



Get difficult done.™

Driving Down Past Due:

Smarter Collections with AI
and Multichannel Execution

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About Me



Neil Rae

Chief Revenue Officer
CADEX

- 25+ years of experience in BPO, CX, and digital transformation
- Leads Cadex's global growth org across sales, marketing, consulting, and client experience
- Former CRO, CDO, and CCO at enterprise-scale organizations
- Led CX transformation/professional services for global BPO firms
- Passionate about impact sourcing, DEI&B, and global workforce development

About Cadex

We get difficult done — globally, relentlessly, and with results that move the needle.

- Specialists in custom order-to-cash solutions since 1929
- \$730M+ collected annually across 170 countries for 2,000+ clients
- Deep expertise across first- and third-party AR, collections, and insurance recovery
- AI-powered platforms that drive faster payments, lower DSO, and better customer experiences
- Trusted by industry leaders like Amazon, Google, Honeywell, Bayer, Pfizer, Dell Technologies, and GE



**We Get Difficult Done —
Especially in ARM**

When aging AR piles up and cost-to-collect spikes, we don't flinch—we lean in. Collections isn't just a service. It's our proving ground.

Why O2C Needs a New Playbook

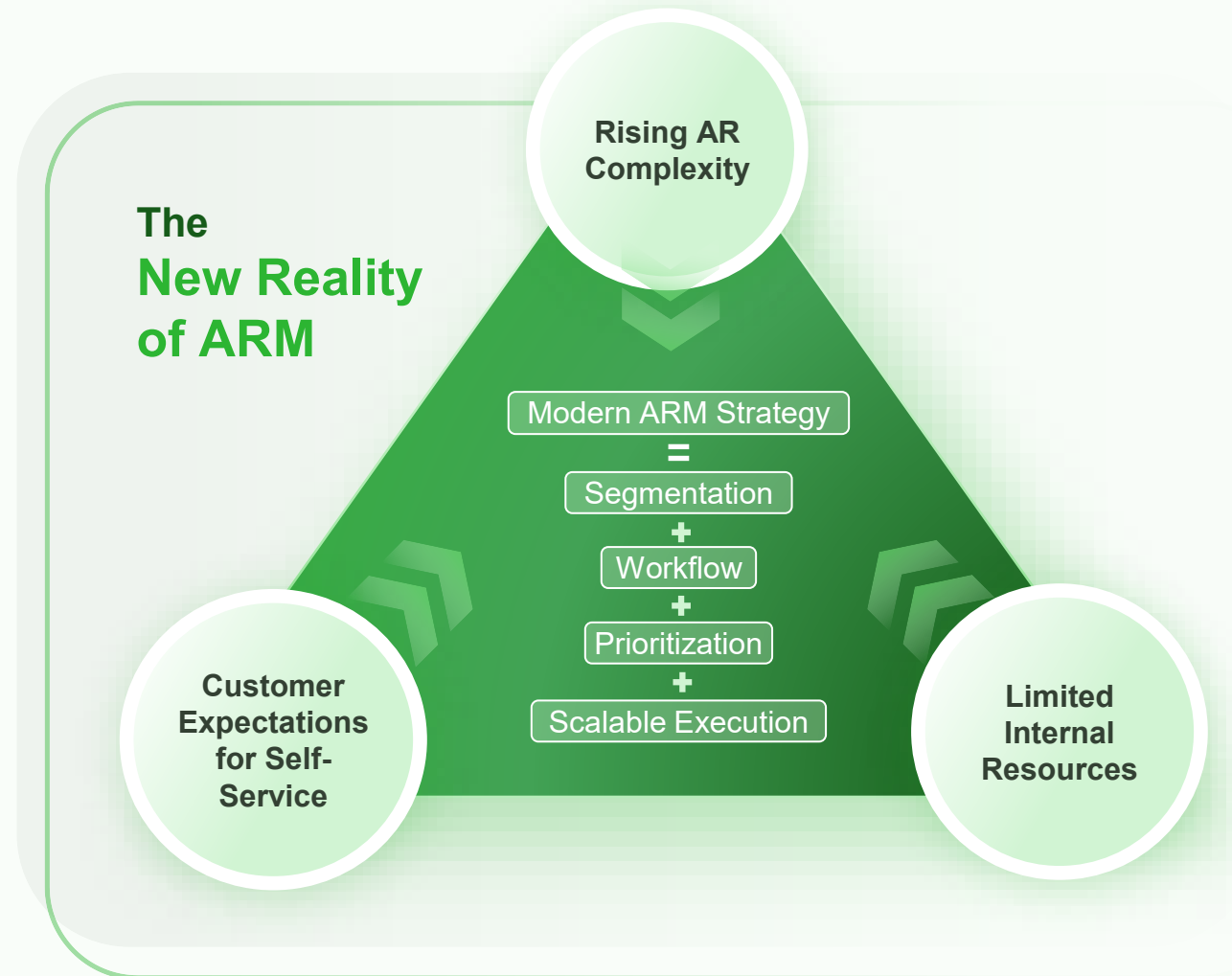
Reframing recovery strategy for modern complexity

