BillingPlatform

2025

State of Accounts Receivable Automation Report

Report Contents

Executive Summary

In June 2025, a survey of 104 finance leaders across nine industries—including manufacturing, healthcare, financial services, networking & IT and others—revealed a strong push toward modernizing accounts receivable (AR) operations. The respondent pool was highly senior, with 82% at the VP level or above, and 69% serving as final decision-makers for finance technology. The majority represented companies with over $100 million in annual revenue. Through 36 questions across seven AR-focused functions, the survey provides a comprehensive look at how finance organizations are rethinking AR to improve cash flow, curb revenue leakage, reduce manual effort and embrace intelligent automation.

- **AR automation is now a strategic priority**, with 80% of respondents rating it as important, high priority, or critical. While adoption is on the rise—49% are considering solutions and 39% are implementing them—most organizations remain early in their journey. Only 3% have fully automated AR, while barriers such as budget constraints and IT backlog continue to delay progress.
- **Cash flow and DSO remain central concerns.** 78% cited poor cash flow or high Days Sales Outstanding (DSO) as the most significant consequence of inefficient AR operations, with most companies reporting average DSOs between 30 and 60 days. Improved DSO was also identified as the top benefit of using a customer payment portal, selected by 51% of respondents.
- **AI is gaining traction**, with 67% evaluating its use in AR, though only 14% have deployed it. Notably, executive support is no longer a major barrier—only one respondent cited it as an issue. The most common AI use cases under evaluation include collections prioritization (60%), dunning optimization (59%), and anomaly detection in invoice errors (57%). The biggest challenges in reporting & analytics remain manual processes (67%), lack of predictive insights (48%), and fragmented data (40%).
- **Manual effort continues to be a major operational obstacle** throughout the AR lifecycle. Respondents cited manual workflows as the top challenge in invoicing (63%), collections (57%), payments (60%) and reporting (67%). This highlights the continued need for automation to drive efficiency and reduce reliance on resource-intensive processes.
- **Payment processing remains under-automated**, even among companies using well-known providers. Among survey respondents, Stripe (44%) and J.P. Morgan Chase (38%) were the most widely used, followed by Braintree (7%) and several mentions of Worldpay. Despite broad adoption, only 23% of organizations reported mostly or fully automated payment processing. The leading reasons for switching providers were lower transaction costs (68%) and better integration with ERP or billing systems (52%). Support for digital wallets remains limited, with just 17% currently offering that option.

This research highlights the momentum behind AR transformation and the operational gaps that remain. While automation technology adoption is increasing, many finance teams are still navigating foundational challenges—underscoring the need for integrated, intelligent solutions to optimize cash flow, improve efficiency, and support long-term financial performance.

Methodology

BillingPlatform commissioned a survey of 104 senior finance decision-makers in North America to understand the current state of accounts receivable (AR) automation.

