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Accounts Receivable Automation: Customize Your ERP or Buy Software?

For decades, Enterprise Resource Planning (ERP) systems have been the go-to source of truth for finance teams.

As these tools have evolved into cloud-based platforms, solutions like SAP®, NetSuite®, Microsoft Dynamics® 365 have rolled out new finance-friendly features. But are they enough? Do they address the more complex needs of the accounts receivable (AR) organization?

Today there's a substantially larger expectation for AR efficiency and automation due to:

– **Economic Pressures:** A substantial <u>82% of financial decision-makers see recession as either likely or possible</u> within the next year. As a result, CFOs are thinking about ways to use technology to monitor financial risk and protect financial resilience more closely.

– **Compliance Pressures:** Expanding regulations around electronic invoicing and payments is another factor. For instance, the <u>U.S. Government issued to mandate a transition to digital payments</u>. These put increasing pressure on CFOs to infuse more agility into their systems.

– **Innovation Pressures:** In the age of AI intelligence, CFOs must exceed previous benchmarks to drive innovation and system modernization. The role of CFO is rapidly evolving, with the vast majority of CFOs now shouldering strategic responsibilities beyond just finance.

67%

of financial leaders are dedicating over 10% of their 2025 budget to AI technologies.

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The ERP Dilemma

As external and internal forces unite, CFOs are forced to face a critical question: Should we keep customizing our ERP to meet the unique needs of AR or invest in a purpose-built <u>AR automation platform</u>? This is the ERP dilemma, and it's a decision point every finance leader must confront. In this guide, we'll break down where ERPs fall short, what AR teams really need, and how to evaluate the build-versus-buy decision.

AR Management: 5 Ways ERP Systems Fall Short

ERP systems are great at managing enterprise-wide operations, but when it comes to accounts receivable, they often need to do more. Beyond basic invoicing and payment tracking, AR teams need dynamic dashboards, AI intelligence, and scalability.

Here's where most ERPs struggle:

3 Common Pitfalls:

1

''We've already made a huge investment in our ERP, so we should just use the AR functionality that's already included.''

2

''Our ERP is good enough. I don't see the need to pay for another tool. I don't want to pay twice for redundant features.''

3

''We're migrating to S/4HANA, and SAP says it can handle everything we need for AR work.''
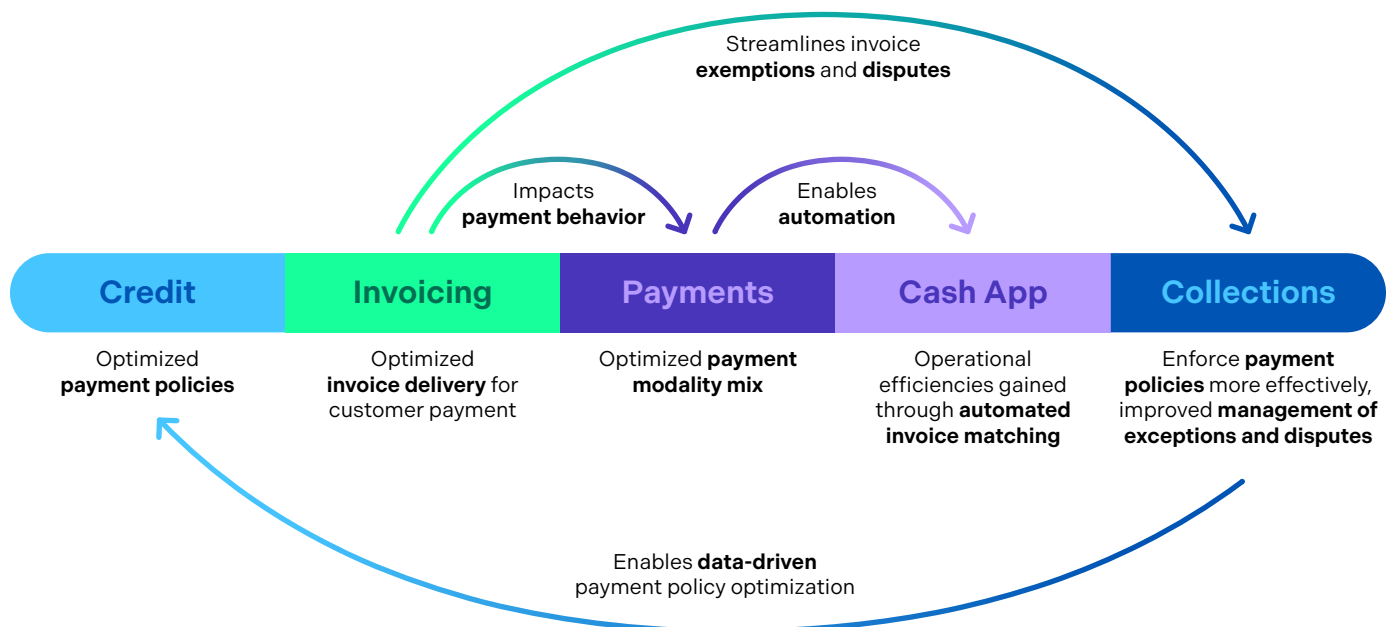
1. Holistic Control with Real-Time Data Visibility

