



Why Credit & AR Transformations Stall

And what nobody tells you before you buy the software

CRF August Forum & EXPO — Denver, CO

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THE MAGIC SHOW

Who here has been to a magic show?

Not Cirque du Soleil. The kind where the magician pulls a rabbit out of a hat and you think — how did they DO that?

LADIES & GENTLEMEN

The greatest hits of the B2B software magic show

You've all seen these tricks before.

TRICK No. 1

The Disappearing DSO

65 → 38

Watch 65 days become 38... in the demo!

TRICK No. 2

The 90-Day Implementation

Where 14 months of work fits neatly... into one slide!

TRICK No. 3

The Seamless Integration

Where your 2011 ERP just... connects! On the first try! No IT team needed!

TRICK No. 4

The Self-Training Team

*Where your staff of 20 years naturally adopts new software...
because it's "intuitive"!*

THE GRAND FINALE — TRICK No. 5

The AI That Replaces Gut Instinct

Where 22 years of pattern recognition is replaced... by 90 days of training data.

HERE'S THE THING ABOUT MAGIC

**It works perfectly in
controlled conditions.**

The deck is stacked. The data is clean. The audience sees exactly what the magician wants them to see.

**Your Monday morning
is
not a magic show.**

53%

of credit professionals don't use AI tools at all

— NACM survey. Not predictive models. Basic, free tools.

MEANWHILE, GARTNER SAYS 90% OF FINANCE ANALYTICS WILL BE AUTOMATED BY
2027

**They're selling you 2027.
Half of us are living in 2019.**

The magic show is **their** fault. The **readiness gap** is ours to fix — so let's talk about
your half.

SO TODAY — NO MAGIC. LIGHTS ON.

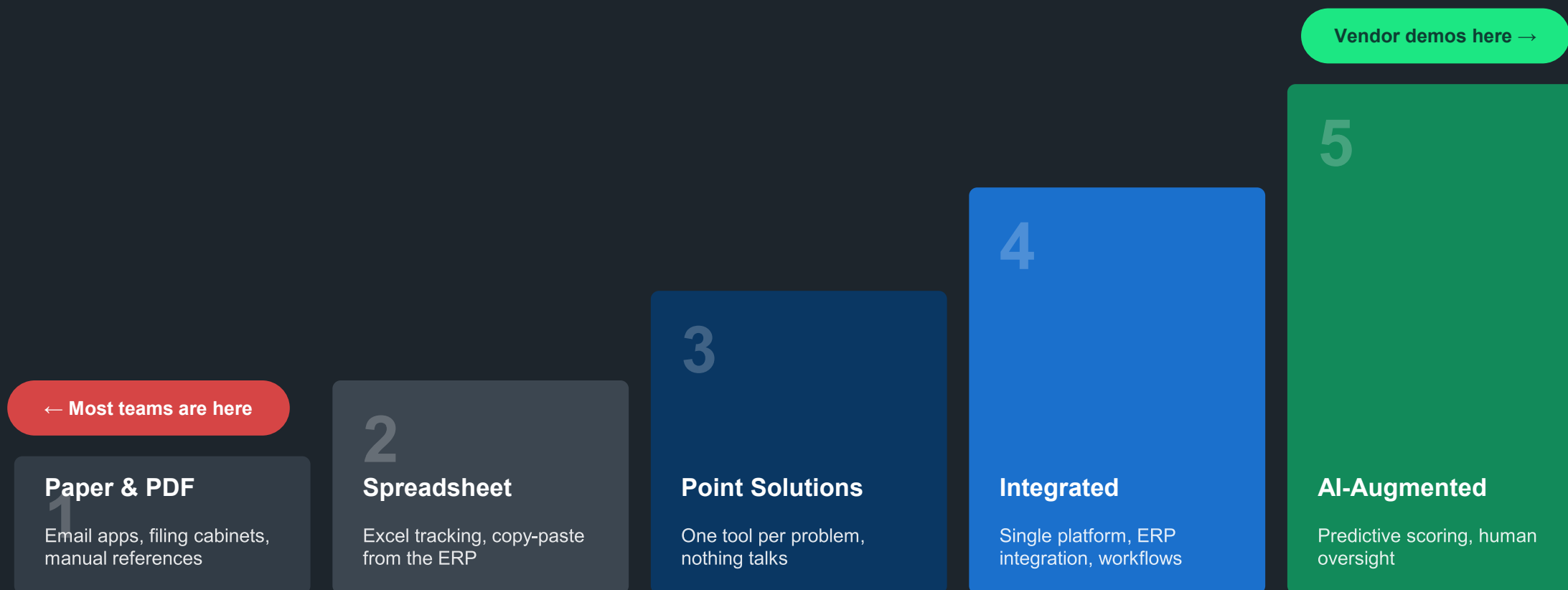
Five things that decide whether your transformation delivers — or stalls

All real. All from watching this play out hundreds of times.

SECTION 01

Your Real Starting Point

Most teams think they're ready for Stage 5 when they're at Stage 2 — and the vendor only sells Stage 5.



Know your stage. Buy for stage **next** — not stage perfect.

“

We have that PDF as a file option, or a print and fill out. That's as high tech as we've gotten there.

— A mid-market manufacturer, on a real sales call, 2025

SECTION 02

Automation multiplies whatever you already have

Good process × automation = transformation.

Broken process × automation = chaos at scale.

SLOW BUT WORKS

Manual, functional. Your team compensates with effort.

★ TRANSFORMATION

Clean process + automation. This is what the vendor demos.

MESSY BUT MANAGEABLE

Broken, but humans catch the errors. Fragile — not fatal.

CHAOS AT SCALE

Broken process, automated. Faster disasters. Nobody warns you.

