



Accounts Receivable in SAP: Unlocking True Value with HighRadius Autonomous Receivables

Learn how HighRadius improves functional performance of the Accounts Receivable process, driving improved business outcomes and increasing the ROI of your investments in SAP and cloud technology.

Key Takeaways:

- A breakdown of SAP Accounts Receivable (AR) specific functionalities and why they do not meet the needs of global AR operations.
- Why robust data visualization, automation, and intelligence are required for AR processes to operate on a world-class level.
- How organizations can enhance SAP ECC and SAP S/4HANA using HighRadius Autonomous Receivables across Cash Application, Collections, Credit, Deductions, Electronic Invoicing and Payments.

Table of Contents

Executive Summary: SAP Is Not Enough for Modern AR Operations.....1

1. HighRadius Autonomous Receivables Complements SAP ECC and SAP S/4HANA.....5

1.1 HighRadius Cash Application for SAP 5

- Aggregation of Payment and Remittance Data
- Invoice Matching, Short Payment, and Discount Handling
- ERP Integration & Scalability
- Analytics & Performance Metrics

1.2 HighRadius Collections for SAP 13

- Collection Strategy & Worklist
- Customer Communication
- Invoice tracking from Web Portals

1.3 HighRadius Credit for SAP 18

- Credit Application
- Blocked Order Management

- Bank and Trade Reference
- Real-time Monitoring of Customer Behavior
- Integration with Credit Data Providers

1.4 HighRadius Deductions for SAP 23

- Aggregation of Backup Documents
- Validity of Deductions
- Deduction Resolution, Credit Issue, and Write-off Approval
- Denial Correspondence

1.5 HighRadius EIPP for SAP .. 27

- Delivery of Invoices
- Global Payment Methods
- Digital Collaboration Between Client and Customer

2. HighRadius for SAP - Customer Success Stories 31

3. Conclusion: Autonomous Receivables Will Transform Your AR Operations to World-Class..... 32

Executive Summary: SAP Is Not Enough for Modern AR Operations

With an increased focus on optimizing working capital and securing cash flow, Accounts Receivable (AR) Operations play a crucial role in finance and accounting. Today, organizations need effective and efficient AR functionality to remain competitive; this is only possible through the modernization of AR processes.

Three essential characteristics of modern AR Operations are **Automation** of repetitive clerical tasks, **360-degree views** of customer receivables, and data-driven **intelligence and insights** to support proactive management of every customer account. SAP is the most commonly deployed Enterprise Resource Planning (ERP) software used by global enterprises to ensure that geographically dispersed finance and accounting teams operate efficiently; however, it misses the mark in the following critical ways:

- **Limited Automation:** While SAP is a great system of record, it offers only limited AR automation support. AR Operations are dependent on an immense number of manual tasks. For example, analysts have to aggregate payment details from checks, bank and electronic payment portals, and remittance details from electronic remittances before applying cash in SAP. Automating such tasks helps free up AR analysts' time to perform higher-level cognitive work.
- **No Centralized 360-Degree Data:** SAP does a great job collecting in-depth customer data; unfortunately, the data are not readily accessible to AR analysts. Analysts must access siloed customer information using several transaction codes and then download and format data to strategize further. Any enterprise wishing to build a 360-degree view of customers will need to engage data visualization experts, AR domain experts, and enlist the help of IT teams. This quickly becomes expensive over time.
- **Lack of Robust AR-Specific Intelligence:** While SAP houses an enterprise's entire data collection, it doesn't offer any intelligence that can assist a company with leveraging existing information to make proactive decisions. For example, AR analysts cannot leverage the historical data of deductions and disputes of customers in SAP to help their

research process of identifying invalid deductions to recover lost money. In SAP, collectors are assigned a call worklist based on static predefined rules, instead of strategizing to communicate with a customer based on their current credit scoring, payment behavior, and list of open invoices. SAP S/4HANA provides an AI layer, but it's a general-purpose toolkit and requires a lot of training and builds to be useful to AR Operations.

You need an AR-specific solution that incorporates the three vital components outlined above. It should complement your SAP platform so that your current ERP remains the system of record for all finance and account processes, while integrating seamlessly into existing AR operations without causing disruption to process workflows. It should be easy to use and have an intuitive user experience so that AR teams can conduct their work faster and more strategically.

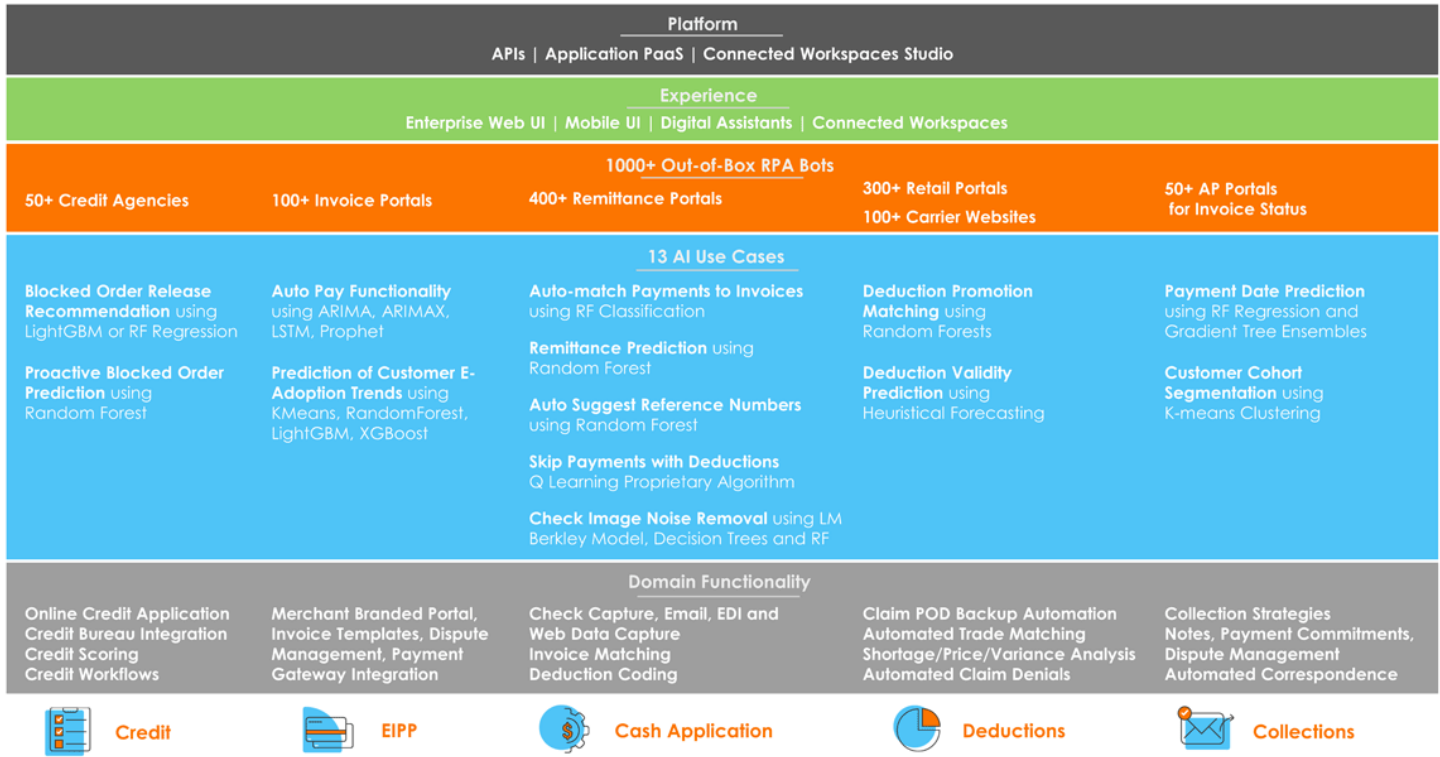
HighRadius Autonomous Receivables

HighRadius Autonomous Receivables has been designed as a powerful AI-supported enhancement to SAP systems that enables AR teams to deliver business impact. Its plug-and-play usability means minimal to zero disruption to existing operations during implementation, with most teams going live with their HighRadius implementations in less than 24 weeks. Additionally, your company's IT teams' time won't be diverted to building and maintaining an expensive in-house enhancement or something cobbled together from multiple third-party providers.

