DXP

AI-Powered **Value Creation**
for the Office of the CFO

highradius

Kent
Yee
CFO

20-Day Reduction In **Days Sales Outstanding**

AI Agents

AP Portal Invoice Upload - 40% Productivity Boost

Worklist Prioritization - $20Mn Added In Cashflow

Industry: Distribution | **Revenue:** $2 Bn+ | **Employee Count:** 3200+

Problem Statement

In less than 12 months, DXP completed over 10 acquisitions and scaled past $2B in revenue, bringing the total operating footprint to 15 distinct ERPs. But behind that top-line expansion, Accounts Receivable processes remained siloed, spreadsheet-driven, and largely manual.

Executive Summary

"We're now closing $20 million in cash flow gaps. And when my CFO says we're buying three companies, I now know we're ready. HighRadius has helped directly support M&A and eliminate reliance on our $300M+ asset-based lending (ABL) facility."

- Joseph Grass, Director, Credit & A/R at DXP

1. **90%+ Straight-Through Cash App** - Before, messy & manual cash application frustrated both collectors and customers. Now, collectors can precisely target the right open dollars.
2. **AI Prioritize 15,000 Customers & 600,000 Invoices** - Every collector receives a prioritized list of customers for calls & emails. Long-tail is handled by automated dunning agents.
3. **10+ M&A Integrations in Flight** - New acquisitions, regardless of ERP, plug into HighRadius on Day 1 with centralized collections and standardized A/R.
4. **Big Bang in Half a Year** - Cash App, Collections, and EIPP went live across all ERPs in one phase. No waves, no re-platforming. Covering $300M+ in receivables.

Chapter 1	90% Straight-Through Cash Application

A five-member cash app team manually applied cash for over 600,000 invoices. Prior to automation, manual cash application also led to inefficiencies in collection follow-ups.

Cash Application At DXP (Pre-Automation)

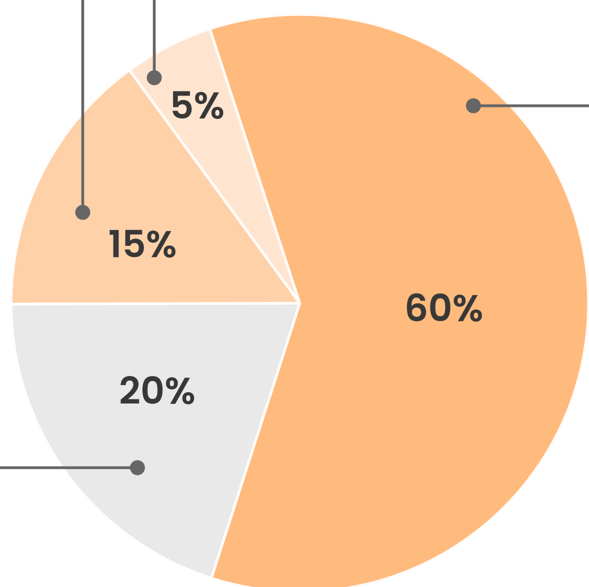
In a check-dominated payment landscape, 60% of incoming remittances came from checks, 20% of payments arrived without remittances, and the remainder were split among web, email, and EDI remittances.

Wire and Cards (5%)

Manually pulled remittances from emails, EDI files, and AP website portals. Then, identified corresponding payments and applied them manually.

ACH (15%)

Manually extracted remittances from 100's of AP portals, with no standard file format.



Checks (60%)

Old lockbox provider did not support key-in for check remittances.

Team had to manually download payment and remittance files from the bank and key-in the remittance data.

No Remittance (20%)

Team would first identify those payments and reach out to the collections team who would follow up with the customer to retrieve remittances. Multiple back-and-forth between the collections team and customers to receive remittance details slowed down cash app process.

Fig. 1.1. DXP Cash Application Landscape

Operational Impact - $20 Million Monthly Cash Flow Gap

- **Cash Application Delays -** Invoices were posted with a 2–3 day lag, slowing down collections and aging accuracy.
- **Exception Queue Volume -** Weekly unresolved cases exceeded 1,000 due to missing remittances or mismatches.
- **Poor Customer Experience -** Without real-time visibility into applied cash, collectors routinely followed up on already-paid invoices.
- **Manual Overhead -** High frequency tasks like AP portal extraction and remittance mapping tied up FTE bandwidth.

AI Agents in DXP’s Cash Application

Following diagnostic analysis, DXP deployed a set of Agentic AI modules each designed to automate a specific step in the remittance capture and matching pipeline.

