

# MODERNIZING AP/AR PROCESSING

## 2020 SURVEY RESULTS ANALYSIS



### **CRAIG JEFFERY**

Managing Partner, Strategic Treasurer

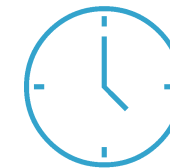
### **DAVE ROBERTSON**

Director, Treasury Advisory Services, Deluxe Corporation



### **WHAT.**

Results, analysis, discussion and takeaways from the 2020 AP/AR Survey



### **WHEN.**

Tuesday, September 22, 2020  
11:00 AM – 12:00 PM EDT



### **WHERE.**

Live online presentation  
Replays at [StrategicTreasurer.com](https://StrategicTreasurer.com)



This presentation is provided by Strategic Treasurer and Deluxe Corporation

# ABOUT THE SPEAKERS

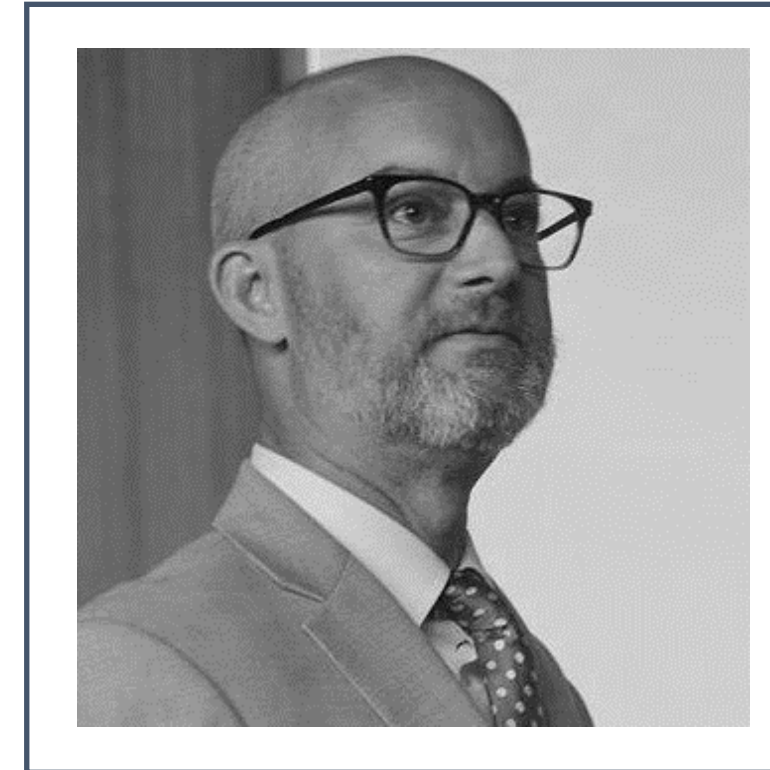
GET TO KNOW TODAY'S  
SUBJECT MATTER EXPERTS



## CRAIG JEFFERY

Craig Jeffery formed Strategic Treasurer in 2004 to provide corporate, educational, and government entities direct access to comprehensive and current assistance with their treasury and financial process needs.

His 30+ years of financial and treasury experience as a practitioner and as a consultant have uniquely qualified him to help organizations craft realistic goals and achieve significant benefits quickly.



## DAVE ROBERTSON

For almost two decades, Dave Robertson has worked with banks and corporations to drive revenue, improve efficiency and optimize the customer experience through Deluxe Treasury Management Solutions' state-of-the-art technologies. Previously, Dave was managing director of commercial banking at Novantas, where he helped develop the firm's proprietary methodologies in deposit engineering, pricing strategies, and new product development.

Dave was formerly editor of the Journal of Corporate Treasury Management, a peer-reviewed quarterly publication designed to advance the corporate treasury profession. He has collaborated with industry groups, regulatory agencies, and industry consortiums and testified before congressional sub-committees on financial regulation.