HighRadius Autonomous Receivables adds automation, visibility, and intelligence to SAP by:

- Providing integration with 1000+ Web portals (customer, carrier, invoicing, retail and AP portals), 100+ Banks and 50+ Credit Agencies. Everything is out-of-the-box, from fetching claims documents from retailer websites, pulling payment data from banks, and fetching invoice payments statuses from AP portals. Providing managers and executives with access to an entire library of ready-to-use dashboards and reports for tracking AR performance globally at the customer, cluster, business, and geographic levels.
- Offering analysts 360-degree visibility of necessary customer data (invoice data, payment commitments, and payment history) on a single screen with the ability to drill down to details like credit information, disputes, notes, and call logs.
- Incorporating AI through a collection of 13 ready-to-use AI use cases to solve specific AR challenges. This is specialized intelligence developed with domain expertise from 17+ years of working with AR leaders and algorithms trained on \$4.7 trillion+ receivables transaction data.

Autonomous Receivables Platform



HighRadius Autonomous Receivables includes Credit, Collections, Cash Applications, Deductions, and EIPP. It's the only software platform that offers end-to-end solutions across order to cash processes. Built on a robust tech framework, it readily supports large, global-scale deployments making it a perfect match for enterprise-grade infrastructures. It also includes robust AI and RPA technology natively, precluding the need to build such solutions in-house.

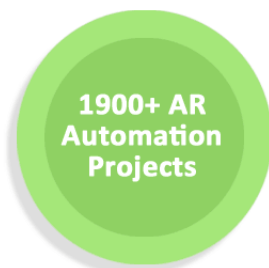
As a result of implementing HighRadius Autonomous Receivables, a company experiences higher speed-to-value and shorter implementation cycles that do not require extensive investment in IT resources and zero IT effort in ongoing maintenance. An enterprise can also avoid expensive SAP add-ons to make enhancements and challenging-to-manage changes while capturing higher efficiencies and an enhanced competitive edge.

HighRadius Is An Industry Leader in AR Solutions

HighRadius Autonomous Receivables has become the go-to platform for proactive receivables management and operational excellence. HighRadius was also recently recognized as a **leader** in the first-ever **Gartner Magic Quadrant** for Invoice to Cash Applications.



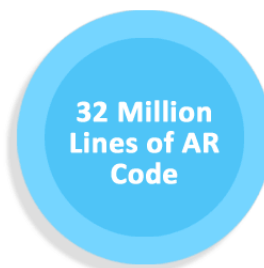
HighRadius has implemented more than 1900+ enterprise AR transformations and has over 25% of Fortune 1000 companies utilizing its Autonomous Receivables platform. With approximately 70% of HighRadius Fortune 1000 clients running on SAP,



No. 1 provider for Integrated Receivables technology.



250+ HighRadius Customers who have SAP as their ERP and chose HighRadius Autonomous Receivables Platform.



Integrates with 100+ Banks, 50+ Credit Agencies and 1000+ Web Portals.



Global Go-Live in less than 180 days with most functionality available out-of-the-box.

In the following paper, we introduce you to key features of the HighRadius Autonomous Receivables solution and provide details about which areas of SAP it will enhance in your operations.

1. HighRadius Autonomous Receivables Complements SAP ECC and SAP S/4HANA

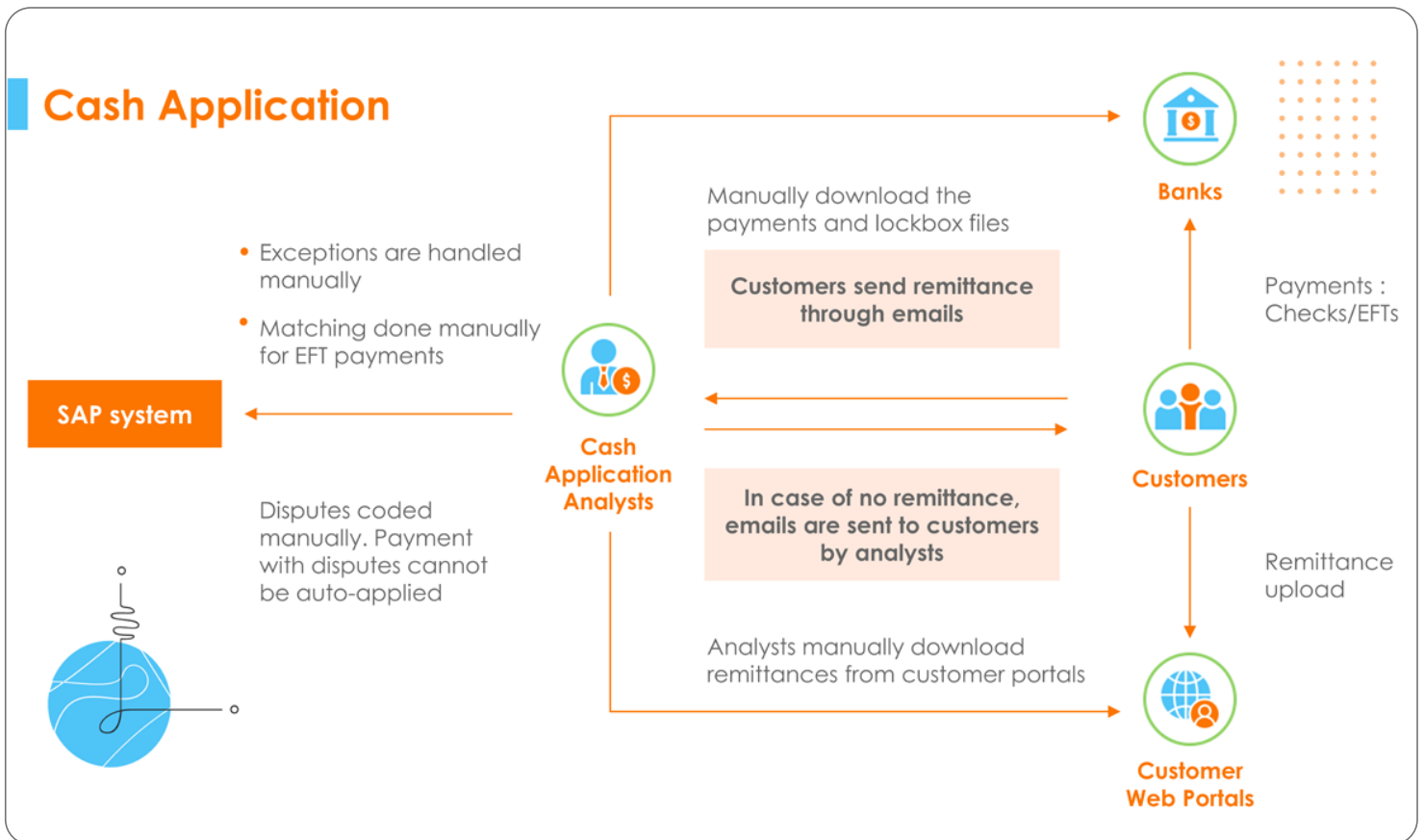
Augmenting the functionality of SAP ECC or SAP S/4HANA with HighRadius Autonomous Receivables helps deliver quantifiable financial benefits that increase team productivity, enhance the customer experience, and strengthen your company's bottom line.

1.1 HighRadius Cash Application for SAP

Cash Application is where incoming payments from customers need matching with their respective open invoices in SAP. While it sounds like a simple process, there are many intricacies in the cash application workflow, such as identification and aggregation of payments and remittances, matching payments to remittances and invoices, coding of deductions and short payments, and review of posting for accuracy.

Lack of speed and accuracy in the cash application workflow impacts upstream and downstream processes like credit review, dispute management, and collections follow-ups; this affects the entire value chain and creates a terrible customer experience.





