Order-to-Cash
Best Practices for Billing Documents
Automated Access and Delivery
Introduction

A critical component of any business's order-to-cash cycle is the process of invoicing for goods or services sold and receiving payment in return. But sending invoices represents only a small percentage of the tasks involved in billing and cash collection. What often hinders the process most is the inability to assemble and deliver packages of billing documents in a timely way to support the invoice. This is significant because frequently customers will withhold payment of invoices until they receive certain documentation that provides proof of delivery.

To overcome this challenge and maximize operational efficiency in general, one solution that more and more companies today are embracing is electronic storage and delivery of billing documents. By moving from manual to automated processes, businesses are able to improve order-to-cash performance and strengthen bottom-line profits while avoiding costly disputes.
Billing Document Processes

The range of documents generated throughout a business transaction, establishing the fact that a recipient received a shipment sent by another party, typically includes:

- Quote
- Purchase order
- Proof of delivery
- Pick list
- Packing slip
- External shipping documentation
- Delivery receipt
- Customs and tax documentation

The challenges of manual billing

Manual billing processes pose a variety of challenges for companies today, such as:

- **High operating costs.** Manual billing involves numerous steps that consume time and resources. These steps include everything from document printing and sorting to photocopying to folding and stuffing documents into envelopes for mailing.

- **High dispute resolution costs.** Collections staff spend hours chasing payment when customers claim orders did not arrive or were incorrect, or that they did not receive the necessary supporting documentation with the invoice. Documents must be retrieved from customer service and the warehouse or courier, then resent to the customer to resolve the dispute.

- **Delayed payments.** The time required for manual document processing and delivery delays cash collection because some customers will not pay until they receive proof of delivery, inflating Days Sales Outstanding (DSO).

- **Increased risk of human error.** Because manual processing is dependent on human involvement, there is a greater risk of errors — including misplaced or lost documents.
The promise of automated billing

Ideally, an automated billing system is part of a comprehensive platform for automated document processing. This solution delivers value by integrating with enterprise resource planning (ERP) systems to give companies access to order, billing and proof of delivery information and enable them to send that information to customers. Businesses can store billing documents and data from a full range of sources and in a variety of formats, and automatically send billing document packages via a range of media according to specific customer preferences — including postal mail, email or other electronic channels, or a combination of these.

By automating document processes instead of relying on manual methods, businesses reduce the cost, increase the speed and improve the quality of information exchange with customers as part of the order-to-cash cycle. These outcomes result in greater efficiency in billing and collections, ultimately contributing to overall profitability and return on IT investments.

Best practices for order-to-cash automation

As a tool to enable best practices for order-to-cash performance improvement, the Esker automation platform encompasses document capture, document management and document delivery. This optimizes the assembly and collection of order and billing documents into and out of ERP systems and other enterprise applications, and enables users to:

- **Match** proof of delivery (POD) and other documents with corresponding purchase orders and invoices at any point in the billing process
- **Sort, archive, send and track** POD documents automatically and electronically

With Esker solutions, customers can receive documents in whichever format they choose, including fax, email or postal mail with the click of a button, according to business rules established earlier. In the example below, an order is received by fax, email or other media. When the order is fulfilled, the courier captures POD electronically, which is then downloaded from the web by the Esker platform. At the billing point a document package, including invoice and POD, is automatically sent by postal mail and/or email.
Esker DeliveryWare Automation

Esker DeliveryWare essentially functions as a “printer” in automating the storage, assembly and delivery of billing document packages. While the solution offers a high level of flexibility as to how invoices and supporting documents can be managed, at its core is a process that consists of the following key steps:

1. **Invoice generation and billing document assembly.** When an invoice is generated, supporting documents (such as purchase orders, pick lists, packing slips and delivery receipts) are collected and assembled.

2. **Method of delivery determination.** Based on preferences specified earlier by the customer, Esker DeliveryWare Rules Engine finds the method and address for delivery by reading the invoice or by database lookup, application, and other means. The system also identifies formatting, conversion and routing conditions that need to take place, as defined by processing rules.

3. **Delivery transport.** Recipients are able to specify the document transport mode: email, fax, or postal mail.

4. **Archiving and storage.** When the package of documents is archived, its contents can be accessed or stored together or as individual documents.

In addition, users have the option of interactively adding extra documents from legacy applications, network directories and other sources along with those captured automatically from an ERP system.

**Automate and customize billing document transport**

A significant value of this solution is that it completely automates the sending of billing documents yet also allows customers to receive the documents in whatever format they want, including postal mail.

