



# Achieving High Performance in Deductions Management in the Age of AI: A Primer



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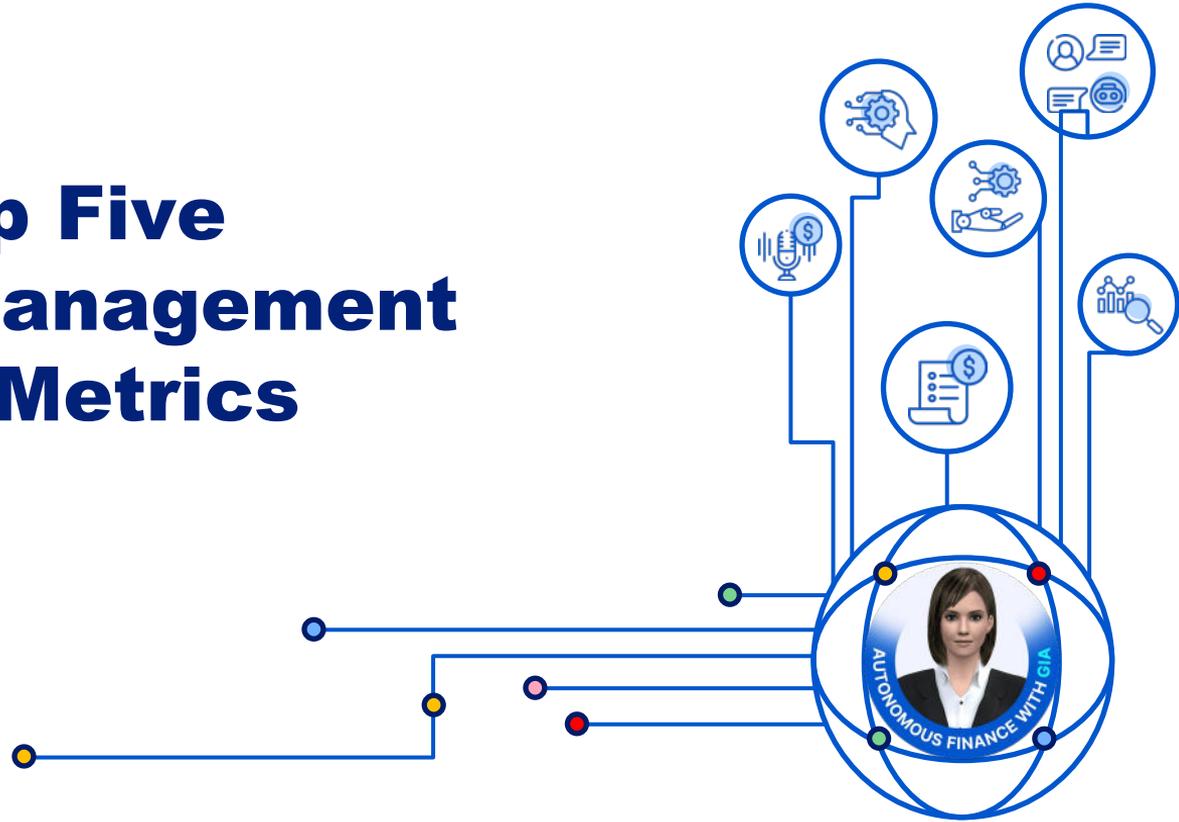
# Introduction to the Speaker



