



# Automate Your Receivables CashApp Process in E-Business Suite or Cloud ERP

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# Agenda

- Presenter and Company Introduction
- Introduction to Cash Application (CashApp)
- Challenges in Automating Cash Application Process
- Case Study – CashApp Automation Solution at an Automotive Supplier
  - Customer CashApp Pain Points
  - Solution Design Overview
  - Business Benefits/Value
- CashApp Automation Strategies
- A Sneak Peek into CashApp for ERP Cloud
- Q & A

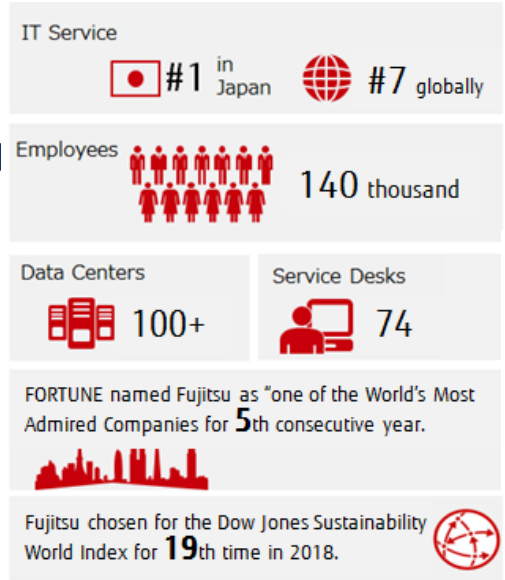
# About Speaker – Bhaumik Jambusariya

- Over 16 Years of Industry experience in variety of sectors like Manufacturing, Automobile, Healthcare, Transportation, Hi-Tech, Consumer Electronics, Retail etc.
- Over 16 Years of Consulting experience in Financial Business Applications (Oracle E-Business Suite, ERP Cloud, EPM Cloud and Others)
- Education background includes Engineering in IT and MBA in Finance
- Played variety of roles like Project Lead, Solution Architect, Implementer, IT Analyst, Subject Matter Expert etc.
- Oracle Certified in EBS 11i, R12 and Fusion/Cloud Financials
- ERP experience includes Implementations, Upgrades, Global Rollouts, Enhancements, Migrations, Production Support etc.
- Regular Speaker at OpenWorld, Collaborate, GLOC, Regional OAUGs