# TOPICS OF DISCUSSION

KEY AREAS OF FOCUS &  
ANALYSIS



## ABOUT THE SURVEY

KEY POINTS OF INTEREST



## RISK MANAGEMENT

IN THE CURRENT  
ENVIRONMENT



## PANDEMIC RESPONSE

OUTSOURCING, MOVE TO  
DIGITAL, WFH



## AREAS OF GROWTH

TECH USE IN AP/AR



## DRIVERS OF CHANGE

IMPROVEMENTS IN THE PROCESS



## KEY TAKEAWAYS

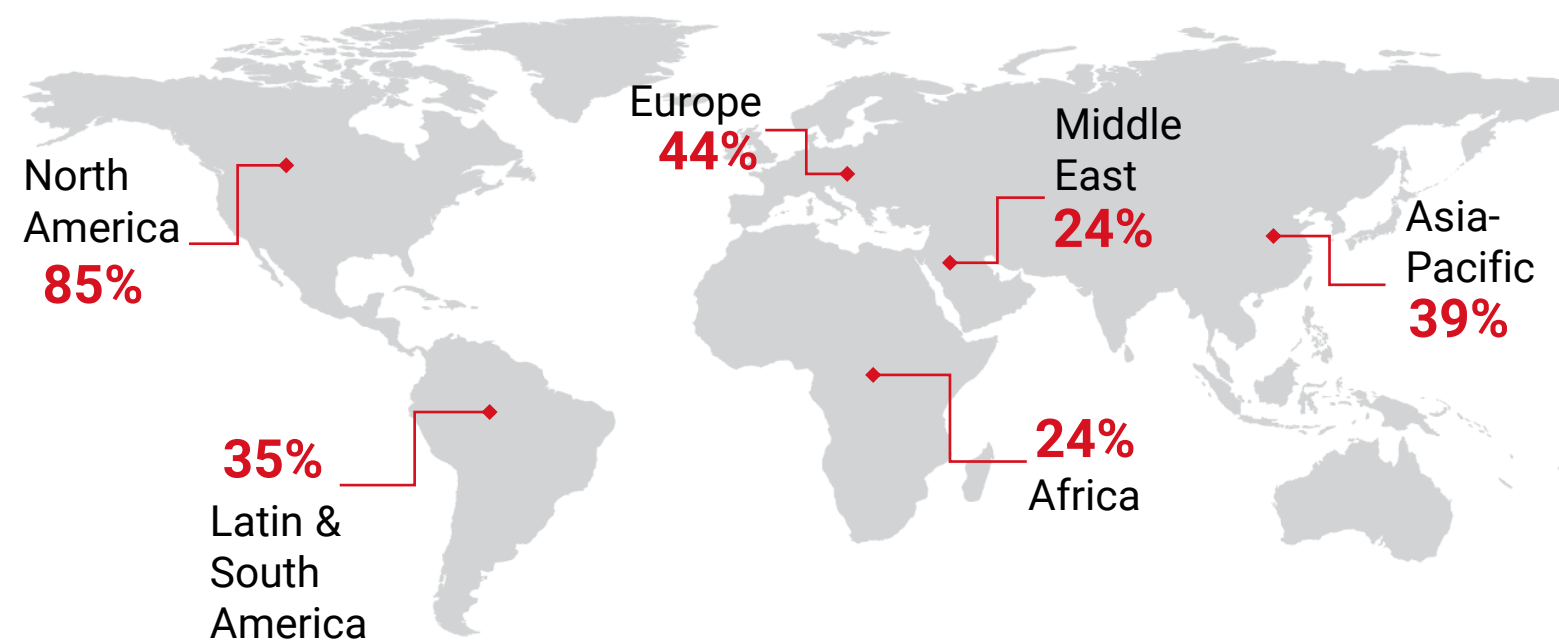
FROM THE RESEARCH

# SURVEY QUICK STATS

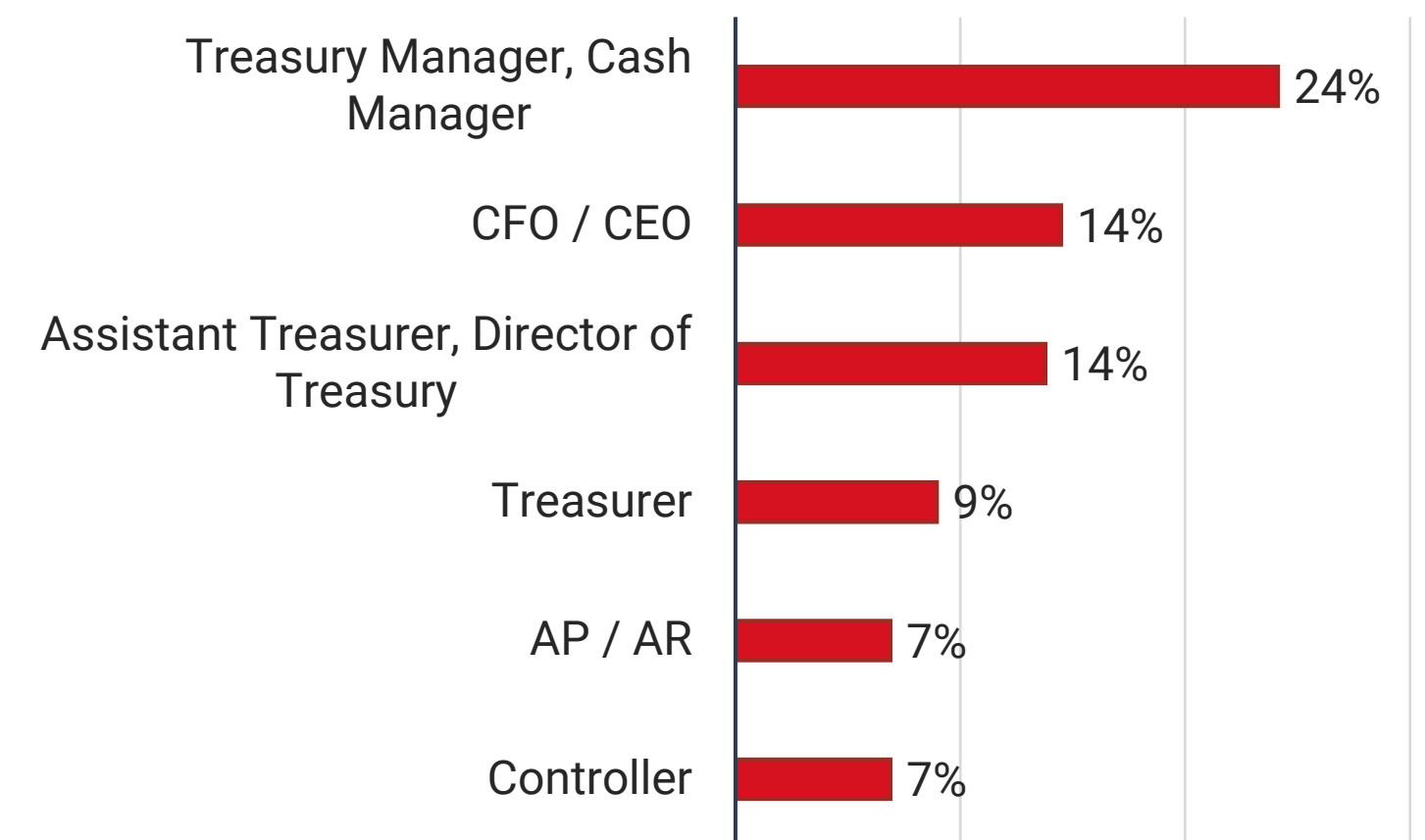
## 2020 Modernizing AP/AR Processing



### Regions of Operations



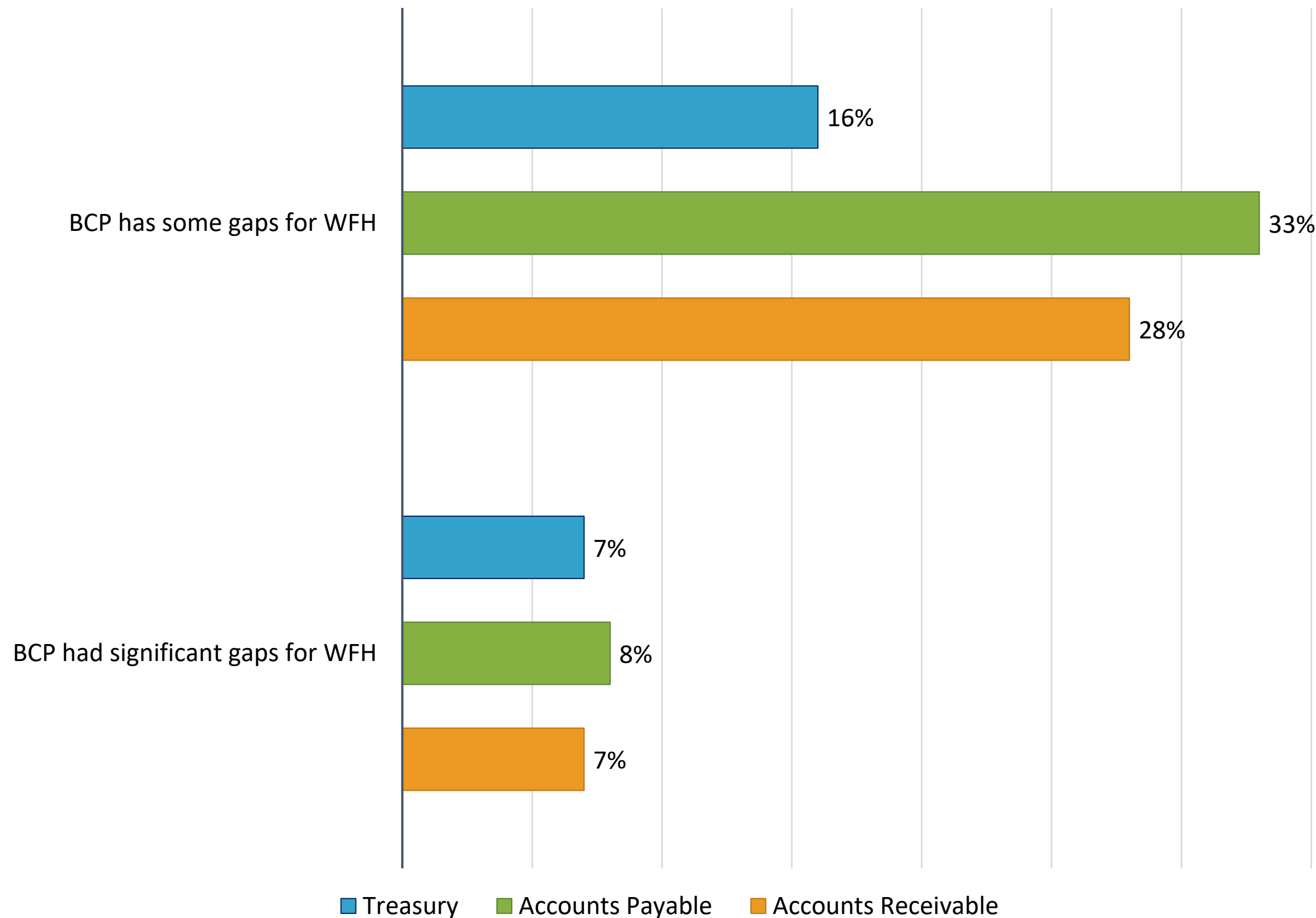
### Top Respondent Roles



# GAPS IN BUSINESS CONTINUITY PLANS

REVEALED BY THE WORK FROM HOME (WFH) ENVIRONMENT

» How has COVID-19 impacted your business continuity plan (BCP)?



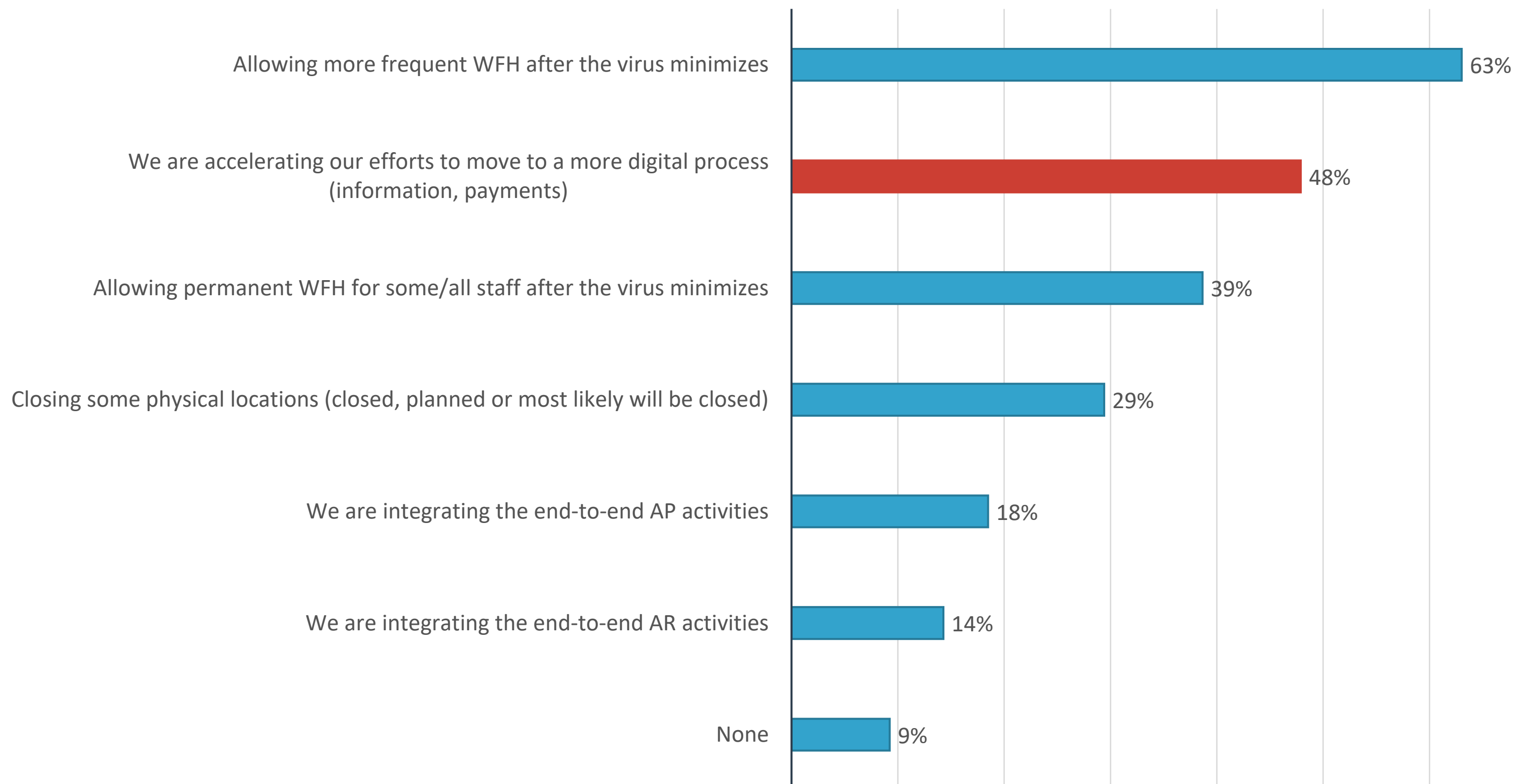
## ADEQUATE BCP

3/5 AP and AR groups reported adequate BCP, whereas 4/5 treasury groups concluded that they were well covered.