**Brian Shappell**

Emagia

# Goals and Top Five Deductions Management Performance Metrics

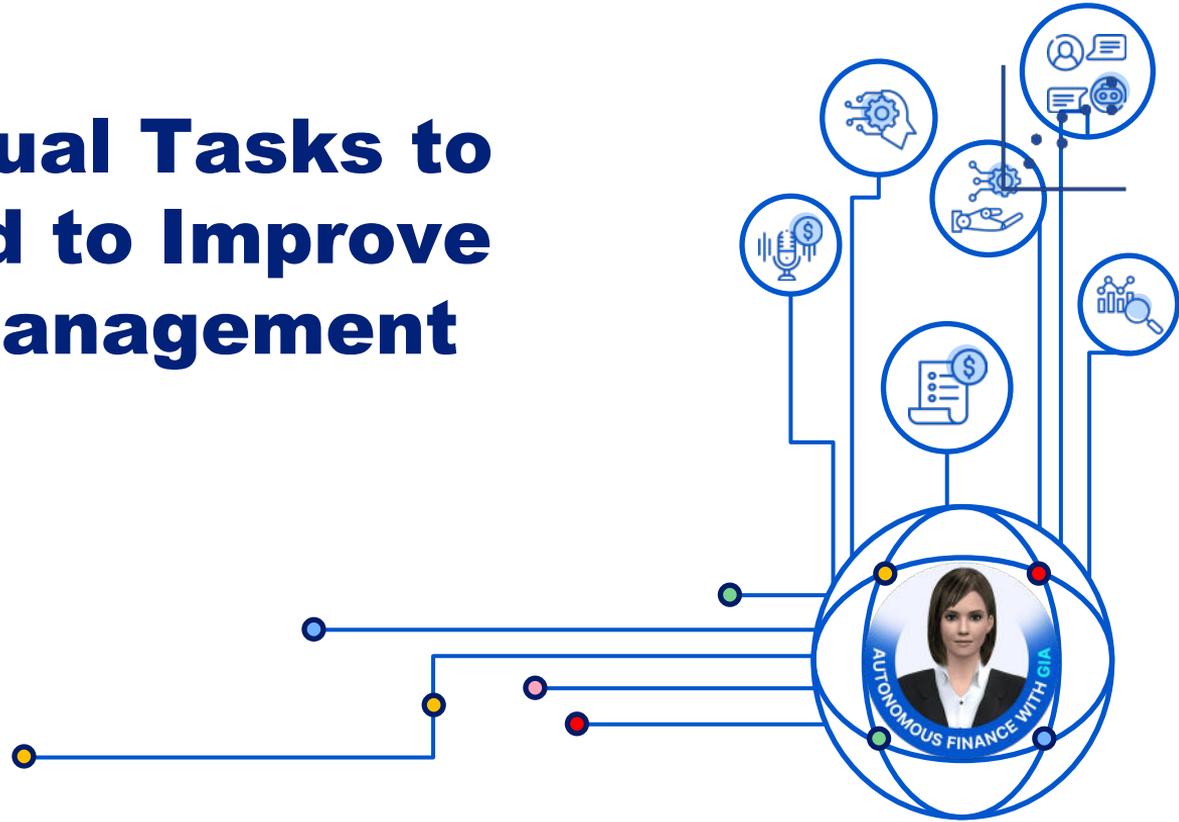


# Goal: Efficiently Resolve Deductions while Minimizing Revenue Leakage and Improving Profitability.

## Key Performance Metrics:

1. Deduction Resolution Time (Average Days to Resolve)
2. Invalid Deduction Rate
3. Deduction Recovery Rate
4. Deductions as a Percentage of Sales
5. Open Deduction Aging (Percentage of Aged Deductions)

# Top Five Manual Tasks to Be Automated to Improve Deductions Management Performance



# 1. Remittances and Deductions Files Download from Portals

AR teams's time is consumed in the following tasks:

- Logging into several customer portals and retrieving remittance files,
- Preparing deduction information into excel spreadsheets,
- Data capture and information retrieval from documents downloaded from the portal

**Modernization tips** - AI platforms like Emagia have integrations to many customer portals using APIs and can add new portal integrations through RPA or APIs. The above steps can be fully automated.

## 2. Mapping Customer Deductions Codes to Company Deductions Codes

AR teams's time is consumed in the following tasks

- Mapping customer deduction codes to your companies deductions codes,
- If you have several customers, it is tedious to do deductions mapping for all deductions,
- Put the deductions in the research and approval process

**Modernization tips** - AI platforms can automatically do the deductions code mapping. You can set deductions mapping in customer profile and get automatic mapping done for all customers.