# Fujitsu & Oracle – 30+ years of partnership

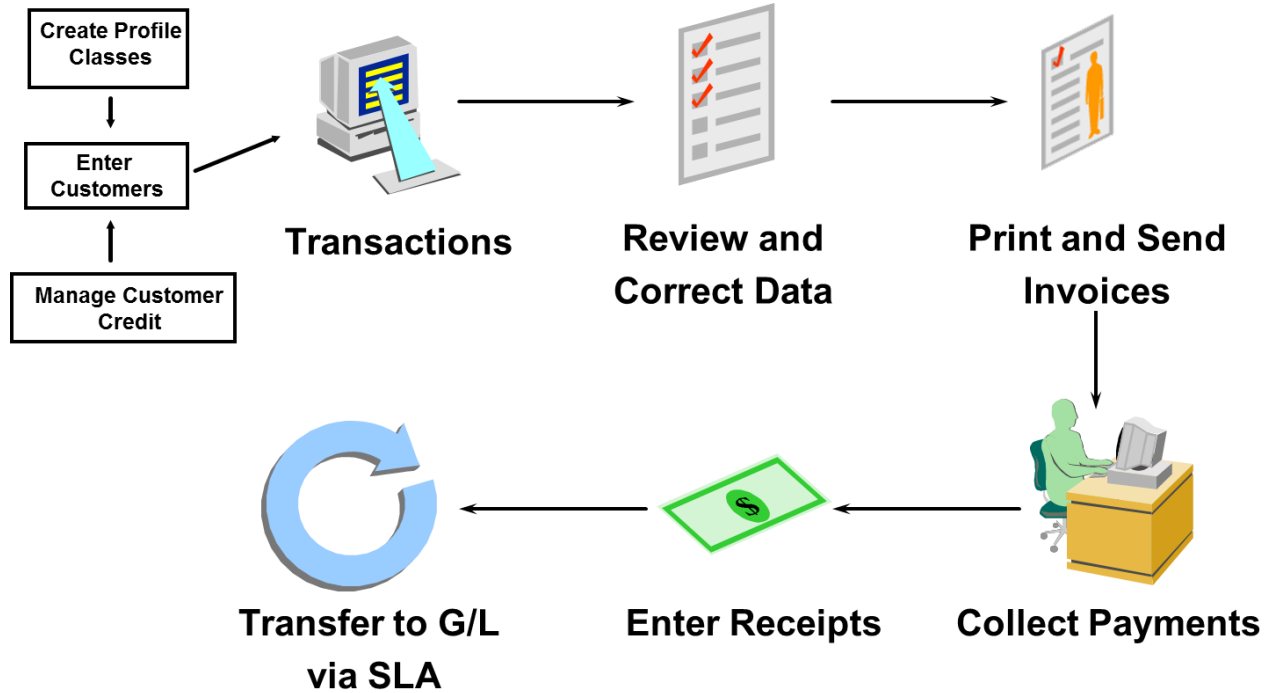


- Oracle Platinum and Cloud Premier Partner
- 1 of 4 Global Oracle MSP partners (out of 25K partners)
- Cloud Collaboration: Oracle Cloud running on Fujitsu datacenter in J
- 50+ organizational specializations
- 6500+ individual certifications
- Key Oracle Strengths and Offerings:
  - Oracle Cloud Infrastructure (OCI)
  - Oracle EBS and Cloud Application Transformations
  - Application and Database Managed Services



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Shaping tomorrow with you

# Invoice to Receipts Flow



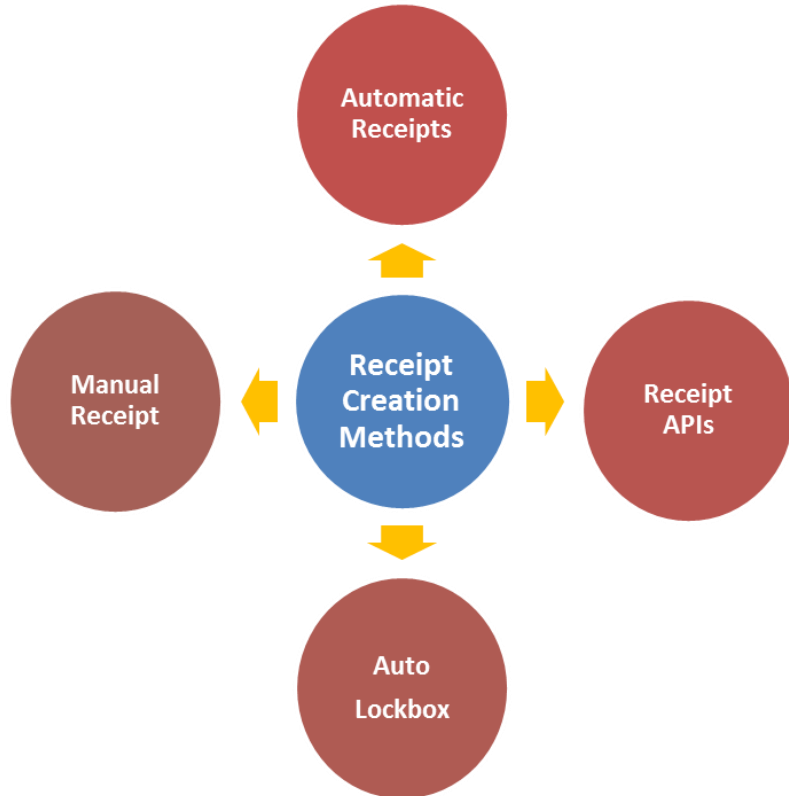
# Introduction to Cash Application (CashApp)

- Cash application is the process of correctly applying an identified customer's receipts to respective invoices, credit memos and adjustments by matching them and applying receipt amount to clear them
- Efficient CashApp frees up resources from daily chores of monotonous application and potential misapplication and backlogs to a higher level of managing exceptions
- Improves DSO (Days Sales Outstanding) for the organization

# Challenges with CashApp Automation

- Cash is received in different ways i.e. Electronic Funds (ACH/Wires), Lockboxes, Paper Checks sent directly etc.
- Remittance details are received in many forms
  - Emails (attachments in excel, PDF, text etc)
  - EDI (Electronic Data Interchange)
  - Lockbox (detail line details, scanned images)
  - ACH/Wire
  - Customer Portals
- Customers pay using different references
  - Invoice#
  - ASN (Advance Shipment Notice)
  - Packing Slip
  - BOL (Bill of Lading)
  - Sales Order
  - Purchase Order
- Some customers pay at header level while some pay at detailed line level

