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The Cash Doesn't Lie: **Five AI Traps to Avoid in O2C**

And Where AI Actually Creates Value

What AI can't do for credit and collections, what it absolutely should, and where the money actually leaks out of your credit-to-cash funnel.

August 2026



On The Stage

Driving Strategy into Action



Seth Carter, PhD
Chief Digital Officer

- Over 20 years in tech, including co-founding Altisource Labs to build optimization and contact strategy engines.
- Directs digital transformation vision, technology products, & service architecture for Cadex.



Tony Buxter, MBA
Sr Dir Ops Strategy

- Operations executive with 20+ years driving performance, transformation, & growth.
- Leads enterprise automation, AI, analytics, & digital transformation initiatives.



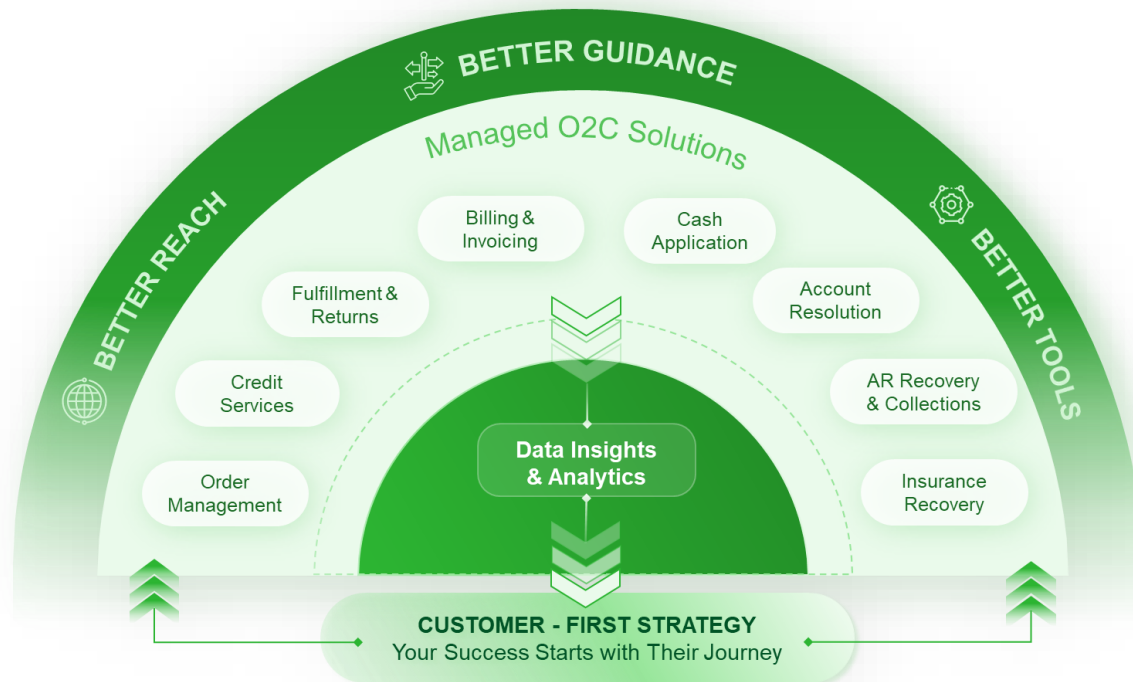
Mark Mitchell
SVP CX & Marketing

- 25 years of experience in B2B CX, Sales, & Marketing
- Joined Cadex in 2024 to launch the company's new brand and go-to-market initiatives.
- Leads the CX, Marketing, & Credit Group teams.



Get difficult done.™

- ✓ Comprehensive Order-to-Cash Coverage
- ✓ Global footprint and support in 19 languages
- ✓ Trusted by 1,600+ Clients
- ✓ \$1.7B AR managed monthly
- ✓ Enabled by Award-Winning Technology
- ✓ 200+ Years of Combined ARM Experience