ERP data is often fragmented across modules, making it hard to get a clear picture of what is happening across all AR activities. For instance, there are separate functionalities for the management of credit, dispute, collections, and payments. Data may be processed in batches rather than using real-time data synchronization. Without unified management, consolidated dashboards, and up-to-the-minute insights, teams are left piecing together reports and aggregating data manually. As a result, decision-making slows, and financial control weakens.

However, when AR data is centralized and interconnected, everything changes. **Companies can shift from disconnected workflows to an integrated AR ecosystem:**

- Real-time payment and cash application data improves collections accuracy

- Behavior trends can be used to customize payment policies and terms for each customer segment

- Insights drive more intelligent credit and collections policies, thus reducing risk

Integrated AR Ecosystem

Streamlines invoice **exemptions** and **disputes**

Impacts **payment behavior**

Enables **automation**

Credit	Invoicing	Payments	Cash App	Collections
Optimized **payment policies**	Optimized **invoice delivery** for customer payment	Optimized **payment modality mix**	Operational efficiencies gained through **automated invoice matching**	Enforce **payment policies** more effectively, improved **management of exceptions and disputes**

Enables **data-driven** payment policy optimization

2. Compliance, Delivery, and Payment Gaps

Keeping up with global eInvoicing regulations and evolving global tax mandates is tough—especially if your ERP isn't built for it. Updates can require frequent modifications, global configuration changes, and software upgrades. Challenges typically arise in the areas of IT support and timely data exchange needed for audits. Many systems require manual workarounds or IT support just to stay compliant.

Invoice delivery is another key pain point. ERPs often support only basic email or print options, and they rarely integrate with third-party AP portals. That slows down payment processes and increases friction for customers.

ERP systems may also be lacking a native payment portal, which has several consequences for buyers and suppliers:

- Buyers can't serve themselves online, which means they miss out on invoice and payment management as well as digital dispute resolution services

- Fewer payment methods for buyers to choose from

- Digital wallets, virtual credit cards, and auto-pay programs can be missing entirely

- PCI DSS can also be a risky concern

- Credit card surcharging programs are typically absent or limited

In some cases, these capabilities may exist but are immature, outdated, or require separate licensing, subscriptions, and additional integration. Billing and payment portal gaps can cause wide-reaching problems, straining relationships with internal IT teams, AR employees, as well as customers.

The Overlooked Problem: Service

Do you feel like just a number to your ERP provider? Many finance leaders struggle to work with large ERP companies – whether it's getting customer support for their homegrown customizations or influencing the product roadmap for future AR automation features.

3. Manual, Static Processes for Collections and Credit Management

Most ERP systems offer only basic collections or dispute tools—think static reports and manual follow-ups. They may not help you automate reminders or prioritize outreach based on risk. They also lack the ability to track strategic performance through embedded analytics and metrics like the Collections Effectiveness Index.

Credit processes are just as limited. Without automation, teams are stuck manually reviewing applications and pulling credit data.