1. **90%+ automation in cash application**
2. **60% improvement in FTE productivity**

Agent Types

Automated Agents
>90% Automation

Assisted Agents
<90% Automation; Human Needed in Loop

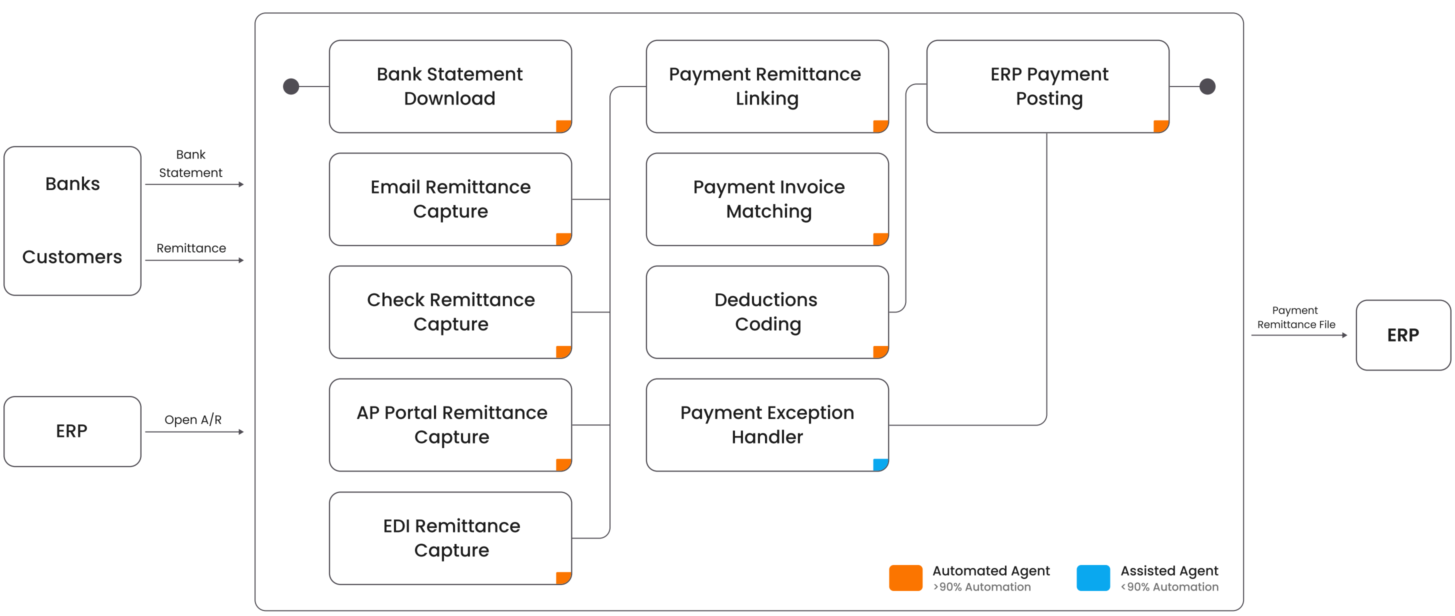


Fig. 1.2. HighRadius AI Orchestration Diagram for Cash App

Agents are software programs, irrespective of technology used, that perform specific tasks. **Agentic AI** refers to AI systems on an orchestration layer that combine multiple agents to autonomously reason and act to achieve a specific goal.

Cash Application - AI Agent Functions and Roles

Key Cash Application Agents	Impact Created for DXP
Bank Statement Download *Automated Agent*	Retrieved bank statements from 100+ global banks, extracting key payment and remittance data. Eliminated the need for manual logins and routine data entry.
Check Remittance Capture *Automated Agent*	Extracted remittance data from scanned check images using multiple OCR engines. 250 hours saved monthly from manual key-ins for email remittance data.
Email Remittance Capture *Automated Agent*	Parsed remittance data from email bodies, attachments, and EDI files. Processed structured & unstructured formats without manual effort.
AP Portal Remittance Capture *Automated Agent*	Scraped and aggregated remittances from hundreds of customer AP portal websites
Customer Identification *Automated Agent*	Identified customers to payments using banking attributes like account numbers and routing details for missing remittance scenarios.
Payment Remittance Linking *Automated Agent*	90%+ payment invoice auto-matched with remittance information through multi-reference matches.
Payment Invoice Matching *Automated Agent*	Automatically matches incoming payments to the right invoices, even across thousands of transactions. Eliminated the need for manual data entry, ensuring faster, error-free cash posting.
Payment Exception Handler *Assisted Agent*	2x Exception productivity streamlined their payment processing by matching unidentified payments to open invoices using smart logic and business rules. As a result, the team achieved 90% automated payment matching on an invoice line item level reducing exception handling to just 300 cases weekly across $300 Mn in trade AR, all managed by a lean team of five.
Deductions Coding *Automated Agent*	Eliminated guesswork in short-pay deductions. Automated short-pay reason capture and ERP coding, reducing manual back-and-forth between collections and cash application teams. This sped up dispute resolution and gave DXP clearer insights into recurring deduction issues.

