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Unlocking Trapped Cash: Working Capital Optimization and SAP AR Acceleration with GetBilled®

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Prepared by eSource Solutions

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Executive Summary

Across industries with **complex SAP Order to Invoice processes**, **9–18% or more of revenue is trapped every month** in unbilled accounts, delayed billing cycles, and invoice disputes. For a \$5B enterprise, this means **\$450M–\$900M locked away annually**. Industry research confirms that more than half of global companies have seen their AR performance decline (per working capital reports (e.g., Deloitte, The Hackett Group, PwC, and EY studies)), causing serious working capital erosion, raising the urgency of AR / billing optimization

Appendix D: References on Working Capital Inefficiencies and Unbilled Receivables

The impact is clear:

- Strained working capital and reduced liquidity
- Rising Days Sales Outstanding (DSO)
- Lengthy Billing Cycle Times (BCT)
- Higher cost of capital
- Customer dissatisfaction and strained relationships

Unlocking Working Capital: CFOs consistently rank working capital improvement as a top priority. GetBilled directly improves liquidity by shortening billing cycles, lowering DSO, reducing unbilled revenue, and improving invoice quality. The result; freed cash flow, stronger balance sheets, and capacity for reinvestment without additional borrowing. Every 1% improvement in unbilled recovery can free millions in liquidity.

For Customers: Accelerated cash flow, measurable DSO reduction, reduced cycle times, improved invoice quality, fewer disputes, optimized working capital, and conversational **AI-powered** insights through natural language queries.

Problem Landscape & Value Thesis

CFOs face constant pressure to release trapped cash without increasing debt. Billing inefficiencies, not sales, are the hidden drain on liquidity. To strengthen balance sheets and fund growth, they always look for ways to cut DSO, improve cash flow, and free up working capital.

Industry Pain Points

- **Unbilled Revenue:** Unbilled Revenue: In complex order-to-invoice industries like oilfield services, energy, engineering & construction, industrial services, manufacturing, mining, and large field services, 9 to 18% or more of AR can remain unbilled, trapping millions in working capital.
- **Billing Cycle Time (BCT):** Fragmented handoffs, missing artifacts, errors in the document and manual approvals stretch cycle times by weeks. Each day of delay ties up millions in

cash.

- **Invoice Disputes:** Defects and escapes lead to 5–15% or more dispute rates, increasing rework and slowing cash collection.
- **High DSO:** Public filings show DSO averaging 70+ days across Energy, Mining, Service, construction and Manufacturing sectors (or any other vertical where DSO is an issue)
- **Financial Strain:** For a \$1B revenue firm, every day of DSO = ~\$12M locked in receivables, eroding working capital and cost of capital for unbilled.
- **Operational/Billing Concerns:** Escalating billing costs and backlogs, poor cross-functional collaboration, increased operational costs and working capital leakage.

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Additional read on Top Causes of Unbilled Revenue **Appendix C.**

Why Standard SAP Falls Short

Standard SAP manages what to bill, not why it isn't billed and remedy the delay. SAP ECC and S/4HANA lack:

- Proactive tools to shorten billing cycle times
- Real time visibility into unbilled revenue and its impact on working capital
- Built-in analytics to quantify and link delay to financial impact
- Fragmented billing process for complex invoices
- Poor cross functional collaboration connecting all stakeholders of order to invoice process
 - Operation, Billing, Finance and managers
- Centralized repositories for customer invoice requirements
 - AI capability for unbilled real-time financial insights

Value Proposition

GetBilled® can transform SAP order to invoice process from a reactive into a proactive, governed, and cash optimized function.

