

# Improve your Order-to-Cash Process by Automating Receivables Management

Dr. Arif Esa, Director Treasury and Working Capital  
SAP SE

THE MOST TRUSTED INDEPENDENT  
INFORMATION SOURCE FOR SAP  
ENTERPRISE SOFTWARE CONTENT

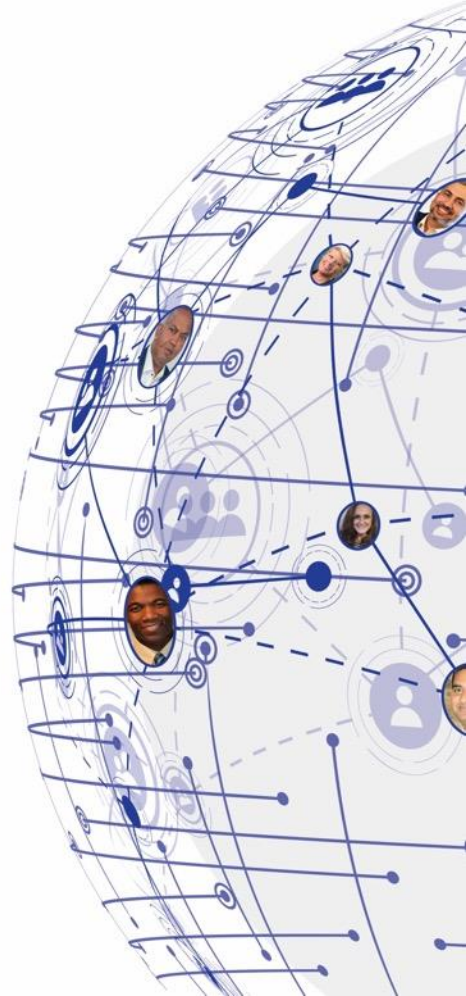
SAPINSIDER COMMUNITY  
600,000+ STRONG



## In This Session

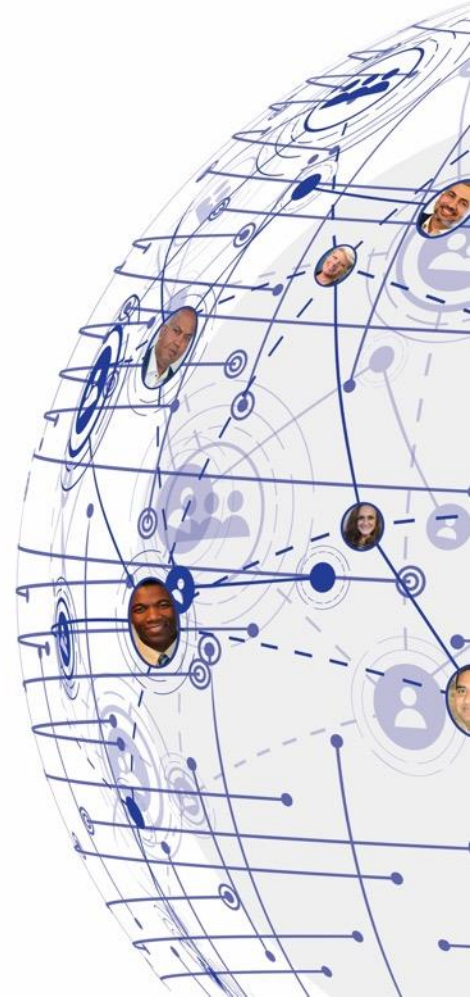
**SAP Order to Cash focuses on all aspects from initial contact with an unknown customer leading to order fulfillment and service delivery with revenue realization with prospects becoming lifetime customers, including payment, settlement, and cash management integration**

**This session provides a comprehensive overview on how corporates can transform their Order to Cash process by using smart tool and integrated system to drive automation and increase efficiency.**



# What We'll Cover

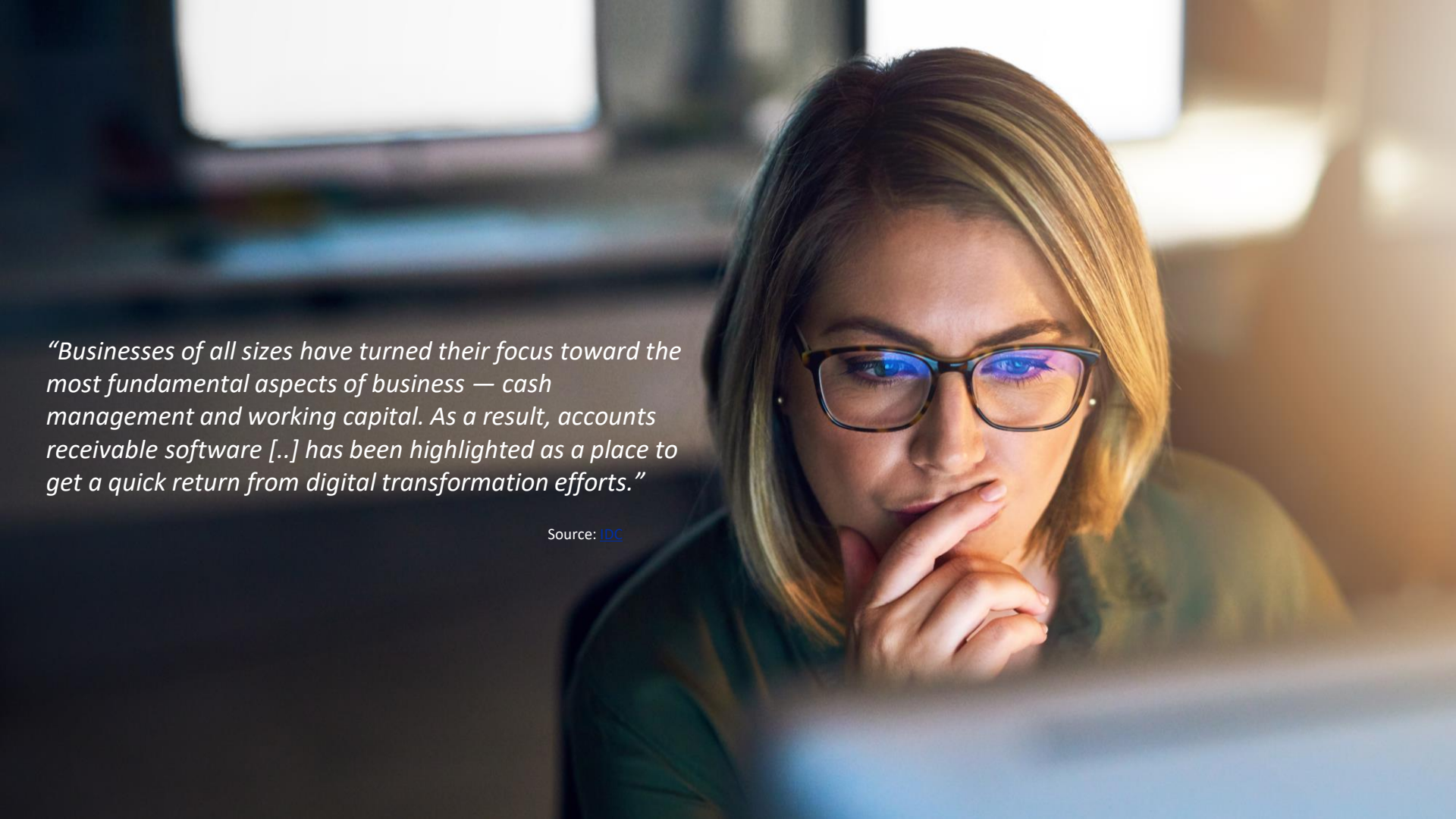
- Short Introduction
- SAP Order to Cash with SAP S/4HANA
- Key Capabilities
- Wrap-Up



# Short Introduction

Current Situation and challenges

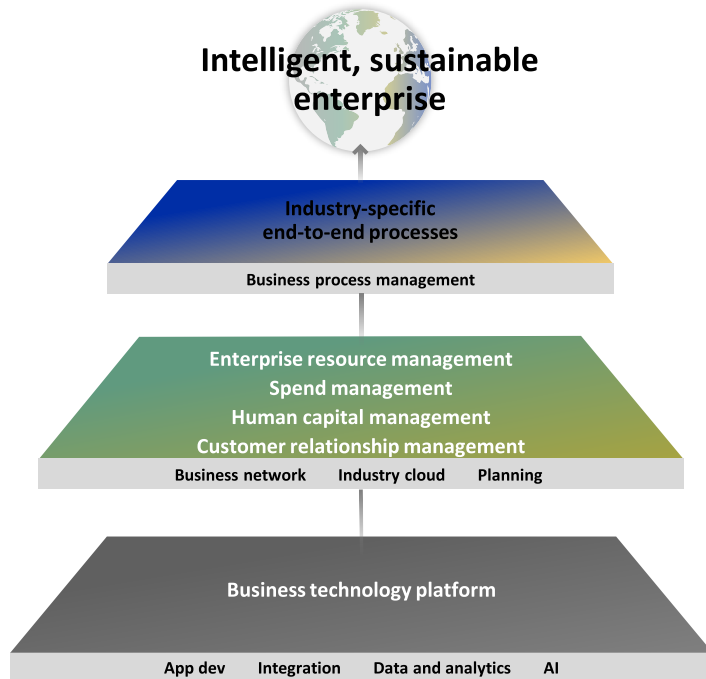




*“Businesses of all sizes have turned their focus toward the most fundamental aspects of business — cash management and working capital. As a result, accounts receivable software [..] has been highlighted as a place to get a quick return from digital transformation efforts.”*

Source: [IDC](#)