ERPs typically can't:

– Automate credit applications and approvals

– Evaluate creditworthiness using multiple sources of third-party data

– Leverage intelligence to make real-time decisions around credit risk and allocations

This can be in sharp contrast to advanced AI tools, which can:

– Intelligently prioritize work queues based on high-value invoices

– Use virtual assistants or Agentic AI to organize email inboxes, categorizing incoming messages into action-oriented lists and drafting context-aware replies that leverage relevant attachments for intelligent responses

– Use dynamic credit line capabilities to identify and mitigate risk, using a flexible credit facility that adjusts based on real-time data such as customer payment behavior

The result? Credit and collections teams save hours every day and improve key performance metrics like Days Sales Outstanding (DSO).

"Our accelerated cash flow was about $2 million once we implemented Billtrust. On average, our DSO decreased by about three days."

Christian Collins, Commercial Credit Manager, McPherson Oil
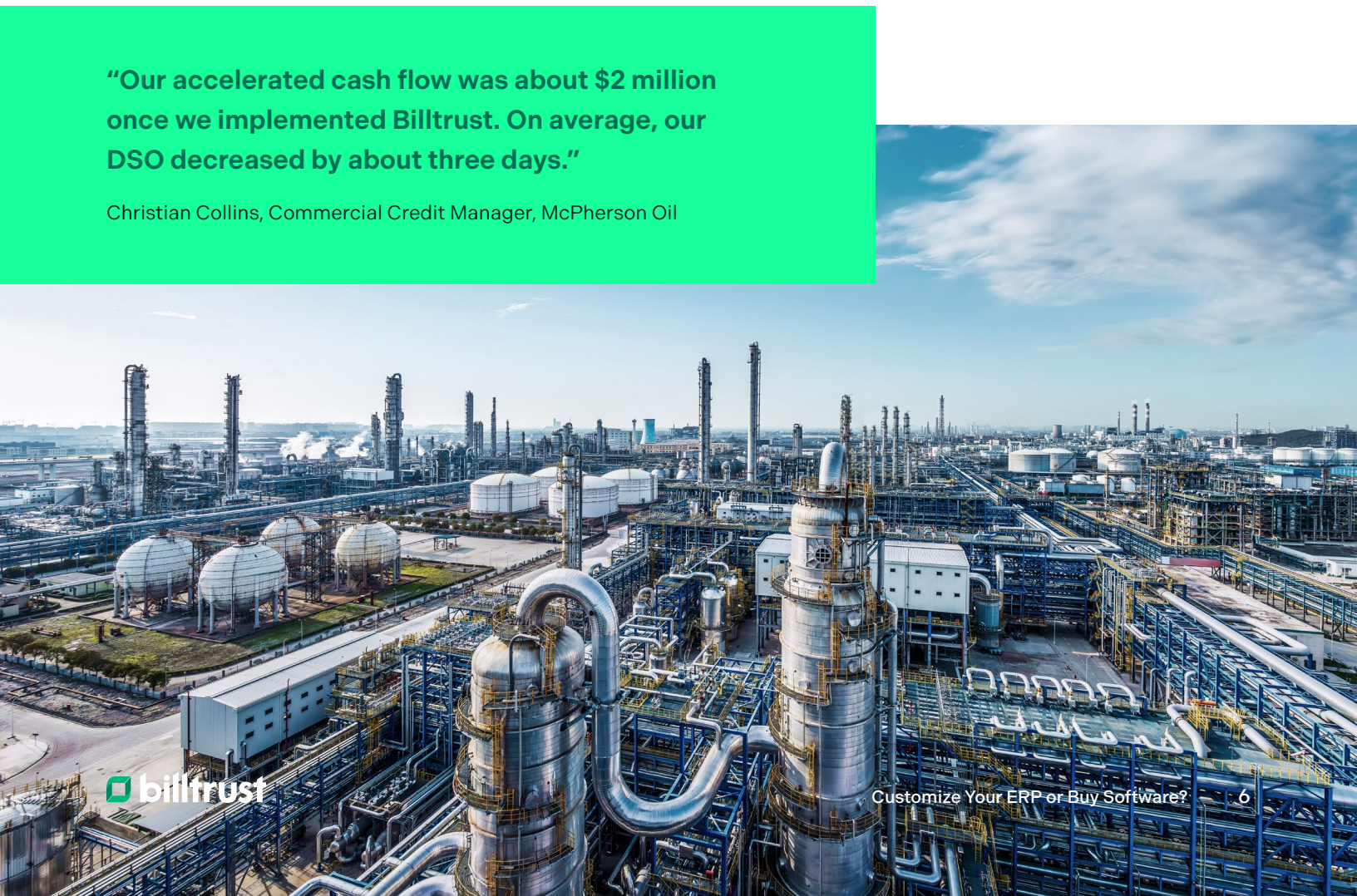
4. Minimal AI and Financial Risk Management Tools

