



ACCOUNTS RECEIVABLE BUYER'S GUIDE

18 Questions to Ask When
Choosing an AR Automation
Solution Provider



PURPOSE OF THIS BUYER'S GUIDE

Looking to automate your accounts receivable (AR) process? Most businesses understand the purpose of AR automation but could use guidance on the assortment of features and choices. This Buyer's Guide arms you with the knowledge you need to select the most cost-effective and well-suited solution for your organization's invoicing requirements.

Esker has developed 18 essential questions to ask any potential solution provider — and the answers you should expect — to make your decision-making process easier and ensure a successful project and outcome.



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WHY AUTOMATE ACCOUNTS RECEIVABLE?

As companies struggle to control working capital, one solution that can provide quick relief is AR automation. Manual production and distribution methods for processing paper invoices require a significant amount of time and investment. This can have a direct impact on overall profitability and hinder your company's processing efficiency.



High cost per invoice



Lengthy cash collection delays



High invoice processing error rates



Ineffective reporting and status updates



Customer dissatisfaction



Difficult to retrieve sent invoices

Customer invoice automation — for both paper and e-invoices — delivers time and costs savings, lowers days sales outstanding (DSO), decreases litigation risks, optimizes invoice tracking, helps prevent lost invoices, and frees up staff time. In recent years, comprehensive and cloud-based AR automation solutions have emerged as a tantalizing alternative to manual processing methods. In fact, electronic and automated invoice processes can result in savings of 60-80% compared to traditional paper-based processing¹.

Based on Esker's experience, companies leveraging AR automation can:

- Cut the cost of sending invoices up to 80%
- Reduce errors and returns up to 90%
- Lessen document handling time up to 96%
- Reduce DSO as much as 7 days

1. Koch, Bruno. "E-Invoicing / E-Billing: Entering a New Era." (June 5, 2015). Billentis. PDF file.

18 QUESTIONS TO ASK WHEN CHOOSING AN AR AUTOMATION SOLUTION PROVIDER

01 AR AUTOMATION FOR PAPER & E-INVOICING

“We are looking for a comprehensive solution that can address all our AR needs, from paper to e-invoicing, and manage a combined automation solution. For customers not ready to switch to e-invoicing, how do you manage both paper and electronic formats?”

You need a solution provider capable of delivering a fully compliant AR solution that manages both paper and e-invoicing formats, and adapts to customer delivery preferences.



Why Esker?

Esker offers a customer invoice automation solution that grows with your business and easily adapts to your customers' needs.

Esker processes and makes e-invoices available to your customers the way they prefer them: any type of file format (e.g., PDF, XML, etc.), via any electronic media (e.g., email, publishing on a web portal or EDI), and integrated with existing AP applications. Esker also facilitates the move to e-invoice with interoperability capabilities with other vendors.

Paper invoices are electronically submitted directly from any application to one of Esker's worldwide mail production facilities, where they are printed, folded, stuffed into envelopes and handed-off to the local postal services within 24 hours of creation.



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02 SUCCESSFUL INVOICE DELIVERY

“We want to eliminate the errors in our paper invoice delivery process and be sure that invoices sent via email are successfully delivered. Can your solution accommodate this?”

Removing human intervention and subsequent errors are at the core of an automation solution. For paper invoices, your solution provider must ensure that: A) The right invoice is in the right envelope; B) It is sent to the right customer; and C) The correct number of invoices are accurately sent.

Sending e-invoices as email attachments can be problematic since attachments are often identified as spam and there is no way of knowing if your customer has opened the attachment and read the e-invoice. Your solution provider should produce easily downloadable e-invoices. Spam filters are avoided and invoice status visibility is maintained thanks to the web portal.



Why Esker?

Esker Mail Services, part of Esker's Accounts Receivable automation solution, is a business document delivery service that makes traditional business mail completely electronic for the sender from start to finish. Each document processed is tracked with a unique identifier (included in a bar code on each page). These bar codes provide traceability and make sure that the right document and the correct number of pages are processed and delivered to the appropriate parties.

For e-invoice delivery, Esker offers two options: an email with an attachment or an email with a link to a web portal. Both you and your customers can easily view and retrieve invoices on the web portal. When an e-invoice is published on the portal, an acknowledgement is created when read. Reminders can be sent when the invoice has not been read, and, in case of a dispute, the acknowledgement allows you to verify the date and time of each sent invoice.