ARM Make Up



Global Commercial
ARM Services



Third-Party Commercial
Collections Specialist



Global Technology-
Enabled Invoice-to-Cash
Services



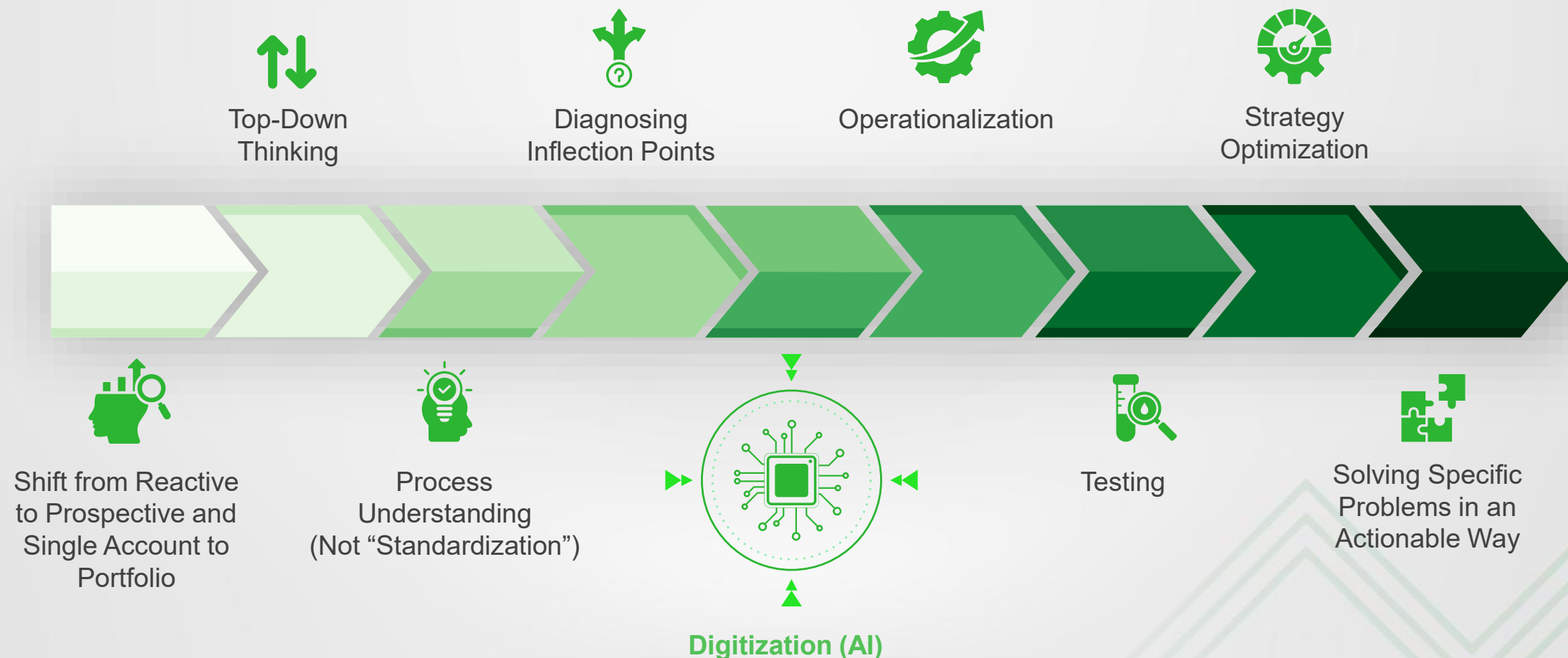
Third-Party
Commercial
Collections Specialist



Third-Party
Commercial
Collections Specialist

From Process to Performance

A practical framework for improving O2C operations through better guidance, process design, and AI



We're going to start where AI stops.

Most AI conversations begin with what AI can do. We'll start with what it can't do—because that's where people, process, and judgment create value.

The five traps we'll discuss:

- 01 "AI should make your collection decisions."
- 02 "AI will put us out of a job."
- 03 "More automation = more cash."
- 04 "You have to go agentic to compete."
- 05 "AI's job is to run your current process, faster."

By the end of this session, you'll have a framework for identifying where AI creates value—and where it doesn't.

TRAP 1

"AI should make all of your collection decisions."

REALITY The biggest gains come from better commercial decisions.



Priorities

An experienced collector knows the chronic late payer from the account showing early stress from the strategic account worth protecting. **AI can score risk, and people decide where the next hour goes.**

People prioritize business impact.



Exceptions

Collections stalls long before the call: a missing POD, a pricing dispute, a credit stuck in approval, a wrong AP contact. **AI can flag the roadblock;** it takes a person to clear it.

Exceptions create cash leaks.