Let's review the critical components of the cash application process to understand how implementing HighRadius Autonomous Receivables optimizes SAP functionality:

1.1.1 Aggregation of Payment and Remittance Data

Aggregation of payment details from checks and electronic payments is a time-consuming task occupying most of a data analyst's time in the cash application process.



- a. **Check Payments:** Banks send scanned images of the checks for all check payments. They can also provide a Lockbox service that keys-in the check details and remittance information before sending it in BAI standard format at an additional cost. (Note: Check payments is not applicable for Europe.)

SAP ECC	SAP S/4HANA	HighRadius Cash Application
<ul style="list-style-type: none"> Analyst needs to find the relevant information from the scanned images of checks or bank payment files (BAI2 and related series) to match open receivables. The data capture from scanned check images is a manual process and labor-intensive task. Can engage a third-party supplier or build a solution to deploy a template-based OCR approach to automate the capture of the check data. Provides an option to interface the BAI2 files received from the bank to create posting entries by enabling the SAP IDOC process. It works in cases where the remittance details are provided in total, and the bank file captures the relevant invoice number to process. The scalability of this process is a challenge for a growing business, where the volumes and complexity keep increasing. 	<ul style="list-style-type: none"> Uses the template-based OCR approach for data capture from scanned checks. It is a time-consuming process, requiring templates for every customer. The template-based approach results in lower processing hit rates. Needs manual updates for template maintenance. 	<ul style="list-style-type: none"> Uses AI algorithms varying from regression to clustering techniques to automatically capture data from check remittances. It helped achieve an industry best-in-class "straight-through" processing of 84%+ across all customers compared to a standard OCR solution that provides 50% at best. Automated data capture with no need for templates. Integrates directly with the banking systems and eliminates the need for lockbox keying-in services. These AI algorithms continuously learn and improve capture rates without any involvement from business teams.

- b. Electronic Payments:** Electronic payments include Automated Clearing House (ACH), Wire, Cards, Digital wallets, etc. ACH payments process direct debits, direct deposits, electronic checks (eChecks), and electronic funds transfers (EFTs).

SAP ECC & SAP S/4HANA	HighRadius Cash Application
<ul style="list-style-type: none"> Analysts manually extract or download the details from the service providers (bank/clearinghouse) portals or upload the bank statements received in standard formats to SAP to capture the payment details. The bank statement upload process can be scheduled in SAP. 	<ul style="list-style-type: none"> Captures the payment details from all the sources - standard bank formats (BAI2 / MT940 / MT942 and other series) by integrating directly with the banking and clearinghouse systems.

- c. Electronic Remittances:** Customers worldwide share remittance information over e-mails, EDIs, or upload this data to their Accounts Payable (AP) portals.

SAP ECC	SAP S/4HANA	HighRadius Cash Application
<ul style="list-style-type: none"> Analysts must manually extract or download the remittance information from e-mails (body of e-mail, attachments, and links) to map them to the incoming payments. If customers upload remittances to their AP portals, the AR analysts have to manually log in to these sites multiple times every day to capture the data. Manually downloading and reading remittances across the data sources in various file formats is time-consuming. 	<ul style="list-style-type: none"> Provides options to convert e-mail attachments to PDF or images and routed through the OCR engine for data capture using RPA. Requires manual management of OCR templates due to loss of textual context because the technology uses shapes-based recognition to identify alphanumeric characters, resulting in a lower % of automated postings. It is possible to use EDI formats directly in SAP Cloud Platform Integration via library add-ons, but requires an in-house development team for customization and maintenance. 	<ul style="list-style-type: none"> Uses AI algorithms varying from regression to clustering techniques to automatically capture data from check remittances. Aggregates remittance information from any form of payment source. Uses an AI-based e-mail parsing engine that automatically recognizes remittances from e-mail and attachments (all formats) to capture relevant information. EDI Parsing engine can open an EDI file, read it line by line, understand the remittance details and capture the relevant information.

(Table Continued)

SAP ECC	SAP S/4HANA	HighRadius Cash Application
<ul style="list-style-type: none"> A third-party OCR engine can be deployed to read e-mails, documents, and attachments in a specified format but only works if customers provide the exact invoice details and amounts from an e-mail or in the specified format of attachments. While the success rate is lower, it can reduce some manual tasks. 	<ul style="list-style-type: none"> You can build a bot per website using iRPA in line with the company's RPA development life cycle and maintain the same. Website bots tend to be fragile and fail when customer websites change navigation. 	<ul style="list-style-type: none"> Automatic data capture from customer websites and AP portals like Ariba, OB10, Paymode-X, GXS. Provides out-of-the-box integration with 300+ Customers' AR portals powered by an integrated RPA engine that aggregates the required information. In case of payments without remittance details, automated e-mails can be triggered to customers requesting remittance.

1.1.2 Invoice Matching, Short Payment, and Discount Handling

Invoice matching is the final step once relevant payment data is aggregated and captured. Customers make short payments for trade promotions, early payment discounts, or disputed goods. The remittances usually highlight the reason for a short or excess payment.

SAP ECC	SAP S/4HANA	HighRadius Cash Application
<ul style="list-style-type: none"> Analysts manually identify short payments and map the customer-specific reason codes to their SAP-specific reason codes. The identification of reasons and mapping relevant reason codes can be automated with customization. 	<ul style="list-style-type: none"> The machine learning engine provides matching proposals post the receipt of bank statements and open receivables from S/4HANA cloud to the cash application cloud solution. Business teams need to train the machine learning engine with multiple iterations to cover all possible scenarios and execute in line with the rules defined. 	<ul style="list-style-type: none"> Its library of algorithms manages short payments, overpayments, and discounts. Smart linking capabilities allow auto-detection and linking to payments. The engine captures the customer's deduction reason code and maps it to the relevant SAP reason code.

(Table Continued)

SAP ECC	SAP S/4HANA	HighRadius Cash Application
<ul style="list-style-type: none"> Analysts must handle exceptions or reconfigure the input file before the final posting. 	<ul style="list-style-type: none"> The engine needs continuous calibration at regular intervals to ensure higher reliability. Automated deduction coding and mapping will need rules customization, as it is not available out of the box. 	<ul style="list-style-type: none"> These AI algorithms continuously learn and improve capture rates without any involvement from business teams. Once the enriched file interfaces with SAP, all open invoices with a payment match will be automatically closed, and deductions get created. Analysts can review and focus only on the exceptions.

1.1.3 ERP Integration & Scalability

Mergers, de-mergers, and acquisitions contribute to the fast-paced growth of global companies. This leads to complex entities having multiple ERPs or varied versions of the SAP platform.

SAP ECC	SAP S/4HANA	HighRadius Cash Application
<ul style="list-style-type: none"> Integration with other ERP environments needs heavy configuration. 	<ul style="list-style-type: none"> Provides an integrated environment that enables integration with SAP S/4HANA Cloud, SAP ECC 6.0, and other non-SAP ERPs. 	<ul style="list-style-type: none"> Works with any version of SAP and non-SAP ERPs Solves the prevalent issue in large entities with multiple ERPs and varied versions of the same ERP. Allows faster adoption of the solution and ways of working (WoW) in case of acquisitions and mergers. Highly scalable.

1.1.4 Analytics & Performance Metrics

Continuous and transparent measurement of performance data is a pillar of building any highly efficient team. Real-time visibility into value metrics and KPIs help businesses assess how their people and technology can create a meaningful impact by reducing DSO, improving working capital availability, and reducing borrowing costs.