# SAP S/4HANA in the Intelligent Enterprise



**Enable every enterprise  
to become an intelligent,  
sustainable enterprise**

# SAP's Business Model

## Delivering a Platform for Continuous Finance Innovations



Powerful treasury and working capital suite embedded into S/4HANA from the ERP market leader



Comprehensive enterprise-wide cloud portfolio including hybrid scenarios



Award winning user experience and cloud innovation platform



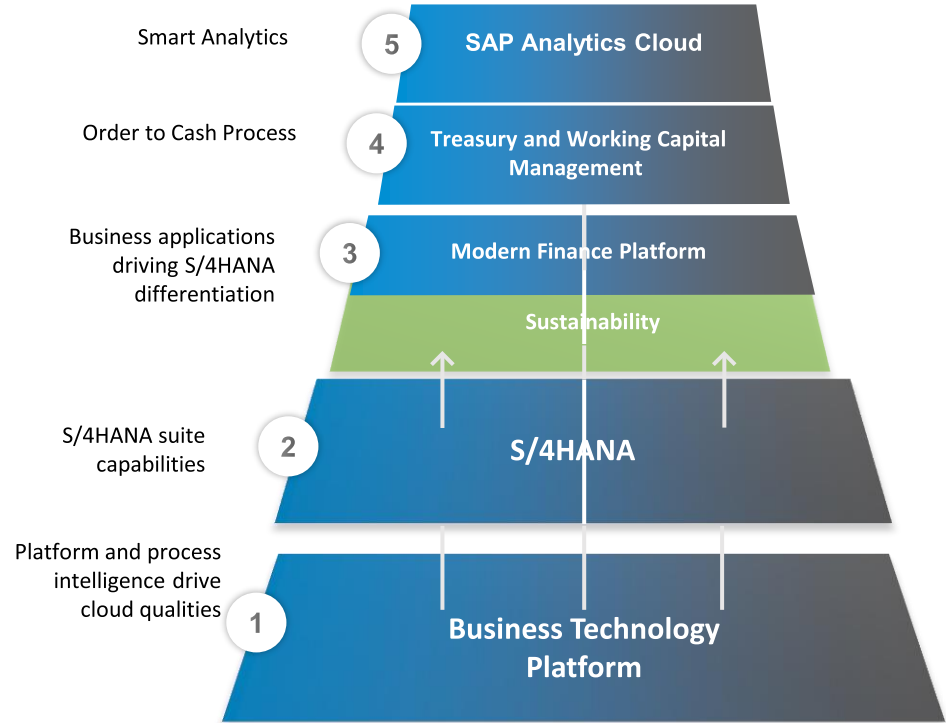
Comprehensive coverage for language and country-specific regulatory



Global service coverage from SAP, global partners, and expert ecosystem



Supporting clients to meet their sustainability goals and ESG related KPI's



# Invoice to Cash – The Future

From siloed systems to true digital end-2-end automation

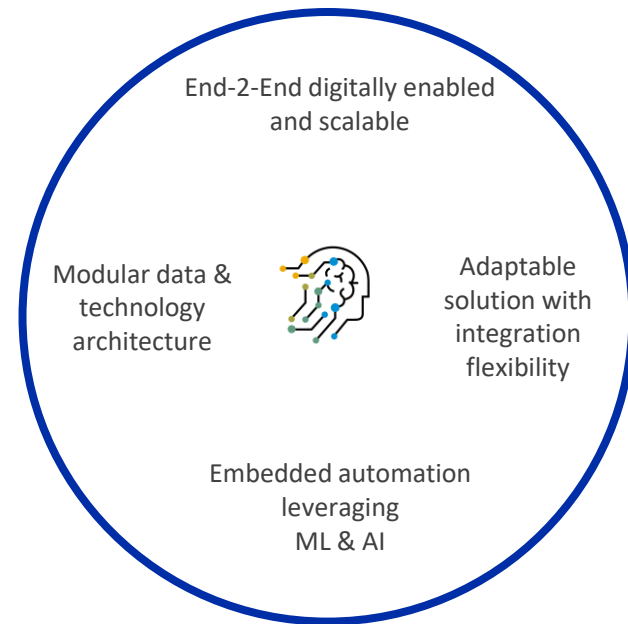


**O2C is a critical process** often left behind due to complexity – until inefficiencies are exposed in an volatile, uncertain and hypercompetitive world

**Siloed Systems and Data** owned by different functions in an organization

**Lack of automation** causes delays and errors in the process

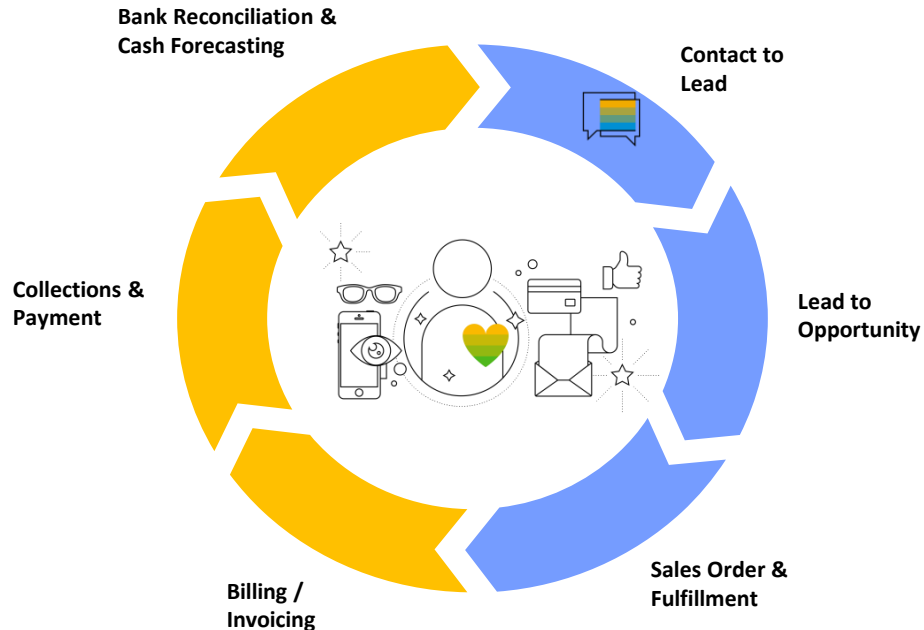
**Outdated information** and lack of interfaces cause manual and increase risks



# Invoice to Cash

## Overview

Order to Cash focuses on all aspects from initial contact with an unknown customer leading to order fulfillment and service delivery with revenue realization with prospects becoming lifetime customers.



## Business Benefits

- Drive and realize revenue for your organization by connecting demand chain and supply chain
- Gain insights into customer needs by combining operational data with experience data
- Improve your business process efficiency with inbuilt intelligent scenarios and out-of-the-box integration scenarios

# Typical Customer Challenges

How SAP Process Insights helps to cope with

Where are **inefficiencies** in our Invoice to Cash process (delays, long lead times, high cancellation/credit memo rates, low automation rates, manual reworks)?

Is the Invoice to Cash process **harmonized** across all our countries (where are our Customer best practices and where are the worst practices)?

How many **deliveries** shipped to customers have **not yet been billed**?

How many **sales orders** (e.g. services, third-party) are **not billed yet**?

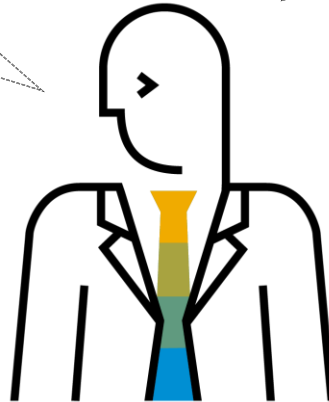
How many sales orders have a **billing or a credit block**?

What kind of information (missing fields) is missing on sales orders that are **preventing the timely creation** of the invoice?

How many **errors** and what kind of errors occur during our automatic billing due runs?

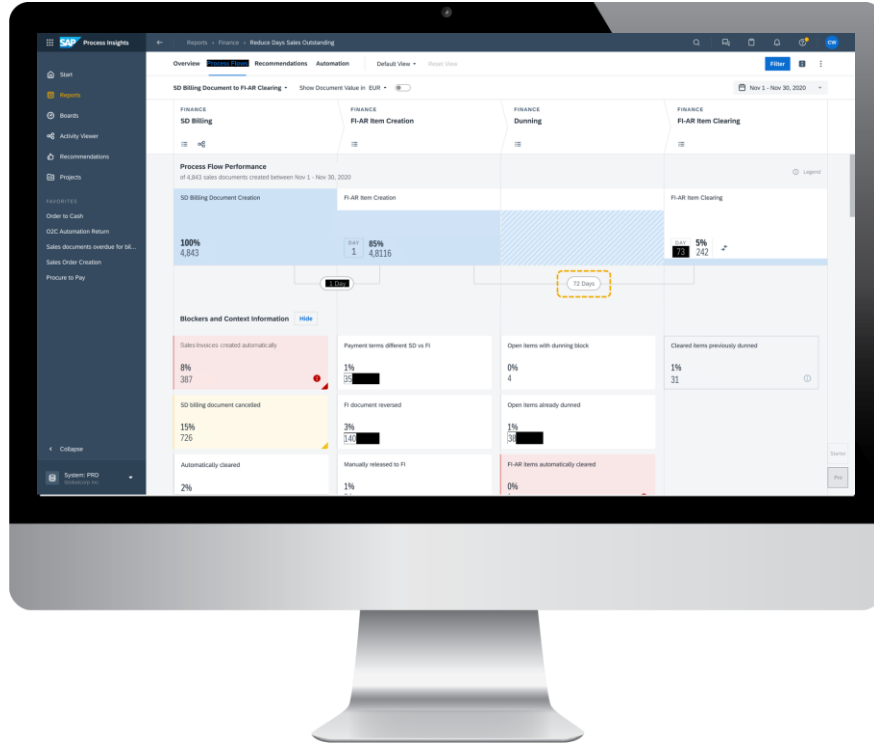
How many invoices were created **later than planned**?