← Manual · Automated →

↑ Clean · Broken ↓

“

The customer HAS the money. They WANT to pay you. Your process prevented it.

The invoice went to email instead of their portal. AR spent 30 days chasing a customer who was never delinquent — then the dunning email went out at machine speed.

SECTION 03

**Your gut is not a bug.
It's a
feature.**

22 years of pattern recognition can't be replaced by 90 days of training data.

AI IS GREAT AT

- Reading 10,000 emails for sentiment shifts
- Catching micro-trends across a portfolio
- Summarizing massive data in seconds
- Processing at scale, without fatigue

AI CANNOT

- Read the room
- Look a customer in the eye
- Know that "updating the address" before a big order is a red flag
- Negotiate, build trust, use instinct

WE BACK-TESTED THE GUT · 962 REAL DECISIONS FROM OUR PLATFORM

100%

A score-only AI declined every one of the 350 high-risk accounts that real credit managers approved

57%

of those same "too risky" customers are paying clean today

31→80%

AI agreement with the human decision — once you feed it the analyst's notes

The model isn't dumb. It's **starving**. The judgment lives in your people — capture it, don't replace it.

“

When a credit manager overrides the system and is right — that's not insubordination. That's training data.

Build systems that learn from your people, not systems that ignore them.

SECTION 04

Four patterns we've seen 500 times

These aren't horror stories. They're physics — structural forces, not bad decisions.

PATTERN 01**The IT Bottleneck**

"90 days to go-live" becomes 14 months, because IT has an 18-month backlog nobody asked about.

PATTERN 02**The Data Swamp**

14 spellings of the same customer. Credit limits of \$9,999,999. Hierarchies that live in one person's head.

PATTERN 03**The "Free Time" Problem**

The CFO asks what you'll do with all your free time. No executive sponsorship = no transformation.

PATTERN 04**The Testing Trap**

The people best qualified to test the new system are the same people who can't stop running the old one.

“

*If you guys do this, then what are you gonna do with
all your free time?*

— An actual CFO, to their credit team, when they proposed automation

SECTION 05 — THE TWIST

Real magic **does** exist.

It's just not where the vendors told you to look.

-  **Document fraud detection** Catches doctored bank statements and fake trade references humans miss
-  **Sentiment analysis on payment emails** Reads the tone shift months before the aging report shows it
-  **Cash application on handwritten remittances** Multiple languages included
-  **Financial statement analysis** Statements in → ratios + risk narrative out, in seconds
-  **Payment date prediction** Behavioral patterns, not just stated terms

Notice what's NOT on this list: "replaces your credit team."

LIVE DEMO · THE LIE DETECTOR

From: AP Department <ap@customer.com> · Re: Invoice #48291 — Past Due

Hi — as per my last email, we will remit payment once the invoice discrepancy is resolved on your end. Our team is reviewing internally and will circle back when we have an update.

AI READ

Risk: HIGH. They are stalling. No specific commitment was made. No discrepancy was ever documented.

Real magic has a **stage crew.**

The tools are free — you can do this today. What's not free is the readiness: clean data, aligned process, humans in the loop. That's the work.

AND IT'S GETTING WORSE

Everything is "AI-powered" now.

Sometimes it's a breakthrough. Sometimes it's 14 IF/THEN statements in a trench coat. The magic show's newest trick is the word "AI" — and most vendors won't tell you what their AI actually needs before it works.

FIVE DEMO RED FLAGS



They won't demo with your data — or any messy data Perfect data is the whole trick



"Proprietary AI" with zero specifics If they can't tell you what it ingests, it's IF/THEN in a trench coat



Every reference is less than 6 months post-go-live Honeymoon references. Ask for year two.



"You won't need IT for this" You will. You always will.



Pricing pressure before scoping is done If the quote arrives before the questions, run

THE TRAINING NOBODY GIVES YOU: HOW TO TAKE A DEMO

- 1** **"Show me my data — messy."** Bring your ugliest export and make them run it live.
- 2** **"What exactly does your AI ingest?"** And what happens when a field is empty?
- 3** **"What happens when my analyst disagrees with the model?"** If the answer isn't "it learns," walk.
- 4** **"Connect me with a customer 18 months post-go-live."** Not the honeymoon reference.
- 5** **"Walk me through month 4."** Day 1 is the magic show. Month 4 is the marriage.

“

You sign the contract. Eighteen months later you still can't figure it out — and the person who sold it to you isn't even on the account anymore.

The magic show has no warranty. Your questions are the warranty.

BEFORE YOU SIGN ANYTHING

The Honest Readiness Checklist

THE HONEST READINESS CHECKLIST

- 1** **What stage are you actually at?** Buy for stage next, not stage perfect.

- 2** **How clean is your data?** Pull your customer master today. Count the dummy limits.

- 3** **What's your IT backlog?** If it's 18 months deep, plan for 3× the vendor timeline.

- 4** **Does the system learn from your people?** If it can't track overrides, it's a suggestion box.

- 5** **Can you trace disputes upstream?** Fix the handoff before you automate anything else.

Transformations don't stall because your team didn't try hard enough.

They stall in the gap between the magic show and Monday morning — and the vendor owns half of that gap.

Demand the messy demo. Bring the checklist.

**Don't buy magic —
buy a stage crew.**



Thank you

Ali Kidwai · David Reinauer
CRF August Forum & EXPO — Denver 2026



Looking ahead to 2027, what keeps you awake at night?

Breaktime provided by CRF &



Decades Of Excellence

CRF Solutions is proud to be in our 30th year of providing quality A/R Management and Construction Notice services to Commercial Credit Grantors

- ▶ Flexible Receivables Solutions
- ▶ Customized Processes For Superior Results
- ▶ Experienced Management Team
- ▶ Certified By The CLLA And The IACC