The controller's guide to order-to-cash automation

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Introduction

You've heard that cash is king. Well, right now, cash is the entire royal family. Unpredictable economic conditions and cautious investors have finance and operations teams scrutinizing every dollar coming in and going out. They know that the key to staying afloat during turbulent conditions lies in making strategic investments while keeping a steady cash flow. For many organizations, that means taking a closer look at the order-to-cash (O2C) process.

According to a PwC study, optimizing your O2C process can lead to a 10 – 15% increase in total revenue.[1]

The order-to-cash process plays a vital role in enhancing customer satisfaction, driving revenue growth, and maintaining a healthy cash flow. Yet, for many businesses, it remains a glaring blind spot. They grapple with outdated, manual, and error-prone O2C processes that eat away at profit margins, dampen customer experiences, and drag down operational efficiency.

So it's time to batten down the hatches, so to speak. Gartner reports that 80% of CFOs

[1] PwC. "Technology Industry at the Crossroads: Transforming Quote-to-Cash Operations." PwC, 2023. *Link*.

are focusing on digital transformation efforts targeting financial processes, such as O2C automation[2]. Here's why: **O2C automation lets organizations streamline their O2C workflows, reduce manual work, and capitalize on revenue opportunities.**

80% **of CFOs are focusing on digital transformation efforts targeting financial processes, such as O2C automation.**

- Gartner[2]

By seamlessly integrating their CRM, ERP, and entire revenue stack, automating approval and contract management processes, and expanding the O2C scope to include renewals and upselling, businesses can unlock new avenues of growth and profitability, all while hedging against an inflationary market.

While point solutions offer targeted fixes and out-of-the-box integrations provide standardized operations, they are often not sufficient to meet the needs of a rapidly growing business. These solutions typically automate only specific segments of the O2C process, failing to address the entirety of the operation.

For example, a point solution might automate the order creation process from your CRM to ERP but overlook other crucial stages such as order fulfillment, collections, invoice dunning, or revenue recognition operations. This results in disconnected systems and inefficiencies as each part of the process may not be fully integrated or communicate effectively with others.

[2] Gartner. "Gartner Survey Identifies the Top 10 Priorities for CFOs in 2023." Gartner, January 10, 2023. *Link*.

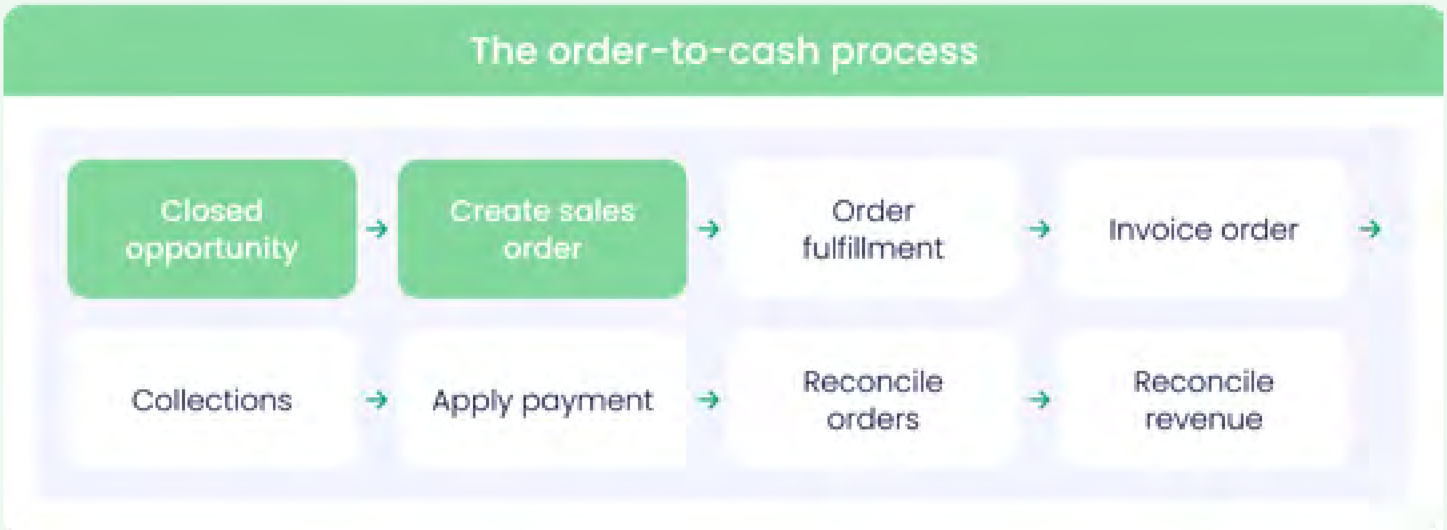
To truly elevate your business, a holistic approach to automation is key. Controllers, finance and operations teams need something that is not only flexible and resilient but also scalable and capable of automating and integrating the entire end-to-end O2C process.