Are the „**right**“ **payment terms** used?



# Identify Bottlenecks and Automation Potential

**Business Process Insights** is important for your company because it allows you to:



Make **data-driven decisions** which business areas to **prioritize** for improvement



Get insights fast: updates happen **daily**

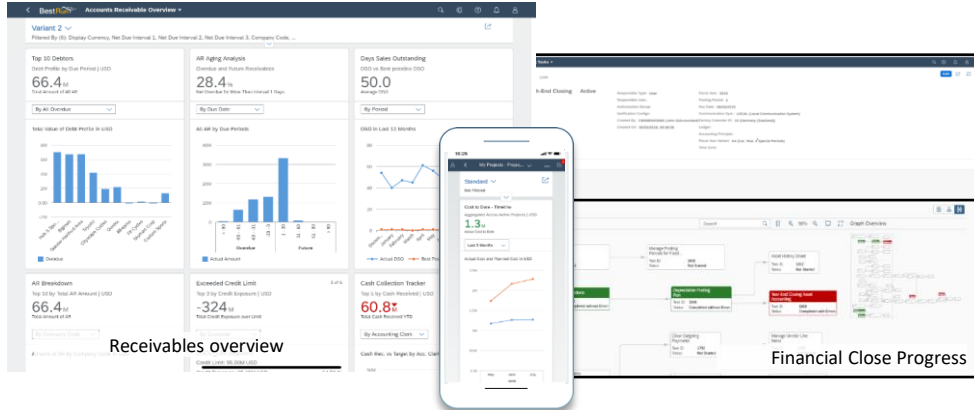


More to come: number of available process flows and typical inefficiencies will **double** by end of year 2022\*

# SAP S/4HANA Finance

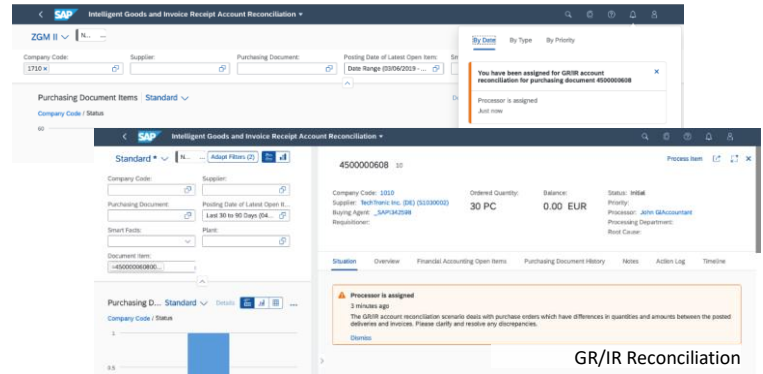
## User-centric Experience

User experience for the intelligent enterprise, enabling users to get their job done in an easy and delightful way.



Project margin

Deep integration of natural language interaction and machine intelligence.



GR/IR Reconciliation

- Role-based
- Adaptive  
Web, Native Mobile
- Simple

- Coherent
- Delightful

- Dynamic content  
to support intelligent apps, analytics, etc.
- Digital assistant  
with conversational UI fully integrated
- Proactive business situation handling  
explanations, insights, proposed actions

# Order to Cash with SAP S/4HANA

What is it for you



# Comprehensive SAP Portfolio to serve the office of CFO

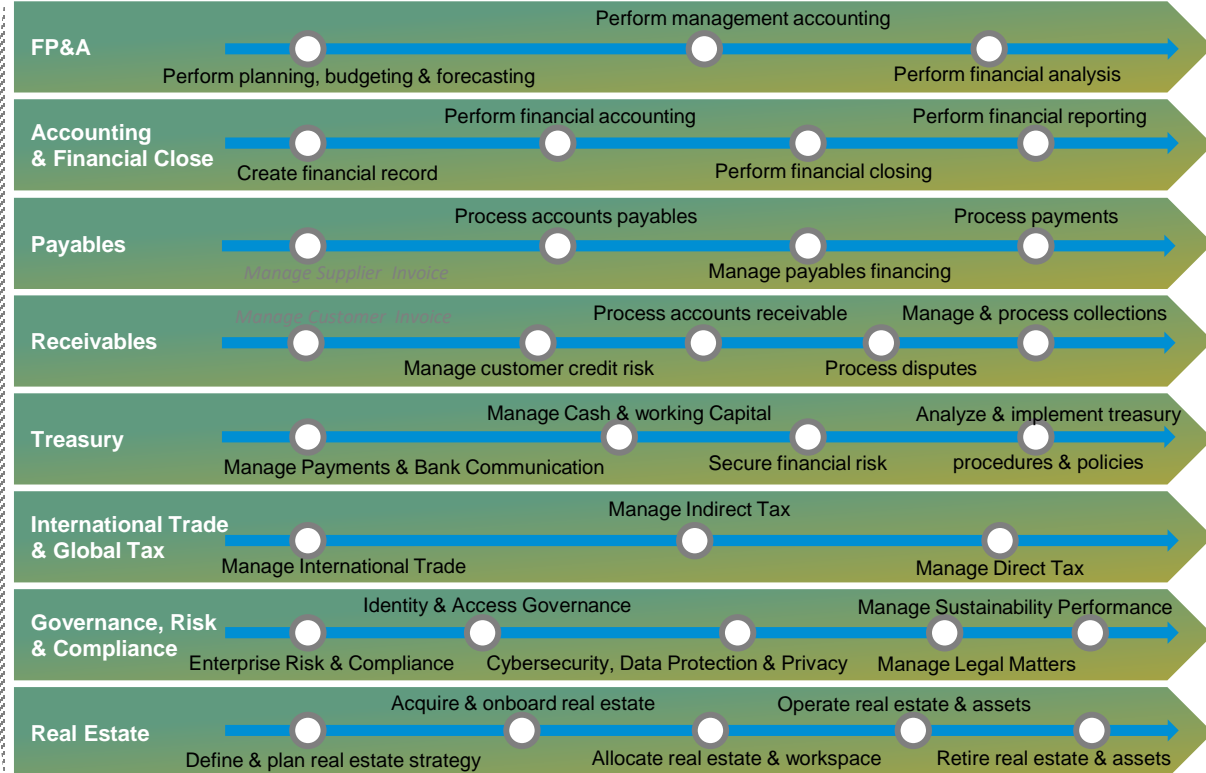
Intelligent, sustainable enterprise



Business process management

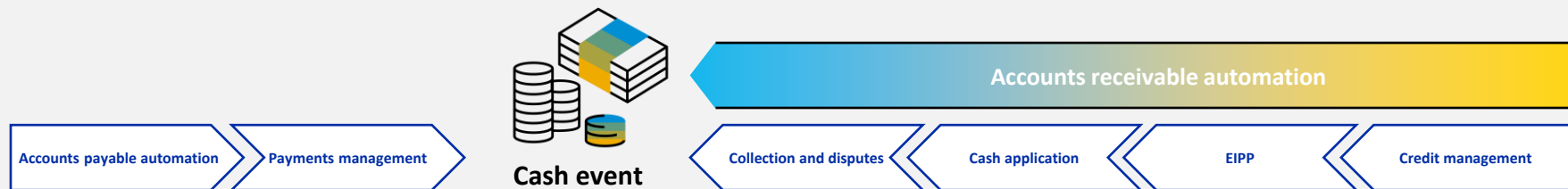
Enterprise resource management

App dev Integration Data and analytics AI



# Working Capital and Automation are Top of Mind

Corporates are Seeking Automation and Liquidity Visibility to Improve Working Capital



- ✓ Automated invoice data capture
- ✓ Purchase order matching
- ✓ Dispute resolution

- ✓ Streamlined prioritization and approval workflow
- ✓ Regulatory compliance and fraud prevention
- ✓ Automated supplier notification, reconciliation, and tax reporting

## Cash and treasury

- ✓ Bank account management
- ✓ Cash and liquidity management
- ✓ Treasury and risk management

## Working capital finance

- ✓ Receivables financing
- ✓ Supply chain financing
- ✓ Inventory financing

- ✓ Automated collections and disputes

- ✓ Automate matching of payments information to invoice
- ✓ Report relevant taxes

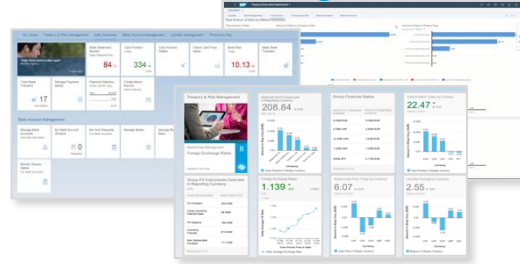
- ✓ Provide customers with request to pay and electronic invoice presentment and payments (EIPP)