i AR is more complex, a new economic climate is emerging with cash being king, customer expectations are higher, and internal resources are stretched thin

i Technology, AI and automation are just tools—what matters is a clear, adaptive ARM strategy and how you operationalize them

Modern ARM requires:

- Matching effort to value
- Data driven insights and strategies to correct upstream issues leading to issues is DSO
- Prioritizing workflows by segment
- Delivering resolution across channels
- Scaling execution without scaling headcount

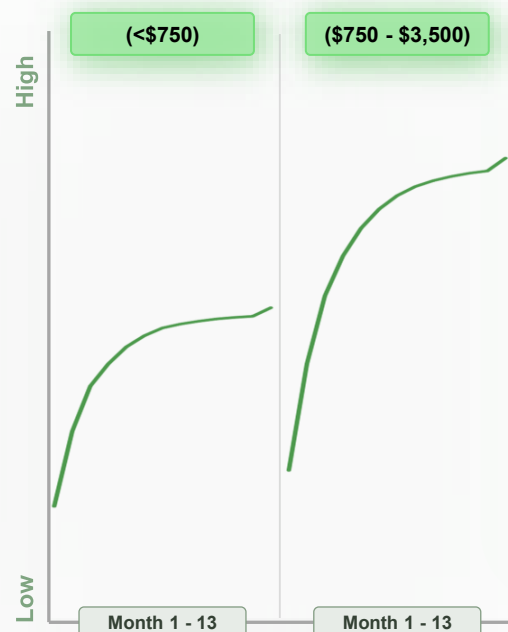


The Collection Curve is Breaking

Rising volume, falling returns—and no strategy to scale

- Small-balance AR is growing—but liquidation rates are falling
- The median balance for collection tradelines is \$382 (CFPB, 2023 – consumer data)
- Only ~20% of AR team time is spent engaging customers on payment—while 30% is consumed by prioritizing tasks and gathering customer data (Sage, 2024)
- Manual-only processes can't prioritize internal resources or adapt workflows efficiently
- Customers expect low-friction, self-service options—not just phone calls and payment reminders
- Many companies are now deprioritizing small balances—and relying on write-offs

Small Balance Liquidation Trends



Median tradeline balance = \$382 (CFPB)

Only 20% of AR time spent engaging customers” (Sage)

Only 4% of companies have tested virtual agents (CRF)

Without AI and multichannel automation, recovery flatlines and cost-to-collect rises

From Problem to Playbook:

Building the ARM Blueprint with Purpose and Pace

- 1

Attack the Problem

Start with the most addressable, highest-leverage opportunity

- Small-balance AR: high volume, low return, often written off
 - Prioritize internal resources for where recovery impact is highest
- 2

Apply Targeted Technology

Solve with customer-first tools

- Self-help portals and automated payment flows
 - Streamlined dispute resolution for faster closure and reduced DSO
- 3

Leverage Insights to Scale AI

Build on a proven foundation

- Data-driven segmentation to match effort to value
 - AI-enabled outreach and monitoring for volume at scale

Attack the right problem, apply targeted technology, then scale with AI.