Let's explore how your existing O2C process is constraining your financial performance, and how low-code automation platforms like Tray.ai can transform your O2C process to better propel business growth, enhance customer experiences, and pave the way for a more efficient and profitable future.

The ins and outs of order-to-cash

The order-to-cash process is the heart of your business. It refers to the series of interconnected stages that cover the end-to-end sales journey, starting from the moment an order is placed to the point where payment is received, applied to accounts receivable, and revenue is recognized.

In other words, it's a relay race that involves sales, finance, accounting, legal, and even customer success teams. With a significant influence on customer satisfaction, revenue generation, and cash flow management, it's no wonder many controllers, CFOs, and finance teams are laser-focused on optimizing their current O2C cycle.



Typically, your Order-to-Cash process involves the following steps:

- **Closed opportunity:** The sales team closes a deal with a customer in the CRM system.
- **Create sales order:** Accurately capturing and processing customer orders, including creating a sales order in your ERP, such as NetSuite or Oracle.
- **Order fulfillment:** Delivering the items of the order.
- **Invoice order:** Generating invoices and sending them to customers.
- **Collections:** Managing any overdue or outstanding payments from customers.
- **Apply payment:** Collecting payments from customers and reconciling them with accounts receivable.
- **Reconcile orders:** Ensuring that all orders are accurately recorded and invoiced.
- **Reconcile revenue:** Verifying recorded revenue aligns with actual earnings.

4 signs your current order-to-cash process is broken

Considering that every step of the O2C cycle may involve many different tools, people, and processes, it's no wonder that many organizations are reluctant to make significant changes due to concerns about hidden costs, project complexity, or loss of control.

But broken O2C processes can result in a 3 – 5% loss in revenue[3]. These revenue leakages affect more than your bottom line, often spilling over into other areas of your business such as decreased customer satisfaction, increased operational costs, and even damaged brand reputation. So what are the signs your O2C process is broken?

1 Most tasks are performed manually

Is your finance team spending inordinate amounts of time reconciling orders between CRM and ERP systems, fulfilling orders, invoicing, following up with overdue accounts, or even processing payments? Order-to-cash processes are often gummed up by these kinds of manual processes that can lead to delays and mistakes, impacting efficiency and customer satisfaction.

2 There's little to no integration between systems

Whether it's your RevOps team or system admins, integration headaches are all too familiar. Disparate systems for your CRM, ERP, and billing create silos that hinder real-time visibility and require extensive effort to manage, and out-of-the-box integrations are often too rigid to fit your specific needs.

3 Your approval process is embarrassingly long

Today's buyers are tired of the traditional B2B sales cycle with 77% claiming their last purchase was overly complex and difficult[4]. B2B buyers expect a B2C-like experience with every purchase but cumbersome approval processes for contracts and sales orders prolong sales cycles and limit opportunities for upselling and renewals.

4 You're constantly running into security and compliance issues

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57% of CFO's said that solving order-to-cash pain points will lower costs by at least 5% and increase their revenue by 5%[5].

[3] McKinsey & Company. "Finding Hidden Value with Order-to-Cash Optimization." McKinsey & Company, n.d. Link.

[4] Gartner. "B2B Buying Journey." Gartner, n.d. Link.

[5] CFO. "Recurring Revenue Rising." CFO, February 2019. Link.

Broken O2C processes can result in a 3-5% loss in revenue.[3]

So it's time to modernize. To better safeguard against economic headwinds, businesses need to take a holistic approach to their O2C process. Using an automation platform like Tray, businesses can automate the entire O2C cycle, connecting each step for a seamless, end-to-end process that connects your CRM, ERP, product, fulfillment system, collaboration tools such as Slack, and revenue systems to provide teams the predictability and security they need.

End manual work and automate your way to cash faster with end-to-end O2C automation

Manual data entry, point solutions, and out-of-the-box integrations are no longer cutting it for controllers and finance teams. In fact, you're limiting your business's ability to maintain cash flow and grow revenue by dealing with these outdated methods.

To modernize your O2C process and plug any revenue leakages, finance teams are leveraging the power of automation to reduce manual tasks, connect sales and revenue systems, and accelerate the sales process all in a secure and compliant way. Here's how Tray makes that happen:

Integrating CRM, ERP, and other relevant systems: Salesforce. Netsuite. Quickbooks. Stripe. No matter the systems you use across your O2C cycle, Tray seamlessly integrates your CRM, ERP, and billing systems for a smooth, bi-directional flow of data between critical business applications. No more data silos or risk of errors due to manual processes. Just accurate and up-to-date information for your teams.