- ✓ Run improved credit checking on both new and existing customers

# SAP S/4HANA Treasury Management and Working Capital

An integrated portfolio of solutions

## SAP Treasury and Working Capital Management

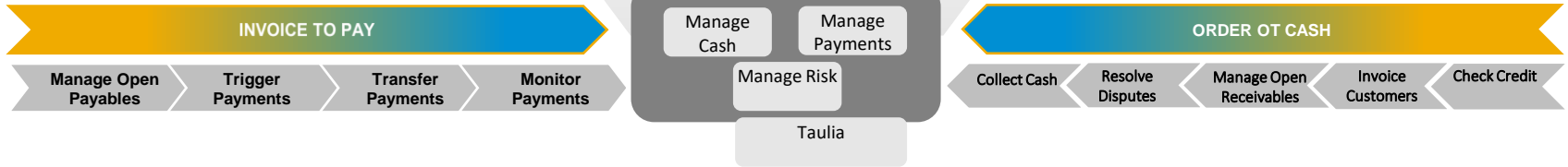


Cash & Liquidity Management | Payments and Bank Connectivity

Financial Risk Management | Analysis and Compliance

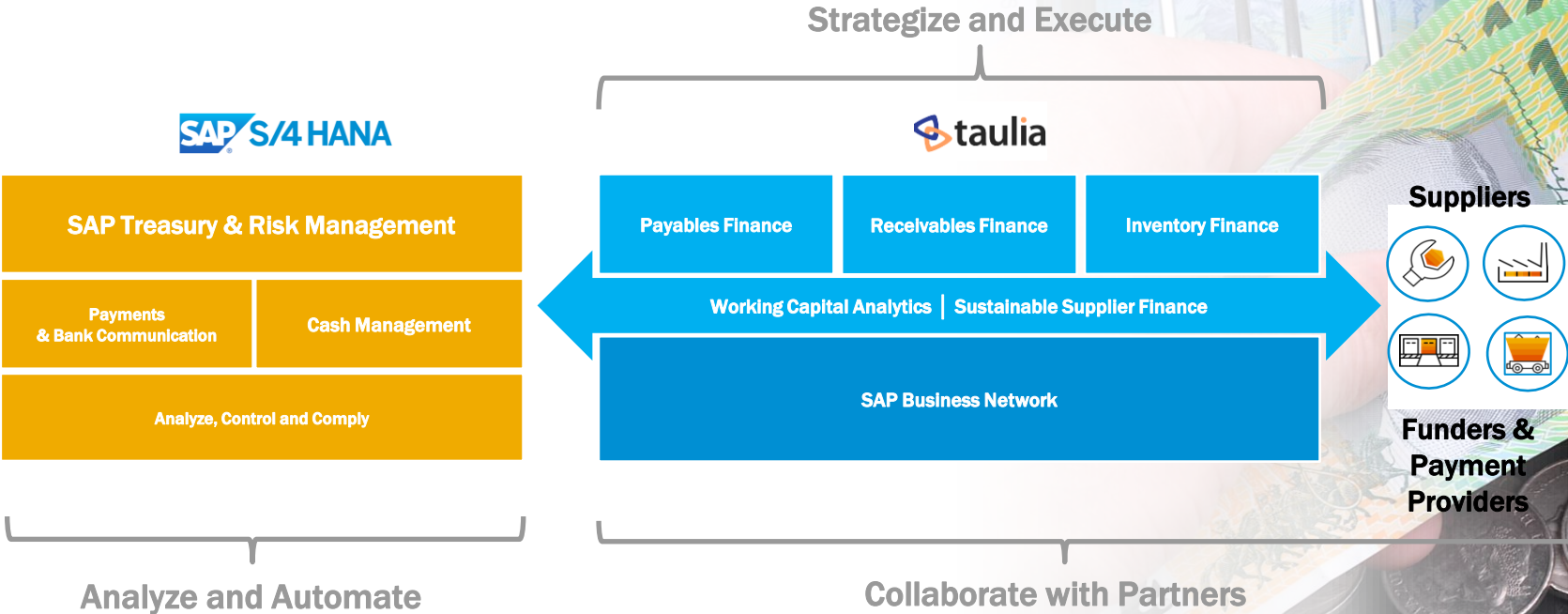


### Cash events



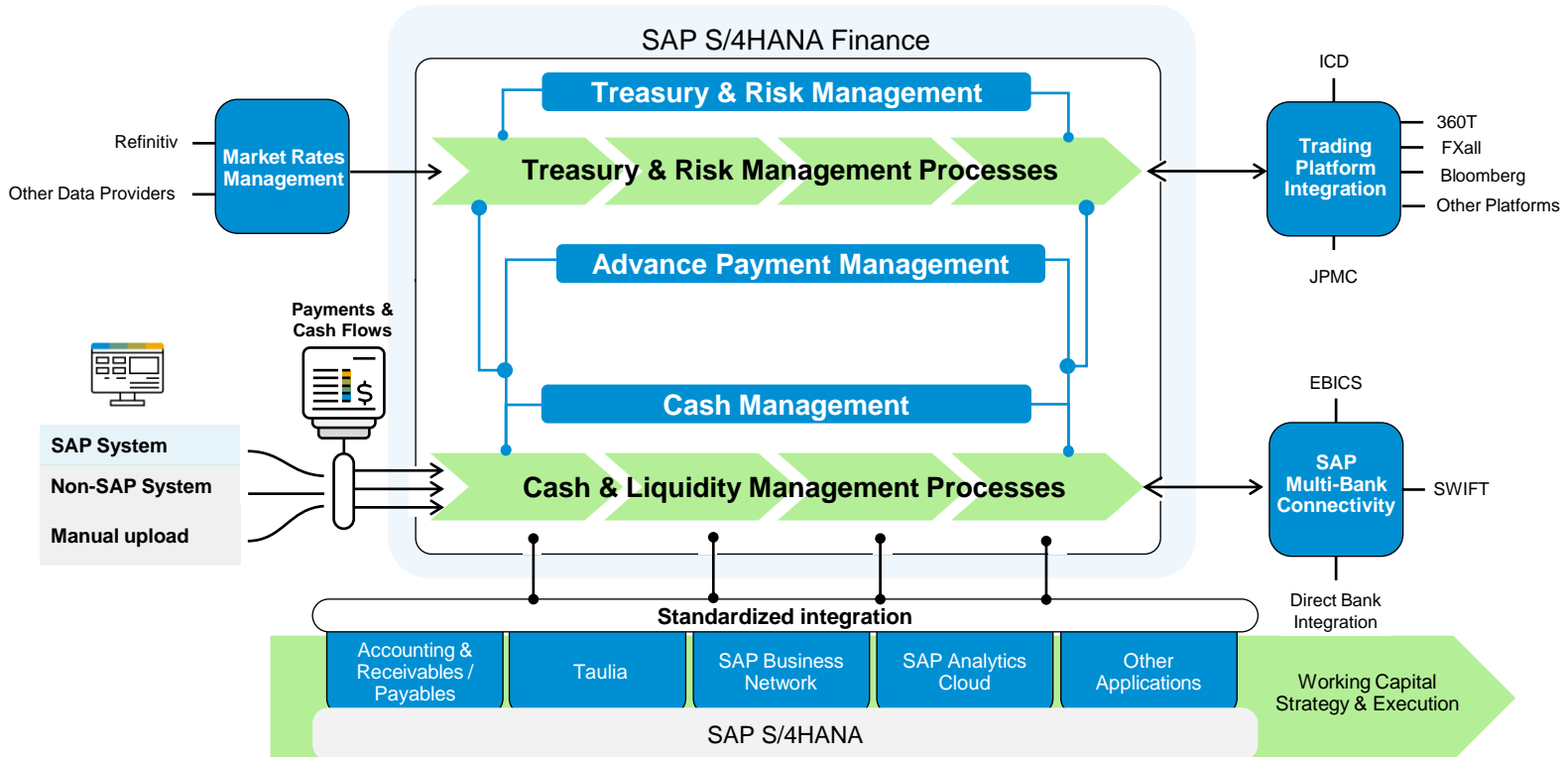
# SAP Working Capital Management

Solution Suite Spanning Multiple Stakeholders



# Choose a Path to Fully Digitalized Treasury

Evolve into running end-to-end integrated processes on SAP S/4HANA



# SAP S/4 HANA Order to Cash Ecosystem

**SIGNAVIO** Analyze & Improve  
 Design & Simulate  
 Monitor & Predict

Bank Statements,  
 Payment Advices, Lockbox

Rule-based clearing  
 (low-code/no-code)

Machine-Learning matching  
 (self-learning)

Multi-Bank Connectivity

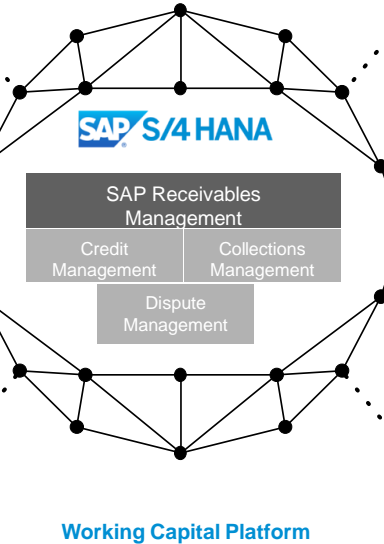
Incoming File Mapping  
 (low-code/no-code)

Portal / Mailbox-scraping  
 (RPA)

Process Insights,  
 Analytics & Prediction

Cash  
 Application

Integration &  
 Connectivity



Inventory Finance

Payables Finance

Receivables Finance

Payment Service  
 Provider Integration

Credit Agency  
 Integration

Customer Payment  
 Portal

stripe      PayFabric<sup>+</sup>

**PAYMETRIC**  
 A Worldpay Company      CyberSource<sup>+</sup>

First Data **fiserv.**      NOVALNET AG  
 Empowering Payment

PayPal

For a full list of all PSPs supported, click [here](#)

**EULER HERMES**  
 Our knowledge serving your success      Creditreform

coface      Cerved Rating Agency

ellisphero      CRIF  
 Together in the next step

dun&bradstreet      creditsafe

For a full list of all agencies supported, click [here](#)