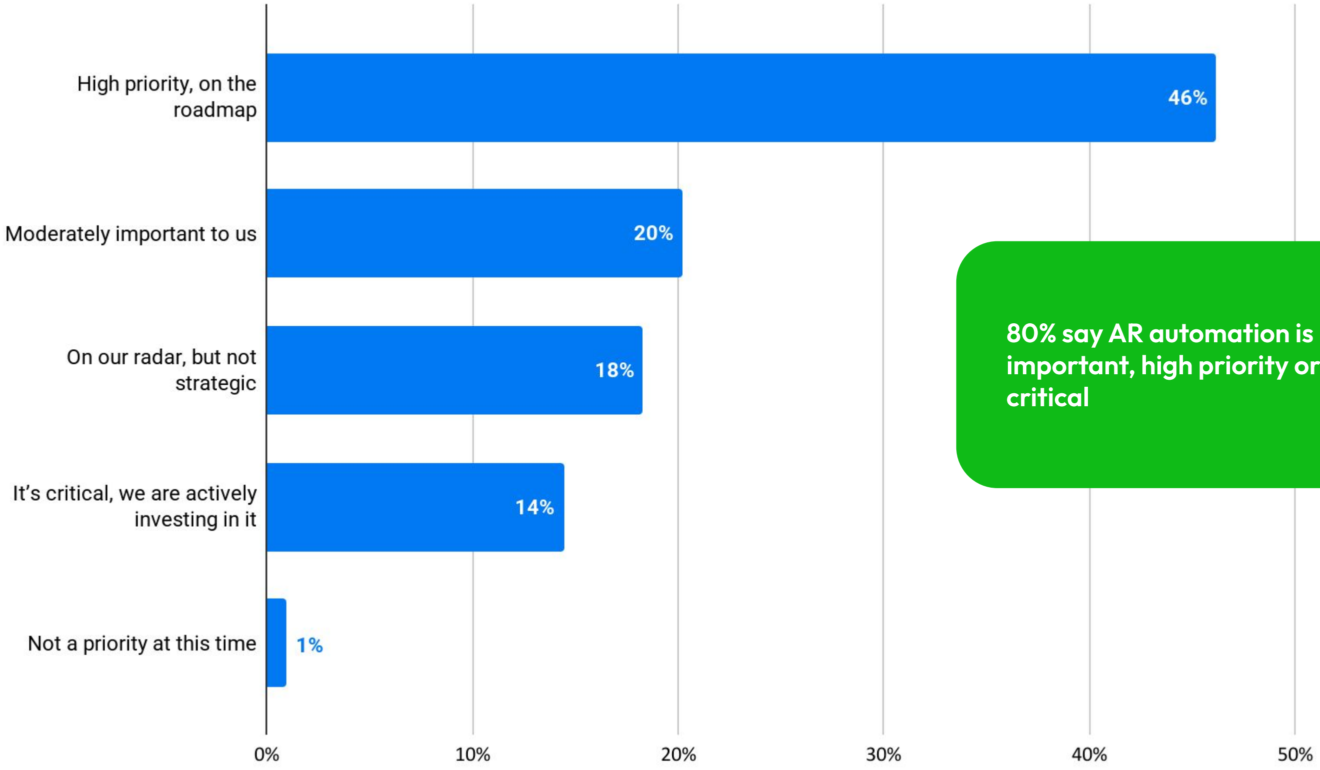
To qualify, respondents were required to work full-time at companies with annual revenues of at least $25 million. All participants held roles within the finance of finance IT department and demonstrated a strong working knowledge of their organization's AR processes. In addition, respondents needed to hold a senior title—such as CFO, SVP of Finance, Vice President or Director—and have a direct role in evaluating, influencing, or making decisions about finance automation technologies, including billing, collections, and payments.

The survey included 36 questions across seven AR-related functions: AR process overview, invoicing, payments, collections, customer portals, analytics and reporting and artificial intelligence (AI).

AR Process Overview

Strategic Nature of AR Automation

How would you rate the strategic nature of AR automation to your organization's broader digital transformation goals?