# ACCELERATED MOVE TO DIGITAL

## REVEALED BY THE WORK FROM HOME (WFH) ENVIRONMENT

» *In response to the COVID-19 pandemic, have you considered the following:*



# PAIN POINTS IN A PANDEMIC

## LOOKING AT INSIDE & OUTSIDE FACTORS

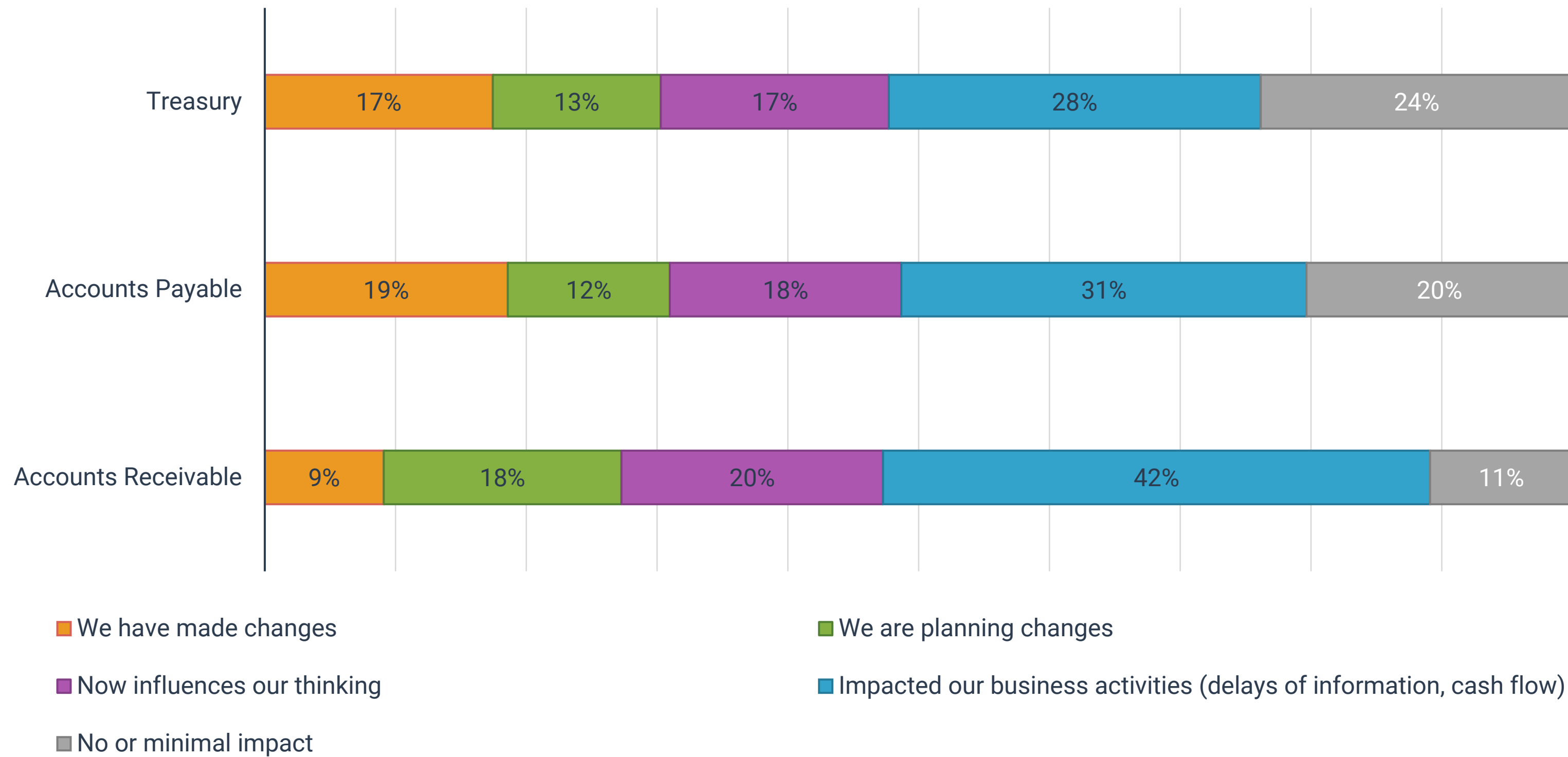
» With business conditions disrupted by the current situation, what are your biggest internal & external pain points?

Respondents	Internal	External
>50%		52% Balancing company needs and customer challenges
30 – 39%	35% Cross training (staff) 34% Staff safety 34% Working capital fluctuations 34% Team communication	
20 – 29%	28% IT resources 27% Forecasting	28% Slower mail, posting 27% Balancing company needs and vendor needs 26% Slower responsiveness by customers on issues 21% Slower responsiveness by vendors on issues
10 -19%	17% Security	18% Vendor capabilities 14% Volatility with vendor operations (or solutions) 13% Slower responsiveness by our bank/3rd party processor
<10%	9% Other internally oriented issue	8% Inadequate failover/backup from a bank/3rd party processor 8% Other externally oriented issue

# CHANGING PLANS

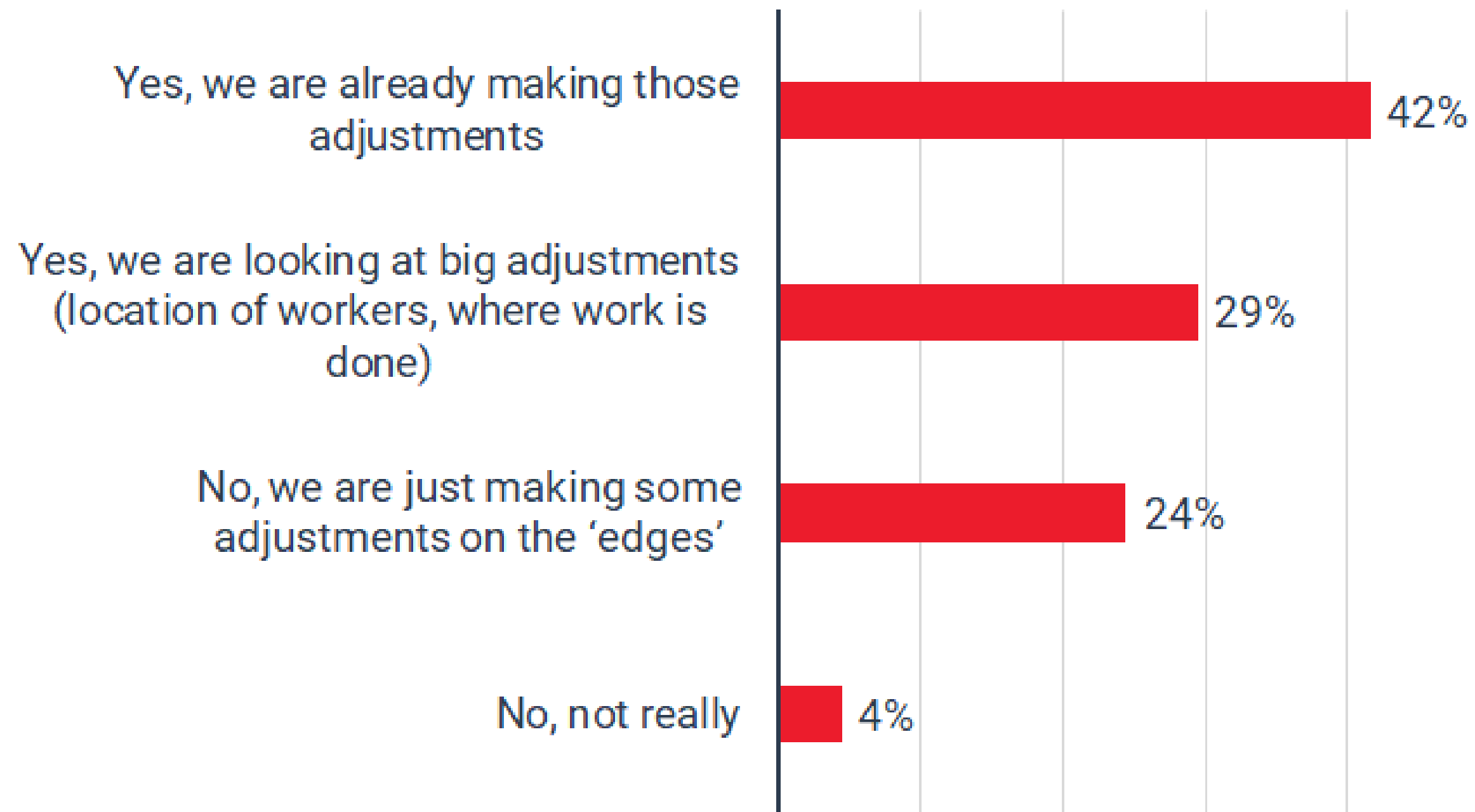
## ADJUSTING STRATEGIES MOVING FORWARD

» *How has the current pandemic environment impacted your planning and strategies or actions:*