### 3. Supporting Documents Retrieval

- Collecting and organizing documentation to support or dispute deductions, such as proof of delivery, agreements, and pricing,
- Often, this involves searching through multiple systems or paper archives,
- Researching the information from the documentation is very important to process the deduction

**Modernization tips** - AI platforms can provide bots to retrieve information from shipping and logistics portals and other portals. AI Platforms have Document drives to storage, retrieval and search of related documents in an easy manner.

## 4. Validity Prediction and Disputes Resolution

- **Validity Prediction.** Look at historic information and mark which deductions are valid/not valid,
- **Dispute Resolution:** Communicating with retailers to resolve discrepancies, negotiating repayment terms, and following up on disputes, which can involve numerous back-and-forth emails or calls

**Modernization tips** - AI platforms can use historical data and predict which deduction is valid or not valid. You can set tolerances to write-off very small \$\$ deductions. You can focus your energy on invalid deductions, put them in approval workflow and communicate with retailers effectively.

## 5. Reporting and Reconciliation

- **Manual Data Entry:** Inputting deduction details into your ERP or financial systems, which can be error-prone and time-consuming when done at scale.
- **Tracking and Reporting:** Keeping track of all open and closed deductions, preparing reports for management, and ensuring compliance with internal policies, which often requires the manual creation and updating of spreadsheets or reports.

**Modernization tips** - AI platforms can provide automatic data entry into ERP systems. Reports and analytics are available for easy to retrieve insights.