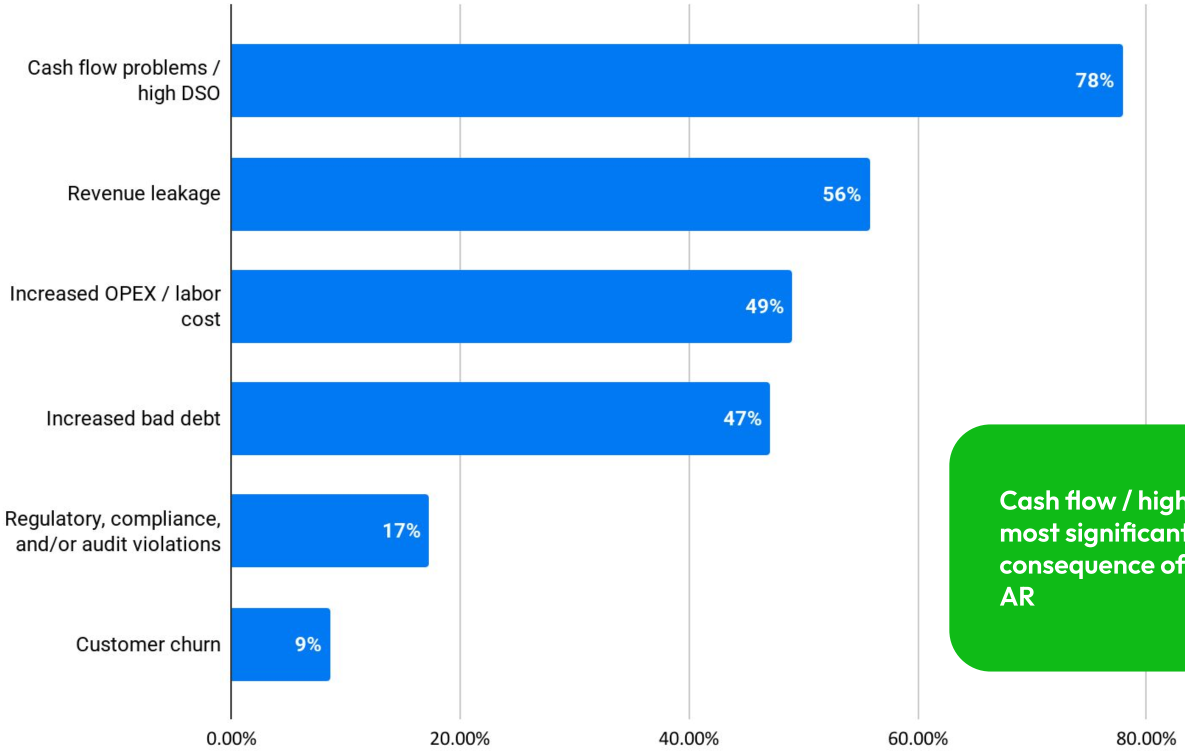


80% say AR automation is important, high priority or critical

- 80% of all respondents rated the strategic nature of AR automation as important (20%), a high priority and on the roadmap (46%), or critical and actively being invested in (14%)—demonstrating that AR automation is a core pillar of finance transformation strategies.
- Based on a separate analysis (not shown in the chart), 92% of respondents from organizations with over $1B in annual revenue rated AR automation as important, a high priority, or critical to their broader digital transformation goals—indicating that larger enterprises, with more complex receivables environments are especially focused on modernizing AR.
- Only 1% of respondents rated AR automation as not a priority at this time, reinforcing that nearly all finance leaders recognize the value of AR automation, even if they are at different stages of adoption.

Business Consequences of Inefficient AR

How would you rate the consequences to your business for inefficient AR? (Select up to 3)