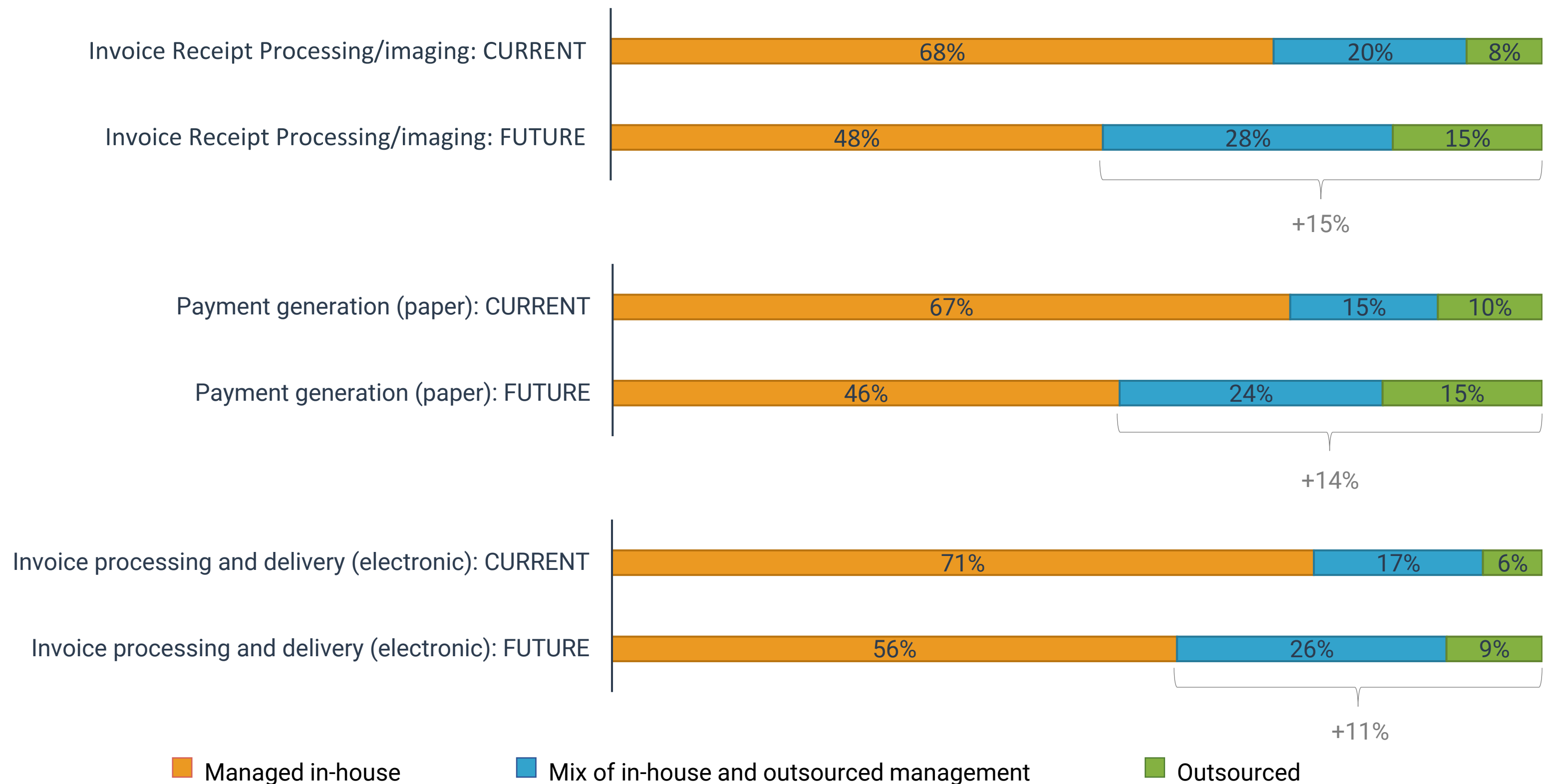
# POLL QUESTION



# ACCELERATING THE MOVE TO OUTSOURCING

## SHIFTING AWAY FROM KEEPING IN-HOUSE

» Our current and future strategy for process management are as follows:

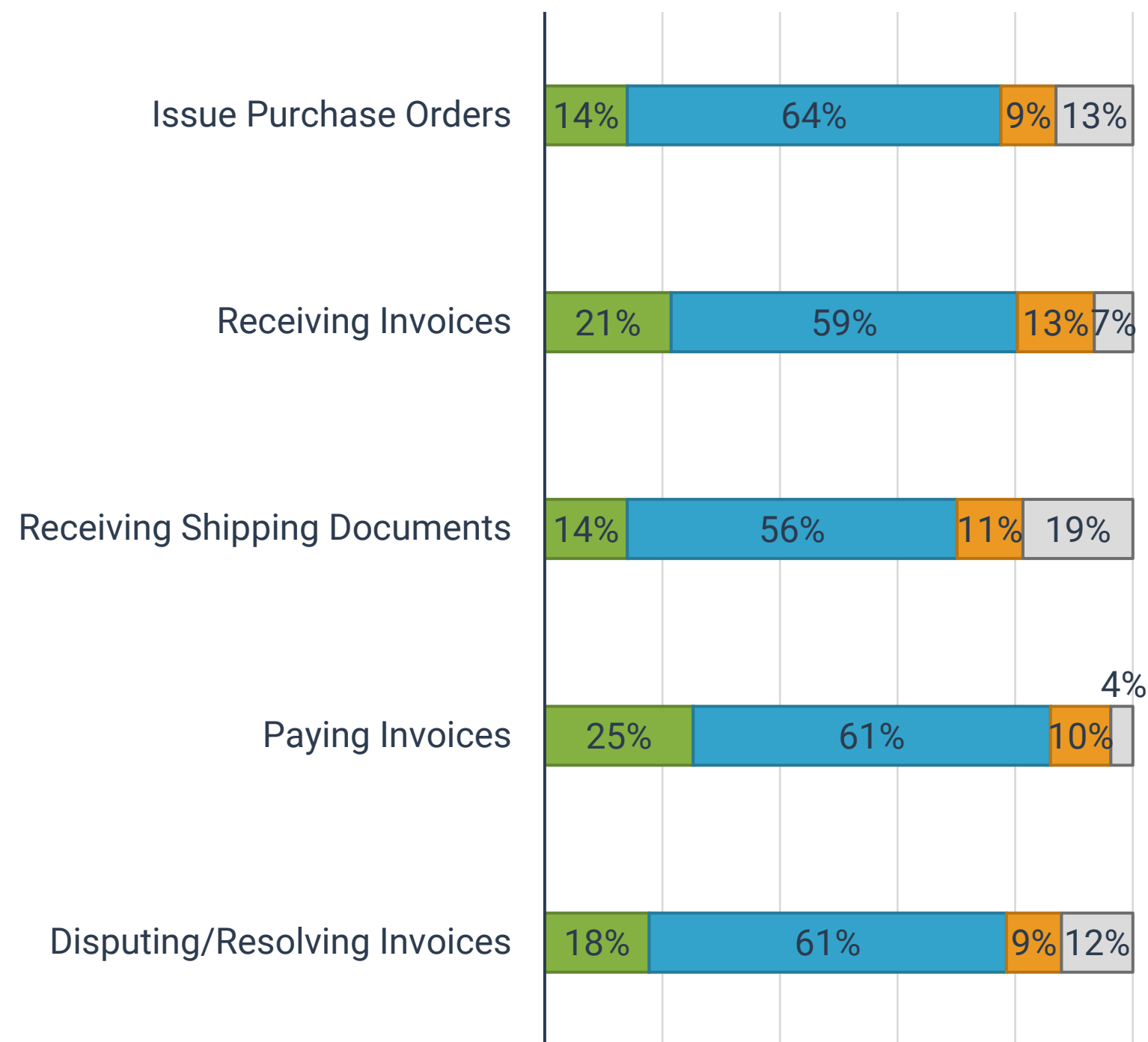


# ELECTRONIC ACTIVITY INCREASING

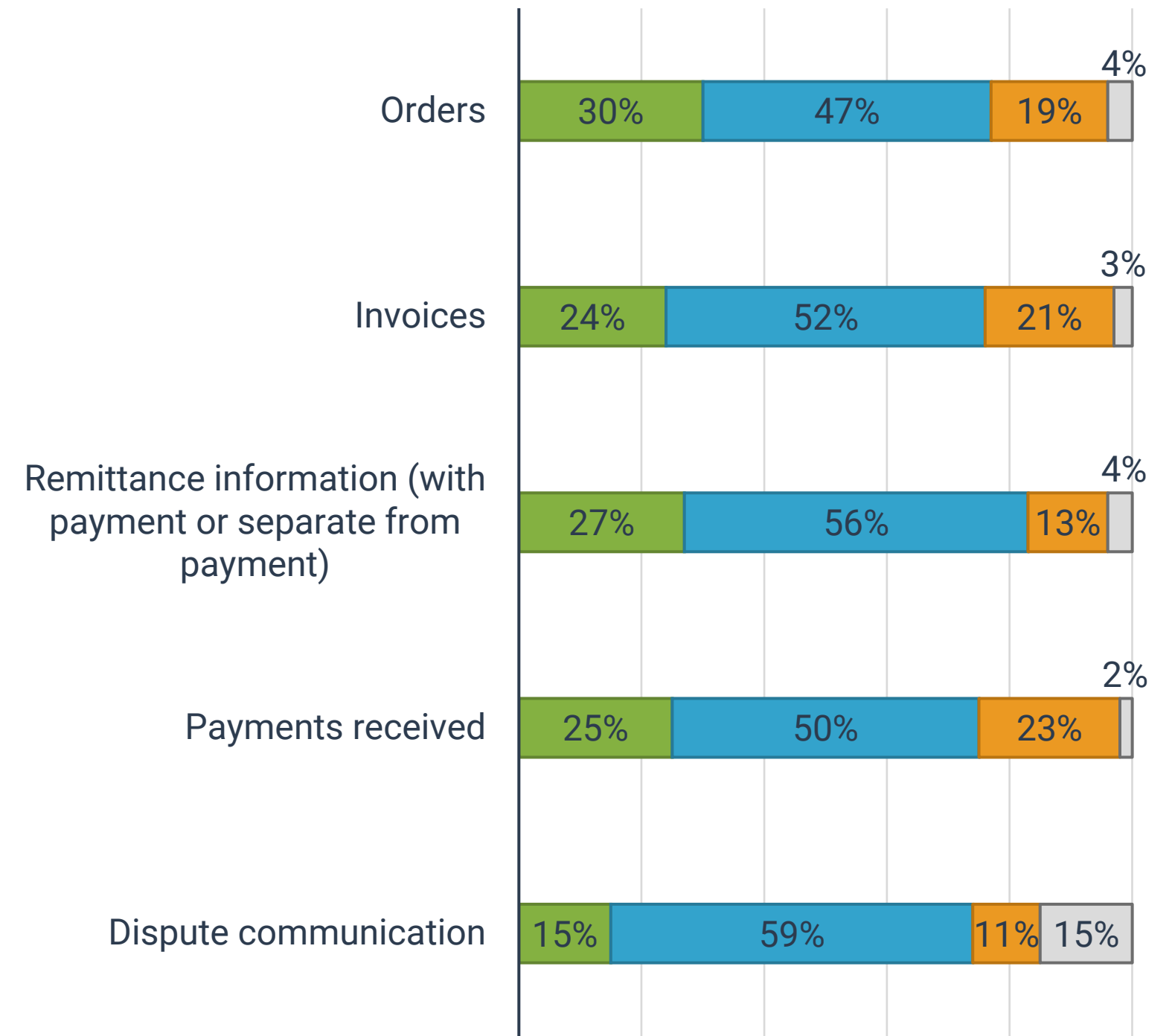
BUT NOT WITHOUT SOME DISRUPTION

» Since COVID-19, our percentage of electronic activity has:

## ACCOUNTS PAYABLE



## ACCOUNTS RECEIVABLE



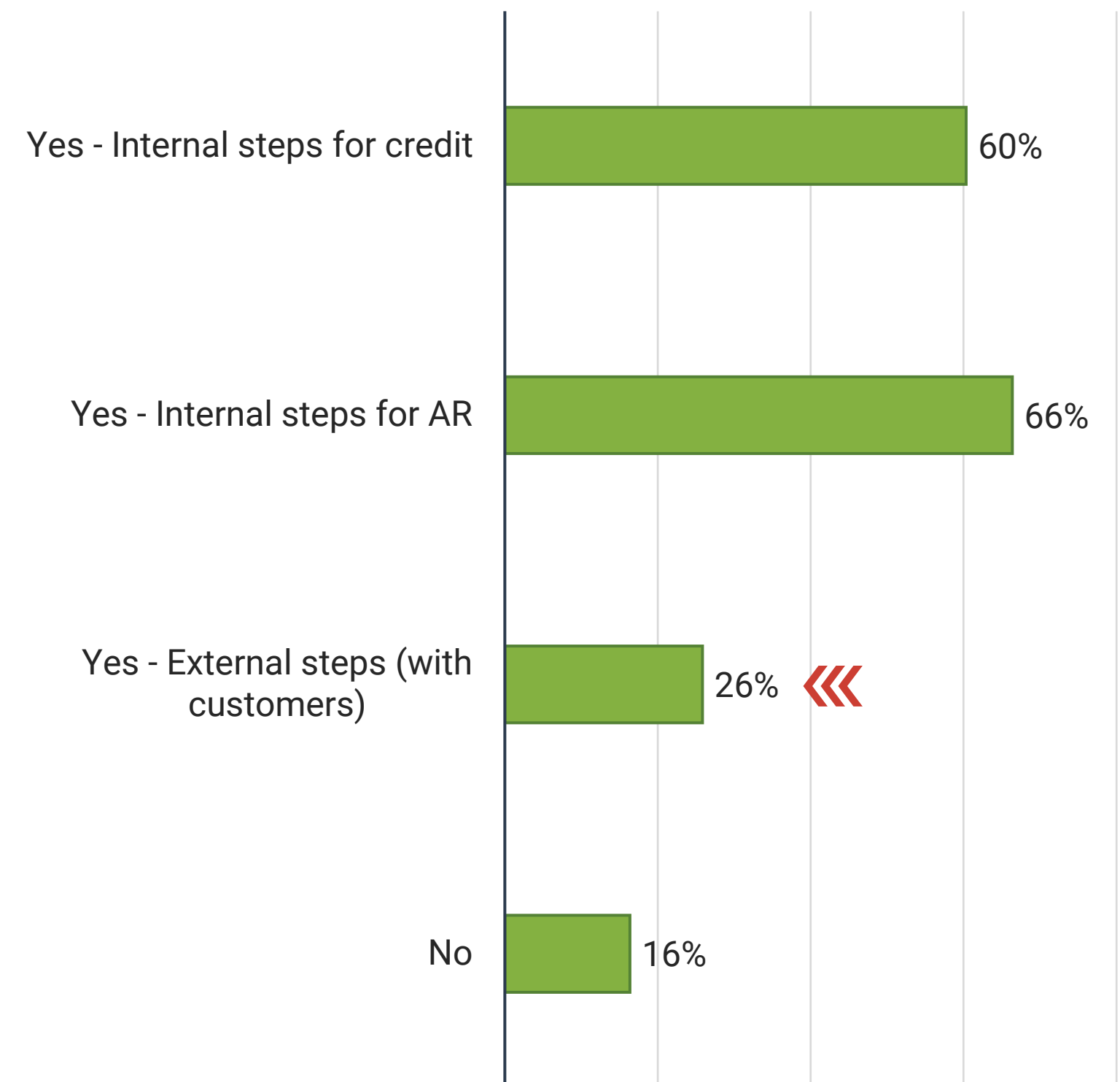
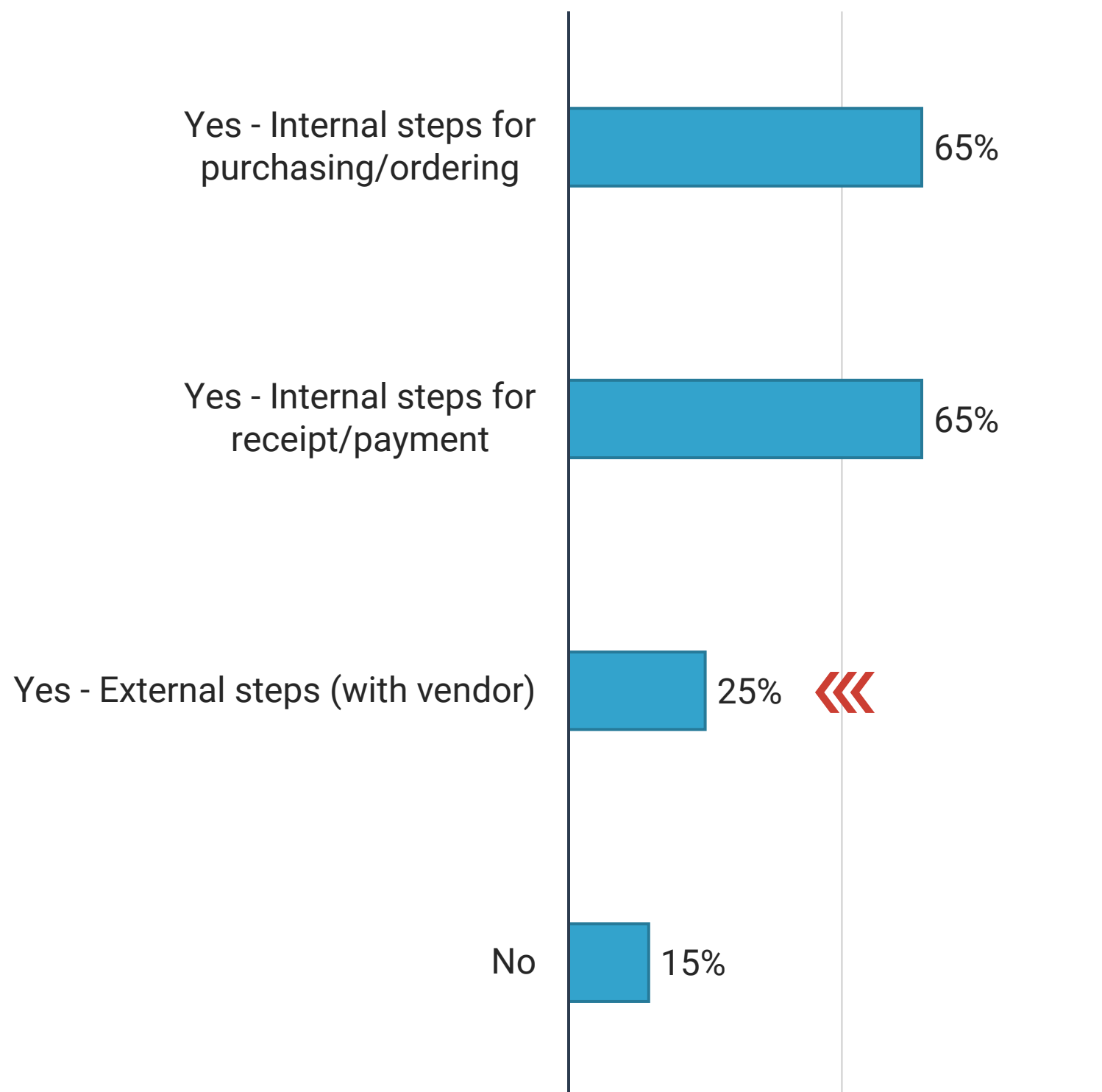
■ Increased     
 ■ Stayed about the same     
 ■ Decreased     
 ■ Unsure