As a result of this innovative functionality, customers can receive billing documents electronically through email or fax, or through postal mail. Regarding the latter option, companies can send billing documents electronically to an Esker production facility, where these documents are printed and prepared for mail delivery to customers.

**Esker on Demand**

Companies can also leverage the Esker platform for billing document process automation as a cloud service using the pay-per-use SaaS (Software as a Service) model. Integrating with invoicing applications and requiring no on-premise software installation, this approach allows for rapid implementation at minimal cost.
Benefits of Automated Billing

Companies often struggle to receive prompt payment on invoices because customers want POD documentation before paying. Esker DeliveryWare solves this challenge with a fully automated solution that offers the following benefits:

- **Faster payment as a result of efficient and error-free document processing.** Esker DeliveryWare enables organizations to assemble billing document packages quickly, easily and accurately. Payment for invoices can be received much earlier because invoices are correct and accompanied by all of the billing documentation that customers need to provide payment.

- **Easy sending and retrieval of documents.** Esker DeliveryWare makes it simple to both find documents and resend them. Documents can be viewed and indexed in a variety of ways to make retrieval as easy and fast as possible. Customer service gains immediate access to documents such as a copy of the original PO, for example.

- **No lost documents.** With Esker DeliveryWare, no documents are lost because an audit trail is automatically created for each document that goes through the system. Esker DeliveryWare provides a bulletproof data storage method offering much higher security and integrity than manual billing processes.

- **Dramatic reduction of paper and manual labor.** By virtually eliminating paper and manual labor, Esker DeliveryWare helps to speed up the process of assembling billing document packages.

**Case Study Capsule: Visy**

Visy is the world’s largest privately owned packaging and recycling company and is headquartered in Melbourne, Australia. With some 25,000 customers and more than 24,000 invoices being manually distributed each month, Visy found that its team of 35 accounts receivable staff was spending far too much time on paper-intensive processes. The company turned to Esker DeliveryWare to automate its billing document processes.

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<thead>
<tr>
<th>The challenge of Visy’s manual system:</th>
<th>Results achieved with Esker DeliveryWare:</th>
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<tbody>
<tr>
<td>Significant printing and mailing costs</td>
<td>Reduced delivery costs by half</td>
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<tr>
<td>Frequent resending of invoices due to errors</td>
<td>Eliminated paper invoices completely</td>
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<tr>
<td>Numerous lost or misplaced invoices</td>
<td>Achieved time savings of 250 hours per week</td>
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<tr>
<td>20% of POD documents missing</td>
<td>100% of POD documents captured</td>
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<tr>
<td>Frequent delays in payment</td>
<td>Reduced late payments by a minimum of 5 days</td>
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**Conclusion**

As a part of the order-to-cash cycle, billing and cash collection document processes must be carefully managed to maximize efficiency and profitability. Esker solutions:

- Combine dynamic content capture with automated document bundling to manage order and billing information from various sources and in multiple formats
- Provide access to billing data and facilitate sharing of the information
- Help businesses successfully overcome the challenges of manual billing processes

In addition, the non-intrusive nature, intelligent automation and complete input/output capabilities of the Esker platform allow companies to automate billing processes with no disruption of their existing procedures or those of their customers. As part of the automation, organizations can help their customers to go paperless by letting them continue to receive billing documents by postal mail until they are ready to switch to electronic delivery.
About Esker

Automation leadership

As a recognized leader in understanding and solving business problems that involve documents, Esker helps organizations eliminate manual processes, increase process visibility and control, and reduce the use of paper by automating the flow of documents into, within and out of the organization. Customers gain significant and immediate operational efficiencies, cost savings and measurable ROI in as little as three to six months. Esker solutions include an end-to-end platform that automates every phase and every type of document-based business information exchange, and on-demand services making document process automation benefits available without the need to host and maintain infrastructure. Founded in 1985, Esker operates globally with more than 80,000 customers and millions of licensed users worldwide. Esker has global headquarters in Lyon, France and U.S. headquarters in Madison, Wisconsin. For more information, visit www.esker.com.

One platform for all processes

Procure-to-pay and order-to-cash

Helping organizations quit paper and automate business processes to speed cash conversion, enhance customer satisfaction, improve supply chain performance and increase profitability, Esker solutions span the procure-to-pay and order-to-cash cycles — offering lower TCO and less IT complexity than stand-alone solutions for different processes:

- **Sales Order Processing** to automate entry and routing of incoming customer orders
- **Accounts Receivable Invoicing** to automate processing and delivery of billing documents based on customer preferences
- **Accounts Payable Processing** to automate entry and routing of incoming vendor invoices and other payables
- **E-Purchasing** to automate processing and delivery of supply chain documents based on vendor preferences