Negotiation

Customers rarely refuse to pay. They say "we're waiting on approval," "send me the backup," "can we split this payment?" **Those aren't scripts, they're negotiations.**

Relationships still collect dollars.



Context

A collector sees what the ERP doesn't: this customer pays after quarter-end, sales is mid-renewal, ops shipped late, a credit memo is pending. **None of it shows on the aging report.**

Context changes decisions.

AI should eliminate the research, not the total commercial judgment.

TRAP 2

“AI is going to put credit & collections out of a job.”

REALITY Routine work shrinks. Judgment becomes more valuable.

< 1 in 5

organizations are using AI-driven collections tools today — and only 4% have even tested virtual agents.

Source: CRF member survey

Rules vs. patterns — why this time is different

Software automated what we could write rules for. AI learns patterns from messy data — remittances, emails, payment behavior. That moves it up the task list, not past the humans.

The work shifts to the skilled, not away from them

AI elevates the people who know where to focus, what to challenge, and how to close complex accounts. The collector who runs 3 AI queues and closes the 20 accounts that matter out-earns the one who dialed 120.

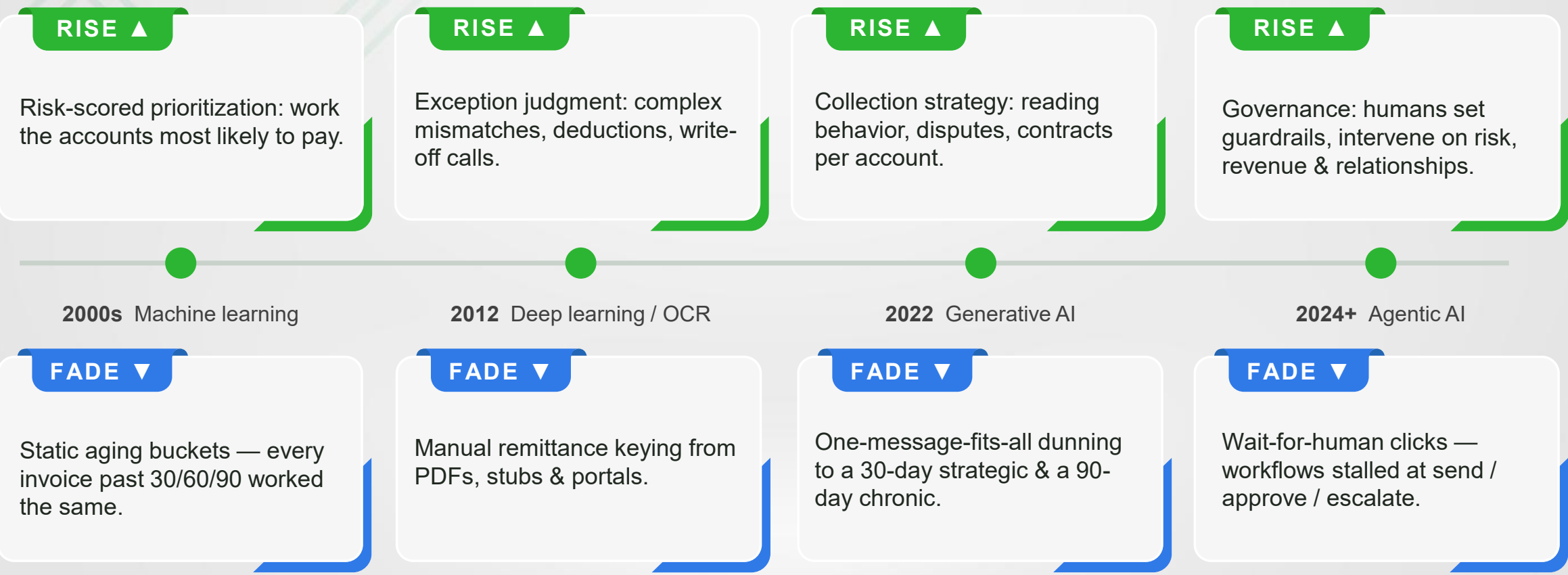
Someone still makes the call

Bots don't grow into credit managers. Whether the bench is in-house or a partner's, someone still must know the portfolio well enough to review what the AI does.

The most valuable collector won't work harder—they'll work smarter with AI.

