

ORDER TO CASH

ACCOUNTS RECEIVABLE

Order to cash, also known as O2C or OTC, refers to the entire set of business processes for receiving and processing customer sales orders for goods and services and their payment. It's really the heart of all businesses and must be managed efficiently and accurately. The accounts receivable path has many steps before an order turns into income. Typically it involves a lot of human effort at every step along the way. Redwood Robotics™ solutions can make every step of the process simpler.

AS EASY AS 1-2-3-4

An accounts receivable process includes four main steps:

- Establish credit practices and create customer records
- Invoice customers
- Track accounts receivable (AR/payments received and payments due)
- Document accounts receivable (AR)

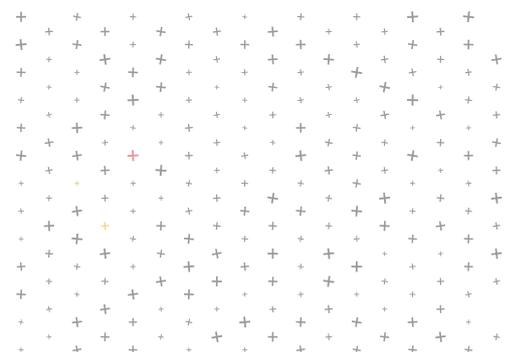
ORDER TO CASH FLOW



STEP 1: ESTABLISH CREDIT PRACTICES AND CREATE CUSTOMER RECORDS

The credit application process is usually a pre-determined and tightly governed process, which the credit management function must follow. It's also often labor-intensive and requires a series of both internal and external checks.

Robotic relief – Fortunately, if these processes are well-established and defined, robotics can help. Robotics can perform the tasks, confirm conformity to rules and seek appropriate human approvals as defined by the credit policy and corporate governance best practices.



I STEP 4: DOCUMENT ACCOUNTS RECEIVABLE

UNBILLED REVENUE ACCRUAL:

Unbilled revenue can represent a substantial portion of your assets. If left unaccounted for, it can have a detrimental impact on your P&L. There may be legitimate reasons that goods and services are delivered but not yet billed, but it is important to properly document the amounts outstanding. If there is no obligation on the customer to pay the amount consumed or delivered on the day the books are closed, then accountants must calculate, validate and, subject

to approval, post appropriate journals. Calculations and rules for this unbilled revenue can be complex.

Robotic relief – Robotics can calculate the unbilled revenue based on accepted rules applicable to your industry or your company and can, subject to correct approval, post the appropriate journals.

DOUBTFUL DEBT/BAD DEBT PROVISION:

Provisions for suspected bad debt must be calculated, approved and posted. They can then be reversed in the next period. Often these rules are static and rarely change.

Robotic relief – Robotics can apply rules you select. For example, for items older than 60 days with transactions greater than a specified amount, simply pre-fill the required journal, seek approval and then post the journals automatically. Once the new period is open, our robotic components will auto-reverse these, if needed.

THE CLOSE:

Once all accounts receivable-related tasks are completed, our robotics can automatically close the process, prepare and distribute any standard AR KPI reports to the required audience.

Redwood Robotics solutions manage the manual activities across your AR activities, making them flow smoothly, consistently, and with a clear audit trail. Human staff previously engaged in these mundane, repetitive tasks are freed to deliver more value in higher level tasks. Contact us to learn more about what Redwood can do for you.





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