# Some Basics - Receipt Creation Methods in Oracle



- **Manual Receipts:** Enter receipt and its corresponding remittance details manually in standard form
- **Receipt APIs:** This method provides a programmatic approach to create, apply, unapply and reverse receipts using PL/SQL code
- **Automatic Receipts:** Used to automatically generate receipts for customers with whom you have predefined agreements.
  - Credit Card
  - Debit Card
  - Prepayments
- **Autolockbox:** Lockbox is a service that commercial banks offer corporate customers to enable them to outsource their accounts receivable payment processing.



# Automotive Supplier Case Study – Company Profile

- Client is a leading automotive parts and Industrial Bearings supplier
- Major customers include leading car manufacturers like Toyota, Honda, Nissan, Ford, GM and Industrial Manufacturers like John Deere, Dana, Caterpillar etc
- Have operations in all over the world and North America division has plants and operations in US, Canada and Mexico
- 20+ manufacturing plants and several distribution centers across the North America region
- 12 Legal entities and 12 Operating Units in 3 Primary Ledgers
- Shared Service center is setup to manage Purchasing, AR and AP operations for 10 US and Canada entities
- AR shared service team consists of around 12-14 team members

# Case Study – CashApp Pain Points

- Shared Service AR team enter receipts *manually* for 10-12 business units
- Customer remittances are received from variety of sources (Customer emails (body/attachments, EDI, Bank Statements, Customer Portal downloads etc)
- Remittance transactions are prepared *manually* to be entered against the receipts
- AR processors *manually* enter prepped remittance transactions and apply them against the receipts
- Remittances provide different reference information like Invoice#, ASN#, Packing Slip, Sales Order, Purchase Order etc.

## Case Study – CashApp Pain Points (Cont...)

- For 20-25% payments, payment and remittances are coming via Lockbox but receipts and remittances are being entered *manually*
- Organization deals with several Automotive customers that have frequent retroactive price changes
- Several customers take lot of unapproved deductions (mainly for freight, warranty, scrap, quality etc) which result in *manual* creation of lot of credit memos and debit memos and application to the receipts
- 3 dedicated AR processors are responsible for CashApp processing
- 5-6 AR specialists devote several hours a week in preparing remittance details to hand over to AR processors

# Case Study – Solution Overview

- Designed and developed a solution to automate receipts creation (Lockbox, ACH, Wires) and receipt application based on customer remittances
- Worked with the Bank to establish Lockbox direct transmission of lockbox files and automated receipt creation/application using standard Autolockbox functionality
- Developed a process to automate ACH/Wire receipts creation for all entities and their bank accounts
- Worked with the EDI team to design a single EDI 820 mapping template for all customers sending remittances via EDI

## Case Study – Solution Overview (Cont...)

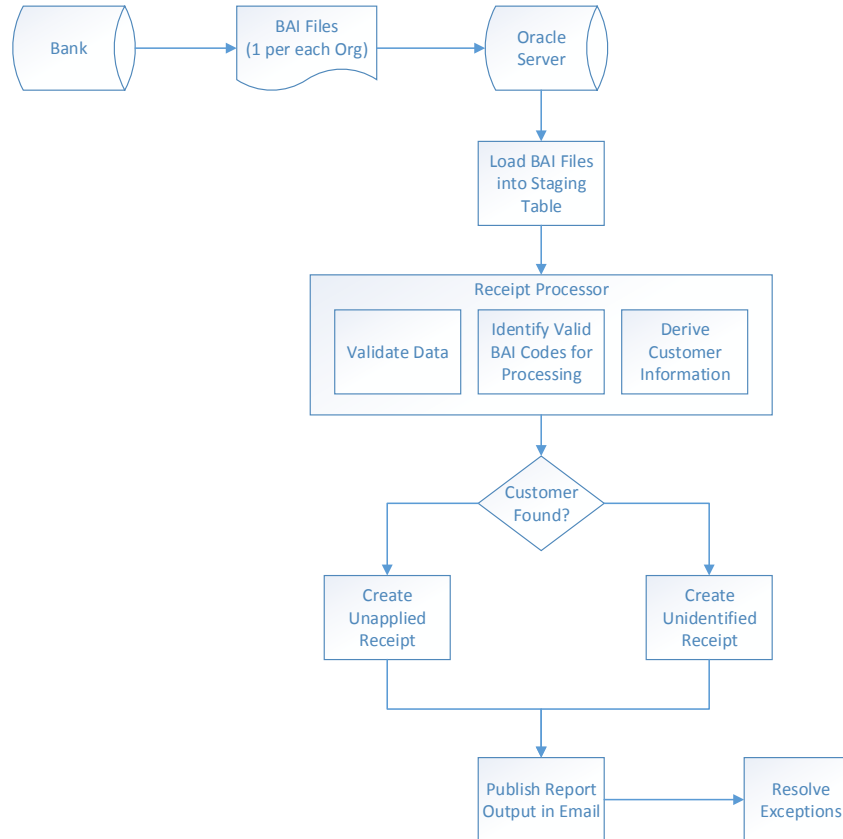
- For all non-EDI customer remittances, a common excel template was designed to interface the remittance details to the system
- Remittance load and application process is developed to validate, process and apply them to the corresponding receipts
- An Exception handling form is provided to the users to correct and reprocess remittances
- A report is developed to review and analyze Processed/Unprocessed records