SAP ECC	SAP S/4HANA	HighRadius Cash Application
<ul style="list-style-type: none"> • There is no provision of any AR metrics reporting or analytics. • Analysts can use excel-like tools to periodically develop and manage KPI reporting (Monthly/quarterly/annual, etc.). • Data visualization tools like SAP BI, Tableau, and Power-BI can be deployed by an in-house team or third-party service providers, which involves a thorough build requiring the technical team's expertise, business teams, and data scientists. • You can build a reporting and analytics tool, but it doesn't solve an essential dimension of what reports need to be tracked and how to generate insights. 	<ul style="list-style-type: none"> • S/4HANA Cloud suite has embedded analytics with pre-built standard dashboards and multi-dimensional reporting. • Reports are real-time and can be accessed using Fiori apps and third-party client tools. • A bit of a learning curve is present for end users. • It will be a challenge in an enterprise scenario where business data is distributed between SAP and Non SAP systems, even within SAP, if data is spread across multiple SAP instances. • SAP Analytics Cloud (SAC), an add-on solution, can be deployed to better reporting and analytics functionality at an additional licensing and annual subscription cost. 	<ul style="list-style-type: none"> • The Analytics solution contains 50+ out-of-box reports across accounts receivable accessible on the go. • Dedicated HighRadius team focused on continuous development and curation of industry-specific and process-specific intelligent reports to provide insights and drive decision-making. • Provides a real-time view of the Business Value Metrics and KPIs. • Provides unlimited filtering and drill-down capability. Offers the option to download reports and underlying data. • Scheduled Reports functionality helps manage the time and frequency of regular reports. One such example report to help management is Hit Rate Analysis of Cash Application

The Business Impact Achieved With HighRadius Cash Application

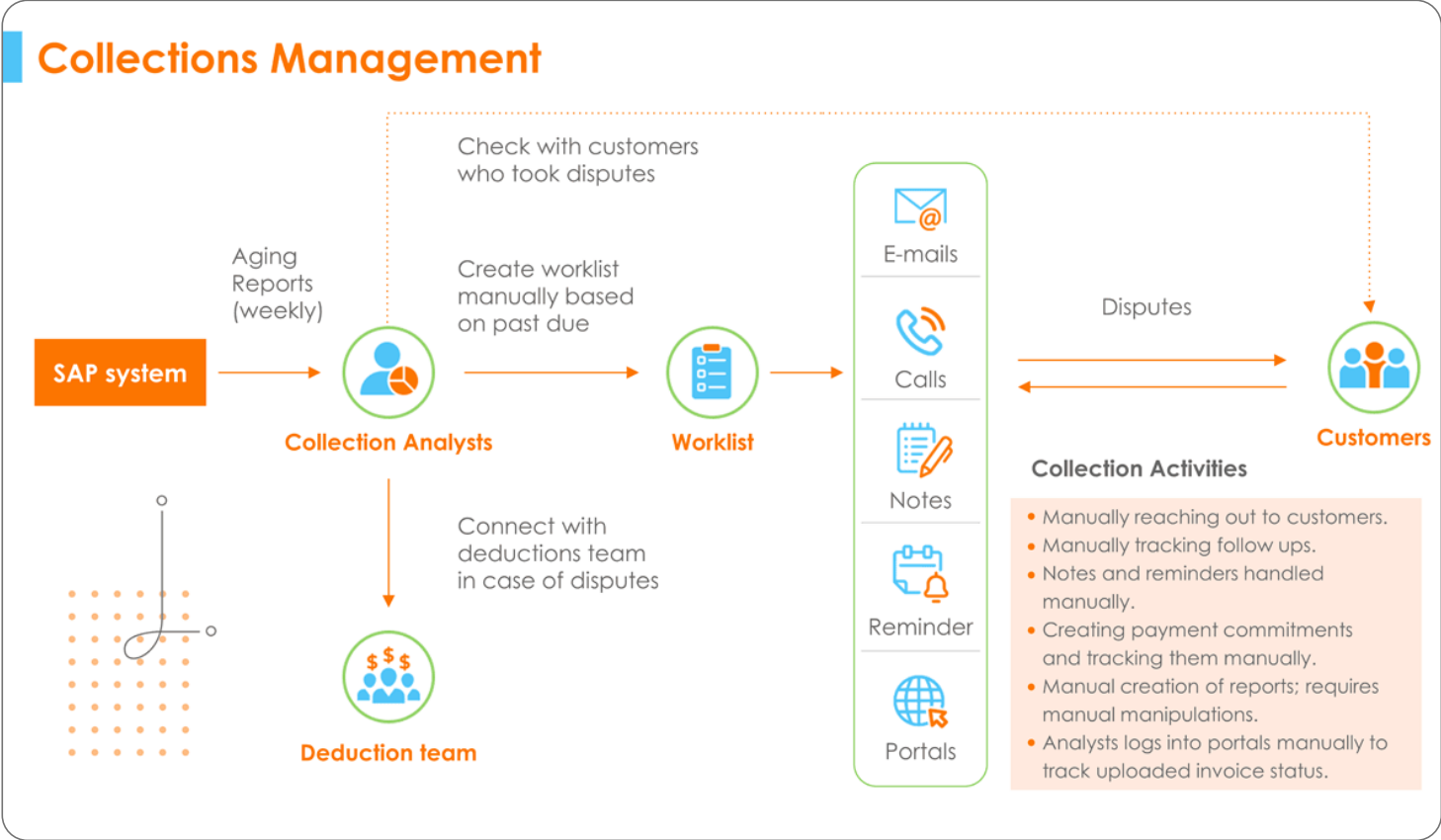
1. Higher Straight-Through Processing
2. Increased Speed and Accuracy leading to decreased Turn-Around-Time (TAT) of Cash Application
3. Improved Customer Experience
4. Significant Cost Savings and Productivity

After implementing HighRadius Cash Application, a prominent CPG company achieved a cash application automation rate of 98% and reallocated 75% of the team's capacity to manage other tasks.



1.2 HighRadius Collections for SAP

Today, collections management is not only a cost center that has to be run with the highest efficiency; it's also an integral part of an organization's value chain and the customer experience. CIOs are looking for ways to generate greater value by adopting a customer-centric focus that allows collectors to act more strategically.



SAP Collections Management provides basic collection management applications, including worklists for collection analysts, maintenance of collection strategies and profiles, and contact management to support the preparation of collection calls. The user experience is marginally enhanced by S/4 HANA, providing Fiori apps for regular use cases, like processing analysts' worklists, receivables and managing incoming payments. It also applies to collections managers, who can now access reporting apps for enhanced visibility to key metrics like DSO without running a separate BI tool.

Let's review the critical steps of the Collections process and see precisely how HighRadius Collections optimizes SAP functionality:

1.2.1 Collection Strategy & Worklist

With HighRadius, your Collections department will be transformed from reactive to a modern proactive Collections team that surgically goes after specific accounts based on behavioral data. This approach will make a significant impact on securing working capital.

SAP ECC	SAP S/4HANA	HighRadius Collections
<ul style="list-style-type: none"> The collection manager needs to define the criteria for analyzing customers and prioritizing receivables management. 	<ul style="list-style-type: none"> The worklist is created automatically for the collection specialists daily. Customers that fulfill the rules defined in the system are distributed to the worklists of the collection specialists. Reactive approach as the strategy is based on invoices already overdue. 	<ul style="list-style-type: none"> Uses a deeply embedded AI engine to predict invoice payment dates and payment delays based on multiple parameters that include customer master data, current credit scoring, past payment behavior of the customer, and the current open invoices. Proactive collections are enabled by the Invoice Payment Prediction date, as the date can be utilized in the collection rules. Combined with machine learning (random forest classification), the prediction gets more accurate over time and moves the focus of the collections staff to strategically essential follow-ups.



1.2.2 Customer Communication

Correspondence is the cornerstone of the Collections process. It's imperative to have an automation solution that helps this operation run as effectively as possible. The Customer Communication system should handle and maintain multiple correspondence templates that Collections analysts use regularly.

- a. **E-mails & Faxes:** Communication with customers includes sending e-mails and faxes for serving past due notices, invoice copies, and account statements.