03 INVOICE TRACEABILITY

“How can we get visibility into the invoicing process to know if our invoices have been delivered on time to the postal service (via paper) or directly to the customer (via e-invoice)?”

Your solution provider should supply invoice tracking and reporting capabilities — giving you access to the status of your customer invoices at all stages of the process. You should enjoy peace of mind knowing that your documents were handed off to the postal service in a timely manner or received by your customers via email.



Why Esker?

Esker's Accounts Receivable solution features a convenient web portal for monitoring the progress of all your mail, fax and email jobs. With online 24/7 real-time tracking and reporting, every sent document is tracked and the data is stored in an online archive for up to 11 years.

Traceability and process integrity are achieved via bar codes added to each page for paper invoices and read-receipt for e-invoices. When published on the web portal, each invoice creates an acknowledgement when it is read and reminders can be sent when the invoice has not been read.

In the event of a dispute with a customer or tax authorities, even years after the invoice was processed and delivered, you are able to quickly locate it and provide the original invoice as evidence.

04 CUSTOMER E-INVOICING ADOPTION

“How can we get our customers to agree to switch from paper invoices to e-invoices?”

It is in your and your customers' best interest to switch from paper to e-invoicing, as it can significantly reduce processing costs and DSO. The switch to e-invoicing should be seamless, done at the customer's pace and with their approval, without affecting your business.



Why Esker?

Esker provides you with the right tools (web portal, project guidance, e-invoicing deployment kits and legal advice) to help you assist your customers in their move to e-invoicing.

By encouraging your customers to connect to your web portal, you are facilitating the task of gathering email addresses, as well as obtaining their agreement for e-invoicing. The web portal makes it easy for you to know what each of your customers prefer when it comes to receiving their invoice.



05 E-INVOICING COMPLIANCE

“Does your AR solution support e-invoicing regulations in different countries? How do we maintain compliance with local e-invoicing regulations?”

Many countries have specific e-invoicing rules and requirements that you and your customers must follow for the purpose of invoice auditing. In the event of a tax audit, you must be able to validate the integrity and authenticity of an invoice (i.e., prove it is real and unchanged). With many governments and large corporations adopting e-invoicing, some even mandating it, businesses must send e-invoices if they want to get paid.

Your solution provider must be able to comply with these specific country regulations — both country of origin and recipient country. According to the EU Directive, all e-invoices must be archived electronically — both vendor and customer invoices — in separate and secure locations, and your solution provider should offer a secure solution that adheres to this directive.



Why Esker?

Esker has the solution and controls in place to remove a company's compliance risk and provide e-invoice legitimacy. E-invoices can be generated in all types of formats (e.g., PDF, XML, EDIFACT, ANSI, UBL, etc.) and communicate with platforms from other service providers and public administrations. E-invoices are processed in compliance with all international regulations (e.g., e-signatures, EDI, sales order matching, tracking and reporting capabilities for BCAT, e-archiving, etc.).

Through its partnership with TrustWeaver, a leading expert on e-invoicing compliance issues, Esker applies appropriate e-signatures, time stamps and verifications in over 40 countries.

06 EFFICIENT & AFFORDABLE PAPER INVOICE DELIVERY

“What are the cost savings and time gains achieved when sending paper invoices with your AR solution?”

Your vendor's solution should include mail production centers capable of producing and delivering your paper invoices to the postal service within 24 hours of being generated. This quick turnaround time results in faster invoice payment and reduced DSO.



Why Esker?

Esker's strategically-placed network of worldwide production facilities and its expertise in mail production enable customers to save time and money. As mail is processed in real time, invoices are sent out within 24 hours of being created and are therefore paid faster, thus lowering DSO.

You also benefit from dramatically reduced operational costs (hardware and maintenance) and least-cost routing. Furthermore, with the absence of human errors, you do not incur reprinting and reposting costs associated with incorrect invoices.



-7 DAYS

REDUCE DSO
AS MUCH AS 7 DAYS



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07 IMPROVED & EFFICIENT CUSTOMER COMMUNICATIONS

“How can we empower our customers to retrieve their invoices themselves without depending on our AR staff? We want to free-up their time spent communicating with customers on invoice status and enable them to focus on more valuable services.”

Remove the hassle of keeping your customers up-to-date on their invoices by providing visibility through a customer portal. They will no longer have to go through your AR team for updates or to retrieve invoices, and freeing up your accounting staff will enable them to focus on more value-added activities and services.



Why Esker?