# Case Study – Solution in Detail

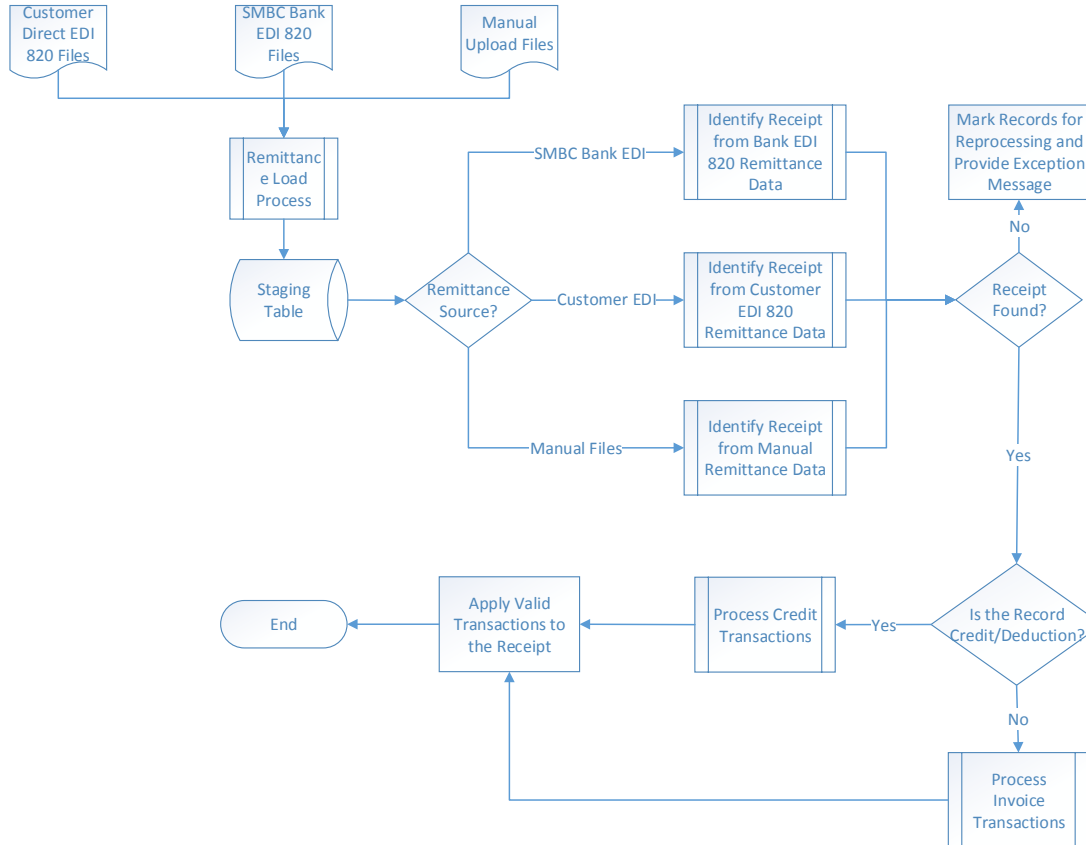
Solution is mainly divided into these major components:

- **Standard Autolockbox process** for the Bank Lockbox file for Check Payments
- **Receipt Creation Process** for ACH and Wire payments using the Bank Statement file (standard BAI format)
- **Remittance Load and Application Process** for ACH and Wire payments for which the remittances received from customers in variety of ways and formats
- **Remittance Exception Handling Form** to provide control in users hand to review and correct exceptions
- **Receipts and Remittance Processing Report** to report on Processed, Unprocessed and Error details

# Solution Design – Receipt Creation Automation Process

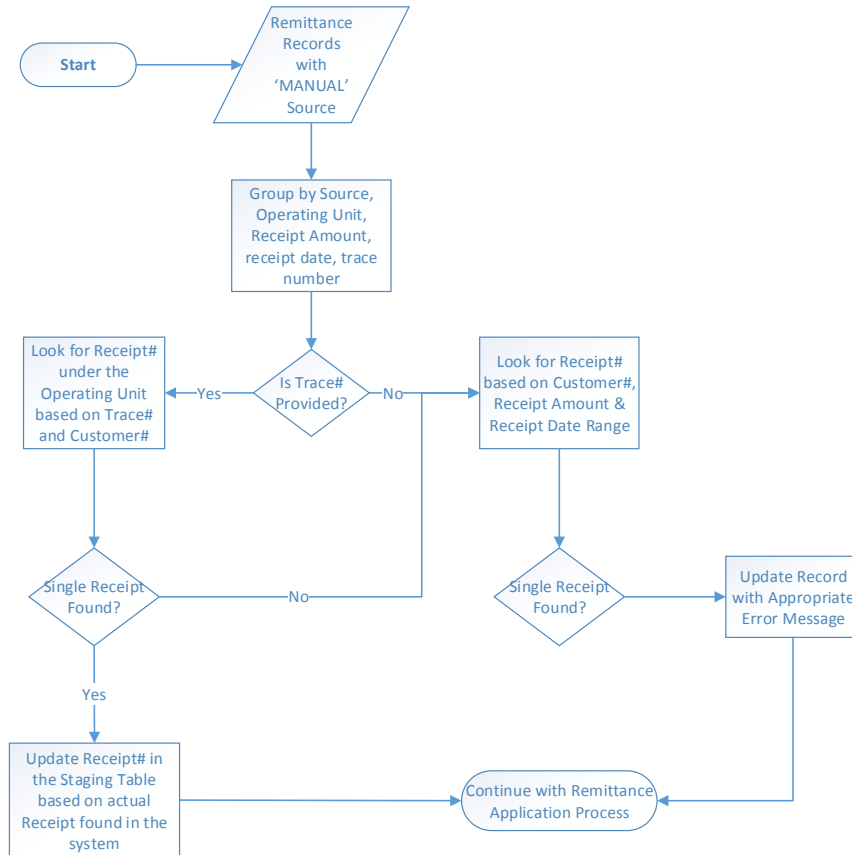


# Solution Design – Remittance Load and Application Automation

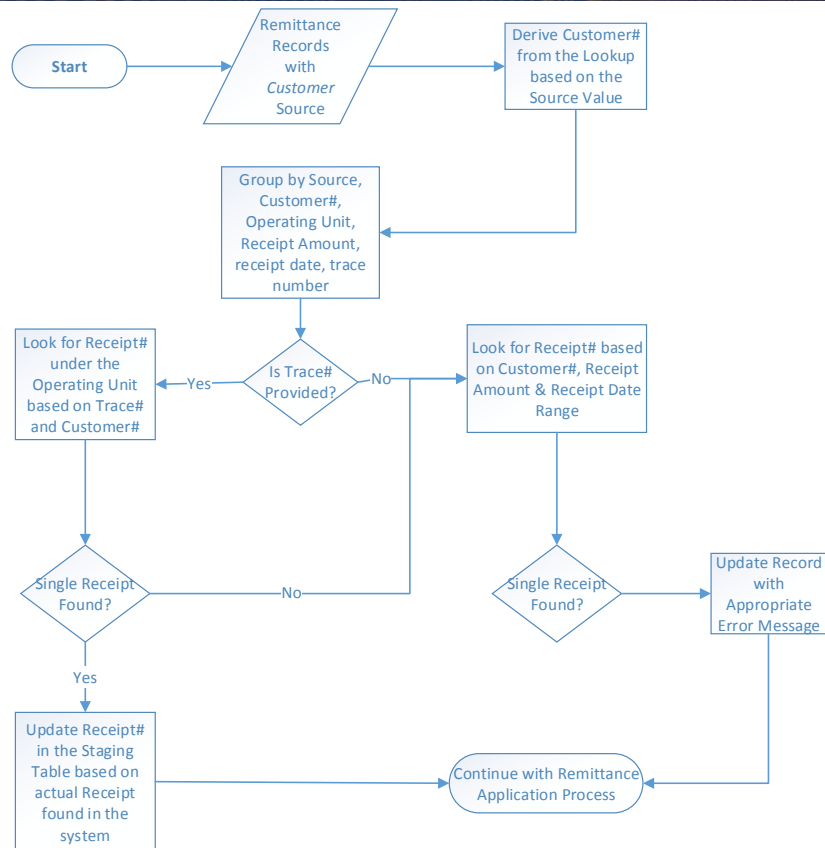




# Solution Design – Identify Receipt for Manual Files



# Solution Design – Identify Receipt for Customer EDIs

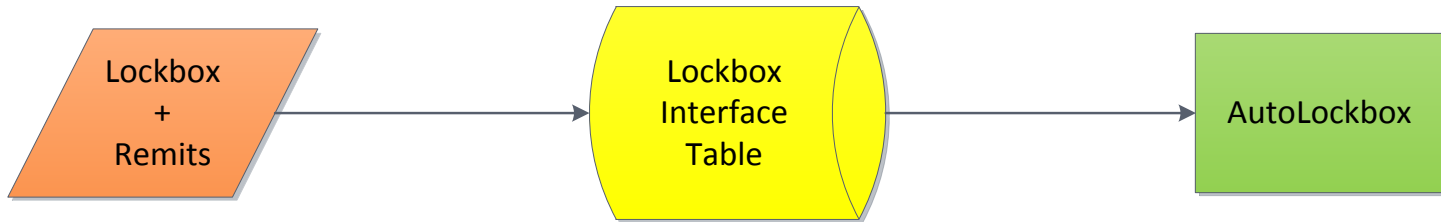


# Automotive Supplier Case Study – Business Benefits/Value

- ACH/Wire Receipts creation is almost 100% automated
- Business was able to achieve more than 95% of success rate in automating remittance application to receipts