# Transform to Strategic AR Ops with Real-time Business Insights



## Global O2C Insights Hub

CFO Dashboard, Controller Dashboard and All insights across all processes



## Multi-dimensional visual drill-down

Analyze across business units, regions and other dimensions



## Standard Dynamic Reporting

Tools for auto creation of report



## Out-of-the-Box Standard Reporting



Deductions by X, Y & Z

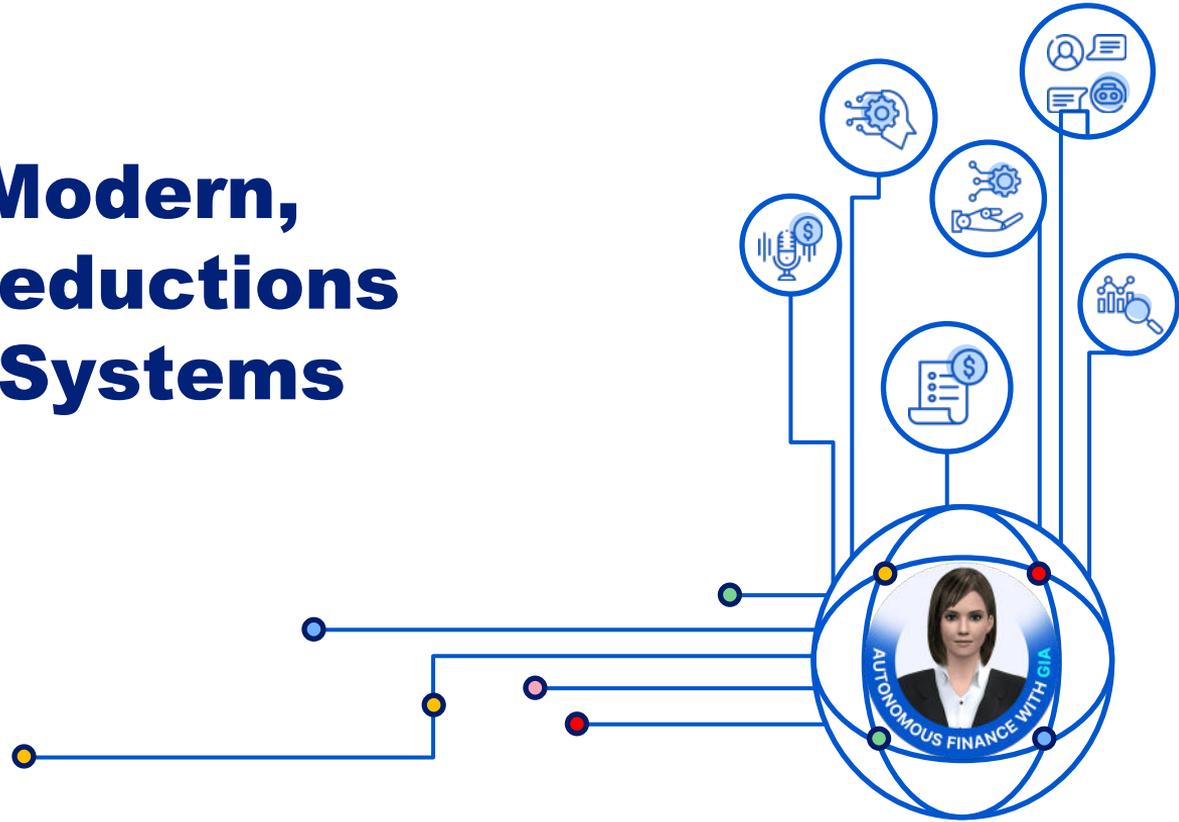


Deductions by Region / BU



Deductions Aging Trends

# Examples of Modern, AI Powered Deductions Management Systems



# Emagia Recognized as the Leader in Autonomous Finance For Order to Cash

## Our Customers



## Our Mission

*To maximize the financial performance of our customers by driving efficiency and intelligence in finance operations.*

Recognized as the Leader in Digital Order-to-Cash



Over **15 Years** in Business | **\$900B+** Receivables Processed | **27 Languages** In over 90 Countries

## OTC Industry Affiliations



## Technology Partners



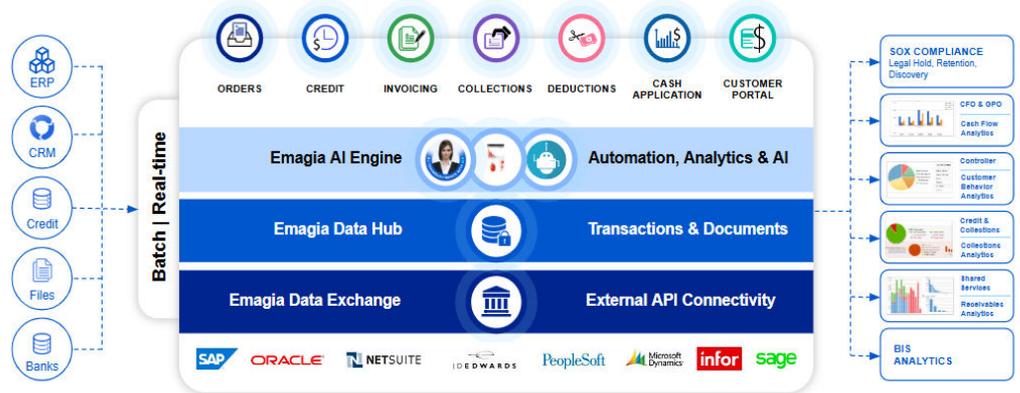
# Empower Your Teams For High Performance Order-to-Cash



**24x7**  
copilot

## Emagia Autonomous Order-to-Cash Platform

GLOBAL AT CORE – Multi ERP, Multi-Language, Multi-Currency, Multi-time zone



# Autonomous Deductions Management



## GiaDocs - Cognitive Remittance Data Capture

Gather information from multiple portals, email inbox and extract information from remittance documents



## Auto-mapping of Deductions Codes

Mapping of customer deductions codes to company deductions codes



## Auto-write off Based on Tolerances

Eliminate low \$\$ deductions processing so you can focus on the bigger ones



## Auto Validity Predictor

Predict if deductions are valid or not based on historical information



## Workflow based Approvals

Research using supporting documents and route the deductions groups to operations



AI-powered

# GiaGPT | Generative AI for Finance

## Chat with Your Deductions Data and Documents for Simple, Fast Analytics

Obtain critical insights from your deductions data and documents at hyperspeed with GiaGPT, our flagship generative AI solution for autonomous finance.





# Thank You

For more details, visit [www.emagia.com](http://www.emagia.com)  
or email us at [emagiainfo@emagia.com](mailto:emagiainfo@emagia.com)