Esker's Accounts Receivable solution comes with a convenient and secure web portal that streamlines communication with your customers. The portal allows your customers to follow the processing of their sent invoices and helps you reduce the number of customer phone calls you receive, enabling you to free your AR staff from administrative tasks.

By connecting to a portal, customized with your company's logo, your customers will be able to view and consult their invoices at any time. As a result, your accounting team will be free to invest their time in more valuable and constructive activities. Additionally, customers can pay any open invoice directly from the portal using a credit card, online transfer, PayPal, etc.

The screenshot shows a web portal for a company named ACME. The header includes the ACME logo and a 'Contact us' link. The main content area is titled 'Welcome' and contains a message: 'You are using this application for the first time. Please take a few minutes to fill out this form so the application can adapt to your preferences.' Below this, there are two sections: 'Invoice delivery' and 'General Information'. The 'Invoice delivery' section has a link for 'E-invoicing terms and conditions' and a checkbox for 'I have read and accept the e-invoicing terms and conditions.' It also has a section for 'Please choose your invoice reception method' with three radio buttons: 'Online (with email notification)' (selected), 'Email attachment', and 'Postal mail'. The 'General Information' section has a 'Salutation' dropdown menu and a 'First name' text input field.

08 DASHBOARDS & METRICS

“It’s important that we keep an eye on the pulse of our business. Are you able to provide control and visibility into overall AR performance?”

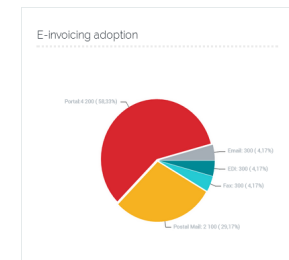
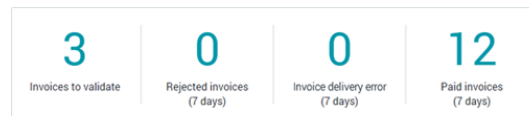
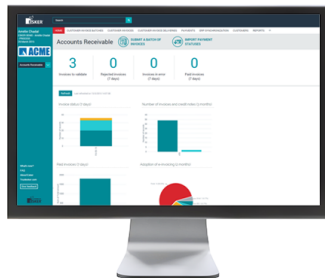
Your provider’s AR automation solution should offer packaged key performance indicators (KPIs) and dashboards that provide real-time visibility and other analytical tools. This type of enhanced control and monitoring makes it easier for everyone involved to perform daily tasks, monitor performances, analyze areas of improvement, and allocate resources and workloads.



Why Esker?

Esker dashboards enable you to facilitate daily tasks, monitor performances and react quickly to prevent problems or spot opportunities early, making every action smarter and more strategic. Dashboards are customizable so that users can choose what they want to display and to which user or profile.

See how many invoices need to be validated and how many have been paid, track the progress of your sent invoices with 24/7 real-time tracking and reporting, and measure your customers’ e-invoicing adoption rates.



09 ELECTRONIC ARCHIVING

“We want to electronically archive our customer invoices so we don’t have to worry about mounds of paper. Will we be able to access our documents easily?”

Your solution provider should be able to automatically archive your invoices electronically, eradicating the need for manual storage and time-consuming filing.

Additionally, invoices should be backed up with security guaranteed by your solution provider’s infrastructure and always accessible to authorized personnel from any location for as long as you choose.



Why Esker?

With Esker’s powerful multi-criteria search engine, you only need to enter one or more search criteria in the web interface, and your invoice is quickly identified. Invoices are accessible to any authorized personnel from any location for as long as you need.

Access to your document is secured using advanced login security policies. A backup of your archive is always available, and you can also request a digital media copy.



10 ERP INTEGRATION

“Will your solution integrate with our ERP/business system?”

Implementing an automation solution should not require additional costs for custom development. If your AR solution does not work with your current ERP/business system, the payoff will take longer, coupled with a higher total cost of ownership (TCO).

Ideally, you want a solution that is compatible with a wide range of ERP systems, is configured to address the unique needs of any business, and easily integrates with your current infrastructure.



Why Esker?

Esker's solution works with a wide range of ERP/business systems providing flexible integration options should you need to connect with several applications (e.g., SAP, Microsoft Dynamics, Oracle E-Business Suite, JD Edwards EnterpriseOne, etc.) used by different subsidiaries or departments within the company.

Esker offers a unique value to businesses running SAP® applications by providing them with a solution entirely integrated with their current SAP system which is compatible with upgrades.