GetBilled directly addresses these gaps:

- **Unbilled Reduction:** 10–25% or more cut, releasing trapped working capital
- **BCT (Billing Cycle Time) Reduction:** 15–30% or more faster cycles = earlier cash realization
- **DSO Reduction:** 1–5 or more days gained = tens or hundreds of millions unlocked
- **Billing Standardization:** Transforms into a unified, efficient process instrument with backlog reduction
- **Collaboration:** A single, integrated platform that unites all stakeholders across finance, operations, sales, and billing Unbilled into one governed process
- **Cash Flow Improvement:** More predictable inflows, lower borrowing needs
- **Customer Satisfaction:** Reduce dispute and improve first-pass invoice success

About GetBilled

GetBilled® – SAP Certified Working Capital Optimization Solution (Industry

agnostic) Modules & Capabilities

- **GetBilled Workbench:** A single pane of glass for billers, finance and managers to control the end to-end order to invoice process with full real time visibility and analytics
- **Auto Biller Workload Management:** Automates workload distribution to reduce backlogs and cycle times
- **Customer Invoice Requirement Module:** Ensures compliance with customer-specific billing rules, reducing denials in real time
- **Workflow Management Module:** Provides collaboration, inbuilt accountability and auto escalation to reduce bottlenecks
- **GetBilled Analytics Module:** Delivers real-time dashboards tracking unbilled revenue, DSO, BCT (Billing Cycle Time), and working capital impact

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- **Generative AI Module (MCP-Powered):** SAP BTP-based reporting delivers on-demand working capital insights and accountability analytics through interactive KPIs and dashboards. AI models can be trained on client-specific data to simulate scenarios, root cause analysis, forecast outcomes, performance metrics, and generate tailored analytics with dashboards, giving CFOs and business leaders actionable intelligence for proactive decision making

How It Works

- **End-to-End Tracking & Visibility:** Monitors every event in the order-to-invoice lifecycle — from job completion to RTA in real time. Gives billing and operations teams complete visibility into progress, bottlenecks, and delays.
- **Real-Time Escalations & Proactive Billing:** Detects issues early and escalates them instantly. Prevents backlog by flagging unbilled items and helping finance teams protect cash flow.
- **Root Cause & Impact Analysis:** Surfaces the who, what, and why behind billing delays, with quantified cost-to-company data to support finance and operations in driving process improvements.
- **Reduction in Customer Disputes:** Improve billing quality through automation and streamlined manual processes, minimizing defects and escapes.
- **Workflow Automation & Standardization:** Streamlines billing process to improve invoice quality and first-pass yield. Reduces manual effort for billing teams and drives consistency across business units with measurable standard KPI.
- **Process & System Consolidation:** Eliminates fragmented spreadsheets and manual processes by centralizing billing requirements, simplifying life for both operations and finance teams.
- **AI-Powered Conversational Analytics:** Lets teams ask natural language questions and get instant insights. Making complex data accessible to everyone from billing team to CFOs.
- **Customizable KPI Executive Dashboards:** Gives finance leaders real-time views of working capital locked, delay drivers, and unbilled KPI performance built using SAP BTP-based AI analytics and standards SAP reports
- **Cross-Functional Collaboration:** Replaces scattered communication (emails, calls, shared folders) with structured, auditable collaboration across billing, operations, and finance.
- **Seamless SAP Integration:** SAP-certified plug-and-play deployment, native to ECC and S/4HANA with no middleware or changes to existing customer systems.
- **Flexible Reporting Integration:** Connects easily to enterprise reporting tools like SAP BW, Power BI, and others keeping all stakeholders in sync with their preferred platforms.
- **Value Chain Alignment & Scalability:** Integrates into the customer's existing value chain, supports custom logic, and scales effortlessly across business units with no additional implementation costs.

KPIs & Outcomes

- **BCT (Billing Cycle Time) trend:** Shortened cycles = faster billing and cash inflows
- **Unbilled %:** Reduced backlog = less capital trapped
- **DSO reduction:** Direct measure of receivables efficiency
- **First-pass yield:** Higher approval rate = predictable cash flow
- **Cash Flow Improvement:** Reduced leakage, earlier inflows
- **Custom KPIs defined by the customers:** Opportunity to combine analytics from billed, unbilled, cash collected and disputed data very specific to the customer and provide complete end to end analytics to the customer
- **AI Analytics:** Conversational (international local languages) insights enable faster decision making and democratized analytics access. Can produce dynamic complex analytics with dashboards based on training the AI models

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With **GetBilled®:** Unbilled revenue shrinks, BCT shortens, DSO improves, disputes drop, and cash flow strengthens.