Invoice Information

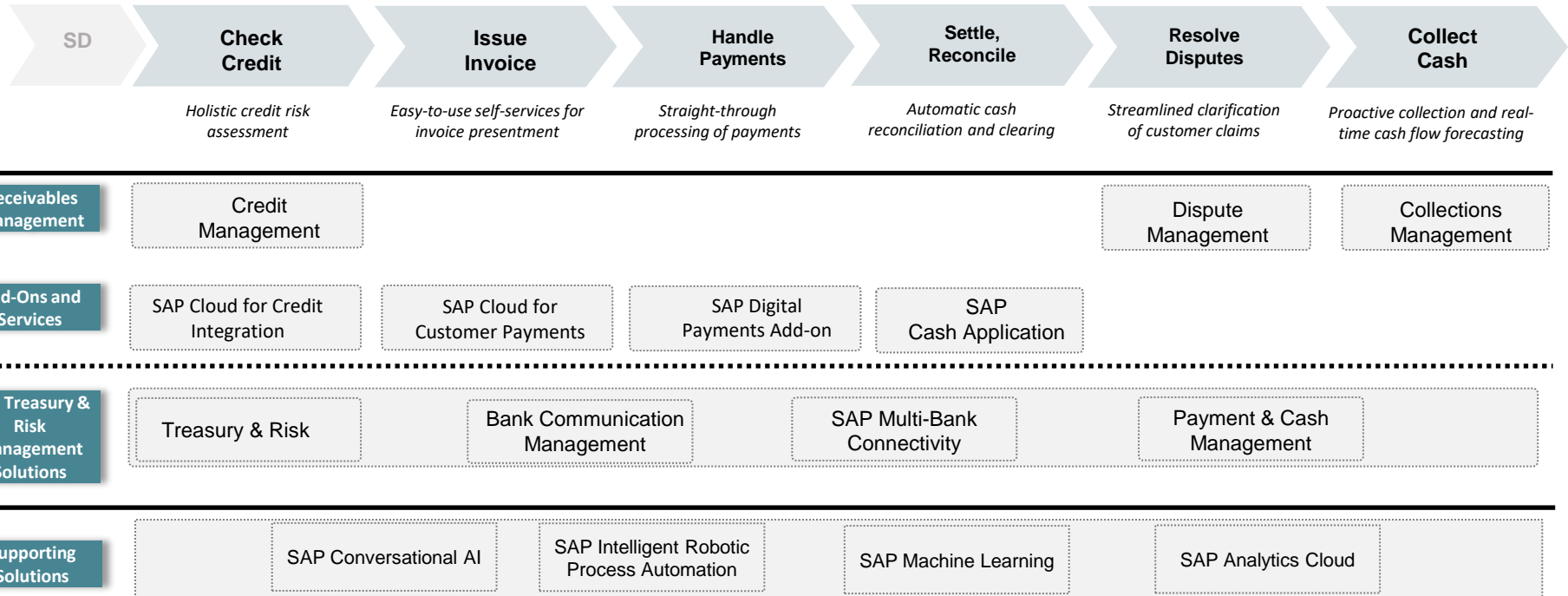
Electronic Payments

Master Data Management

Dispute Creation

# Treasury and Working Capital with SAP

## Order-to-cash: Automation across entire Financial Supply Chain

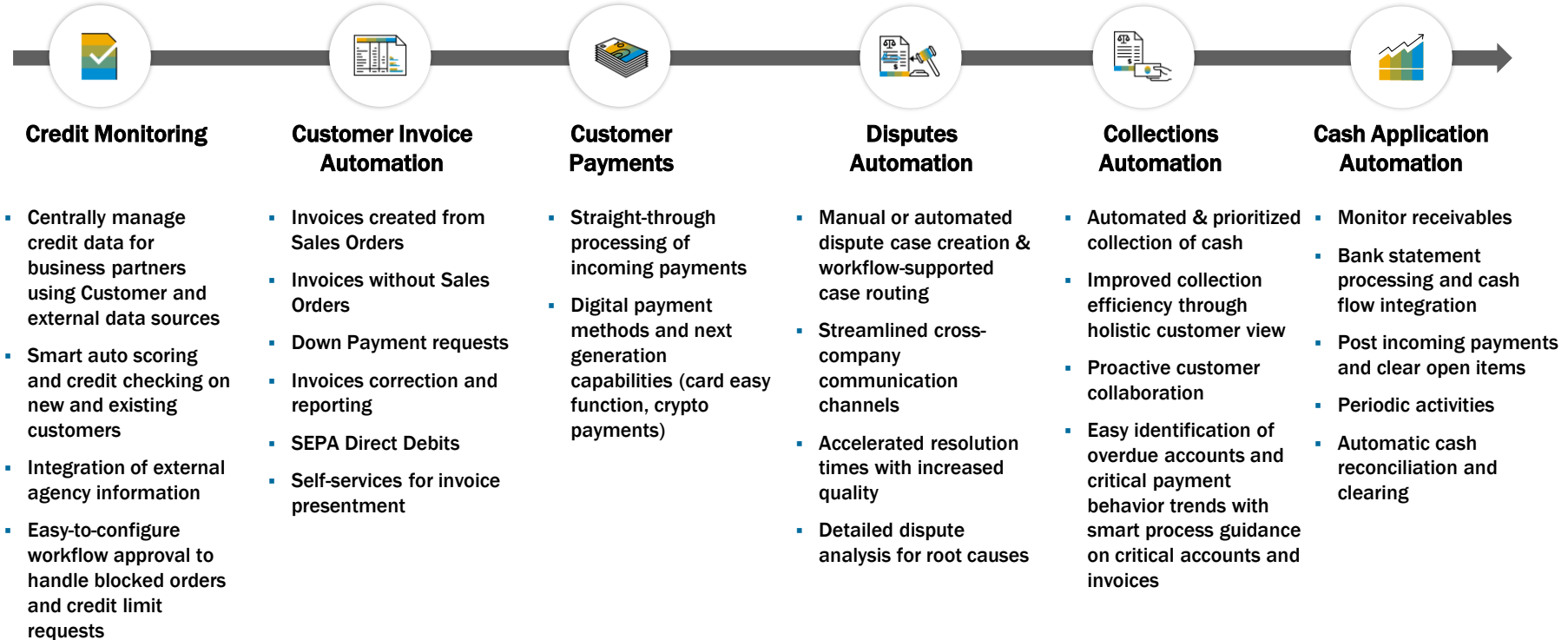


# Order to Cash with SAP S/4HANA

Solution Capabilities



# Key Capabilities

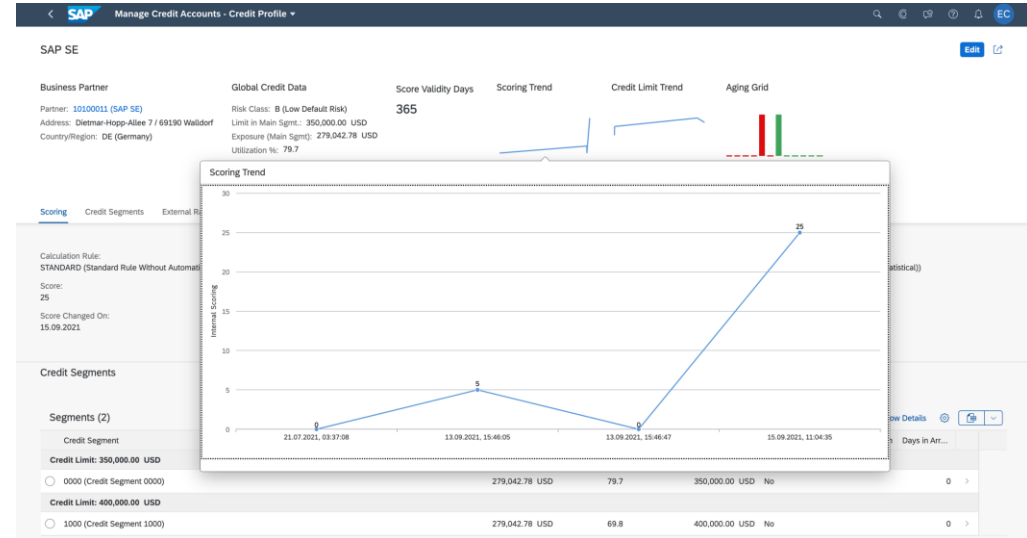


Enriched by SAP Analytics Cloud, SAP Intelligent Process Automation, Machine Learning, and SAP Conversational AI

# Credit Monitoring

## Thought-out Credit Evaluation and Risk Assessment

- Cross-enterprise and cross-system credit evaluation and management process (global view)
- Automatic customer scoring & limit, considering Customer payment history as well as external agency ratings for better scorecard accuracy
- Credit case for structured, workflow-supported processing of credit limit applications and blocked order release
- Flexible credit checks per customer group, depiction of customer hierarchies as well as follow-up processes with event chains
- Increase operational efficiency by connecting to world's leading credit bureaus.



# Customer Invoice Automation

Let customers access their account details with self-service scenarios

- View bills and make payments
- Create payment advices for open bills and payments
- View their master data and inform you of any changes
- Start the dispute resolution process
- View account statement and other correspondence
- Communicate with your accounting teams

The screenshot displays the SAP Customer Payments Portal interface. At the top, there are navigation tabs for "Customer Payments Portal" and "Customer Payments Administration". Below these are several action buttons: "Pay My Bills", "Manage My Payments", "Match Payments with Invoices", "Manage My Payment Advices", "Display My Account Statement", and "Manage My Account Master Data".