Note: Agents continuously learn from resolution patterns to improve confidence scoring and automation accuracy over time

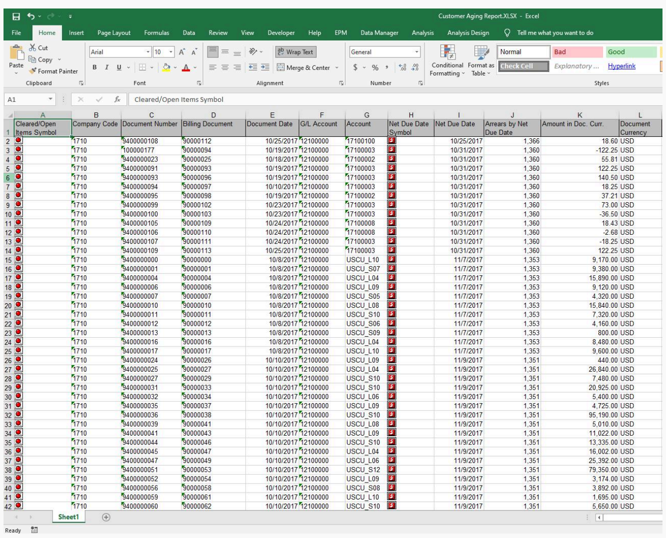
Chapter 2

Reducing DSO by 20 Days With 40% Boost in Collector Productivity

Multiple ERPs from past M&As left collections teams using outdated aging reports. Manual follow-ups on past-due accounts delayed outreach and limited customer coverage.

Pre-Automation Constraints
~$300M+ in open A/R with No Prioritization in Collections

With 15 ERPs from 10+ acquisitions, teams faced long ramp-ups and $20M monthly cash flow gap. There was no standard collection process, and collectors used spreadsheets without risk prioritization, leading to delayed outreach and poor receivables visibility.



15 ERPs, 10+ Acquisitions, Zero Standardization: Each acquisition by DXP brought its own ERP, such as SAP Lite, Microsoft Dynamics, etc., each with different terminology, aging formats, and dispute codes. Due to a lack of standardization, onboarding new acquisitions took 6+ months, causing long delays in forecasting and visibility for collections teams.

Low Customer Coverage & Lack of Prioritization: Collectors were working with week-old aging reports and static spreadsheets. There was no account scoring or segmentation, leading to wasted effort on low-risk accounts while high-risk accounts were often neglected. Manual follow-ups across 15,000+ past due customers meant analysts couldn't scale coverage effectively & led to an impact on cash flow & working capital.

AI Agents in DXP's Collections Management

To solve for this, DXP deployed an AI-led architecture with real-time scoring, agent-guided follow-ups, and automation of long tail customers resulting in:

1. **20-day reduction in DSO**
2. **40% improvement in collector productivity**

Agent Types

Automated Agents
>90% Automation; No Human Intervention

Assisted Agents
<90% Automation; Human Needed in Loop

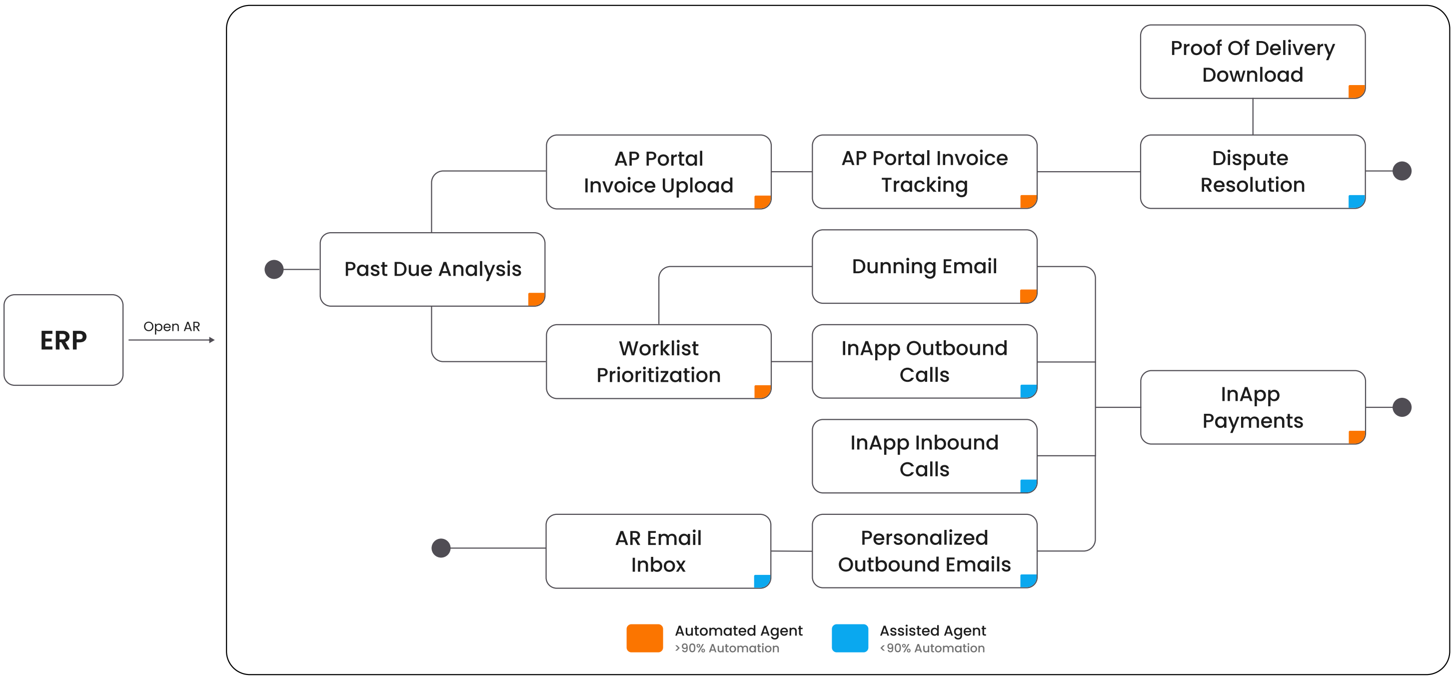


Fig. 2.1. HighRadius AI Orchestration Diagram for Collections

Collections - AI Agent Functions and Roles

Key Collections Agents	Impact Created for DXP
InApp Outbound Call *Assisted Agent*	Equipped collectors with AI-generated talking points, one-click dialing, and real-time call transcription. DXP used it to reduce context switching across 15,000+ customers, increase collector efficiency, and boost follow-up quality.
Dunning Emails *Automated Agent*	Automated email outreach for long-tail customers to improve collections efficiency. DXP used it to improve weekly past due customer coverage by 4x.
Worklist Prioritization *Automated Agent*	Helped score and prioritize accounts based on over 20 risk indicators like past payment behavior, average days late, and credit risk. It automatically generates personalized, stack-ranked worklists for each collector, replacing static aging lists and guesswork. By focusing efforts on the right accounts at the right time, DXP accelerated collections, and unlocked over $20 million in working capital.
AP Portal Invoice Upload + Tracking *Automated Agent*	Automated invoice uploads and status tracking across hundreds of AP portals, covering long-tail customers. This ensured 100% invoice submission and tracking coverage. Status updates auto-logged P2Ps and disputes in HighRadius, reducing missed claims and enabling earlier action. This resulted in faster dispute management and resolution, lowering past dues.

Chapter 3 30-Week Big Bang Rollout

DXP Enterprises executed a “big bang” transformation of its Accounts Receivable operations across 15+ ERPs and 10+ acquired entities, completing the deployment of Cash Application, Collections, and EIPP systems within just 30 weeks.

Using HighRadius’ Speed to Value (S2V) two-phase methodology, DXP first implemented out-of-the-box functionality, followed by targeted enhancements. The transformation was anchored in a deliberate focus on people, process, and technology: empowering teams through training, eliminating manual inefficiencies, and deploying scalable agentic AI.

By aligning on clear success metrics and ensuring early access to clean data, DXP bypassed conventional build timelines. This enabled new acquisitions to be onboarded into HighRadius from Day 1, eliminating the typical six-month ramp-up period.

DXP’s Value Creation Summary

DXP achieved 90%+ straight-through cash application, auto-posted 600K+ invoices/year, and eliminated 100% of bank key-in fees, improving cash app staff productivity by 60%. In collections, they reduced DSO by 20 days and increased collector efficiency by 40% across 15K customers. Unlike most peers at 30–40% automation, DXP deployed Cash App, Collections, and EIPP in a 30-week big-bang rollout. They prioritized not just collecting payments, but also applying them touchlessly to avoid delays in cash availability.

Metric	Before HighRadius	After HighRadius
Item-Level Hit Rate	~20%	90.5%
Weekly Exceptions	>1,000	<300
Collector Productivity	Baseline	+40%
Long-Tail Customer Coverage	Static aging lists	4x via Dunning AI