Competitive Differentiation

Where others analyze working capital, **GetBilled actually releases it and quantifies the impact.**

- **Only SAP certified solution, addressing working capital, cycle time, and DSO directly** • First and only SAP Order to Invoice solution with MCP-powered conversational AI • ROI > 300% in Year 1, driven by working capital release and cash flow gains and compounding gains year over year
- **Fostered long-term CFO involvement** by regularly reporting cycle time and DSO progress, leveraging technology and process upgrades for business units at both national and international levels.
- **Enterprise-grade compliance and security, aligned with SAP best practices and framework**

Target Customers (Industry-agnostic)

- SAP ECC/S4 enterprises with ideally with revenue >\$1B, unbilled >5%, DSO >45 days • Sectors characterized by elevated working capital trapped in accounts receivable, marked by substantial unbilled amounts and a high ratio of disputed invoices

Buyer Personas & Messaging

- **CFO:** Unlock working capital, shorten cycle times, accelerate cash flow.
- **Billing VP:** Reduces billing backlog, disputes and deliver faster billing.
- **CIO:** Certified add-on with minimal disruption and fast ROI.
- **IT:** SAP Certified Plug and Play

Case Illustrations

Case Illustrations (10%, 15%, 20% unbilled views)

- ❖ **Oil Field Services (AR \$32B, WACC 10%, DSO 86)**

Scenario	Unbilled Base (\$B)	Reduction % (conservative)	Working Capital Released (\$M)	Cost of Capital Savings (10%) (\$M)	BCT Improvement
Case 1	10% = \$3.2 B	15%	480	48	~ -15 %
Case 2	15% = \$4.8 B	15%	720	72	~ -15 %
Case 3	20% = \$6.4 B	15%	960	96	~ -15 %

❖ **Manufacturing (Revenue \$5B, WACC 10%, DSO 80)**

Scenario	Unbilled Base (\$B)	Reduction % (conservative)	Working Capital Released (\$M)	Cost of Capital Savings (10%) (\$M)	BCT Improvement
Case 1	10% = \$500 M	20%	100	10	-15 %
Case 2	15% = \$750 M	20%	150	15	-15 %
Case 3	20% = \$1 B	20%	200	20	-15 %

❖ **Indirect Savings**

- **FTE savings from standardized, centralized order to invoice operations** – fewer local variations, less manual chasing and reconciliation.
- **Reduced effort in dispute handling** – fewer billing errors and clearer back up reduce time spent on claims, rework, and credit memo processing.
- **Lower cost of managing audits and compliance** – better documentation, traceability, and controls cut audit prep hours and follow up questions.
- **Less reliance on manual spreadsheets and side systems** – decommissioning shadow trackers and reducing duplicate data maintenance.
- **Reduced IT and enhancement spend** – fewer “one off” reports, custom queries for different billing process, and urgent SAP change requests to find or explain unbilled items.
- **Lower onboarding and training costs** – standardized workflows and one workbench make it faster to ramp new staff and cross train teams.
- **Fewer revenue write-offs and concessions** – earlier visibility to issues avoids last minute discounts, aged write offs, and waived charges.
- **Reduced escalation and management overhead** – automatic reminders and ownership reduce time leaders spend chasing status and firefighting.
- **Lower cost of customer service interactions** – better invoice quality and transparency mean fewer calls and emails about “what are you billing me for?”.
- **Improved forecasting and planning productivity** – cleaner, more timely billing data reduces manual adjustments by FP&A and finance teams.
- **Savings from harmonized global processes** – common templates, rules, and KPIs across regions reduce duplication of local process design work.