SAP ECC	SAP S/4HANA	HighRadius Collections
<ul style="list-style-type: none"> E-mails and faxes are sent out using different predefined SAP programs owned by IT and offer no flexibility from a business user standpoint. E-mails and faxes out of the system require creating Smart Forms using SAP Script. Form creation needs to be managed by the IT Team. Any new form or modification of existing forms requires IT support. Collections activity screen and correspondence screen are separate. Correspondence Log is only accessible by IT. Business users will not see the log of e-mails sent from the system. 	<ul style="list-style-type: none"> Smartforms can be used to build correspondence templates customized to your content and layout needs. It cannot cater to the practical requirements of communication packaging to automatically provide attachments like invoices & proof of delivery. Dunning is exclusively based on AR aging, limiting the Collector's options based on past collection activities, promise to pay, and customer contact history to determine relevant past-due notice content. There is no provision for analysts to track the customer replies to dunning notices and manage the end-to-end collections process in one system. 	<ul style="list-style-type: none"> Automates dunning across thousands of customers without limitation on language, e-mail templates, and attachments as an out-of-the-box functionality. E-mails and fax templates are business configurable and do not require IT intervention. E-mail templates can be modified before it is sent out. Provides pre-built multi-language correspondence support. Can configure to include attachments such as invoice copies and account statements (Excel templates). E-mail can be sent directly from the Collectors screen instead of separate programs. The system offers auto-correspondence, utilizing AR aging and collection activities such as the promise to pay and Customer Contacts. Tracks the customer replies to dunning notices to ensure the analyst can manage the end-to-end collections process in one system.

- b. Calling the Customers:** The success of an organization's debt collection efforts can often be correlated to the effectiveness of the customer calling process. On average, 25% of the Collector's time is spent on this crucial step of collections management.

SAP ECC & S/4HANA	HighRadius Collections
<ul style="list-style-type: none"> • Can integrate with external phone systems with custom development. • Maintenance of integration will be the responsibility of the organization's IT team post-go-live. 	<ul style="list-style-type: none"> • The system is equipped with an integrated dialer, enabling the Collector to make a call from the system and automatically log every call to ensure complete tracking and visibility to management. • Uses AI to analyze the complete account and gives collectors a summary of things that need to be discussed on the call, saving them time spent researching while at the same time uncovering insights. • Leverages Natural Language Processing (NLP) to automatically convert conversations to text and capture follow-up actions and notes. • Uses Freeda, the Artificial Intelligence-enabled digital assistant, capable of answering questions and helping with work.

1.2.3. Invoice tracking from Web Portals

Many organizations have started leveraging self-serve web portals for payments, such as Paymode-X, Tungsten, Ariba, and Coupa. This has significantly altered the way collectors work as they spend more time navigating these complex portals to upload invoices and get status updates, than calling customers.

SAP ECC & S/4HANA	HighRadius Collections
<ul style="list-style-type: none"> • Offers infrastructure to collaborate with a third-party RPA solution to integrate with customer portals, requiring custom development. • Changes to integration and ongoing maintenance will be the responsibility of the organization's IT team post-go-live. 	<ul style="list-style-type: none"> • Leverages embedded RPA capabilities to provide out-of-the-box bots to navigate and capture required information from these web portals. • All customer payment status updates brought into the platform can be additional criteria to prioritize customers.

The Business Impact Achieved With HighRadius Collections

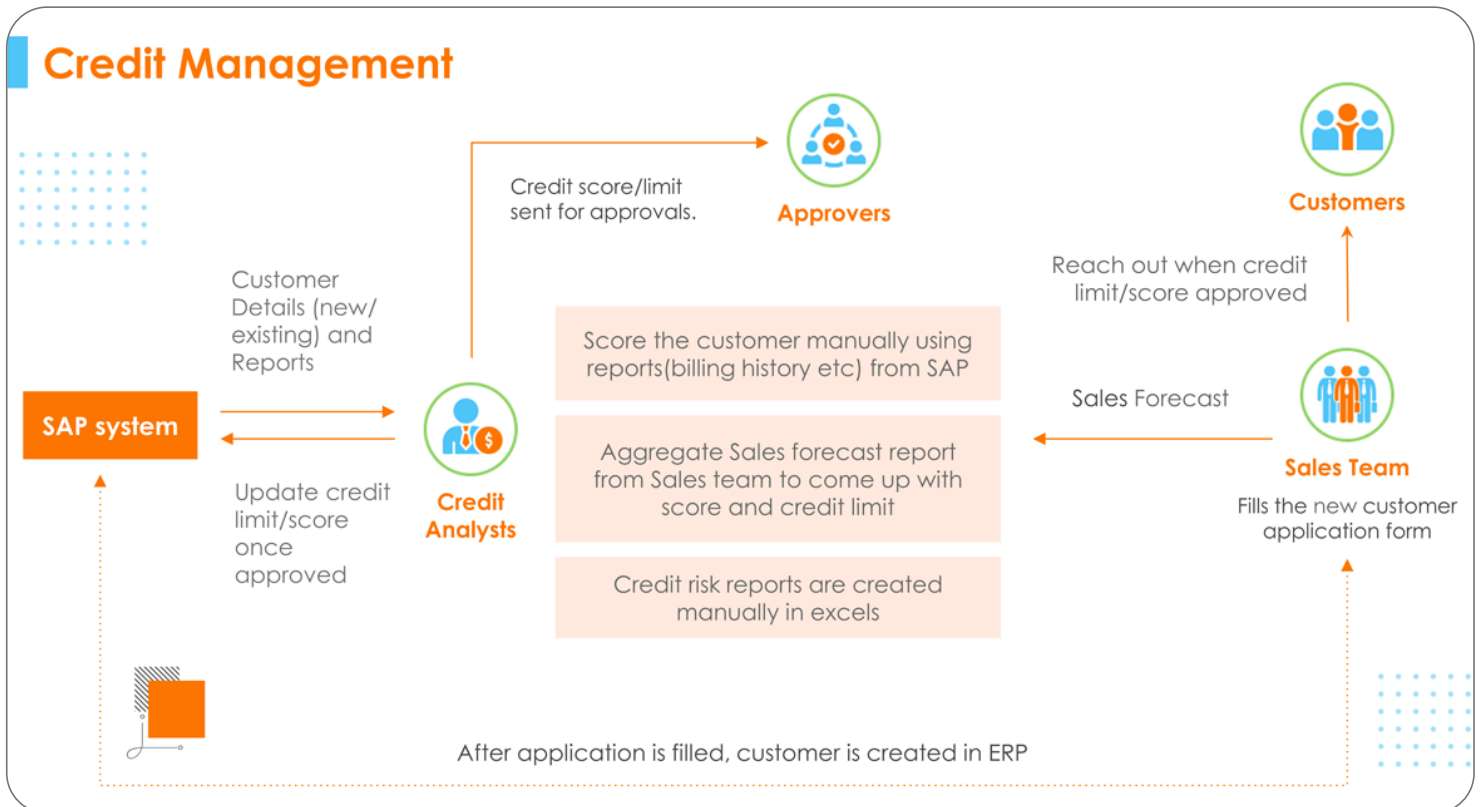
1. Higher Collection Success Rate
2. Increased Customer Touchpoints
3. Reduced Past Dues
4. Minimized Risk of Bad Debts

“ The Hackett Group study concluded that automation not only reduced operating costs but also resulted in improved quality of the receivables portfolio. Companies with higher levels of automation achieve lower ADD (average days delinquent) and lower bad debt compared to their peer group.

Source: Hackett Group, Digital Transformation Study

1.3 HighRadius Credit for SAP

The process of credit management is an integral part of any organization. Extending credit means a company needs to balance enabling buyers to conduct business with it while limiting the risk of bad debt. Global companies are increasingly burdened with customer bankruptcies, delayed payments, and non-optimized credit policies. Credit information resides in the silos of different groups, making it difficult to arrive at an effective credit decision. Customers in new geographies pose a challenge with a lack of credit history.



The credit management process in SAP ECC and S/4HANA is manual in both the basic and advanced credit management versions. Below, we review the critical aspects of the credit management process and highlight how the HighRadius solution enhances SAP credit management functionality:

1.3.1. Credit Application

For maximum efficiency, an organization needs an automated online credit application process that captures all information needed from a new customer in a single step that integrates with its ERP and CRM systems. A best-in-class system should use automation to eliminate as many manual tasks in the process as possible.