The main content area shows account details for "Tools Inc. Europe - FCCP1160". The account balance is displayed as "6133.00 EUR". Below this, there are sections for "Open Bills (23)" and "Credit Items (26)".

The "Open Bills (23)" table lists the following data:

| Invoice Number | Due Date   | Document Date | Invoice Amount | Open Amount | Cash Discount Amount | Cash Discount Due Date | Payment Amount | Currency | Reference | Dispute |
|----------------|------------|---------------|----------------|-------------|----------------------|------------------------|----------------|----------|-----------|---------|
| JAR000001      | 04.18.2019 | 04.18.2019    | 1.000,00       | 1.000,00    |                      |                        |                | EUR      |           |         |
| JAR000002      | 04.18.2019 | 04.18.2019    | 1.000,00       | 1.000,00    |                      |                        |                | EUR      |           |         |
| JAR000003      | 04.18.2019 | 04.18.2019    | 1.000,00       | 1.000,00    |                      |                        | 1.000,00       | EUR      |           |         |
| JAR000004      | 04.18.2019 | 04.18.2019    | 1.000,00       | 1.000,00    |                      |                        |                | EUR      |           |         |
| JAR000005      | 04.18.2019 | 04.18.2019    | 1.000,00       | 1.000,00    |                      |                        |                | EUR      |           |         |
| JAR000006      | 04.18.2019 | 04.18.2019    | 1.000,00       | 1.000,00    |                      |                        |                | EUR      |           |         |
| JAR000007      | 04.18.2019 | 04.18.2019    | 1.000,00       | 1.000,00    |                      |                        |                | EUR      |           |         |
| JAR000008      | 04.18.2019 | 04.18.2019    | 1.000,00       | 1.000,00    |                      |                        |                | EUR      |           |         |
| JAR000009      | 04.18.2019 | 04.18.2019    | 1.000,00       | 1.000,00    |                      |                        |                | EUR      |           |         |
| JAR000010      | 04.18.2019 | 04.18.2019    | 1.000,00       | 1.000,00    |                      |                        |                | EUR      |           |         |
| JAR000011      | 04.18.2019 | 04.18.2019    | 1.000,00       | 1.000,00    |                      |                        |                | EUR      |           |         |
| JAR000012      | 04.18.2019 | 04.18.2019    | 1.000,00       | 1.000,00    |                      |                        |                | EUR      |           |         |

The "Credit Items (26)" table lists the following data:

| Document Number | Type        | Due Date   | Transaction Date | Credit Amount | Reference Amount | Payment Amount | Currency | Reference |
|-----------------|-------------|------------|------------------|---------------|------------------|----------------|----------|-----------|
| JAR000013       | Credit memo | 04.18.2019 | 04.18.2019       | 200,00        | 200,00           | 200,00         | EUR      |           |
| JAR000014       | Credit memo | 04.18.2019 | 04.18.2019       | 200,00        | 200,00           | 200,00         | EUR      |           |
| JAR000015       | Credit memo | 04.18.2019 | 04.18.2019       | 200,00        | 200,00           | 200,00         | EUR      |           |
| JAR000016       | Credit memo | 04.18.2019 | 04.18.2019       | 200,00        | 200,00           | 200,00         | EUR      |           |
| JAR000017       | Credit memo | 04.18.2019 | 04.18.2019       | 200,00        | 200,00           | 200,00         | EUR      |           |
| JAR000018       | Credit memo | 04.18.2019 | 04.18.2019       | 200,00        | 200,00           | 200,00         | EUR      |           |
| JAR000019       | Credit memo | 04.18.2019 | 04.18.2019       | 200,00        | 200,00           | 200,00         | EUR      |           |
| JAR000020       | Credit memo | 04.18.2019 | 04.18.2019       | 200,00        | 200,00           | 200,00         | EUR      |           |

Credit  
Monitoring

Customer Invoice  
Automation

Customer  
Payments

Dispute  
Automation

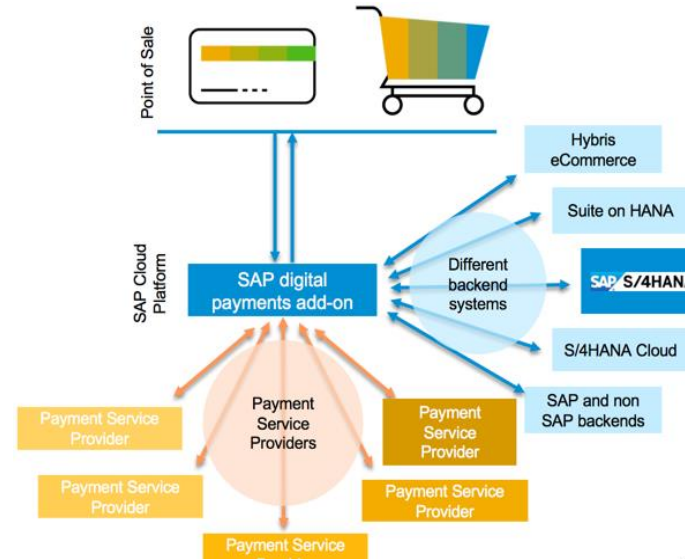
Collections  
Automation

Cash Application  
Automation

# Customer Payments

## Enable implementation of digital payment methods based on a single cloud platform

- Process incoming credit card- and other real-time payment methods in a secure and efficient way
- Significantly reduce cash reconciliation
- Deploy a tokenization approach to avoid costs & risks (PCI compliant)
- Ensure compliance with lower audit cost



# Corporate to Bank Connectivity

## SAP Multi-Bank Connectivity

Different options to connect corporate customers and banks:

### SWIFT

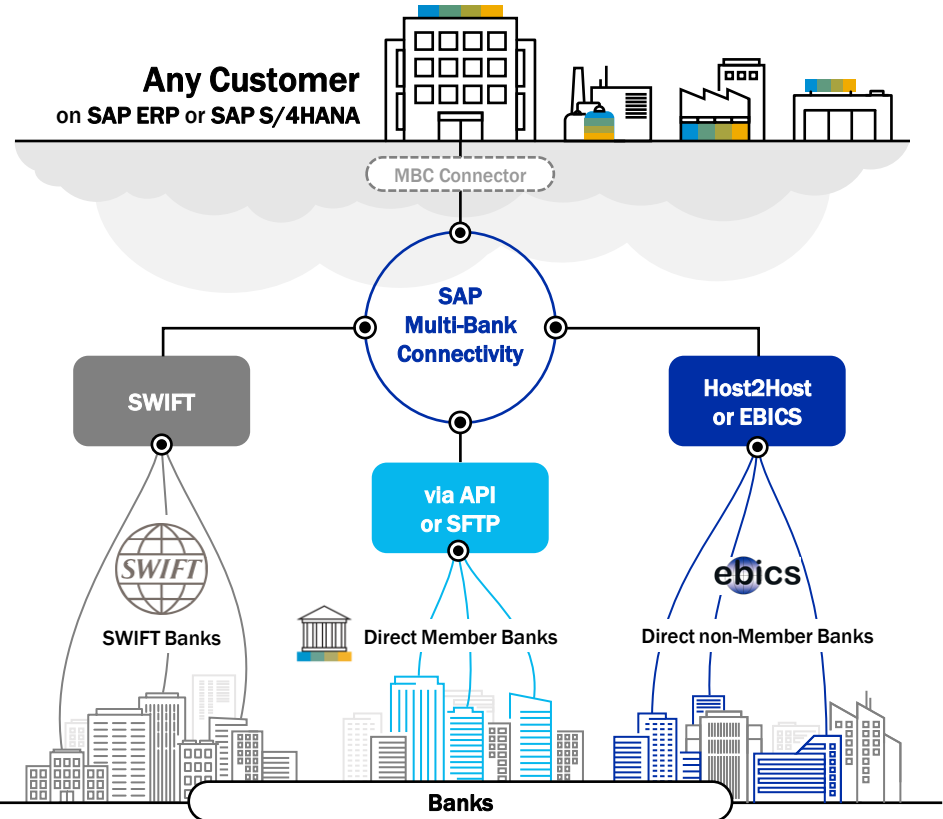
The solution is fully SWIFT certified as SWIFT L2BA provider and offers the possibility to connect to the extensive list of SWIFT banks throughout the world.

### via API or SFTP

Direct Member Banks are connected via a standardized connection using bank APIs or protocols like SFTP.

### Host2Host or EBICS

In an instance where a corporate customer requires to have a direct connection to a bank that does not have a contractual agreement with MBC, SAP establishes a direct connection between corporate customer and the non-member bank.