- More than 85% of Lockbox receipts are automated in 1<sup>st</sup> run (Failure is mostly attributed to data issues in Bank file)
- Manual receipt creation and application is reduced to less than 3-4%. AR processors are now responsible for only exception handling of remittance records
- Only 1 AR processor (compared to 3 before) is now responsible to handle receipts and remittances
- 5-6 AR specialists spend 75-80% less time in remittance analysis and preparation
- Significant improvement in process efficiency of entire AR Shared Service team allows them to focus on more analytical and value added work
- Highly satisfied Business and IT Stakeholders
- Solution helped gain significant trust and confidence of the customer

# CashApp Automation Strategies – Option 1

Use Autolockbox functionality to create receipts and apply remittances



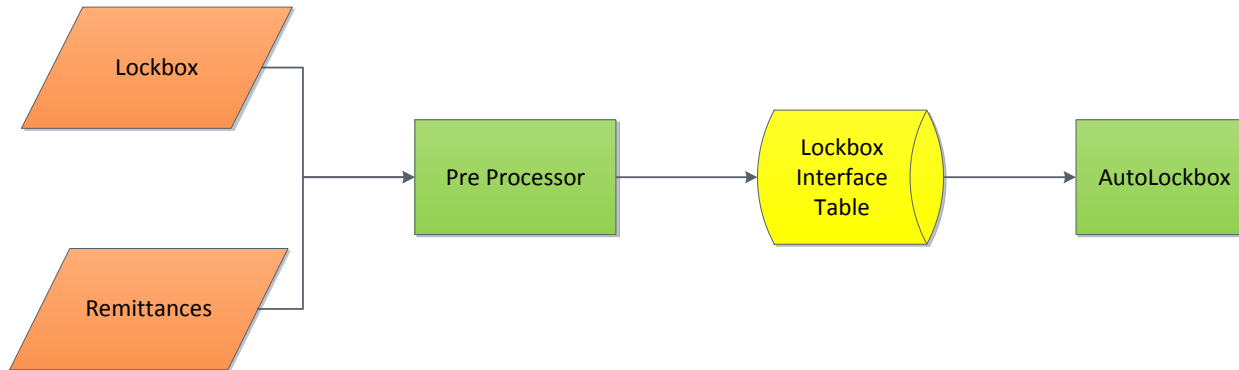
## Challenges

- Not practical/feasible for large enterprises in terms of volume due to cost and performance
- Remittances are needed to be available with Payments
- Does not allow for later application if no remit is available