Automating approval and contract management processes: Deliver a first-class sales experience by automating the approval process for contracts and sales discounts and routing opportunities to relevant stakeholders for approval via email, Slack, or any preferred messaging system. Once approved, the platform can automatically generate and send contracts using e-signature solutions such as DocuSign, expediting the sales process and elevating the customer experience.

Expanding the O2C scope to include renewals and upselling: Today's shaky economic landscape is pushing organizations to think beyond traditional O2C automation by incorporating renewals and upselling into the process. With Tray, you can automate onboarding, send personalized notifications and reminders for upcoming renewals or negotiations, and provide insights into product usage and support tickets, letting businesses increase customer retention, cross-sell, and upsell more effectively.

Reduce Days Sales Outstanding (DSO): Nothing impacts cash flow like DSO. In a study by the Aberdeen Group, nearly half of all finance leaders cited reducing DSO as the top objective[5]. Automating the O2C process with Tray helps companies decrease their DSO by facilitating faster invoicing, improving payment tracking, and streamlining connections.

With Tray.ai's approach to O2C automation, businesses can not only streamline their processes but also broaden the impact of their automations across the entire sales experience.

Case study: Mixpanel accelerates order-to-cash with Tray.ai

Mixpanel, a product analytics software provider, struggled to scale its order-to-cash process due to time-consuming manual data entry. After searching for a platform that would satisfy both line-of-business users and their engineering team, they adopted Tray.ai's low-code automation platform to streamline their order-to-cash processes and improve efficiency.

Implementing Tray.ai's low-code automation platform, Mixpanel quickly set up a CRM and ERP integration, automating tasks like recording journal entries and sales order creation. The platform also kept account owners updated about data in Salesforce and ERP systems and alerted customers when invoices required purchase orders.

By using Tray, Mixpanel reduced manual effort in the O2C process by 25%, allowing the finance team to focus on more strategic projects. Additionally, they saved on budget and time by automating journal entries without needing expensive consultants and software upgrades. The platform has enabled Mixpanel to innovate, automate new areas, and prioritize projects with potential for automation.

> Automation has fundamentally changed our approach to building processes. So far, we have yet to find something that the Tray Platform can't do.

Kara Barcelon, Controller
mixpanel

Why controllers choose Tray for O2C automation

Times are changing. Organizations are rapidly recognizing that the order-to-cash process extends far beyond its traditional boundaries. Modern businesses must strive for end-to-end automation across the entire buyer's journey, from lead acquisition to renewals. Achieving this comprehensive automation is only possible with a robust and flexible automation platform like Tray, which allows teams to go beyond the conventional order-to-cash process.

Here's what controllers and finance teams can expect from Tray's O2C automation solution:

Plug-and-play standardized templates: Tray.ai provides finance teams with standardized O2C templates, offering an easy-to-use starting point that can be customized and configured to your specific needs and ensuring a quick and seamless implementation. For instance, our "Create NetSuite sales order when Salesforce opp is 'Closed Won'" template offers finance teams a swift, easy-to-customize solution for NetSuite-to-Salesforce synchronization.

Purpose-built and maintenance-free connectors: Finance teams need reliable, up-to-date connectors for seamless integration with their critical business systems, such as NetSuite, Salesforce, Xero, Quickbooks, and more. Connectors are always up-to-date to ensure compatibility and frictionless data flow.

Expert services and partner engagements: No matter the complexity of your integration project, finance teams have access to Tray.ai's top-tier support, a network of partners, and a community of subject matter experts.

Unlock the full potential of your order-to-cash process

The order-to-cash process is the backbone of your business operations, directly impacting revenue generation, customer satisfaction, and overall financial performance. Today's organizations cannot afford to rely on outdated, manual, and disjointed O2C processes that hamper efficiency and hinder growth.

By embracing the power of automation with Tray.ai's low-code platform, you can transform your end-to-end O2C cycle by seamlessly connecting your critical revenue systems, and automating key tasks that improve customer experiences and maximize revenue potential.

It's time to unlock the full potential of your order-to-cash process with Tray.ai's low-code automation platform. Embrace the future of O2C automation today, and see the transformative impact it can have on your business growth, efficiency, and profitability. Get started with a free trial.

About this eBook

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A CONTROLLER'S GUIDE TO ORDER-TO-CASH AUTOMATION

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