Strategic Segmentation = Stronger Outcomes

Use data-driven strategy to match effort, prioritize value, and scale execution

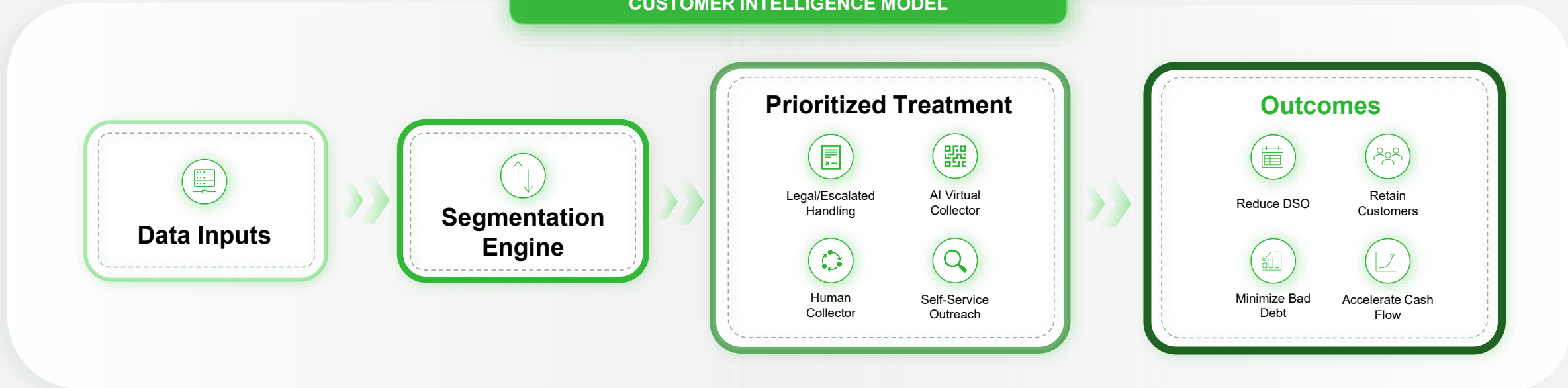
- One-size-fits-all collections fails at scale — segmentation enables prioritization
- Segment by risk, value, behavior, and customer context
- Actionable insights drive channel, timing, and resource decisions
- Strategic segmentation enables:
 - Bots for low-risk, low-value accounts
 - Live agents for complex, high-stakes accounts
 - ‘Escalation triggers for legal or special handling



THE RESULT

Better use of people, faster resolutions, and improved forecasting

CUSTOMER INTELLIGENCE MODEL



Adaptive ARM Strategy in Action: **Small-Balance Recovery at Scale**

How early intervention and customer-first design accelerated recovery and improved cash flow

The Challenge

- Declining liquidation rates on small-balance AR, with many accounts written off
- Internal resources focused on high-dollar accounts; low-value accounts deprioritized
- Need to recover more without increasing program costs or harming customer relationships

Our Approach

- Launched technology-enabled pre-collect campaign targeting low-dollar accounts (<\$5K)
- Automated, customer-friendly outreach directing payers to a branded self-service portal
- Multiple resolution paths: pay in full, short pay, dispute, request documents
- Every interaction captured actionable data on payer behavior and disputes to refine strategy

The Impact

- ~72K accounts placed annually, totaling ~\$72M in AR
- Faster payments without escalating to 3rd-party collections
- Improved DSO, reduced write-offs, and preserved customer relationships
- Freed internal resources to focus on strategic, high-value accounts

BEFORE CADEX

Low liquidation rates

High write-offs

Resource strain

AFTER

Faster payments

Reduced bad debt

Higher team productivity

Lower cost to collect.
Higher recovery.
Better CX.

