

# Order To Cash

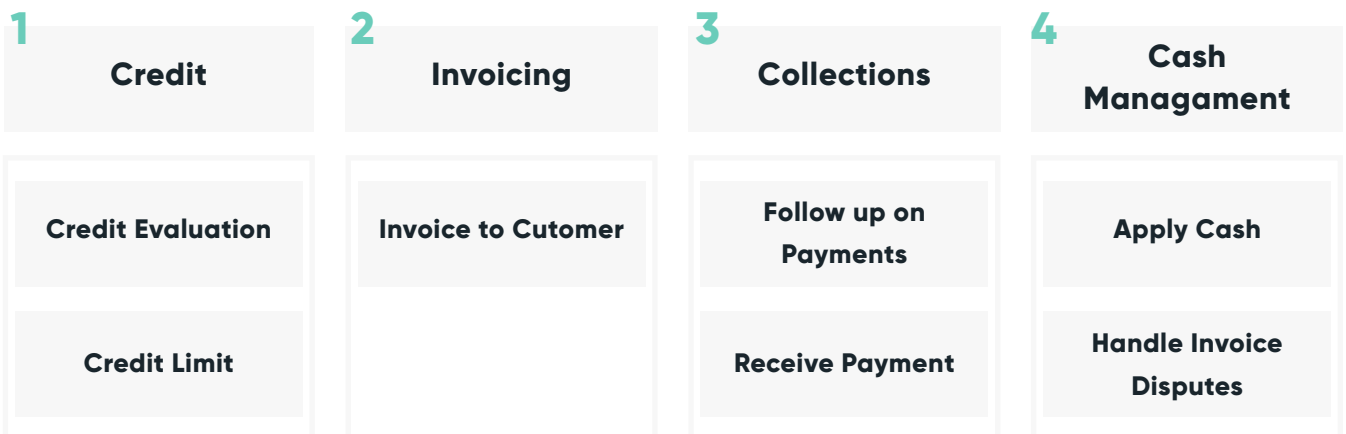
## Accounts Receivable

Order to cash, also known as O2C or OTC, refers to the entire set of business processes for receiving and processing customer sales orders for goods and services and their payment. It's really the heart of all businesses and must be managed efficiently and accurately. The accounts receivable path has many steps before an order turns into income. Typically it involves a lot of human effort at every step along the way. Redwood can make every step of the process simpler.

## As Easy as 1-2-3-4

An accounts receivable process includes four main steps:

- Establish credit practices and create customer records
- Invoice customers
- Track accounts receivable (AR/payments received and payments due)
- Document accounts receivable (AR)



## Step 1: Establish Credit Practices and Create Customer Records

The credit application process is usually a pre-determined and tightly governed process, which the credit management function must follow. It's also often labor-intensive and requires a series of both internal and external checks.

**Automation relief** – Fortunately, if these processes are well-established and defined, Redwood can help. We can perform the tasks, confirm conformity to rules and seek appropriate human approvals as defined by the credit policy and corporate governance best practices.

## Step 2: Invoice Customers

Most order management applications can manage invoices at a basic level. However, invoicing can get complicated. If your process contains many manual processes, then it is worth considering for automation. The sooner an invoice gets to a customer, the sooner it is paid. A machine-readable invoice makes for easy processing by your customer, leading to faster payment.

**Automation relief** – Redwood can convert invoices into machine-generated PDFs, which can then be automatically emailed to customers or transferred to your existing automated process, such as EDI, defined by the credit policy and corporate governance best practices.

## Step 3: Track Accounts Receivable

Credit and collections are a key part of the finance function, the life blood of most organizations. It would be great if all customers paid promptly, but it's not always the case. Manual reporting and follow-ups are frequently required. Many of these activities are repetitive and rules-based and therefore ripe candidates for automation. Redwood's financial process automation is good at following rules and can increase consistency in numerous situations.

**Automation relief** –

- **Cash recording:** Automatically transfer payments from the bank into the correct customer accounts in your ERP.
- **Cash allocation:** ERP matching routines often leave a large amount of cash unallocated, resulting in inaccurate debt position and DSO (days sales outstanding), a key metric for most organizations. An automated allocation routine can provide additional matching criteria, providing more accurate cash allocation.
- **Collection list:** Automated process create, distribute and pursue collection managers with overdue items.

## Order to Cash Accounts Receivable Journeys

### Start

- 01** Credit check  
Perform pre-defined checks  
Connect to external agency (web based)
- 02** Send approval notice  
Create customer record
- 03** Create collection list  
Create overdue list & reminders
- 04** Create & post cash  
Allocate cash (pre-defined rules)
- 05** Create bad debt provision & approvals, Post appropriate journals, Reconcile un-billed revenue, Create & post appropriate journals
- 06** Close AR
- 07** Prepare many AR reports

### Finish



## About Redwood

Redwood Software delivers IT, finance and business process automation to help modern enterprises excel in the digital age. Redwood orchestrates and automates business processes across complex hybrid IT environments so enterprise organizations can focus on business agility, cost-efficiency, and customer experiences. Our automation solutions help thousands of organizations across 150 countries execute with speed and precision. Redwood is Where Automation Happens.™



See what Redwood cloud-based automation can do for your finance processes

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**Where  
Automation  
Happens.**