Appendix:

A. KPI Glossary

- **Unbilled %** = Unbilled AR / Total AR = trapped working capital
- **BCT** = Avg. Job Completion to Release to Accounting (RTA) = delay in cash flow
- **DSO** = Job completion to invoice cleared date = receivables efficiency
- **First-Pass Yield** = % invoices approved = predictable cash flow

- **Cost-to-Company** = delay × WACC = cost of trapped capital
- **Working capital released** (cumulative) - CFO headline metric

B. User Roles

- Billers, Billing Managers, Operations, Finance, Sales, C - Executives
- Each role affects cycle time, DSO, and working capital release

C. Top Causes of Unbilled Revenue

Since there are no tools available in SAP to address unbilled, many customers try to deal with them during collection cycle.

a. Behavioral & Organizational Causes

1. **Billing deprioritized vs. delivery** – Field teams focus on execution, not invoicing.
2. **No defined billing ownership** – Ambiguity between Operations, Finance, and Shared Services.
3. **KPI misalignment** – Performance metrics reward delivery volume, not billing timeliness.
4. **Inadequate training** – Billing clerks unaware of SAP process flow or milestone triggers.

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5. **Reactive management** – Unbilled addressed only during quarter-end reviews.

6. **Lack of visibility tools** – No dashboard or alerts to track unbilled at customer, region, or job level.

b. Documentation & Approval Bottlenecks

7. **Incomplete billing package** – Billing team lacks contract, change orders, or approvals.
8. **Missing customer-required documentation** – Certificates, QA forms, proof of delivery, or inspection reports not attached.

9. **Multi-tier approval process** – Internal or customer-side sequential approvals delay invoice submission.
10. **Email-based approvals** – Manual workflows not system-tracked; status unclear.

11. **Delayed 3rd-party verification** – In construction or oilfield services, third-party auditors or inspectors must

c. Data & System Integration Gaps

12. **Missing purchase order (PO) or PO mismatch** – Customer PO number missing, expired, or incorrect, SAP blocks billing.

13. **Incorrect tax codes or jurisdiction data** – System validation failure prevents invoice posting.

14. **Interface delays from external systems** – Field service systems, maintenance apps, or non-SAP tools not syncing timely.

15. **Revenue recognition misalignment** – Recognized revenue under IFRS 15 / ASC 606 not yet billed, creating timing gap.

16. **Configuration errors** – Missing condition types, account determination issues, or copy control errors block billing documents.

d. Operational & Field Execution Delays

17. **Incomplete field tickets** – Manual field entries not posted or awaiting supervisor approval.
18. **Pending service entry sheets (SES)** – Common in-service PO billing (MM-SRV); missing SES blocks invoice creation.

19. **Missing delivery completion flags** – Goods or service delivery marked incomplete, preventing billing.

20. **Work Completion not communicated** – Field crew completes work but fails to trigger billing notification due to lack of mobile integration.

21. **Rework or change orders** – Ongoing adjustments delay final billing release until scope is clarified.
22. **Job not confirmed in SAP** – Work completed but technical or service confirmation missing.

e. Contractual & Commercial Factors

23. **Milestone billing misalignment** – Work completed but milestone for billing not yet reached in SAP PS/SD module.

24. **Progress billing on hold** – Customer requests pause until additional work completed.

25. **Retention clauses** – 5–10% retained until project completion or warranty period; often misclassified as unbilled.

26. **Contract variation pending approval** – Change orders or scope additions not yet approved commercially.

f. Pricing, Costing & Dispute-Related Causes

27. **Incorrect pricing or rate sheet** – Contract rate not updated or inconsistent with SAP master data.
28. **Quantity mismatches** – Delivered vs. billed quantities differ, triggering validation errors. 29.
- Pending cost allocation** – Internal project cost not distributed; system cannot compute margin or final amount.
30. **Prior invoice disputes** – Current billing suspended until earlier dispute resolved.
31. **Credit or compliance hold** – Customer exceeds credit limit or pending regulatory clearance.
32. **Pending debit/credit adjustments** – Reconciliation of prior period adjustments before final billing. **g. Customer & External Dependencies**
33. **Pending customer signoff** – Client approval of field tickets, progress reports, or job completion outstanding.
34. **Customer portal delays** – Client requires upload to external billing portals (e.g., Ariba, OpenInvoice) which queue or reject data.
35. **Customer-requested consolidation** – Clients request monthly or consolidated invoices instead of transactional billing.
36. **Customer holiday or shutdown period** – Billing paused due to customer's financial close cycles.
- Incomplete vendor onboarding** – Billing delayed due to missing vendor setup or tax documents on client side.
- h. Compliance & Governance Barriers**
38. **Regulatory invoicing requirements** – e.g., e-invoicing (India, Brazil, Mexico) delays due to compliance configuration.
39. **Audit hold** – Invoices withheld during internal or external audit review.