Advanced AI capabilities are either entirely absent or not yet fully realized in ERP systems. ERPs might flag risks, but they don't help you leverage forward-leaning AI tools to predict or prevent them. While they might be able to flag anomalies or categorize customers by risk level, they don't always offer predictive cash flow intelligence or AI-generated recommendations that help finance leaders take proactive action.

Meanwhile, AI automation platforms can act like a financial autopilot:

– Imagine ChatGPT built for AR, where you can ask complex questions in natural language about your financial health and receive real-time insights that consider the nuances of your business and inquiry history

– Real-time anomaly detection pairs with predictive intelligence to identify irregular payment patterns and uncover hidden risks before they impact cash flow

– Autonomous agents offer recommendations to reduce risk and boost revenue growth with ongoing payment history analysis optimizing credit decisioning across all accounts

AI maturity is critical during economic downturns when the ability to anticipate cash flow disruptions can help counteract financial pressures. Without innovative risk mitigation, businesses can be left reacting to problems rather than preventing them.

5. Fragmentation in Multi-ERP Environments

If your company has grown through acquisitions, you probably have more than one ERP system. In fact, data shows most companies manage two ERPs. That means more complexity, more manual reconciliation, and less visibility. Each ERP instance may have its own data structure, reporting format, and integration requirements, making it nearly impossible to gain a consoli-

dated view of AR activities and performance. Teams may need to use multiple systems, manually reconcile data, or rely on external tools to stitch together insights. This complexity can bring AR to a standstill.

AR automation platforms can unify data across systems, giving you a single view of performance—no matter how many ERPs you're running.

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Build or Buy: Customize Your ERP or Augment with AR Automation Software?

When it comes to modernizing AR, CFOs are often faced with a big decision: should we augment our ERP capabilities using internal IT resources, or buy a purpose-built AR automation platform that integrates with our ERP? Let's break it down.

Considerations when Customizing Your ERP System for AR

Complex Customizations

Concerns about integration, compliance, and feature redundancy are the most common reasons finance leaders decide to tailor their ERP system rather than purchase an AR software. However, customization can be complex and time-consuming. A study from an independent research firm found that 55% of finance leaders cite integration as the biggest roadblock to AR automation. Custom coding is often needed. Connecting your ERP to AP portals, banks, and other systems isn't easy—and it rarely stays "done."

> **THE BIGGEST ROADBLOCK**
>
> 55% of finance organizations can't automate AR due to integration challenges. Get the research

Costly Maintenance

A one-time customization can quickly become a long-term maintenance burden requiring dedicated IT resources. APIs and integrations must be managed on an ongoing basis. Features, software, and security policies will need to be updated. The solution itself will need to evolve with your growing business.

> **CAN IT TAKE ON THE CHALLENGE?**
>
> Internal IT teams may be highly experienced but unfamiliar with the nuances of:
>
> - Deep automation for invoice delivery
> - Advanced payment policy tooling
> - Configurable buyer-facing billing and payment portals
> - AI-driven cash application matching
> - Agentic AI and virtual assistants for AR
> - B2B payment networks and integrations
> - Surcharging and PCI DSS and eInvoicing compliance
> - International tax and eInvoicing regulations

Delays and Insufficient Solutions

Many companies are in the middle of ERP migrations (like SAP ECC to S/4HANA). While it might seem logical to roll AR automation into that project, these initiatives can take years to complete. Budget constraints are common. AR automation often gets deprioritized, and enhancements get standardized on antiquated technologies and processes. In these cases, AR automation software can actually free up internal resources during large-scale ERP projects, helping IT teams stay focused on their rollout.