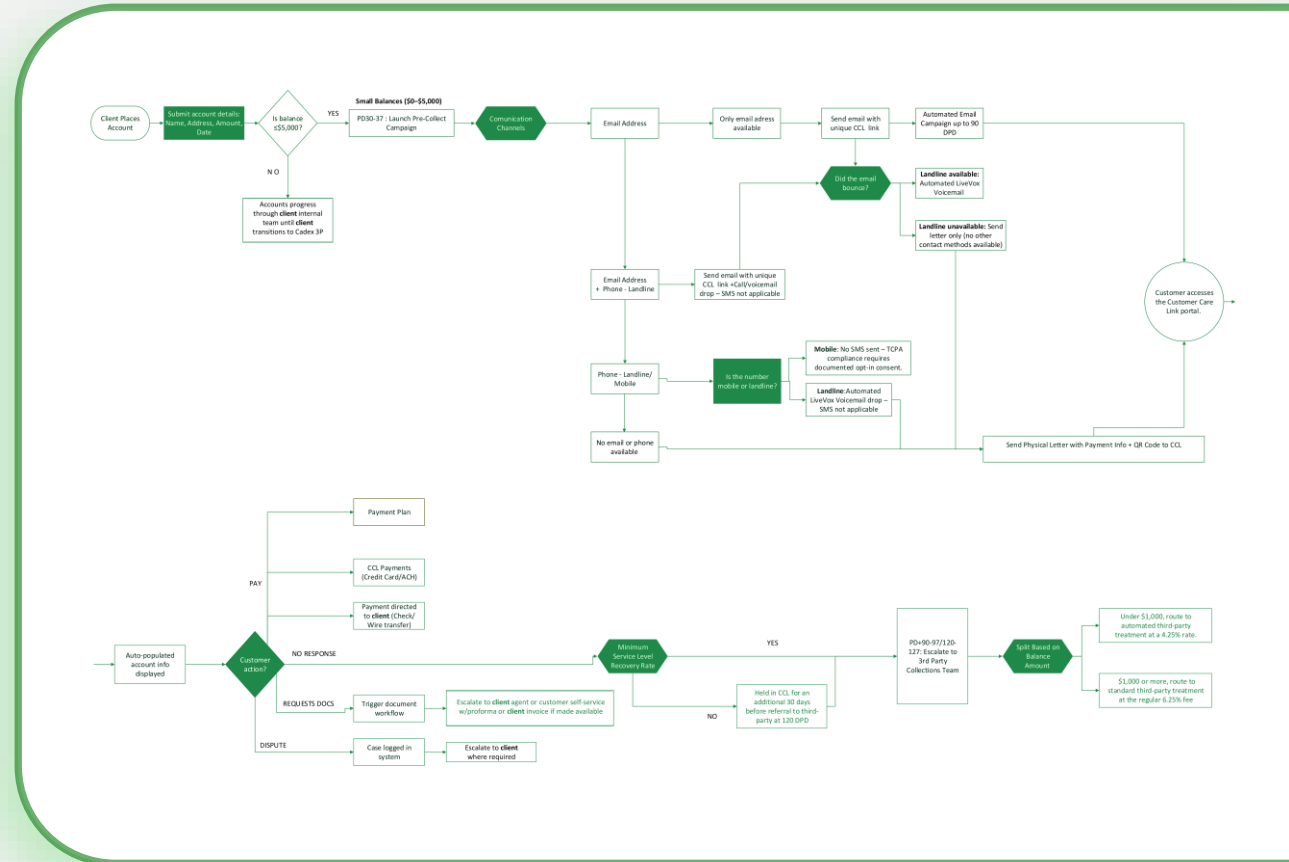
Modernizing Collections Starts Here

How one low-lift campaign reduced write-offs and laid the foundation for AI-powered recovery

- High-volume, low-dollar AR is often deprioritized—but not without cost
- Manual collection isn't scalable, and third-party escalation isn't cost-justified
- A targeted, automated pre-collect campaign drove faster resolution without adding headcount
- Customers paid or engaged via branded self-service, protecting experience and cash flow

THE RESULT

Reduced write-offs, improved DSO, and a scalable foundation for future AI expansion



Great strategy needs great math.

Start where ROI is visible and scale is possible.

Example 1: Automated Pre-Collect for Small Balances

5,000 accounts <\$1,000 each
\$5M total AR placed
30% liquidation = \$1.5M recovered
2.5% contingent fee = \$125K cost
12x return using self-service + automation
No AI, no added headcount

Example 2: AI Virtual Collector Pilot

\$12M overdue AR from Tier 3 accounts
Pilot cost: \$90K
Just **0.5% improvement** = \$600K recovered
Scalable without expanding staff
Builds case for AI across mid-risk segments
Live in <30 days, minimal IT lift

Both delivered ROI in <90 days—without adding headcount.

Checklist: Business Cases That Scale

- ✓ Focus ROI on **dollars recovered**, not headcount cuts
- ✓ Define success early: e.g., **5% reduction in 90+ aging**
- ✓ Target **volume-rich, low-touch** AR segments
- ✓ Build a **feedback loop** to optimize based on results

What Smarter Automation Actually Sounds Like

Live example: AI outbound agent + escalation to human follow-up

LET'S LISTEN IN:



**AI Outbound
(Payment Reminder)**



**AI Escalation to Human
(Self-Service Failed)**

What to Listen For:

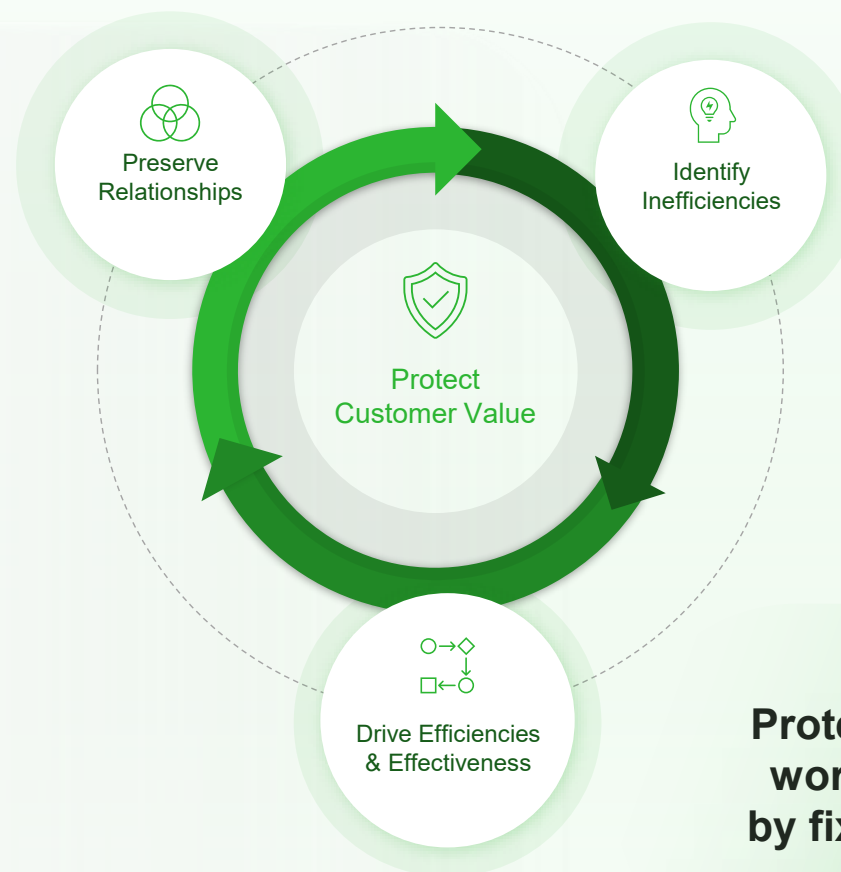
- Transparent identity (“This is Alex from Cadex”)
- Human-like tone and pacing
- On-brand messaging, no legalese or threats
- Escalation flow: How AI smoothly hands off to agent
- Real-time personalization (e.g., invoice reference, account status)

**Human tone. AI speed.
Brand-safe execution at scale.**

Not Just About Cost—It's About Protecting Your Most Expensive Asset

When customer acquisition is costly, recovery is about value—not volume

- **Your most expensive customer is the one you've already acquired**—don't lose them over a missed payment
- Late payments are often a symptom of process inefficiencies, not intent to default
- Map and attack those inefficiencies: low-value tasks at high cost, poor segmentation, inconsistent outreach
- Drive efficiency where cost is high, and effectiveness where value is highest
- Protecting relationships protects revenue—without inflating cost-to-collect



Protect the customer you worked hardest to win—by fixing the process that put them at risk.

Applying AI with Purpose in an ARM Strategy

A model for scaling automation with purpose and pace

Market Use Cases

Human Led, AI-Assisted Augment your team with minimal lift, low risk, fast ROI	Scaled AI Application AI-led outreach with human oversight and segmentation
Skip tracing assistance	Small- and mid-balance outreach
Cash application automation	Outbound campaigns for Tier 2/3
Auto-drafting emails or call notes	AI-first segmentation for long-tail AR
Payment reminders via bots	Multilingual portfolio coverage
Basic inquiry support (IVR/chatbots)	Payer behavior monitoring & response
Agent handoff summaries	Proactive dispute flagging
Recommended next actions	Basic offer personalization

Emerging / Early-Stage Use Cases

Human-Centric, Limited AI Still human-led or not automation-ready
Tier 1 / high-value customer engagement
Legal-sensitive or contract-heavy workflows
Accounts requiring tribal knowledge or nuance
Complex accounts with frequent disputes
Low-volume portfolios with inconsistent data
Accounts under close client oversight
Legacy system constraints