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CAPITAL EXPENDITURE

“We cannot afford to invest significant IT resources or budget into an invoice automation solution. What are our options to easily and affordably automate our AR process?”

Software as a service (SaaS) is a delivery model in which software and its associated data are centrally hosted in the cloud (i.e., on-demand) and accessed via an Internet web browser. SaaS delivers a more economical solution for many customers and has become a common delivery model for most business applications.

Rather than mobilizing IT resources and investing funds into a large on-premises IT project, SaaS delivers a secure, scalable and affordable solution to quit paper and streamline the AR process.



Why Esker?

Esker offers customers the choice of implementing their automation solution on-demand or on-premises. This means you do not have to wait for IT resources to be available or budgets to be allocated in order to get your project moving.

Companies can get the expected capabilities from an on-premises software solution or immediately benefit from an on-demand service that requires little to no upfront investment, and features a pay-per-use pricing model.



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BUSINESS CONTINUITY

“We can’t risk delays in business processes or the chance of losing critical information. Do you commit to delivering business continuity?”

Documents must be transmitted in a timely fashion with a redundant, always-on and backed up infrastructure so that information is handled in a secure, confidential and traceable manner. Your solution provider should also make crucial business functions available to customers and suppliers at all times.



Why Esker?

Each Esker server platform uses high-availability cluster technology that offers internal redundancies to counter any possible hardware failure. The platforms in North America and Europe back up one another so that your documents are transmitted on time.

Esker production centers also feature solid architecture for document security. For example, data transfer by secure protocol (SSL) identical to those used for banking transactions; secure server bays; controlled temperatures for humidity and pressure; electric infrastructure with backup generators; fire prevention measures; and 24/7 monitoring to offer worldwide service and continuous availability.

13

ONE PLATFORM VS. STAND-ALONE SOLUTIONS

“Should we pull together different technologies from multiple solution providers or go with an integrated platform from one vendor?”

In order to maximize simplicity and overall costs, the best-case scenario is to find a solution provider who can deliver all of the necessary technology to automate customer invoice delivery in a single solution. A truly integrated automation solution improves business processes and efficiencies, delivering high return on investment (ROI).



Why Esker?

Esker provides all the necessary functions and technology to automate customer invoice delivery (paper and electronic) via one universal automation platform. No need to rely on multiple products from various vendors — Esker has it all.



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INFORMATION SECURITY & INTEGRITY

“How can we be confident that our business documents will be securely handled and stored?”

Hosting and processing other companies' business and financial documents brings up the question of internal controls and security issues.

SSAE 16 and ISAE 3402 audits are international reporting standards that analyze a service organization's control over information technology and related processes. A successful audit completion indicates that processes, procedures and controls have been formally reviewed.

In addition, the U.S. Department of Commerce and the European Commission have agreed on a set of data protection principles and FAQs (the Safe Harbor Principles) to enable U.S. and European companies to satisfy the EU law requirement that personal information transferred from the EU to the U.S. be adequately protected.



Why Esker?

Esker is SSAE 16 and ISAE 3402 Type 2 certified for its on-demand automation solutions (following an audit conducted by A-lign™ Security and Compliance Services). A successful audit completion indicates that processes, procedures and controls have been formally evaluated and tested.

Esker also adheres to the principles set forth by the Safe Harbor Privacy Policy in respect to transfers of personal information from the European Economic Area to the U.S. Consistent with its pledge to protect personal privacy, Esker has been certified by TRUSTe, an independent third party online privacy solutions provider.



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15 EXPANDING TO OTHER BUSINESS PROCESSES

“Today we’re in the market for an AR solution, but tomorrow we may need to automate other business processes – can you support our growing business needs?”

Your solution provider should provide all the technology, solutions, service and support needed to respond to your expanding needs. That means having the capability to address the full cash conversion cycle — not just AR — to automate other business processes (e.g., order processing, accounts payable, etc.).



Why Esker?

Esker allows you to control all of your document process improvement efforts in one collaborative platform that spans the entire cash conversion cycle. Whether you want to automate and capture any inbound documents (sales order, vendor invoices) or electronically deliver any outbound document (customer invoices, purchase orders), Esker allows you to automate as needed using a shared group of technologies.



16

GLOBAL PRESENCE

“Can you support our multiple offices and multi-language needs? As a global company we need to be sure your solution can be scaled out.”

In today's global marketplace, you need an international solution provider who can support your automation needs across a network of offices around the globe, offer multi-language capabilities and support and have proven cross-border customer successes.