How the collector's job has evolved

Every AI era in order-to-cash retired a task — and raised the value of a skill.
The pattern tells you what to train for next.

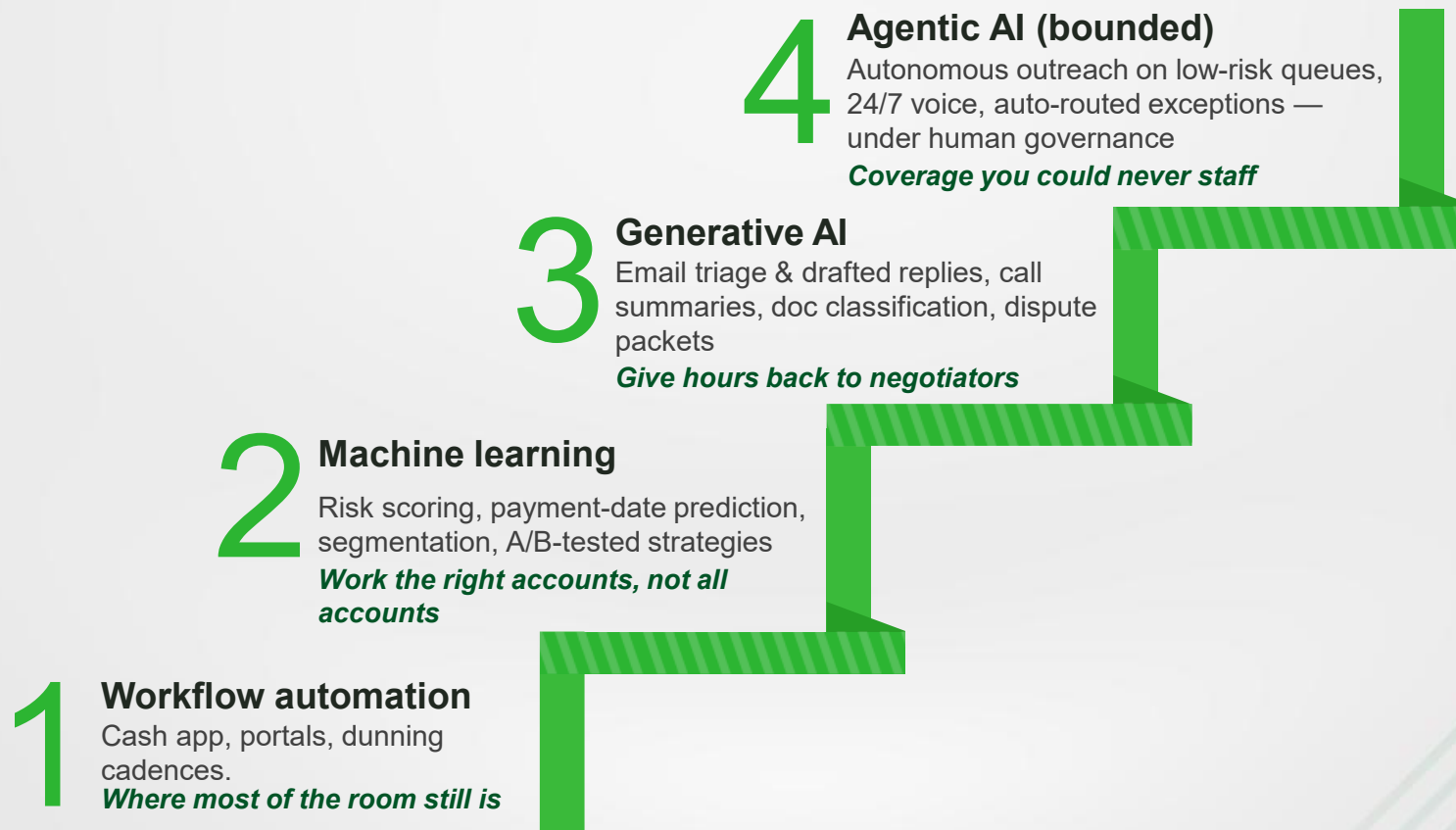


Routine work fades. Commercial judgment keeps rising.

TRAP 3

“You have to go agentic to compete.”

REALITY *The industry's real gap isn't agents — it's unfinished automation. Every rung of the ladder pays for the next one.*



Only 4% of credit organizations have even tested virtual agents (CRF). Meanwhile only 23% of enterprises scaling agentic AI report success (McKinsey). Evolution beats leapfrogging.