Checklist: Building the Business Case

Turn ROI math into a scalable approval path

Before You Launch

- ✓ Define the *why* — tie directly to revenue recovery, not headcount cuts
- ✓ Pick the right place to start (e.g., high-volume, low-complexity AR segment)
- ✓ Set clear success metrics (e.g., % reduction in 90+ aging, liquidation rate targets)
- ✓ Estimate ROI using conservative assumptions and show payback period
- ✓ Map customer experience — ensure it aligns with brand tone and resolution paths
- ✓ Secure stakeholder alignment (finance, ops, CX, IT if needed)

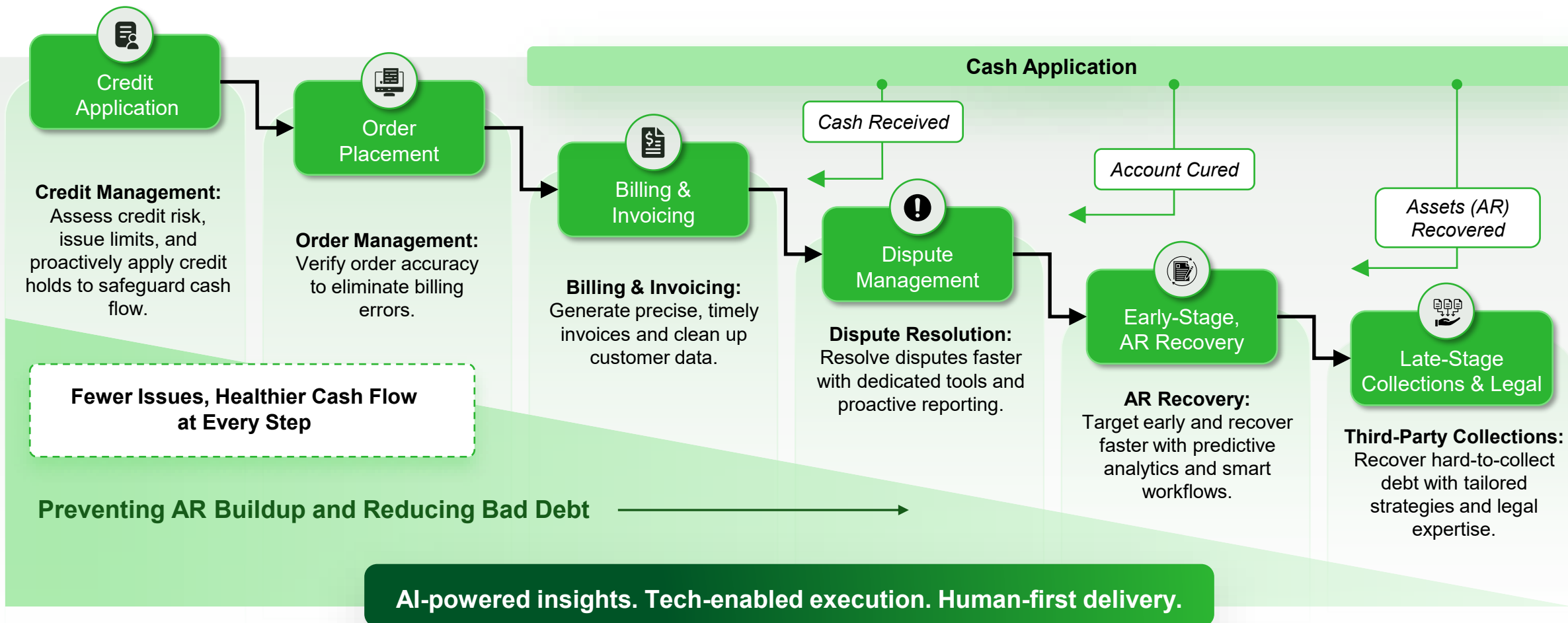
Measure & Scale

- ✓ Track liquidation rate, DSO impact, and customer adoption of self-service
- ✓ Capture dispute data & payer behavior to refine workflows
- ✓ Monitor cost-to-collect and compare against baseline
- ✓ Document efficiency gains (collector hours redeployed, faster dispute resolution)
- ✓ Use results to justify next-phase automation (more segments, AI-led workflows)
- ✓ Keep a feedback loop — optimize monthly or quarterly

Collections Is Just the Beginning

Cadex supports every step of the order-to-cash journey

Whether you're optimizing collections, improving cash flow visibility, or accelerating dispute resolution, Cadex helps you get difficult done—at every stage of the O2C life cycle.



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