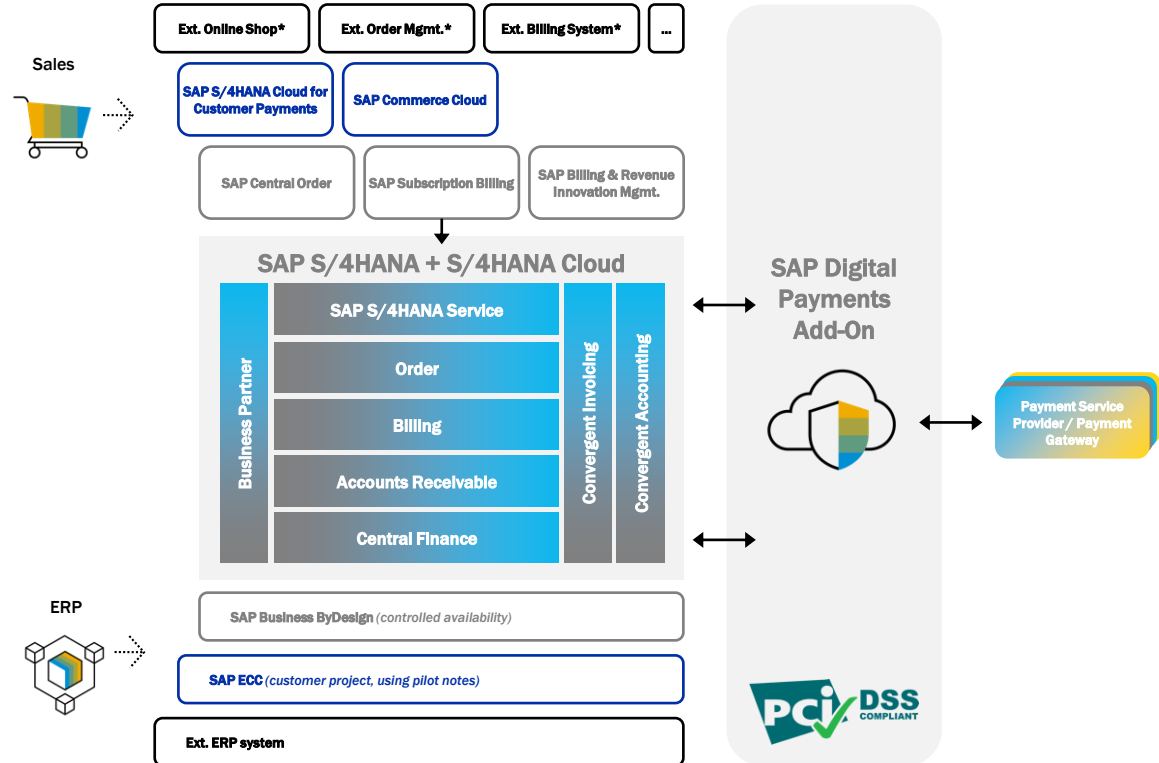


# SAP Digital Payment

## Central Hub for Payment Orchestration

### Solution Capabilities

- **Out-of-box integration** to multiple Payment Service Providers (PSPs) without implementation efforts
- Easy enabling of new payment methods and PSPs
- **Tokenization approach** avoids costs and risks
- Enablement of **automated splitting and posting of fees** and taxes related to payments
- Enablement of **automated reconciliation of payments** with open items
- Stable and harmonized interfaces for **all SAP and non-SAP solutions**



\* Non-SAP solution has to consume Digital Payments API

# Dispute Automation

Reduce days sales outstanding while increasing customer satisfaction

- Accelerated resolution times with increased quality
- Automatic or self-service creation of dispute cases
- Workflow-supported case routing
- Cross-company communication channels
- Root cause analysis
- Process improvements to avoid future disputes

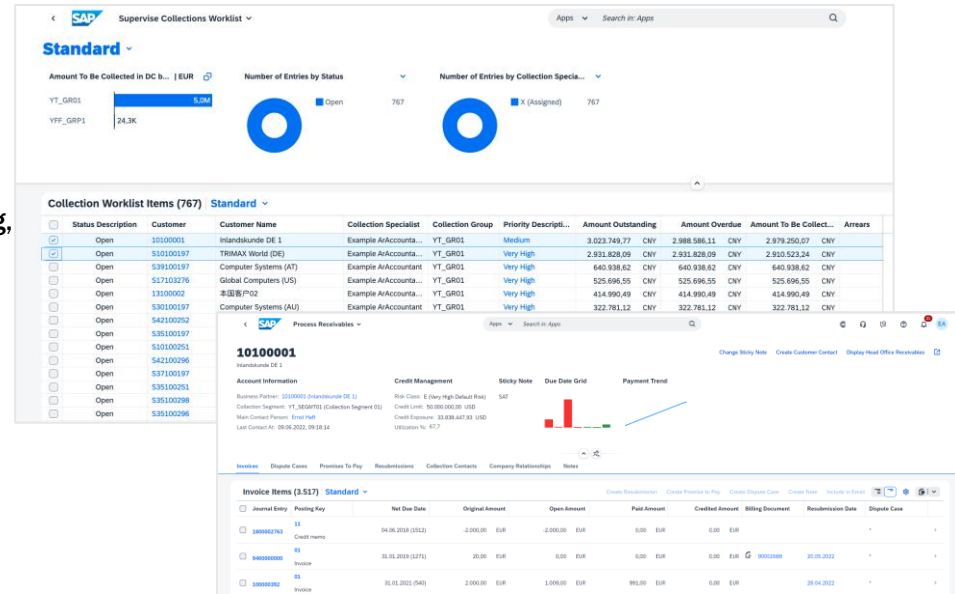
The screenshot displays the SAP Dispute Case interface for case 10000000651. The interface includes a header with the SAP logo and 'Dispute Case' dropdown, a search bar, and navigation icons. The main content area shows the case ID '10000000651' and 'Damaged Goods'. Below this, a table provides key metrics: Disputed Amount (1.190,00 EUR), Days Until Processing Deadline (3), and Days Until Planned Close Date (10). A navigation bar offers options like 'Case Overview', 'Assignees & Agreements', 'Amounts', 'Contact Information', 'Related Objects', 'Change Protocol', 'Notes', and 'Attachments'. The main content is divided into sections: 'General Data' (Case Title, External Reference, Customer, Status, Company Code), 'Case Details' (Category, Priority, Reason, Escalation Reason, Root Cause Code), 'Assignees & Agreements' (Process Assignees, Person Responsible), and 'Service Level Agreements' (Processing Deadline, Planned Close Date).



# Collections Automation

Accelerate cash collection efficiency while improving your cash flow

- Prioritized collections activities based on strategies
- Automatically created worklists with flexible workload assignments
- Real-time process integration (accounting, credit, disputes, billing, cash flow analysis)
- Easy identification of overdue accounts and critical payment behavior trends
- Improved collection efficiency through holistic customer view
- Full history of past activities delivers superior customer service



# Cash Application Automation

## Next generation intelligent invoice matching powered by Machine Learning

- Clear cash faster and with less errors or re-work
- Identify matching invoice line item or customer account
- Automate payment advice & lockbox processing
- Automatically clear invoice line items or post on account
- Learn from historical clearing data
- Adapt to changing behaviors
- Reduce FTEs required for manual tasks and/or refocus on strategic initiatives

Details

Account Type: Customer 17401710 Header Text: 0000001700005 Memo Line Version: Original

Payment Advice No.: Reference: Memo Line: Foreland 27502

Reprocessing Reason: Journal Entry Type: DZ Analyze As: Business Partner Payment (0010)

Posting Date: 01/05/2019

Payment Amount: 3.880.00 EUR

APIAR Items (-4212.02 EUR) Post on Account G/L Items Post to G/L Account Attachments (0) Notes (0) Documents (2) Log

Standard Severity: Hide Filter Bar Filters Go

Log Details Standard Search

| Severity    | Description   | Time Stamp        |
|-------------|---|-------------------|
| Information | Item 0090027502 (1/10. 2019) is proposed with a confidence level of 79.3100 % | 01/08/2019, 14:46 |
| Information | The amount of the bank statement item and the sum of the invoices matches.    | 01/08/2019, 14:46 |
| Information | Some numbers or words from MEMOLINE match with those from the CUSTOMERNAME    | 01/08/2019, 14:46 |
| Information | Some numbers or words from MEMOLINE match with those from ACCOUNTINGDOCUMENT  | 01/08/2019, 14:46 |
| Success     | Document 1400001290 was posted in company code 1010                           | 01/08/2019, 14:46 |

**Explainable AI shows which features influenced the match, making proposals actionable and automate clearings**

# SAP Cash Application

## Intelligent Matching Process

### Solution Capabilities

#### Flexible receivable matching process

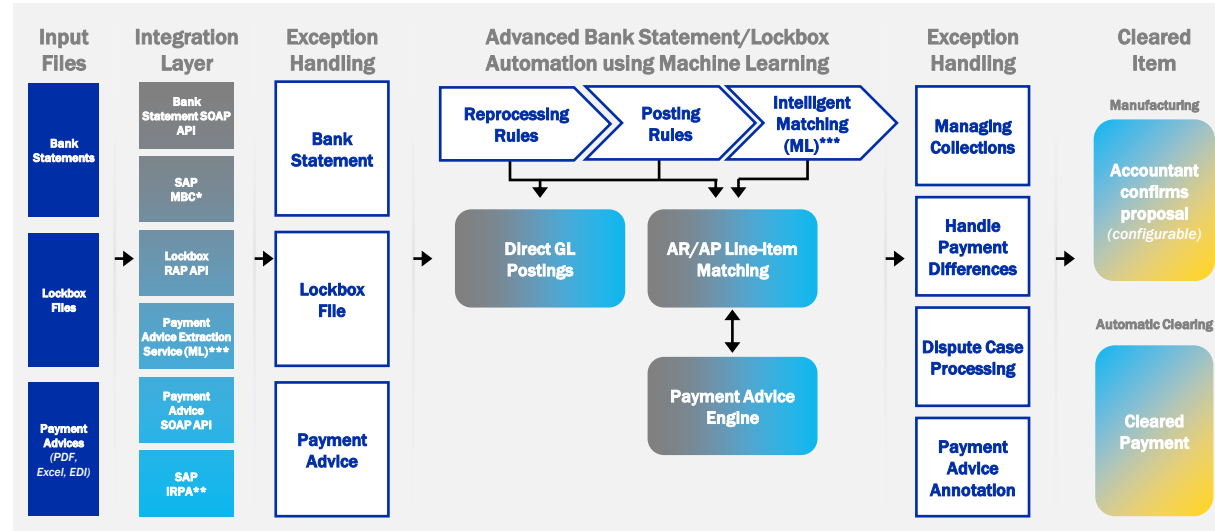
- Opt for **automatic posting and clearing**
- Schedule **receivables processing** as a single run or recurrent job
- Choose to **match open items** and customers

#### Increased automation with machine learning

- Learn continuously from accountant behavior by using **machine learning** and apply it to future payments
- Automate and improve accuracy of the labor-intensive and repetitive **clearing process**
- **Enable accountants** to focus on complicated cases that can't be cleared automatically

#### Extraction of information from payment advice documents

- **Classify regions** on documents intelligently
- **Identify and extract** relevant information
- **Automate matching payments** to invoices



\* SAP Multi-Bank Connectivity (connects to banking systems to receive the bank statement information).

