

A bold frontier:

7 ways AI will transform
the AR workplace



A gamechanger for accounts receivable

Today, accounts receivable processes are often manual, repetitive, and prone to error. Enter generative artificial intelligence (AI). Seemingly overnight, once-repetitive processes can quite possibly be accomplished in bold new ways.

For savvy finance leaders in AR (accounts receivable), AI can be a gamechanger. That's why key AI trends are worth understanding, exploring and incorporating—even in these early days.

In a recent Deloitte survey¹ of directors and C-suite leaders, 79% of respondents said they expect generative AI to transform their organizations within the next three years. And among the leading AR trends of 2024, Gartner lists using AI and machine learning (ML) to streamline AR accounts receivable workflows.²

Most prominent AI enthusiasts are focusing on its practical benefits. Fifty-six percent of respondents to the Deloitte survey are looking at generative AI to improve efficiency and productivity now or in the immediate future.

And yet some of the most exciting changes will only become apparent once AI is combined with existing and emerging technologies from machine learning to predictive analytics.



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of directors and C-suite leaders expect generative AI to transform their organizations within the next three years

Source: Deloitte

The need for human skills remains

Perhaps most surprising is that once artificial intelligence is fully incorporated into everyday tasks, human-centric or soft skills are likely to become more, not less, critical for a successful AR accounts receivable department.

“Some front-line employees might worry that AI will take their jobs,” says Lisa Devashrayee-Oaks, Billtrust’s lead product marketing manager, who leads AI-related product development. She encourages leaders to quell these concerns by cultivating “an environment where curiosity about AI is encouraged.” She is eager for employees to realize that AI tools “are going to enhance your career if you learn how to work with them.”

Here are seven ways that AI will change accounts receivable (AR) dramatically—and that demonstrate why savvy finance leaders can’t risk falling behind on this opportunity.

1. Mind-blowing productivity gains will become the norm

In AR, the case for AI-driven productivity gains is easy to grasp. Take the generating and sending of invoices, for instance. Not only can AI algorithms do this; it can also match invoices with purchase orders and track payments.

In a late 2023 study commissioned by Amazon Web Services (AWS)⁷ 1,340 employees surveyed suggest that AI could boost productivity by 47%, with larger organizations gaining slightly more (49%).

It’s little wonder, then, that a June 2023 McKinsey report⁸ described generative AI as “the next productivity frontier.”

37%

Potential pay increase for finance and business operations workers who acquire AI skills

Source: Amazon Web Services

2. Expect the cost of retaining top AI talent to increase (perhaps dramatically)

Productivity gains won't just benefit organizations. They will benefit employees, too.

The AWS study suggests that workers in both finance and business operations who acquire AI skills might see pay increases of as much as 37%.

Fatter paychecks will not only be available to workers in the U.S., but will be enjoyed internationally, as well. A 2023 study by Oxford University and the University of Copenhagen found that AI skills, when combined with other highly prized skills, could increase salaries by as much as 40%. Of the various component skills, machine learning is expected to have the most economic value.

3. Onboarding new AR talent will become easier

When it comes to onboarding new employees, accounts receivable teams often get bogged down in answering repetitive questions, ones that AI chatbots could respond to with ease and consistency.

Billtrust's Devashrayee-Oaks anticipates that having an AI app walk new hires through routine setup questions would free ARaccounts receivable employees to handle more complicated queries and engage in more value-added work.

75%

of employers
are struggling to
hire AI talent.

Source: Amazon
Web Services

40%

of the workforce
may need to reskill
because of AI
implementation over
the next three years

Source: IBM

4. A talent shortage will challenge HR to recruit and reskill

The value of the AI-skilled employee is beyond dispute. The problem lies in recruiting employees with these skill sets to work at your company.

Take the AWS study, which found that 75% of employers are struggling to hire AI talent. In this type of environment, reskilling becomes an imperative.

The numbers bear this out. Executives estimate that 40% of their workforces may need to reskill because of AI implementation over the next three years, says IBM.³

Fortunately, employees are up for the challenge. In a 2021 report (before the AI era truly began), a Boston Consulting Group survey found that 68% of workers were aware of coming disruptions in their field and were willing to reskill to stay competitively employed.⁴

One notable feature of the ARaccounts receivable departments of the future is that machines won't be running everything. Rather, machines and AI bots will be assisting employees so they can perform their jobs more efficiently. And their jobs will be characterized by higher-value work, rather than routine processes.

The good news is that tomorrow's ARaccounts receivable departments will almost inevitably be staffed by employees who are recognized for the key roles they play—and therefore are worth being invested in and paid well.