TRAP 4

“More automation always means more cash.”

REALITY *Automation only creates value when it improves decisions — not when it just multiplies activity.*

95%

of enterprise AI projects fail to improve financial performance — they automate generic work, not your collections workflow.

MIT, State of AI in Business 2025

The test

Don't ask “did we automate it?” Ask “did it improve collections?” If the answer is a shrug, you bought activity, not cash.

The operator test

The score

Your dashboard counts emails, calls, touches and promises to pay. Your CFO counts cash, DSO, CEI and bad debt. Only one of those scoreboards matters.

The CFO test

The operator's math: touches aren't dollars. It's possible to automate twice the work and collect less money. The job is the right account, the right action, before the balance gets harder to recover.

What over-automation actually looks like

Four patterns operators will recognize — the warning signs show up in operations long before they show up in DSO.

Everyone gets the same treatment

The workflow sends identical outreach to the strategic account, the chronic slow payer, the disputed invoice, the \$50 balance and the \$500,000 balance. Consistency improves. Results don't.



Collectors become researchers

Automation didn't remove the work — it removed the easy part. Collectors still spend hours finding invoices, locating AP contacts and checking dispute status before one call.



More activity, same cash

Emails double. Calls double. Promises to pay go up. Collections stay flat. You're optimizing activity instead of outcomes — and the dashboard can't tell the difference.



Root causes never get fixed

Customers keep asking for invoices; collectors keep resending them. Pricing errors keep creating disputes. Automation accelerated the symptom — the business problem never moved.



The best automation removes friction, not just labor.

TRAP 5

“AI's job is to run your current process, faster.”

REALITY Automating a broken process just automates the leak. The highest-ROI use of AI in O2C is fixing where cash falls out of the funnel.

Speeding up a broken process

- Same dunning cadence, sent by a bot
- Same stale contact file, dialed faster
- Same disputes, summarized but unresolved
- Same skipped small balances — now with a dashboard

Result: the leak gets faster, not smaller.

Fixing the funnel

- Repair master & contact data before outreach
- Kill the invoice errors that create the disputes
- Apply cash same-day so collectors chase real balances
- Cover the accounts you never had capacity to work

Result: more cash from the same portfolio.

Start your AI roadmap with the leaks — not the org chart

Each leak has a proven AI fix in production today — and each fix raises, not replaces, a human skill.

THE LEAK	THE AI FIX (IN PRODUCTION NOW)	WHAT RISES FOR HUMANS
Bad master & contact data	AI data augmentation & entity resolution — fills contact gaps in seconds (97% hit rates; avg. 7 phones + 5 emails per account)	Right-party-contact strategy
Invoice errors → disputes	Doc classification & GenAI dispute-packet assembly — every inbound sorted and attached to the account instantly	Root-cause fixes with sales & billing
Unapplied cash	Intelligent OCR & matching across any remittance format — 90%+ touchless, same-day posting	Complex mismatch & write-off judgment
Unreachable payers & skipped balances	AI voice/email working every account 24/7 — verifying RPC, capturing PTPs, flagging disputes on queues you couldn't staff	Negotiating the accounts that matter
Aging past the window	ML risk scoring & real-time A/B-tested strategies routing each account to its best next action	Commercial calls: holds, exceptions, escalations

Monday morning: find your first leak in five questions

Chronic O2C problems go invisible — teams normalize them. Use these five questions to make the familiar strange again. Ask them of your own credit-to-cash cycle this week.

- 1 **Where do we wait?** Approvals, credit reviews, dispute sign-offs, legal referrals sitting in queues

- 2 **What do we do twice?** Re-keying remittances, re-requesting PODs, re-verifying contacts every placement

- 3 **Where do we lose context?** Handoffs: sales → credit → collections → agency — the story dies at each hop

- 4 **What workarounds exist?** The spreadsheet next to the ERP is a map of your unfixed leaks

- 5 **Where are we torn?** Speed vs. relationship, coverage vs. cost — tension AI can optimize, not resolve

