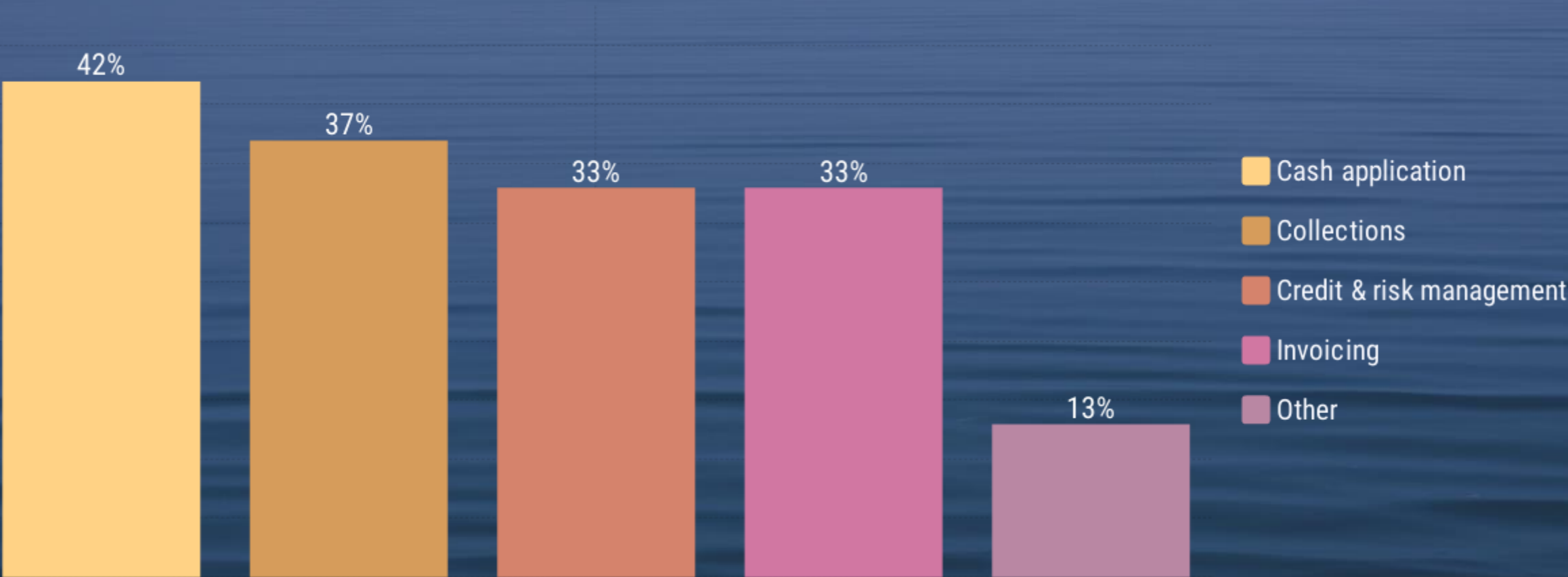
As the economy degraded, collections is the hardest hit metric by far, say respondents.

Which two areas need the most improvement for managing debtors and cash flow in 2022?



Automating their processes is the top priority for half of those surveyed, followed by a third who need to hire and keep top talent. Staff supplement and the balancing act of managing bad debt while growing revenue rounds out the list of top improvements needed this year.

In which area(s) do you need to add or improve automation to improve cash collections and related metrics?



With so many respondents that require manual intervention in a high percent of their cash app transactions, it is not surprising that this is the top-cited area in which automation is desired.



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