SAP ECC & S/4HANA	HighRadius Credit
<ul style="list-style-type: none"> • Web-based credit applications must be custom-built using SAP UI5 toolkit or third-party web development technology. • Data transfer to SAP will require custom development. • Integration setup is needed every time a form is required for a different unit or geography. 	<ul style="list-style-type: none"> • Provides a pre-configured library of 100+ forms. Provision to select the closest possible template and configure it to extend the templates without development. • Customers can fill out forms without assistance from credit analysts. • Multi-language form available out-of-the-box. • Provides an easy-to-use web and mobile-based application. Pre-built integration with the credit solution to transfer data and initiate workflow for credit review.

1.3.2. Blocked Order Management

These features prevent additional credit sales to high-risk customers by automatically blocking their orders if they're consistently late on payments or have exceeded their credit limit.

SAP ECC	SAP S/4HANA	HighRadius Credit
<ul style="list-style-type: none"> • Provides a basic order block & release functionality. • SAP Credit management system (at an additional licensing cost) will enable options to use the credit rules engine. • Rules can be defined for order management. • Reactive process of blocked order management. 	<ul style="list-style-type: none"> • Orders can be put on hold if they meet the predefined rules. • Requires credit analysts to perform an analysis of the account before deciding to release the order. • Reactive process of blocked order management. 	<ul style="list-style-type: none"> • AI functionality leverages historical data to provide suggested actions to take when an order gets blocked. • It helps prevent customer orders from getting blocked by identifying at-risk accounts and setting up workflows to free up credit limits avoid credit holds. • Pro-active process of blocked order management.

1.3.3 Bank and Trade Reference

Bank and trade references are a high-value data point used to calculate a customer's credit score and rating. Organizations rely on this information when deciding to extend credit and build a customer's credit file.

SAP ECC & S/4HANA	HighRadius Credit
<ul style="list-style-type: none"> • Credit analysts have to reach out to the bank and trade reference providers to capture information. • Custom integration can be built into agencies' portals that provide bank and trade references. • The organization's IT team is responsible for the maintenance of the integrations. 	<ul style="list-style-type: none"> • An automated process to request bank and trade references is captured in the Credit solution. • Automatically append applications with reports from leading agencies such as D&B and Experian; credit insurance data from Coface and Euler Hermes; or public financial data. • Out-of-the-box integration with agencies such as Confirmation.com guarantees reference information within 24 hours. • Backup documents auto aggregated for building credit files of customers.

1.3.4. Real-time Monitoring of Customer Behavior

This feature allows for analysis of customers' purchase and payment patterns. These data are critical to ensuring that "at-risk" accounts are flagged daily in real-time.

SAP ECC	SAP S/4HANA	HighRadius Credit
<ul style="list-style-type: none"> • Credit analysts have to go to external sources like agency websites or e-mails to track high-risk accounts. • Credit analysts will have to review every credit report to identify at-risk accounts. 	<ul style="list-style-type: none"> • Monitor accounts based on the credit limit valid to date and the resubmission on a date. • Customer hierarchy can be manually built and maintained between business partners (customer accounts) to track credit exposure. 	<ul style="list-style-type: none"> • Integration with external Credit Agencies to track negative information such as bankruptcies, liens, credit downgrades to automatically trigger notifications to credit analysts and provide relevant backup documents.

(Table Continued)

SAP ECC	SAP S/4HANA	HighRadius Credit
<ul style="list-style-type: none"> Provides the option to manually set a 'Next Review Date' by a credit analyst. No visibility to customer risk until the next review date. 	<ul style="list-style-type: none"> With 1000s of customers and ongoing changes, it is not practical to update the customer hierarchy manually. 	<ul style="list-style-type: none"> Enables automatic tracking of internal customer payment behavior and analytics to notify credit analysts of required credit reviews. Automatic customer hierarchy creation, view of credit exposure, and maintenance using the data from credit agencies such as D&B.

1.3.5. Integration with Credit Data Providers

The [HighRadius solution](#) integrates seamlessly with existing SAP systems while providing flexible connections with external data providers, like leading credit agencies and external financial data services.

SAP ECC	SAP S/4HANA	HighRadius Credit
<ul style="list-style-type: none"> Custom development and effort are required to access financial data sources from Credit rating and insurance agencies. Custom development is required to enter financial data such as balance sheets, income statements, and ratios. Maintenance costs of all integrations need to be owned by the organization's internal IT team. 	<ul style="list-style-type: none"> Provides out-of-the-box integrations with credit agencies when licensing the S/4HANA Cloud for Credit Integration. Extracts information from credit reports provided by the credit agencies and automatically updates the credit data for the business partners. Internal credit scoring is automatically recalculated according to the customized settings. 	<ul style="list-style-type: none"> Provides configurable templates to capture financial data such as balance sheets, income statements, and ratios. Out-of-the-box integration with financial data sources such as Edgars, Bloomberg, and CRMZ and with Credit Insurance agencies like Euler Hermes. Owns the maintenance of all the integrations and adapts to any data source changes.

The Business Impact of Using HighRadius Credit

1. Reduction of bad debt
2. Improved customer experience
3. Significant reduction in time required to conduct credit reviews
4. Faster onboarding of new customers

“With HighRadius, we now have a truly global solution that enables integrated external reporting, automated credit scoring, credit monitoring, and currency conversion for financial statements.

Senior Manager of Credit Services at a global Computer Hardware company



1.4.1. Aggregation of Backup Documents

Once a deduction is identified, research needs to be conducted, and backup information is gathered to perform an analysis. Finding the root cause of a deduction helps an analyst identify the correct stakeholders to resolve an issue.

SAP ECC & S/4HANA	HighRadius Deductions
<ul style="list-style-type: none"> No functionality to aggregate backup documents such as claim copy and POD from the customer, carrier websites, and e-mails. Requires custom development and collaboration with third-party RPA bot providers to integrate with customers and carrier websites. Post-go-live maintenance of these integrations will need to be owned by the organization's IT team. Custom bots fail more often and require ongoing maintenance and engagement. 	<ul style="list-style-type: none"> Provides out-of-the-box pre-built integration with most customer portals and carrier websites using a library of 300+ bots. Captures backup documents such as Claims, Proof of Delivery, Bill of Lading, and contracts. These documents can be automatically linked to the individual deductions for the team to perform the research. HighRadius will provide post-go-live, maintenance, and support as part of the subscription.

1.4.2. Validity of Deductions

Deduction Analysts spend a lot of time identifying invalid deductions that constitute 5% to 10% of the overall volume of Deductions.

SAP ECC & S/4HANA	HighRadius Deductions
<ul style="list-style-type: none"> Provides a basic deductions worklist and workflow. There is no specific functionality to leverage historical data and help the analysts in the research process. 	<ul style="list-style-type: none"> Leverages historical deductions data to identify trends and, using AI algorithms, predicts the validity status of a deduction helping the analysts identify invalid deductions where organizations can recover money.

1.4.3. Deduction Resolution, Credit Issue, and Write-off Approval

Deduction Analysts spend equal time resolving trade and non-trade, high and low dollar value deductions. They need a system that helps segregate high-priority deductions, makes daily work more accessible, and eases the approval process to significantly reduce time spent on low-priority tasks.

SAP ECC & S/4HANA	HighRadius Deductions
<ul style="list-style-type: none"> • No provision of any matching functionality. • Custom build solutions can be deployed by engaging third-party RPA service providers to extract data and integrate with SAP. • Custom developments can help use extracted data to perform promotion-deduction matching, variance analysis, or issuing credits. • Approval and hierarchy for Credit and Write-off approval processes can be customized in the SAP system. 	<ul style="list-style-type: none"> • The solution extracts data from backup documents and integrates with the Trade Promotion Matching (TPM) system. Uses matching algorithms to identify whether the customer was eligible for a promotion or not. • Helps perform variance analysis for non-trade deductions such as pricing and shortage. Includes auto-resolution of bulk disputes in a single click when found valid, in line with pre-designed business rules. • Automates the research process, freeing up a considerable amount of the deduction analysts' time. • Multi-level approval hierarchies can be configured in the system out of the box. Business approvers can approve or reject the credit and write off requests over e-mails.