Why Esker?

With offices around the world, Esker operates globally and has a track record of many successful worldwide implementations.

The Esker web portal and user interface is available in multiple languages, and local language and international tech support is available in many countries. Esker's on-demand platform allows for a rapid solution rollout to various countries without the need to plan for multiple instances or larger, more complex infrastructure. Esker provides e-invoicing and regulatory compliance in over 40 countries and has a network of international mail production facilities.



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17 EXPERT CONSULTANCY & PROJECT METHODOLOGY

“Will our solution be implemented on time and within budget?”

Beyond just specific solution inquiries, your solution provider should evaluate your company's automation needs as a whole and propose a solution that is well suited and can adapt to meet your business needs.

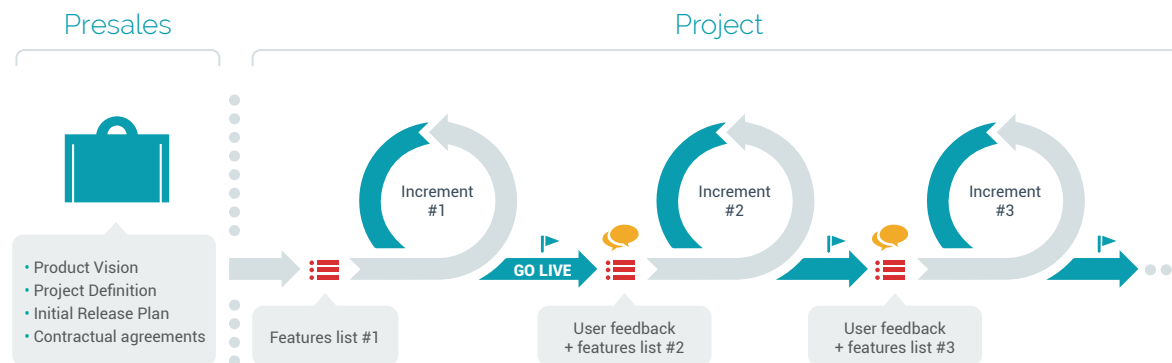
Visibility before and during project implementation should be provided in order to monitor budgets and maintain schedules. A skilled solution provider with years of solution implementation experience understands the importance of respecting timelines and budgets.



Why Esker?

Esker delivers expert consultancy throughout the entire purchasing lifecycle — from presales assessment of your business needs and solution selection to implementation and production. Esker goes beyond the initial solution inquiry to provide professional and knowledgeable support in order to optimize the solution to your specifications.

Esker's use of **Agile methodology** creates an adaptive environment of self-service and enhanced process insight so that customers, business partners and their key stakeholders are actively involved throughout and achieve maximum value in every phase of solution delivery in the shortest amount of time.



18

SAAS VS. OUTSOURCING

“Why should we go with a SaaS model over an outsourcing service?”

Issues associated with Business Process Outsourcing (BPO) include: failing to meet service levels, unclear contractual issues, changing requirements and unforeseen charges, as well as a dependence on the BPO which reduces flexibility. Additionally, a major drawback with BPO is security risks both from a communication and from a privacy perspective.

Understanding the benefits of automating software with the SaaS model over BPO is key. With a SaaS model, you maintain data ownership and visibility, gain flexibility to adapt to changing business conditions, benefit from security and confidentiality assurance, and enjoy a faster ROI. SaaS has become a common delivery model for many business applications where software is centrally hosted in the cloud.



Why Esker?

Esker allows you to implement automation rapidly and cost-effectively, without the need to build or expand an in-house network. Mature SaaS models can put the most powerful automation technologies at your disposal so you can adapt to new business challenges and deploy solutions quickly. This approach helps preserve capital by automating without the risks of outsourcing, additional IT complexity or associated expenditures.

Esker believes SaaS is the best model to facilitate the use of document process automation solutions. Applications run on a shared data center (based on multi-tenant architecture) and are flexible enough to customize to specific needs. More than 5,000 SaaS customers and 200,000+ SaaS users worldwide rely on Esker every day to automate key business processes.



