PARSEQ

UNLOCK CASH AND GENERATE SIGNIFICANT BOTTOM LINE SAVINGS THROUGH

PAYMENT ALLOCATION AUTOMATION

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Transformation of the payments industry has been radical over the past decade. Technological innovation and regulatory change have created an enormous market shift where we've been witness to the introduction of Open Banking, PSD2 and Strong Customer Authentication.

Subsequently, the payment methods now made available to consumers and businesses alike have increased dramatically. However, on the flip side, we often find that when it comes to the actual payment allocation process, it's failed to follow suit and remains a highly manual process for many.

Whether payments are received through traditional channels such as Bacs, debit card or cheque or by more recent payment methods via online banking, faster payments or Apple Pay, they all need allocating by the beneficiary. Yet businesses still don't appear to be geared up to efficiently deliver this critical function.

Organisations across several sectors such as telecoms, utilities, manufacturing and financial services continue to run large teams that are trying to manage significant allocations without sufficient technology backing. Likewise, smaller companies are struggling to allocate payments month-on-month with stretched and finite finance resource whilst simultaneously trying to grow their business.

The real cost of manual payment processing

What also comes with multiple manual payment processes is the high possibility of mismanagement. Companies continue to experience preventable and potentially business-crippling errors such as misallocation or payments being held within an ever-growing suspense account. Consequently, their ability to access cash is dramatically reduced, ultimately damaging the financial health of the organisation.

Automation and the intelligent application of technology

Technologies such as optical character recognition (OCR) and intelligent character recognition (ICR) can fully support the payment allocation process. They can be deployed to automatically capture fields such as the customer name, total value and customer reference number, and therefore play an effective part in the payment matching process that follows.

With the advancements in software and technology platforms available, payment matching rules and procedures should be intelligently applied with in-built machine learning capability. Companies can no longer be reliant on labour-intensive models which are currently leaving them exposed to risk.