> **THE ULTIMATE PROBLEM**
>
> AR teams get left with a clunky, partially effective tool. Meanwhile, finance leaders find themselves right back where they started — wondering if they should continue to build or buy a solution.

Considerations when Buying AR Software for Your ERP System

Finance leaders turn to AR automation solutions when ERPs can't satisfy unique needs—such as advanced self-service, configurable buyer payment portals, or deep automation for invoice delivery and cash application. Augmenting your ERP with software can feel like the "easy button." However, pinpointing the right solution and partner can be harder than it sounds. Here are a few tips for navigating decisions in this crowded market.

Will It Work Well with Your ERP System—Even During Migrations?

Without the right ERP connectors and deep integrations, AR software may require integration work, including additional layers to sync data back into the ERP system. Understand integration requirements and what manual coding is needed up front, as unified data management is critical for simplifying enterprise-wide reporting.

Ensure your solution works seamlessly with your existing ERP and any future systems or models. Anything less would mean needing to re-certify that your AR solution works with your upgrades. The risk here cannot be understated, as it could mean double migration or putting your digital transformation on hold.

> **SAY NO TO DOUBLE MIGRATION**
> Avoid recertification by ensuring your AR solution works seamlessly with your existing ERP and any future systems.

Recognizing AI Maturity: Automated Workflows versus Agentic AI

With industry analysts calling Agentic AI "the next big thing" in AR automation, AI is becoming a key decision factor. Some vendors claim to offer these autonomous virtual agents, but in reality, they're just automating workflows behind the scenes. Providers may also sell their software platforms based on a large volume of AI agents, but that volume may not equate to a larger "volume of value." Make sure you understand the technology and business outcomes delivered.

> Just because tasks are 100% automated doesn't mean it's Agentic AI.
>
> Learn more about Agentic AI differentiators.

You'll Need More than Just Software

The right AR platform should come with a partner—not just a product. Industry analysts agree that implementation and integration support are key elements to AR automation success. Look for providers that offer:

- ✔ **Tailored software configurations** that fit your unique financial needs and practices. Your partner should step you through flexible options.

- ✔ **Integration** should be available right out of the box and span ERPs, payment networks, banks, and financial institutions, as well as AP portals

- ✔ **Performance measurement,** reporting, continuous improvement, and regular check-ins should be a critical element of deployment – not an afterthought

- ✔ **Training** should include self-paced online learning, online communities, public classes, instructor-led sessions, and simulation practice courses

- ✔ **Support services** should include paper invoice mail services, expert-led campaigns to encourage electronic adoption among customers, AR optimization reviews and recommendations or even dunning email template support.

The Big Picture

As CFOs navigate the evolving demands of modern finance, the decision to build or buy AR automation capabilities becomes a defining moment. While customizing your ERP may seem like a logical extension, it can lead to complexity, delays, and limited results. In contrast, augmenting ERPs with a purpose-built AR automation platform can offer faster time to value, deeper intelligence, and greater agility—without overburdening your IT team. But in the end, you have to choose the right solution and partner.

Augment Your ERP Investment with Billtrust

Let your ERP handle transactions and let Billtrust handle customer relationships. Billtrust picks up where your ERP system leaves off. We offer 40+ connectors to ERPs, banks, and financial institutions. Plus, Billtrust sets you up to migrate from ECC to S/4HANA from the start, so when you're ready to make the move, our solution ports over with minimal effort.

Enhance only the areas of your ERP where you need greater automation, without duplicating your AR functionality that already works. Modular Billtrust solutions include Credit, Invoicing, Payments, Cash Application, and Collections. You can invest selectively, avoiding feature redundancy and unnecessary overhauls.