“While the ubiquity of AI has caused fear of these technologies overtaking human ability, this is not yet the case—and may never be. Human capital is a much more important asset than ever before,” says the World Economic Forum.⁵



5. Data analytics will be an increasingly coveted skill

Of the skills described in the academic research at Oxford and the University of Copenhagen that are considered extremely valuable for their “complementarity” with AI, one skill repeatedly highlighted by the authors was “data analytics.”

Given the wealth of data AI generates, ARaccounts receivable teams can become far more strategic about tackling their most intractable problems through improved data analytics.

Data analytics can, for instance, help hone collection strategies. By analyzing data to flag high-risk accounts, collection experts can direct their efforts to those accounts most likely to yield results and then take proactive steps, such as sending payment reminders ahead of the normal timetable.

One branch of data analytics—predictive analytics—may prove particularly important because predictive analytics uses historical data and statistical modeling to anticipate future outcomes.

Here’s how predictive analytics works. A computer might amass enormous amounts of statistical data to, say, spot changes in payment patterns that might indicate (or predict) a customer’s financial troubles. In a case like this, a company might offer flexible payment programs before a serious problem surfaces.

108 days

The reduction in time needed to identify and contain data breaches using security AI and automation

Source: IBM

6. Attention to cybersecurity and privacy concerns will grow

Turning off multifactor authentication and ignoring rules around changing passwords at regular intervals are common employee missteps. In the AI-enabled office of the future, these lapses can have devastating consequences. Globally, the average data breach cost an organization \$4.45 million in 2023, a 15.3% increase since 2020, according to an annual study by IBM.⁶

AI tools can be part of the solution. The 2023 IBM study found that organizations that used security AI and automation reduced the time to identify and contain breaches by 108 days. They also reported data breach costs \$1.76 million lower than those organizations without security AI and automation capabilities.



77%

of business executives agree that digital transformation across the order-to-cash process is critical to the survival of their organization.

Source: Billtrust
Global Order-to-Cash Study

“With any generative AI tool, you need to know how to formulate the right question to get the answer that you want. ... The answer you get back is often only as good as the question you asked.”

Lisa Devashrayee-Oaks,
Billtrust’s lead product
marketing manager

7. Cultivating soft skills will set superior AR departments apart

The mantra “garbage in, garbage out” applies to AI with a vengeance.

“With any generative AI tool, you need to know how to formulate the right question to get the answer that you want. We’re finding that people don’t know how to do that,” says Billtrust’s Devashrayee-Oaks. “The answer you get back is often only as good as the question you asked.”

The importance of writing AI prompts and otherwise making the most of AI is driving academics like Peter Cardon, a business professor at the University of Southern California, to explore which skills and training the employees of tomorrow will need.

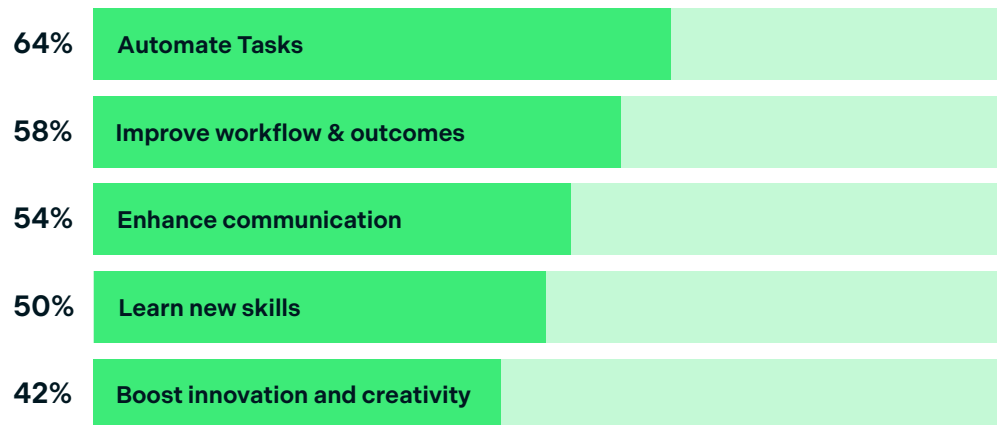
The title of his recent study offers a glimpse into the softer skills he prizes: “Competencies Needed by Business Professionals in the AI Age: Character and Communication Lead the Way.”⁹

In this study, 72% of frequent AI users reported that oral communications will gain in importance as a whole new set¹⁰ of desirable skills emerges within an AI-driven work environment.

“Rather than the soulless, robotic future some people fear, I predict AI integration will demand that workplaces become even more human-centered,” says Cardon.

How AI will help everyday work tasks

Share of employers selecting each area as key productivity improvement



SOURCE: Amazon Web Services¹¹

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