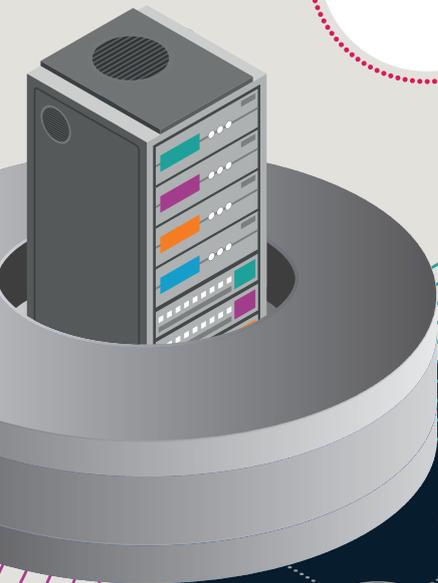£36 billion

payments processed annually

95%

payments to customer accounts on day one

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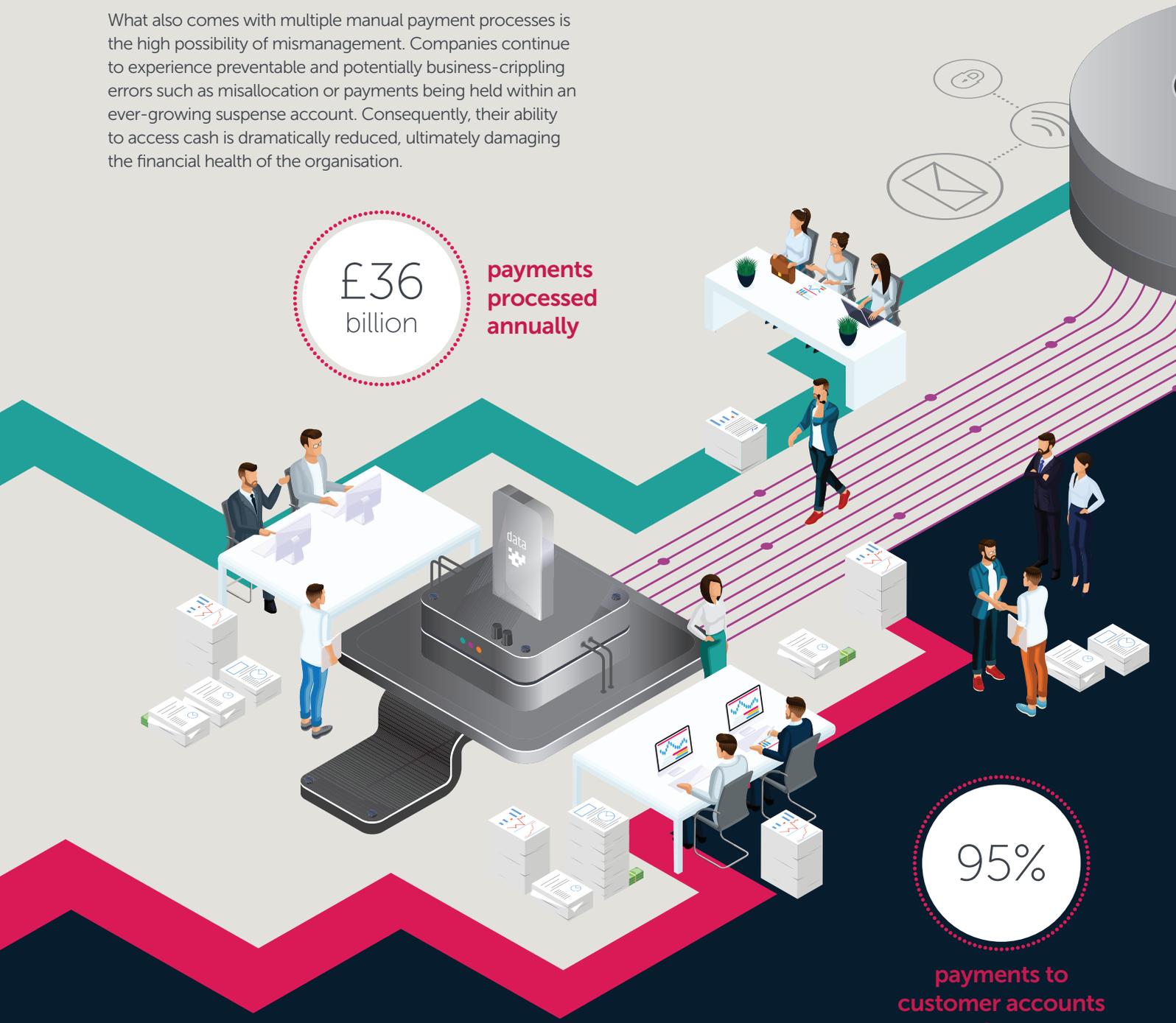
99.9% payment accuracy level

Effective and efficient payment allocation

By combining bank data and validation data files with identified remittance criteria, it enables efficient matching without manual intervention which should only occur during limited instances of exceptions handling. The payment matching process can also be enhanced through regular comparison with a debt report so long as it contains a ledger of all outstanding debts.

Those companies that are one step ahead will also be taking advantage of APIs (Application Programming Interfaces) and full system integration, benefiting from a streamlined end-to-end payment process with optimal efficiency gains.

Putting the customer experience at risk

On the other hand, businesses that regularly fail to allocate funds face a huge and costly burden of tracing payments. The customer communication cycle becomes wrongly focused on missed payments through several emails, letters and debt collectors when in fact payment has already been made, severely impacting the overall customer experience.

Opportunity for significant bottom line savings

By transforming the payment allocation process, businesses can unlock cash that resides in a non-accessible suspense account and free-up invaluable resource. FTEs can be re-prioritised onto more value-adding business areas which also provides the opportunity for significant bottom line savings.

At Parseq, we deploy technologies like OCR, machine learning and robotic process automation (RPA) to process £36 billion payments annually. As a minimum, we allocate 95% of payments to customer accounts on day one at a 99.9% accuracy level. We work closely with our clients to identify the right solution for them, helping to boost customer satisfaction while delivering an average saving of 30 per cent compared to in-house costs.