# CashApp Automation Strategies – Option 2

## Use Pre Processor prior to using Autolockbox functionality

- Identify customer for the receipt
- Derive application solutions
- Use Overflow record for applying transactions



## Challenges

Allows better controlling of your cash application solution but challenging in terms of performance and flexibility

# CashApp Automation Strategies – Option 3

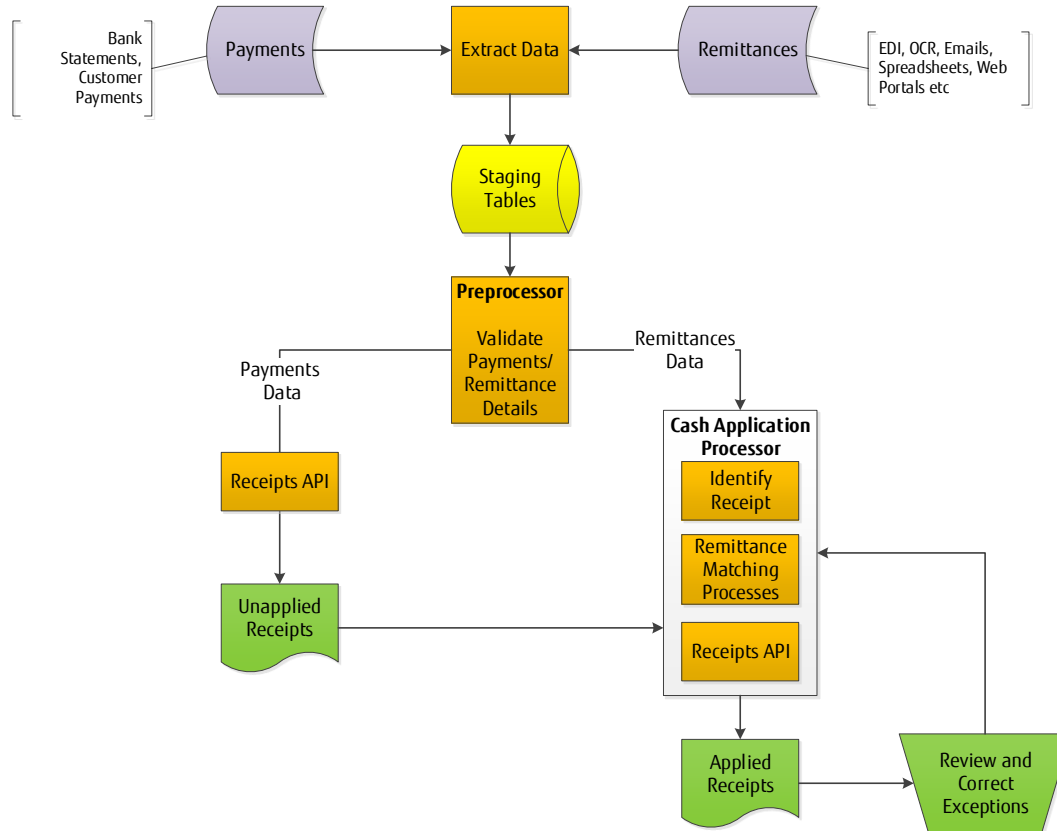
## Use Receipt API to Create and Apply Receipts

- Mainly use for the complex scenarios
- You may handle receipt creation and receipt application separately
- Derive application values programmatically based on references provided by Customers in remittances
- Provide an easy interface for exception handling to users

## Challenges

Complex to develop and maintain

# CashApp Automation Strategies – Option 3



# ERP Cloud – Key Features Related to CashApp

- SmartReceipts: Recommendations for Receipts Processing
- Spreadsheet Upload for Receipts
- AutoApply
- Match Receipt By Rule
- Document Reference Automatic Update
- AutoMatch Rule Set
- Application Exception Rule Set





# Q & A

Thank You!!!

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