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40. **Country-specific fiscal rules** – Local tax or language documentation requirements not met.
41. **Credit notes dependencies** – Pending issuance of credit note before next billing cycle.
42. **Internal freeze or system downtime** – Month-end freeze or SAP batch job delays invoice posting.

D. References on Working Capital Inefficiencies and Unbilled

Receivables I. Global Working Capital and Accounts Receivable (AR)

Studies

1. **Deloitte (2024). *Unlocking Cash Flow: Working Capital Performance Trends*.**
Based on data from **2,400+ global enterprises**, this report shows delayed billing, unbilled revenue, and weak AR governance as top drivers of working capital strain.
Link → [Unveiling 2024 working capital trends – and what's coming next](#)
Link → [Deloitte WSJ Report](#)
Link → [Working Capital Roundup Q3 2023: Oil Field Services—US and Canada](#)
Link → [Working capital roundup: Q2-2023 snapshot](#)
Link → [Working Capital Roundup: Cash-generation opportunities - What we learned from 2022](#) Link → [Working capital report: A look back at 2021](#)
Link → [Working capital roundup: Q3-2021 snapshot](#)
Link → [Working capital roundup: Q2-2021 snapshot](#)
Link → [Working Capital Roundup: A resilient response Q1 2020–Q1 2021](#)
2. **The Hackett Group (2025). *Working Capital Survey: Seize \$1.7 Trillion in Working Capital*.** Identifies **\$1.7 trillion** in excess working capital—approximately **11% of total U.S. corporate revenue**—trapped across industries. **Accounts Receivable** is cited as the largest contributor to trapped liquidity. Link → [Hackett Group 2025 Survey](#)
3. **The Hackett Group (2024). *Triple Threat: All Working Capital Metrics Degrade for the First Time in a Decade*.** Reports simultaneous deterioration of **DSO, DIO, and DPO**, highlighting widespread working capital erosion across sectors. Link → [Hackett Group Triple Threat](#)
4. **J.P. Morgan (2024). *Working Capital Index 2024*.** Estimates **\$707 billion of “trapped liquidity”** globally; **63% of surveyed companies** report increasing DSO and receivable aging. Link → [JPMorgan Working Capital Index 2024](#)
5. **Taulia & PwC (2023–2024). *Receivables Finance and Liquidity Studies*.** Estimate more than **\$1.3 trillion in net working capital trapped worldwide**, predominantly in

receivables and unbilled balances. [Link → Taulia Report](#)

6. **EY-Parthenon (2023). Private Equity's Hidden Value Creation Opportunity:**
Demonstrates that **working capital optimization**, particularly through receivables acceleration, is a major driver of cash flow improvement and enterprise value.
[Link → EY Report](#)
7. **OpenEnvoy (2024). Analysts Report \$1.3 Trillion Is Trapped in Working Capital.**
Discusses how **late invoicing, disputes, and AR inefficiencies** cause significant working capital entrapment across industries. [Link → OpenEnvoy Blog](#)

III. Industry-Specific Evidence: Energy, Oilfield Services, Construction, and Mining

14. **Fund Through (2024). The Impact of Late Payments on Growing Oil & Gas Companies.** Identifies **long billing cycles and delayed approvals** as systemic cash flow challenges for oilfield and energy service firms—essentially creating unbilled revenue gaps.
[Link → FundThrough Article](#)
15. **Council of Petroleum Accountants Societies (COPAS). Joint Interest Billing (JIB) and Oil & Gas Accounting Practices.** Describes how **multi-party cost allocation and JIB complexity** lead to **billing lags and unbilled balances**, directly affecting working capital and DSO. [Link → COPAS Article](#)