THEN WRITE IT AS A PROBLEM, NOT A TOOL

Situation — what happens now

Consequence — the cash cost

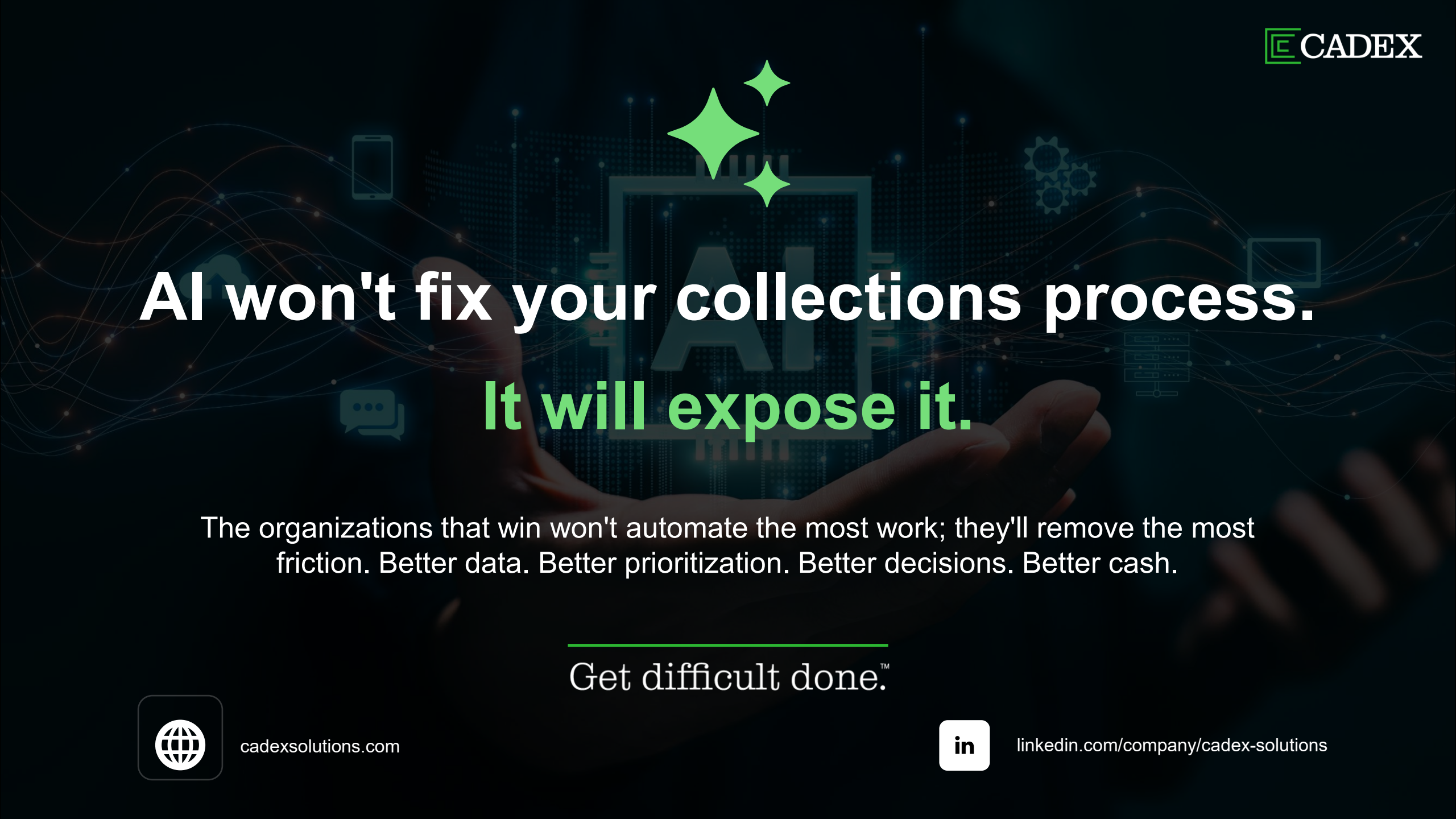
Outcome — what success looks like

Parameters — compliance & limits

Evidence — the metric that proves it

“Reduce DSO with AI” isn’t a problem statement. “Cut 90-day dispute aging 40% by Q2 without adding headcount” is.

An undefined, unmeasurable problem is the warning sign.



AI won't fix your collections process. It will expose it.

The organizations that win won't automate the most work; they'll remove the most friction. Better data. Better prioritization. Better decisions. Better cash.

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