# TRUNCATED VIEW OF STP

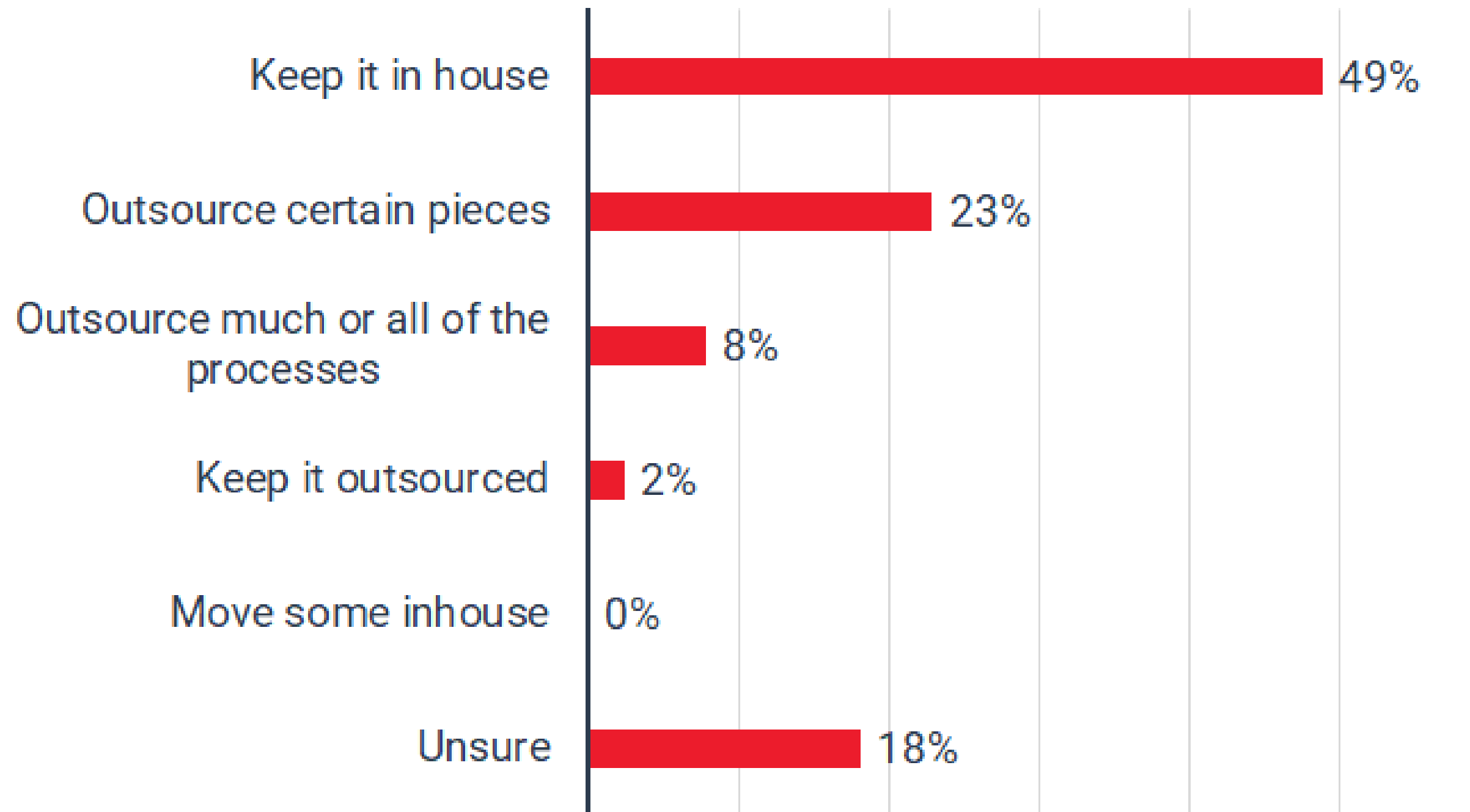
INFREQUENTLY INCLUDES THE EXTERNAL PARTY

» *Do you have an end-to-end view of your AP processes?*

» *Do you have an end-to-end view of your Credit and Accounts Receivable processes?*