1.4.4. Denial Correspondence

Once an analyst finds an invalid deduction, they need to reach out to customers by e-mail or by uploading documents to customers' websites.

SAP ECC & S/4HANA	HighRadius Deductions
<ul style="list-style-type: none"> Requires custom-built bots to integrate with websites for correspondence. Bots are fragile and may fail whenever there is a change to the customers' websites. 	<ul style="list-style-type: none"> The system provides pre-configured mail templates to send denial letters for invalid disputes. Provides integrated bots that log in to customer websites and automatically fill up deduction denial forms. HighRadius maintains the RPA based integrations.

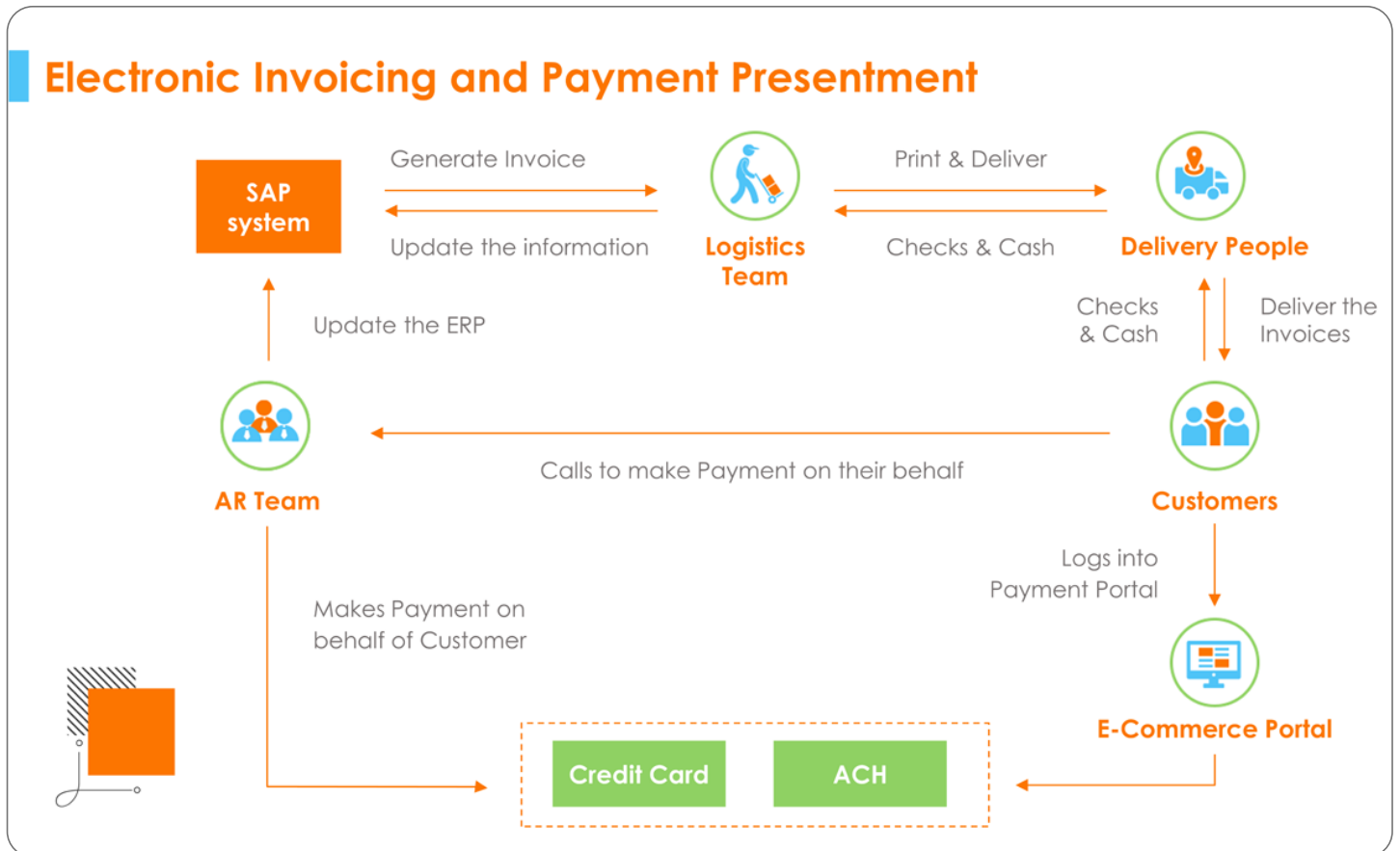
The Impact of HighRadius Deductions includes

1. Improved Net Recovery Rate
2. Faster Deductions Resolution
3. Reduced Days Deduction Outstanding (DDO)
4. Increased Team Productivity

HighRadius AI-powered deductions validity prediction feature allows deduction teams to dispute deduction validity with 95%+ accuracy, even before performing research.

1.5 HighRadius EIPP for SAP

EIPP stands for Electronic Invoicing and Payment Presentment. The customer experience has become increasingly critical to a company's long-term survival. This is especially true for the order to cash cycle, where suppliers and buyers collaborate directly. The invoicing and payment collection process is a vital customer touchpoint impacting the customer experience.



Let us review the critical aspects of the Electronic Invoicing and Payment Presentment process to see how HighRadius EIPP optimizes SAP:

1.5.1. Delivery of Invoices

One of the critical steps in the order to cash cycle is the delivery of invoices to customers via agreed modes of communication. The most common customer excuse for not making payment on time is the non-receipt of an invoice.

SAP ECC	SAP S/4HANA	HighRadius EIPP
<ul style="list-style-type: none"> The direct biller module of SAP FSCM provides the basic functionality for web-based invoicing. 	<ul style="list-style-type: none"> It offers invoice delivery through e-mails and EDIs. Invoices need to be uploaded by analysts to customers' AP portals. Provides the option to push invoices to the customers' website with a custom java program deployment or a partnership with RPA service providers. The IT team needs to monitor and maintain the bots. 	<ul style="list-style-type: none"> Enables automated delivery of Invoices and statements through e-mails, EDI, fax, upload into Customer Portals using RPA Bots. Provides the option for auto-delivery invoices into customers' accounting systems like Quickbooks and Sage. Helps deliver additional documents such as proof of delivery, bill of lading, and contracts. Monitoring and maintenance of bots are the responsibility of HighRadius.



1.5.2. Global Payment Methods

One of the most effective ways to improve the efficacy of the collections process is by offering as many payment methods as possible. For companies with a global presence, pre-built integrations with international payment methods are necessary.

SAP ECC	SAP S/4HANA	HighRadius EIPP
<ul style="list-style-type: none"> • The direct biller module of SAP FSCM provides the basic functionality for web-based payments. • Integrates directly with SAP SD and FI modules. • Presents invoices on the web and allows payments through bank transfer or credit card. 	<ul style="list-style-type: none"> • Offers multiple payment methods by custom integration with various third-party vendors like Paymetric, Stripe, etc. • These features come at an additional cost and contractual agreements. • SAP's Digital Payment add-on integrates your payment platform with third-party payment service providers for credit card processing. 	<ul style="list-style-type: none"> • Provides out-of-the-box support for 100+ payment methods globally, including credit and debit cards, Paypal, direct debit, ACH, Trustly, Gyropay, and pre-authorized debits. • Pre-built integrations with 30+ credit card processors globally at Level III.



1.5.3. Digital Collaboration Between Client and Customer

A self-service customer portal enables teams to collaborate with customers via e-mails, chat, and push notifications. They can also provide buyer summary reports, submit remittances, upload claims, etc.

SAP ECC	SAP S/4HANA	HighRadius EIPP
<ul style="list-style-type: none"> Offers a standalone payment portal that customers can access to view or pay invoices and raise disputes. 	<ul style="list-style-type: none"> Fiori applications customize mobile or guest payment options. Provides capabilities to match invoices and payments and create payment advice. Customers have to e-mail or call the collection analysts to update documents or request a higher credit limit. 	<ul style="list-style-type: none"> Provides digital collaboration portal that lets customers view invoices and proof of delivery documents, dispute details, invoice payment options like scheduled, recurring & on-account payments. Customers can use the portal to obtain remittances for past payments and raise requests for a higher credit limit. In-portal alerts and notifications to customers and e-mail them the invoice payment links. Every action taken by a customer in EIPP is reflected in real-time in other modules like deductions or cash applications.