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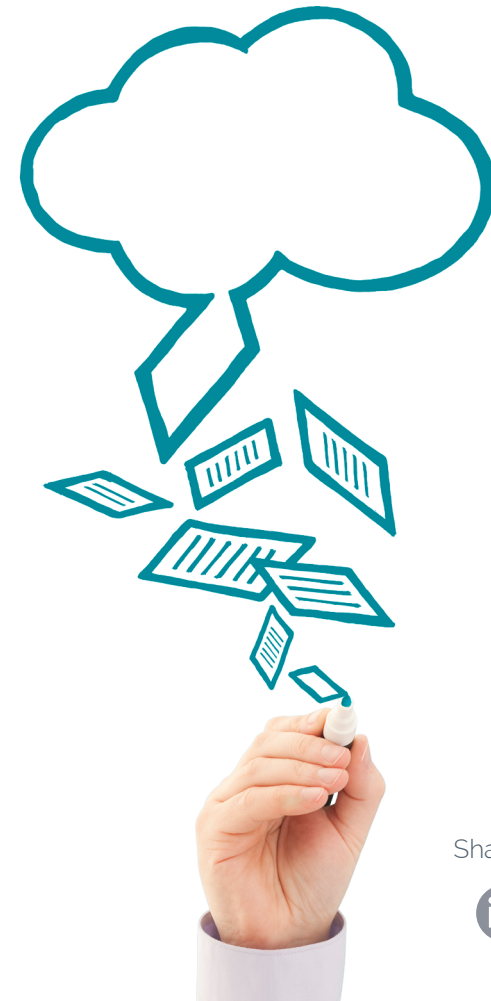


ESKER'S ACCOUNTS RECEIVABLE SOLUTION

As the first SaaS solution to offer 100% automation of customer invoice delivery, Esker streamlines the sending and archiving of both paper and e-invoices according to customer preferences and in compliance with worldwide regulations.

6 ways Esker improves invoice delivery

1. Automates 100% of delivery of paper and e-invoices
2. Allows businesses to track customer invoices in real time
3. Places paper invoices in postal stream in less than 24 hours
4. Allows customers to go paperless at their own pace
5. Supports e-invoice compliance in 40+ countries
6. Integrates with all ERP/business applications



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HOW THE ESKER SOLUTION WORKS



REAL RESULTS ACHIEVED BY ESKER CUSTOMERS

- Reduced invoice processing costs by 80% by automating the delivery and archiving of electronic and paper invoices
- Reduced DSO from 6 to 2 days by reducing document processing time
- Increased customers' e-invoicing adoption rate
- All e-invoices are sent in 100% compliance with all international regulations
- Significantly reduced customer invoice processing time from 3 hours a day to just minutes
- Time spent sending and sorting invoices and reminder letters is now spent with customers and on more value-added projects



HAEMONETICS®



TOSHIBA



Our goal was to eliminate the maximum amount of paper in our company, including all paper archives, and put in place a fast and reliable solution for our customers. Esker has given us that.

CEO, GECITech



The solution works seamlessly with all other systems and offers flexibility for customers who have moved to 100% electronic invoicing, as well as those who prefer to maintain paper invoices.

CFO, STACI



Esker immediately knew how to address our needs and deliver a pertinent solution, allowing us to reduce our invoice processing time by one third and to significantly improve our DSO.

Director of Information Systems, Arkadin



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ABOUT ESKER

Esker is a worldwide leader in cloud-based document process automation software. Organizations of all sizes use its shared platform of solutions to automate accounts payable, order processing, accounts receivable, purchasing and more. Esker's solutions are compatible with all geographic, regulatory and technology environments, helping over 11,000 companies around the world in their efforts to Quit Paper™.



Founded in 1985, Esker operates in North America, Latin America, Europe and Asia Pacific with global headquarters in Lyon, France and U.S. headquarters in Madison, Wisconsin.

For more information on Esker and its solution, visit www.esker.com

Follow Esker on Twitter at twitter.com/eskerinc and join the conversation on the Esker blog at blog.esker.com.

TERMSYNC, AN ESKER COMPANY



TermSync™ offers a complete Accounts Receivable automation solution designed to streamline the entire billing and collections process by giving organizations the ability to automatically send customized payment reminders or account statements, create customized workflow tools and analyze all data points. This truly end-to-end option provides forward-thinking companies with all of the necessary tools for automating the four critical components of AR operations: invoice delivery, collections management, a customer portal, and reporting and analytics.

TermSync currently connects over 350,000 businesses through an intuitive, cloud-based platform that operates in tandem with existing workflows and systems, and can be up and running in less than a week. Through TermSync, clients are able to improve customer relations, reduce administrative costs and get paid faster — **it's our commitment to finally bring AR into the 21st century!**

TermSync is located in Madison, Wisconsin. For more information, visit www.termsync.com.



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