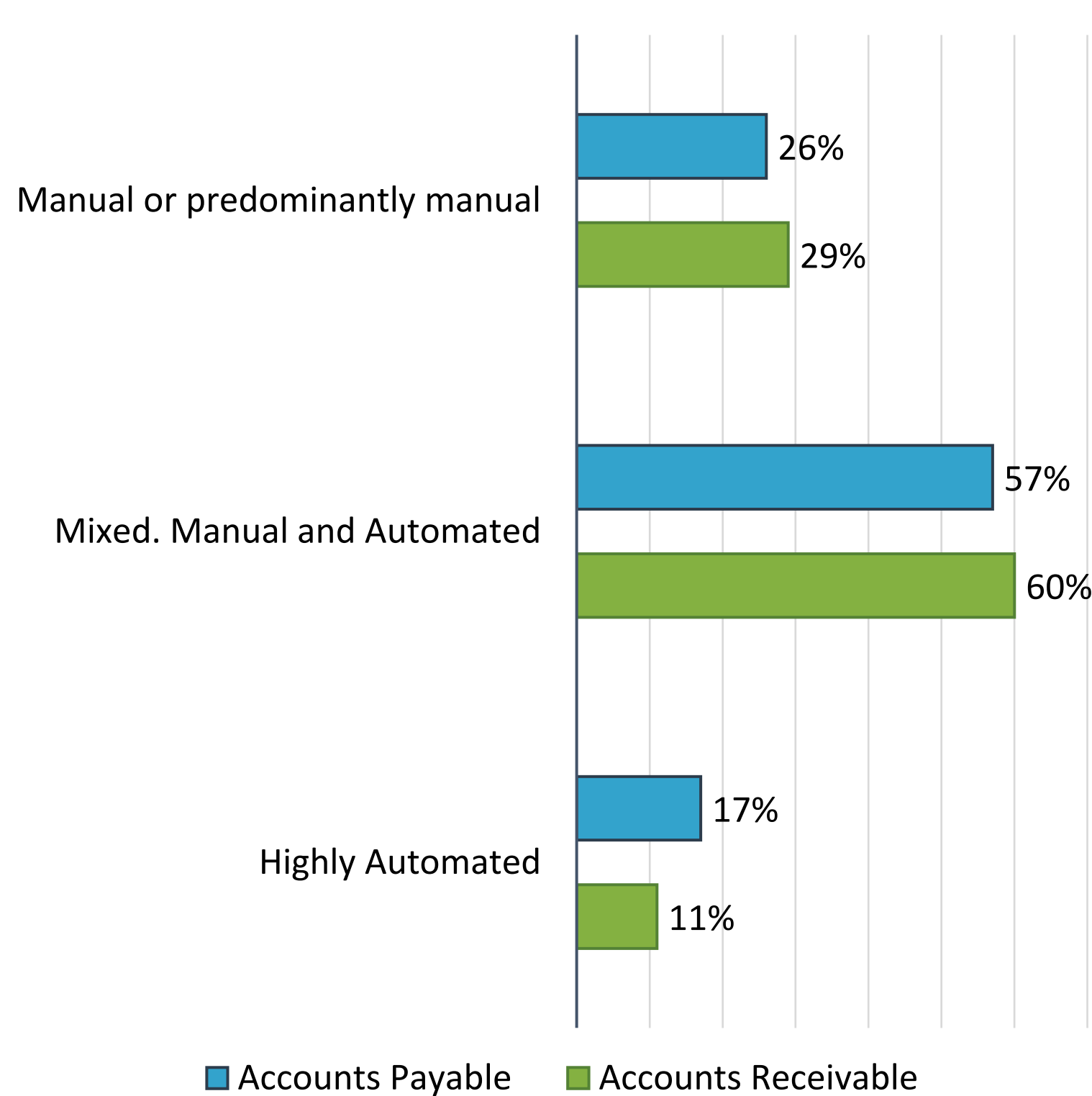
# POLL QUESTION



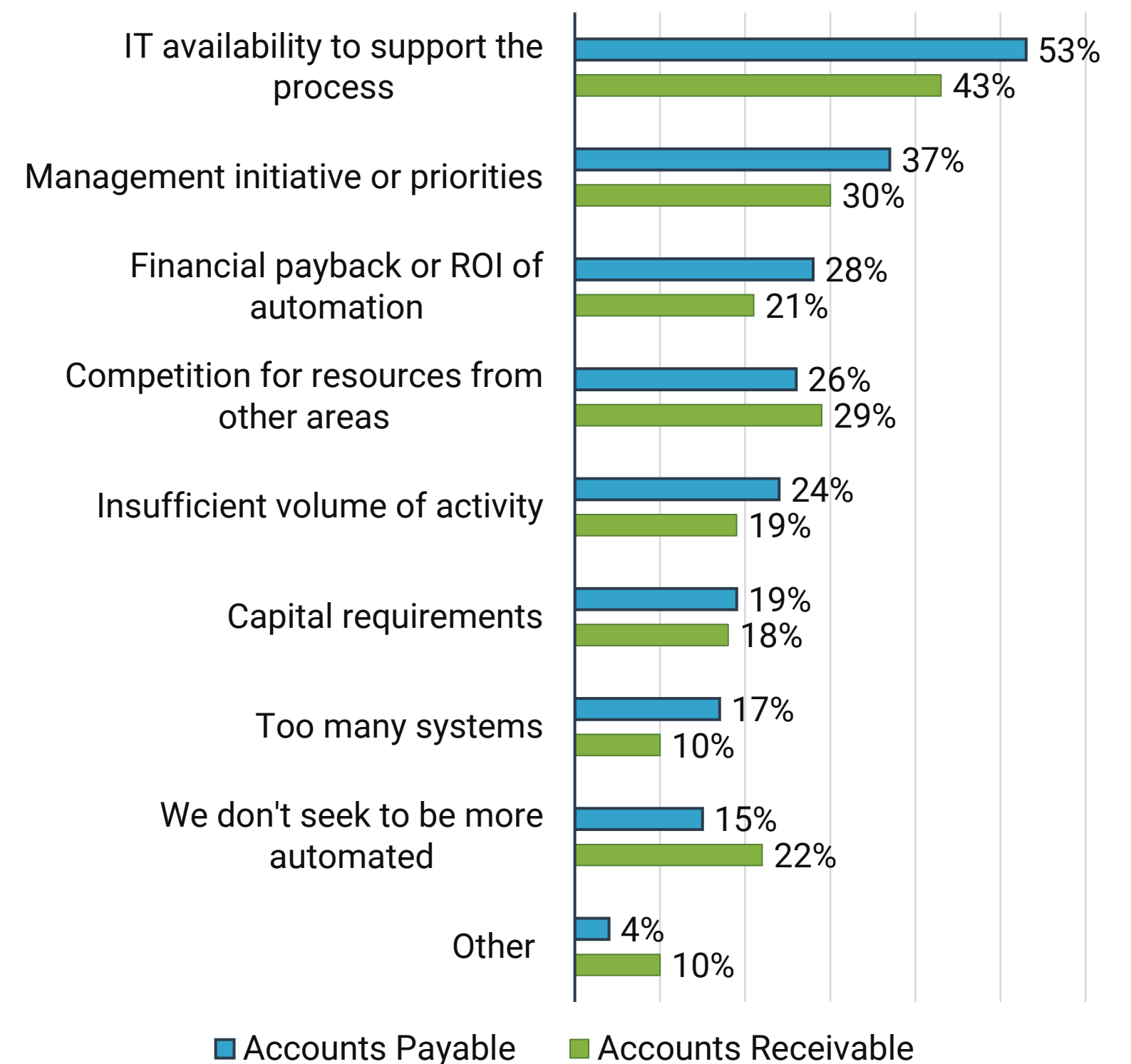
# THE NARROW ROAD

## OF HIGHLY AUTOMATED

» We consider ourselves to be:



» What prevents you from being highly automated?

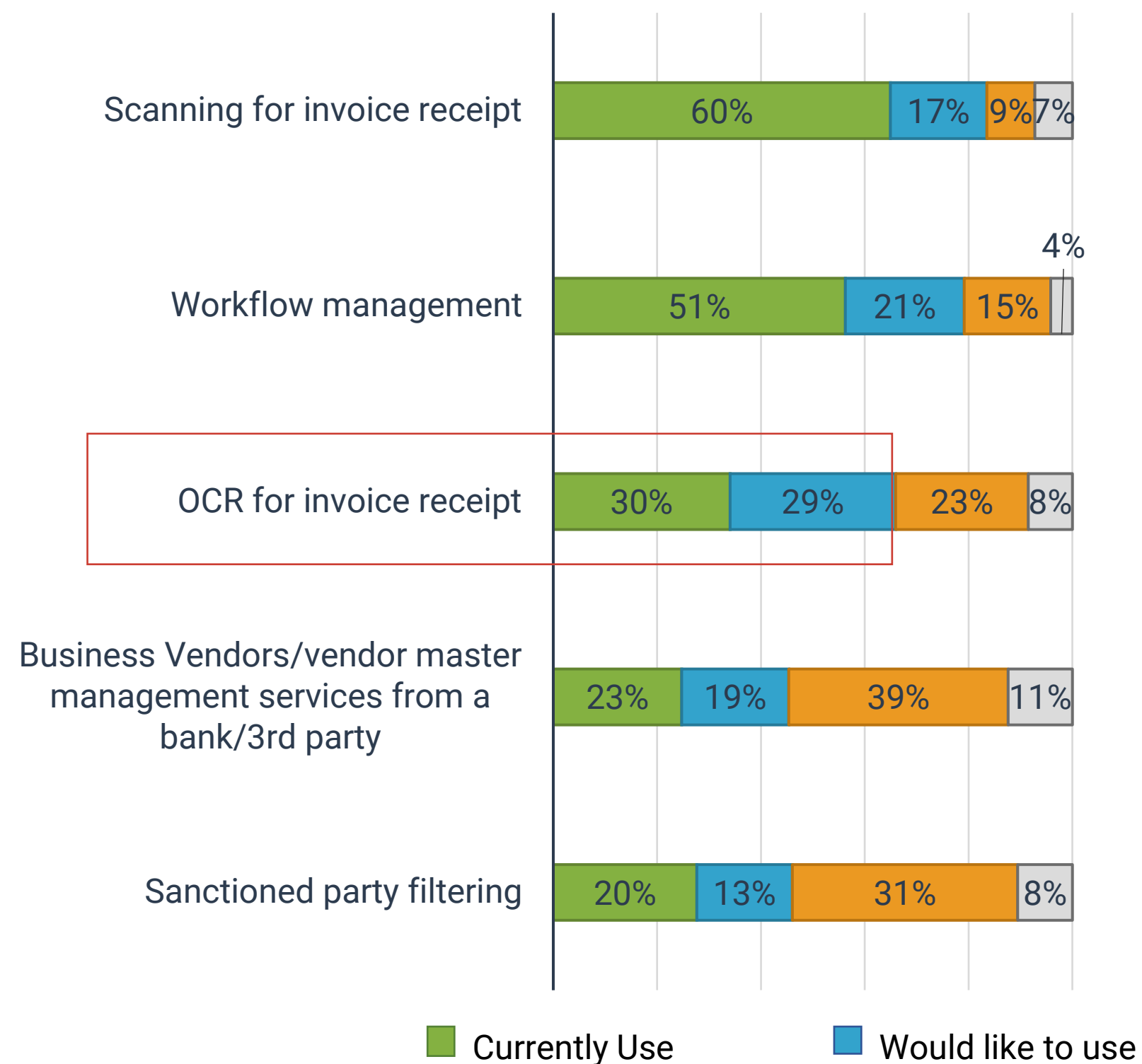


# MAJOR GROWTH

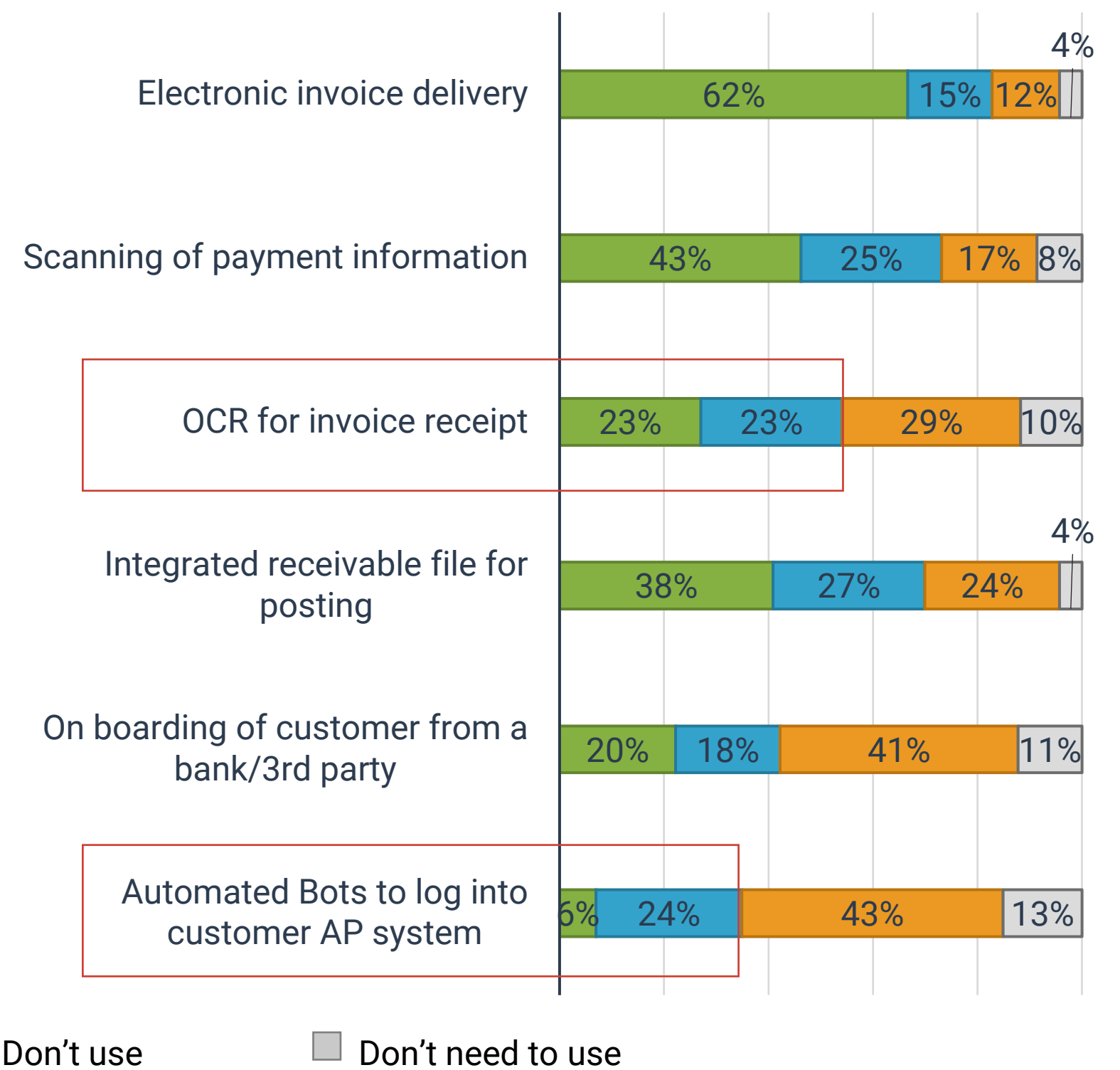
## AUTOMATION: OCR (BOTS WITH EYES) & BOTS THAT LOG INTO SYSTEMS