Business Impact Achieved with HighRadius EIPP solution

1. Improved Customer Experience
2. Reduced Day Sales Outstanding (DSO)
3. Secured and Compliant solution

2. HighRadius for SAP - Customer Success Stories











Autonomous Receivables has delivered quantifiable financial benefits to global companies that use SAP to manage order to cash processes. It's helped automate operations, increase team productivity, and enhance the customer experience.

Using HighRadius Autonomous Receivables, customers have reported the following outcomes:

- **Faster Receivables and More Connected AR Processes**
- **AR Teams can Focus on High-Value Tasks**
- **360-Degree Visibility of Global Process Health**

HighRadius has partnered with some of the most widely recognized global enterprises. [Click here](#) to view an entire library of customer success stories.

Delivering Business Impact - HighRadius for SAP Customers

 <p>Collections</p> <p>.....</p>  <p>\$6.4M Improvement in Working Capital from DSO reduction</p> <p>LEARN MORE ></p>	 <p>Cash Application</p> <p>.....</p>  <p>95% (hit rate) payments applied by the system automatically</p> <p>LEARN MORE ></p>	 <p>Deductions</p> <p>.....</p>  <p>40% Reduction in the concentrated open deduction dollar Value</p> <p>LEARN MORE ></p>	 <p>Credit</p> <p>.....</p>  <p>120% Improvement in credit department's efficiency</p> <p>LEARN MORE ></p>	 <p>EIPP</p> <p>.....</p>  <p>40% Adoption targeted end- users adopted EIPP within 1 Year</p> <p>LEARN MORE ></p>
--	--	--	---	--

*Click on the customer logo to learn more about their AR value achievement.

3. Conclusion: Autonomous Receivables Will Transform Your AR Operations to World-Class

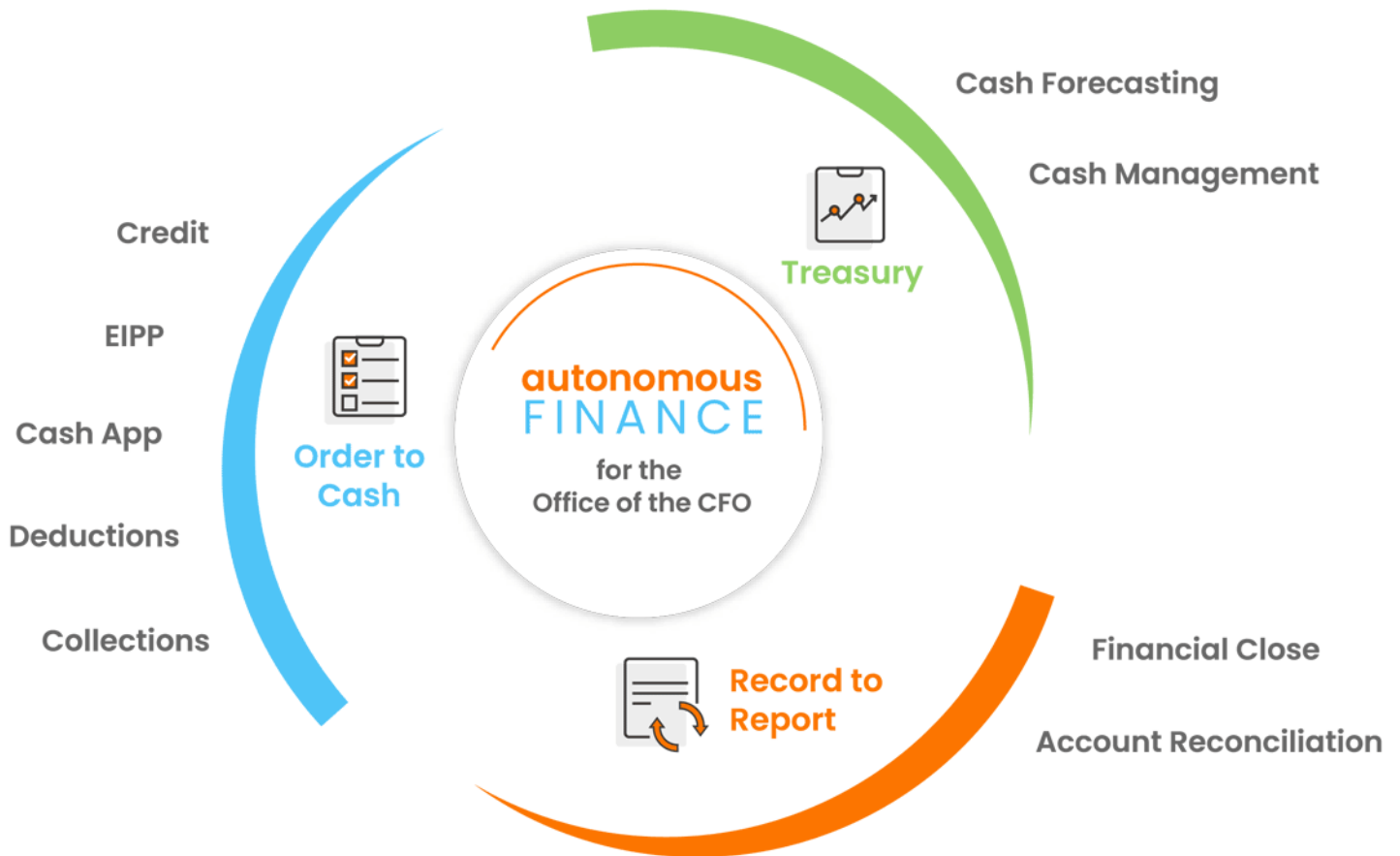
SAP is highly useful, but you need to enhance its capabilities to have AR Operations produce the highest outcomes. AI, automation, and technology are game-changing enhancements that take AR processes and departments from functional to world-class.

Financially, it's incredibly costly for companies to build such solutions in-house, even while factoring in eventual increases in revenue. Startup and accrued cost from continual maintenance dissuade many businesses from exploring the power of software and automation.

HighRadius is the secret weapon of savvy Fortune 1000 companies who know the value of using a lean ERP solution like SAP but want to seamlessly add automation and intelligence to their AR operations without burdensome overhead. [Schedule a demo](#) with one of our AR specialists to learn how Autonomous Receivables can take your enterprise to new heights.

“*HighRadius Autonomous Receivables reduced the effort required in every process to a bare minimum and helped our team focus on strategic decision making and creating better relationships with customers.*”

Kay Rogers, Vice President of North America Financial Transactions for Ferrero



About HighRadius

HighRadius is the leading provider of **Autonomous Finance Software**. Our AI-powered solutions automate routine processes and surface potential issues for further review, allowing finance professionals to focus on what matters, making better decisions more quickly than is possible with traditional ERP systems. More than 700 of the world's leading brands leverage HighRadius to power their Order to Cash, Treasury, and Record to Report functions, including 3M, Unilever, Anheuser-Busch InBev, Sanofi, Kellogg Company, Danone, Hershey's, etc.

Click [here](#) to know more about Autonomous Finance.

Corporate Headquarters

HighRadius Corporation
Westlake 4 Building (BP Campus)
200 Westlake Park Blvd.
8th floor
Houston, TX 77079

(281) 968-4473
(281) 404-9002

India

HighRadius Technologies
5th Floor, Block-3,
DLF Cyber City
Plot No 129 to 132
Gachibowli, Hyderabad,
Telangana-500019

040 4569 4500

Amsterdam

HighRadius B. V.
Barbara Strozziilaan 201
1083 HN Amsterdam

+31 (20) 8885054

London

HighRadius UK Limited
25 Wilton Road,
London,
SW1V 1LW

+44 (0) 203 997 9400

Frankfurt

HighRadius GmbH
Lindleystraße 8A
60314
Frankfurt am Main

+49 (0) 69 589967310