\*\* SAP Intelligent Robotic Process Automation (to feed in data from different sources like mailboxes, portals, etc.)

\*\*\* SAP Cash Application processes unstructured remittances and performs intelligent matching.

# Financial Analytics

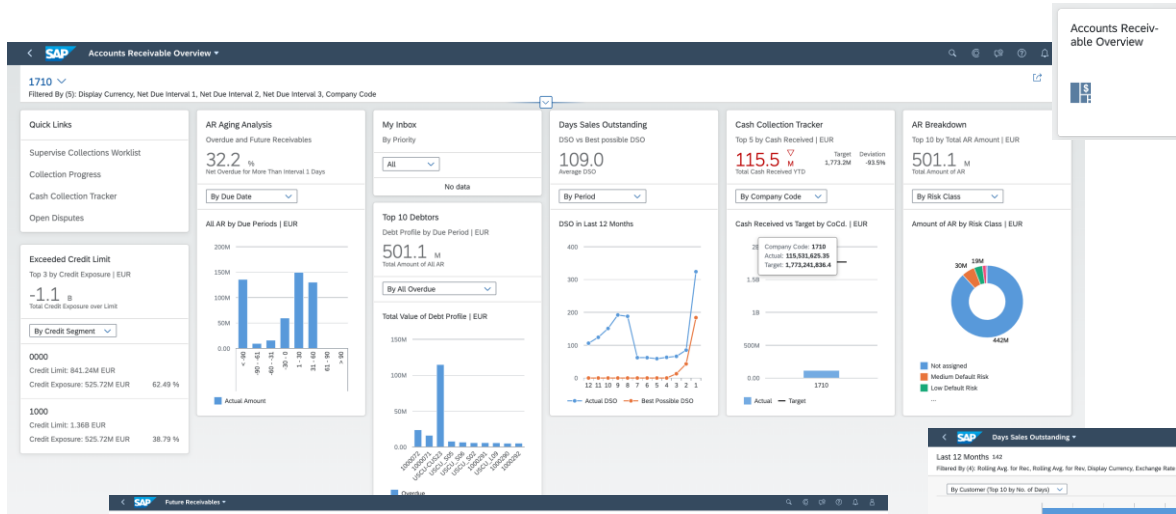
Integrated analytics tools bringing together all data with all needed analytics capabilities to make fast and confident decisions – instantly!



- Analytics embedded into Accounts Receivables
- Control open items and invoice processing
- Optimize receivables processing with high automation
- Accounts Receivables analytics
- Cash Collection Performance
- Current and future Days Sales Outstanding
- Analysis of future Receivables
- Overview of Invoice Processing Time
- Analyzing customers and regions
- Predicted payment date
- Credit accounts with tasks
- Credit limit utilization
- And many more...

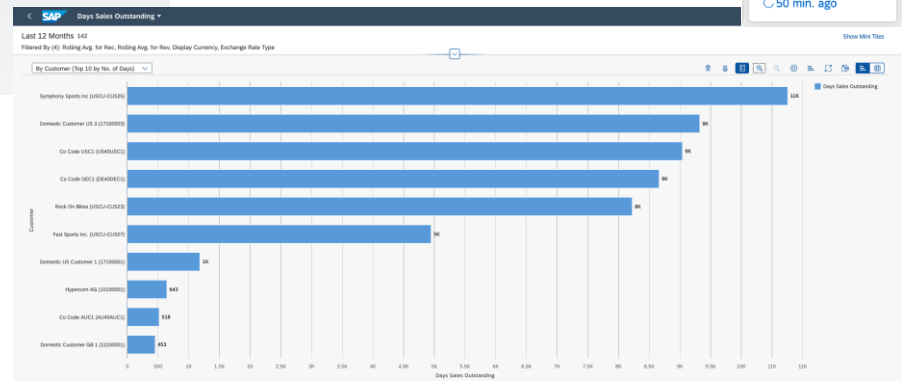
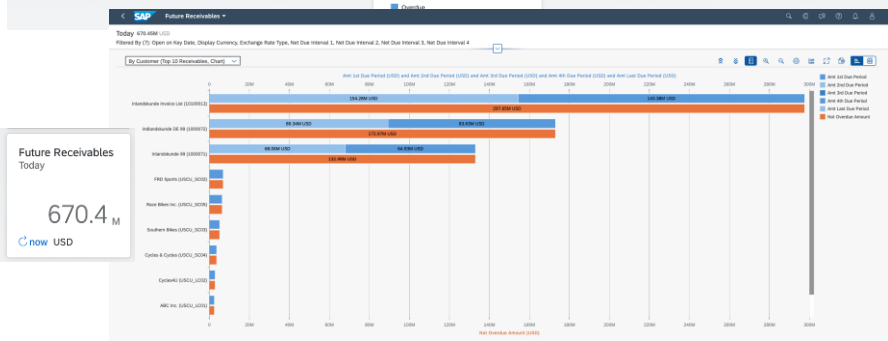
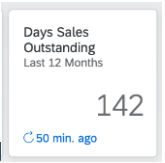
# Flexibly enrich with out-of-the-box Accounts Receivables Apps

## Embedded analytical Apps using Smart Business Framework



Each user chooses those tiles that best suit their role

More info on [SAP Fiori Library](#)



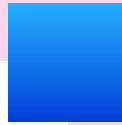
# Demonstration



Order to Cash Analytics

# Wrap Up

Benefits and Resources



# Key Points to Take Home



**Order to Cash is a critical process often left behind due to complexity** – until inefficiencies are exposed in a volatile, uncertain and hypercompetitive world



**SAP Business Process Innovation** will allow you to identify bottlenecks and areas of improvement in your Order-2-Cash process and directions to solve those



**Recent innovations in S/4HANA and the BTP** add-ons will allow you to leverage the automation potential in your O2C process

## Where to find more information

| Product                                 | Product Capabilities Covered  | Further Information   |
|---|---|---|
| <b>SAP Receivables Management</b>       | Advanced Credit Management, Cash Collections and Dispute Management<br>Credit Monitoring,   Dispute Automation   Collections Automation | <a href="#">SAP Help</a>                                    |
| <b>SAP Cloud for credit integration</b> | Out-of-the-box integration to world's leading Credit Agencies<br>Credit Monitoring  | <a href="#">SAP Help</a>                                    |
| <b>SAP Cash Application</b>             | ML supported line-item matching (incl. Lockbox and Processing Rules)<br>Cash Application Automation                                     | <a href="#">SAP Help</a>                                    |
| <b>SAP Cloud for customer payments</b>  | End-customer payment portal for Electronic Bill Presentment and Payment<br>Customer Invoice Automation                                  | <a href="#">SAP Help</a>                                    |
| <b>SAP Digital Payment Add-on</b>       | Out-of-the box integration with Payment Service Providers for credit card and real-time payments<br>Customer Payments                   | <a href="#">SAP Help</a>                                    |
| <b>Taulia</b>                           | Payables Finance   Receivables Finance   Virtual   Inventory Finance  | <a href="https://taulia.com/de/">https://taulia.com/de/</a> |

# Thank you! Any Questions?

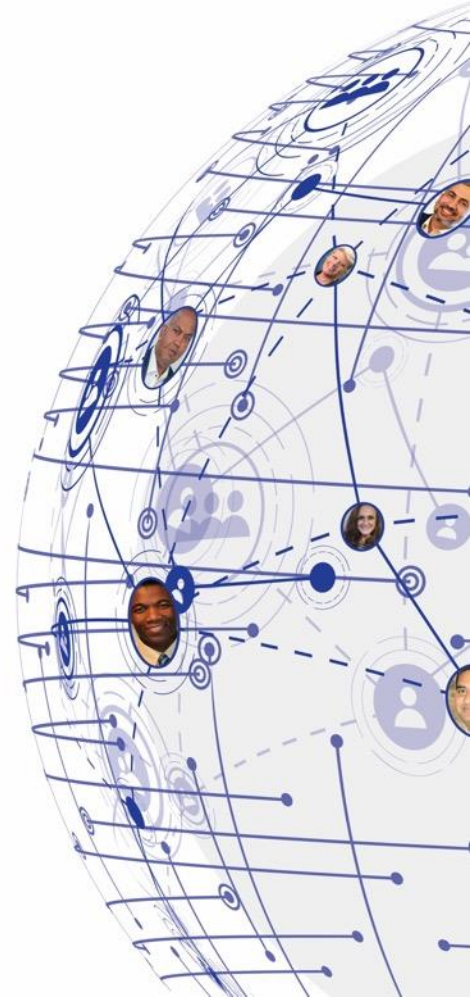
Arif Esa

Social

LinkedIn

<https://www.linkedin.com/in/drarifesa/>

Please remember to complete your session evaluation.



# SAPinsider

PO Box 982Hampstead, NH 03841

Copyright © 2021 Wellesley Information Services. All rights reserved.

SAP and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP SE (or an SAP affiliate company) in Germany and other countries. All other product and service names mentioned are the trademarks of their respective companies. Wellesley Information Services is neither owned nor controlled by SAP SE.