» We use the following services for some or all of our AP/AR:

### ACCOUNTS PAYABLE







### ACCOUNTS RECEIVABLE



# DRIVING THE DESIRE TO AUTOMATE

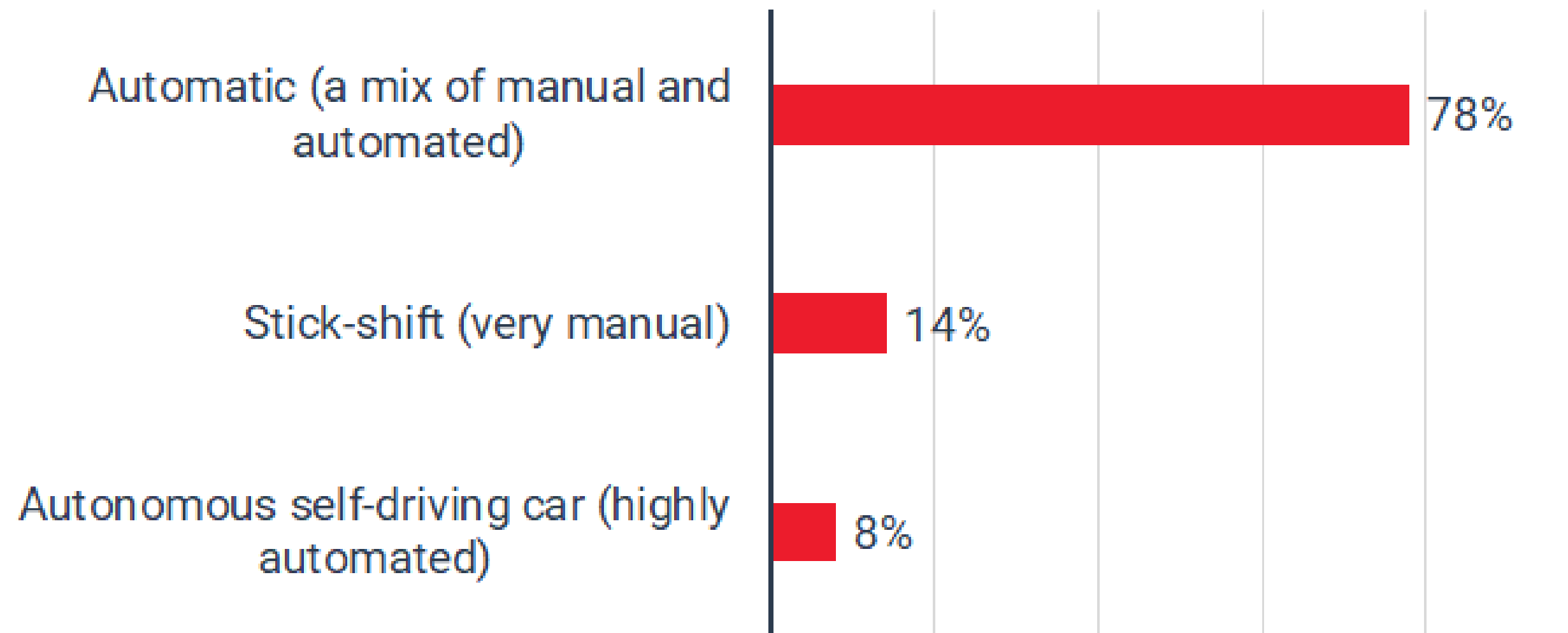
## EFFICIENCY TOPS THE LIST

» *What would drive you/ or drove you to more AR automation?*

DRIVER		AP	AR
	Efficiency	72%	68%
	Reduction in Errors	52%	50%
	Control or Security	45%	38%
	Forecasting Accuracy	36%	33%



# POLL QUESTION



# FROM THE MOUTH OF AP/AR

IF YOU COULD IMPROVE ONE THING ABOUT YOUR PROCESS OR SYSTEM, WHAT WOULD IT BE



# FINAL THOUGHTS

IDEAS AND POINTS TO BRING BACK TO THE OFFICE



## WFH PRESENTS REAL OPPORTUNITIES

The Negative Impact Can Be a Motivator to Improvements

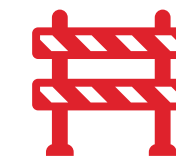


## SOBER THINKING REQUIRED ABOUT AP/AR

Clear Opportunities for Improvement

Limited Take Up

Frequently Focused on Part of the Process or on One Driver



## COMPREHENSIVE VIEWPOINT & LIMITING THOUGHTS

Optimizing Part of the Process... or STP

Efficiency **or** Working Capital

Efficiency **and** Working Capital

What Are the Gates in Your Organization?

- Resources
- Historical Processes
- Legacy Thinking

# LET'S CONNECT.

DON'T LET THE LEARNING END HERE...  
CONTACT US WITH ANY FUTURE QUESTIONS.

Thank you for your interest in this presentation and for allowing us to support you in your professional development. Strategic Treasurer and our partners believe in the value of continued education and are committed to providing quality resources that keep you well informed.



## STRATEGIC TREASURER

Craig A. Jeffery,  
Managing Partner

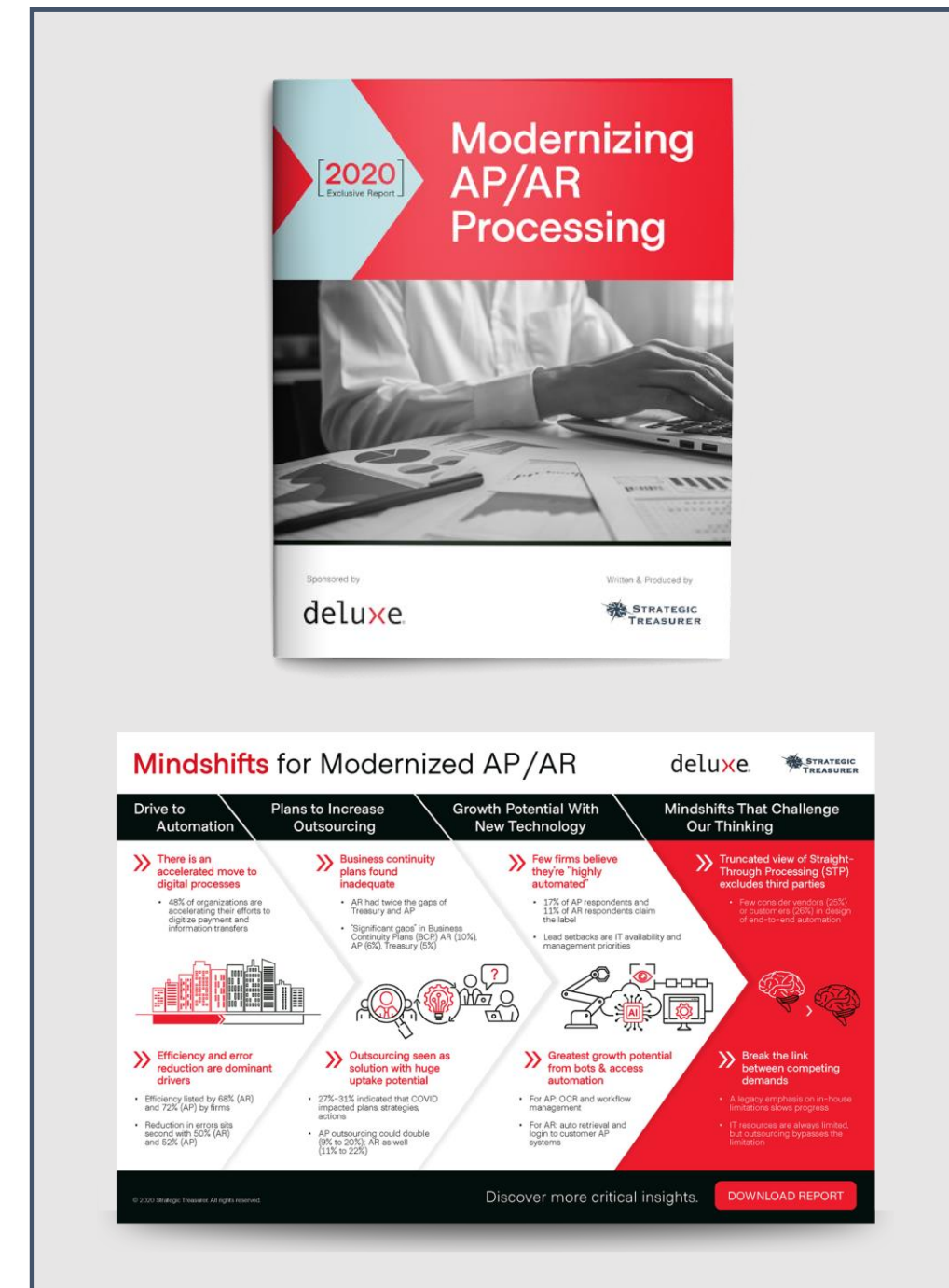
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## SURVEY REPORT and INFOGRAPHIC

Download the 2020 Modernizing AP/AR Processing Report for in-depth commentary on this inaugural survey. Survey respondents will be sent the exclusive, detailed report. Mindshifts for Modernized AP/AR infographic is also available for download today.



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