No matter what size, there is huge opportunity for all companies to re-evaluate their approach to payment processing. The crucial allocation task of daily, weekly and monthly payments to the correct customer accounts is no mean feat and can be costly. The organisations that re-engineer their approach to payment allocation by using the latest automation technologies have a real opportunity to drastically improve their overall cashflow position and protect their customer journey.
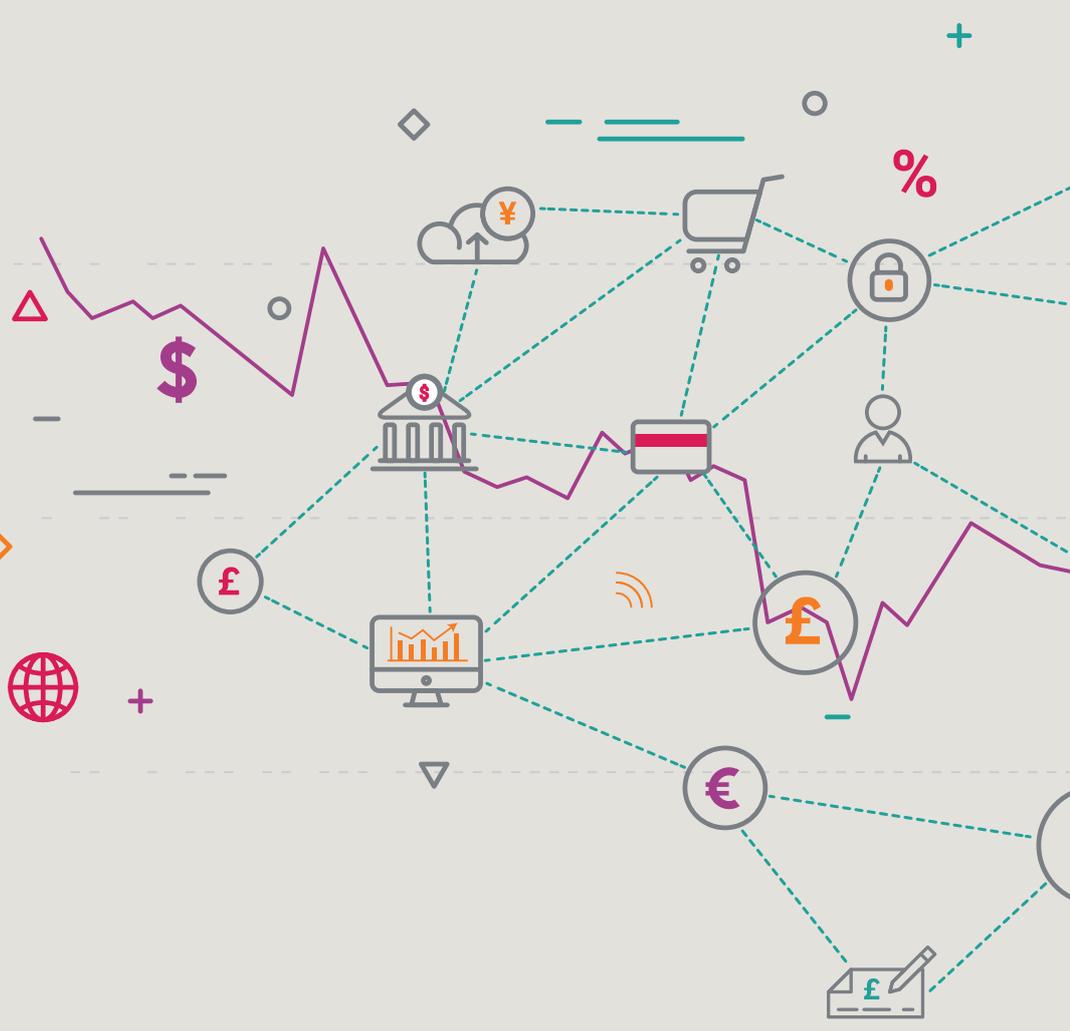
To discuss how we can help you generate significant bottom line savings through payment allocation automation, please contact:

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