

Real-time, intelligent collections software is here

By Steve Richardson – Rimilia Commercial Director

When looking to automate the AR (Credit Collection) function, the decision to buy in third party software to enhance the functionality of the ERP system is generally made to improve collections only.

Far too often the cash application process remains untouched and organisations still prefer to handle cash in the time honoured manual way.

The result of only adding a collections tool means the overall benefits are limited with full potential not being realised.

Where cash application is manual, the collection software will start its process when the cash coming in is applied to the ledger, however this can cause issues when;

- Month end volume of cash can result in delay being applied
- Cash being applied to account and not clearing invoices
- A remittance is received ahead of the cash being received in the bank

Traditional 'bolt on collections' systems will not take the above into account and therefore won't provide a true and accurate picture of the sales ledger. This will result in additional chasing of customers that have already paid or are about to pay which could lead to poor customer relations.

Collections software will work on the basis of 'dicing' and 'slicing' a sales ledger and providing users with the ability to better order the collection process and provide additional functionality such as statements and dunning cycles. Again, both of these processes will not be efficient if the cash position is not correct.

Finally the commercial model of the old school collections software tend to be expensive, licensed at a 'seat' per user level with business cases comprising of expensive set up costs and unreasonable lead times to go live.

Since its inception back in 2008 Rimilia has been following the collections market and made the decision to create a product that would completely transform the way things work by:

- Automating cash application via the Alloc8 Cash module. Customers using this receive unrivalled automatch rates of circa 95%, meaning incoming cash is allocated to the respective invoices within an hour or two, even at month end.
- Real-time cash posting creates a much cleaner ledger, eliminates unallocated cash and allows for the ability of a remittance being received in advance of payment and seen by the system and users (Credit Controllers)
- The ability to search on any payment, bank file or related image (remittance, cheque etc.) means Credit Controllers have confidence in cash application which enables them to be more confident when dealing with customers.

So having got cash into a healthy position, the next natural stage would be to improve the automation around credit management. Rimilia have heavily invested their time and expertise over the last 18 months to develop a new intelligent collections module 'Alloc8 Collect' which provides;

- A single platform for both cash and collections
- Real-time cash posting
- System learning, based on intelligence already received to predict when a customer will pay

To learn more about our award winning solutions and how they can benefit your business please contact us to arrange a friendly, hassle free demonstration.

<https://www.rimilia.com/>