When it comes to security and compliance, Billtrust is a secure, compliant extension of your ERP—not a risk. Our certifications include ISO 27001, SOC 1/2, PCI DSS, HIPAA, and can easily support enterprise auditing procedures.

Cintas Saves $1M with Billtrust

By integrating Billtrust with their ERP system, Cintas saves over $1 million annually and recognizes productivity gains equivalent to 14 people.

Listen to the story

AR Functionality	ERP Systems	Billtrust
Service, Support, and Partnership	✕ **Sub-par or impersonal service quality** marked by low-touch engagement	✔ **High-quality service,** a menu of training, support, and professional services
Quick-Launch Solutions	✕ **Long implementation times,** little support for in-house customizations	✔ **Rapid time to value,** minimal IT dependency, custom solutions and integrations
Real-Time AR Visibility	✕ **Lacks native real-time visibility** across AR lifecycle	✔ **Integration across AR functions** enables full transparency
Payment Portal	✕ **Add-on feature,** separate licensing, additional fees	✔ **Branded portals are included,** offering payment flexibility
Invoice Delivery	✕ **Limited** options	✔ **260+** integrated AP portals
Collections	✕ **Lacks AI maturity**	✔ **Automation and insight** powered by Agentic and Generative AI
Integration Flexibility	✕ **Custom coding required** for AP portals, banks, and ERP systems	✔ **40+ ERP connectors** & seamless data exchange

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"We were using a competitor before we moved to Billtrust, and the difference that we have seen is in partnership. With the competitor, we were on our own. But with Billtrust, we truly feel like they're a partner."

Angela Richards
Managing Director of Corporate AR
Express Employment Professionals

Clients that layer Billtrust's AI automation platform on top of their ERP enjoy these additional benefits:

Invoicing that Delights Buyers and Suppliers

- Accelerate payments by delivering electronic invoices to 260+ AP portals
- Automated features for governance and global eInvoicing compliance
- Branded buyer payment portals speed payments and foster customer confidence
- Advanced AI analytics show you how to optimize AR performance
- Print and mail services can offload the manual work of paper invoicing
- Solutions satisfy international eInvoicing compliance and tax mandates

Unparalleled Payment Flexibility

- Buyer payment portal includes multiple payment methods and channels
- Surcharging services help recoup payment acceptance costs and lower fees
- Virtual credit card charging capabilities and PCI DSS compliance are built-in
- Industry-leading flexibility in payment policies increase your financial controls
- Payment behavior analytics help define your financial risk and aid in AR oversight
- Intelligence gleaned from $1T annual transactions offer benchmarking insights

AI-Powered Cash Application

- Fully automated AI-matching technologies deliver match rates of up to +95%
- Confidence-based matching techniques offer superior automation and control
- Line-item matching offers granular visibility, exposing the source of an exception
- Machine learning matching engine gets smarter with time, continuously improving

10X Faster Collections & Credit

- Make faster credit decisions with automated trade reference collection
- Speed credit approvals with auto-decisioning and auto-assignment capabilities
- AI cash flow forecasting enables smarter financial planning and risk management
- Real-time visibility into invoice status and payment status guides your collections
- AI-powered risk assessments help you define credit risk and refine recovery efforts

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AI Leadership: 3 Reasons You'll Love Billtrust

1. **Network Data Advantage:** Billtrust's AI solutions derive their intelligence from the industry's largest financial data network processing more than $1T payments annually. Our expertise in buyer-supplier relationships creates a virtuous cycle of continuous learning and improvement that cannot be replicated by other solutions.

2. **Multi-Agent Architecture:** Billtrust's multi-agent AI ecosystem uses specialized agents that collaborate across your financial operations, providing coordinated intelligence and actions rather than disconnected insights.

3. **Financial Domain Expertise:** Billtrust has 24+ years of AR experience developing purpose-built software for finance professionals, with deep domain expertise embedded in every interaction, recommendation, and autonomous workflow.

Let your ERP handle transactions and Billtrust handle your customer relationships.

Billtrust augments the capabilities of your ERP, so you can work smarter and get paid faster.

Download solution guide