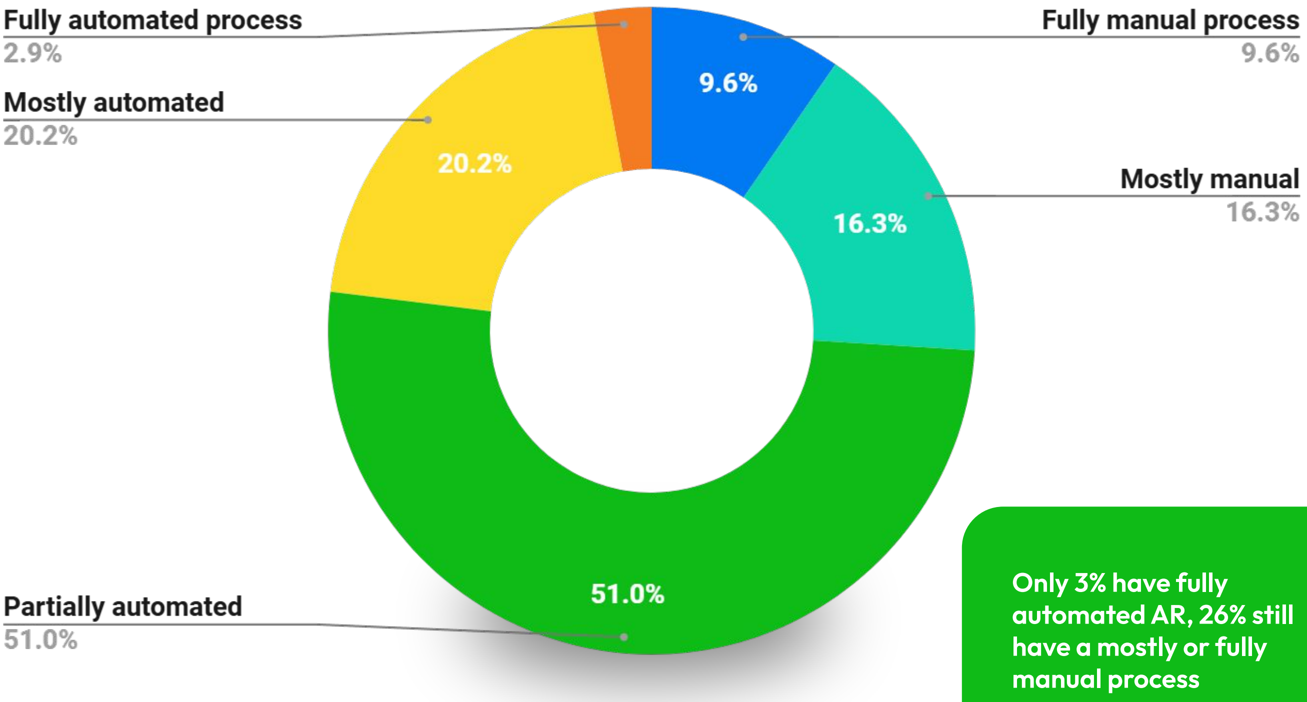


Cash flow / high DSO is most significant consequence of inefficient AR

- Cash flow problems and high DSO were cited as the most significant consequence, selected by 78% of respondents—underscoring the critical impact of AR inefficiencies on liquidity.
- Revenue leakage (56%) and increased operational costs (49%) were also major concerns, highlighting the financial and resource drain caused by manual or fragmented AR processes.
- Customer churn and compliance issues were less commonly cited, at 9% and 17% respectively, suggesting that most finance leaders see the consequences of AR inefficiency as primarily financial rather than reputational or regulatory.

Maturity of Automating the AR Process

How automated is your current AR process?

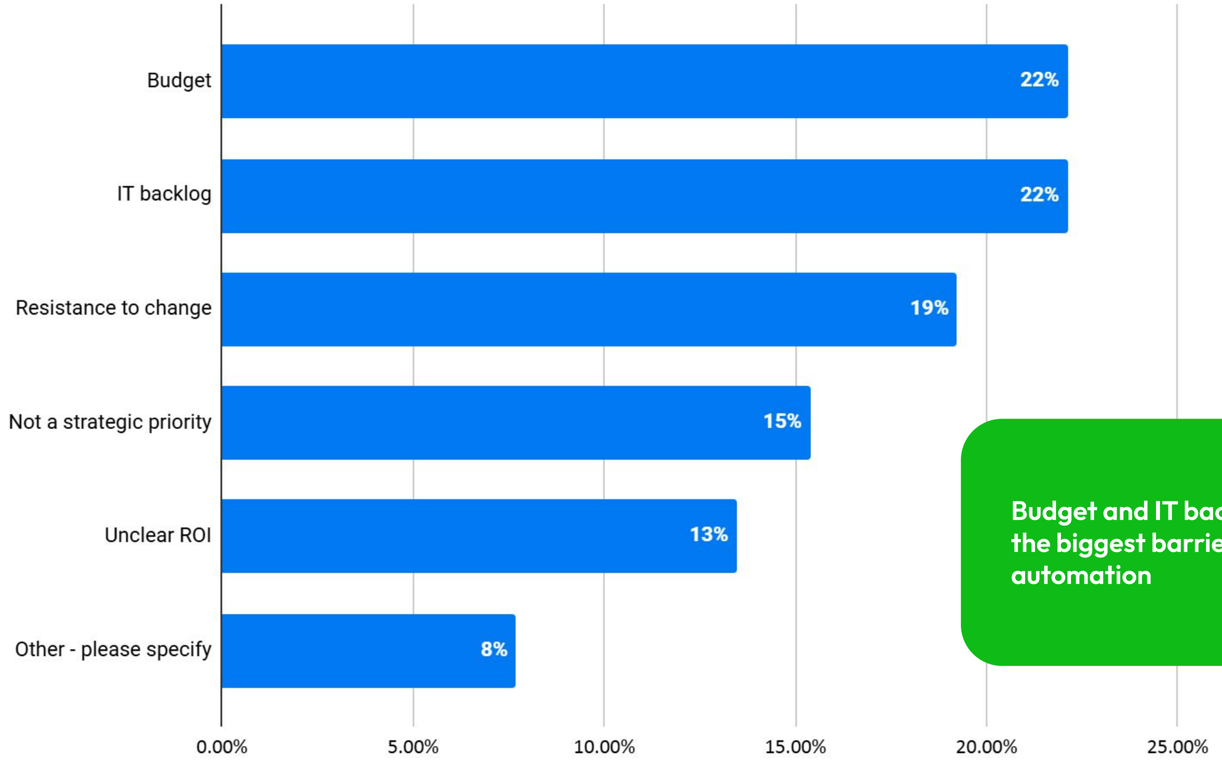


Only 3% have fully automated AR, 26% still have a mostly or fully manual process

- A majority of respondents (51%) report having partially automated AR processes, suggesting many organizations are still in the midst of modernizing their receivables operations.
- Only 3% of respondents have fully automated AR, highlighting a significant gap between strategic intent and operational execution.
- One in four respondents still rely heavily on manual work, with 10% reporting fully manual processes and 16% mostly manual—indicating there is still substantial opportunity for improvement through automation.

AR Automation Roadblocks

What is the biggest roadblock to automating AR?

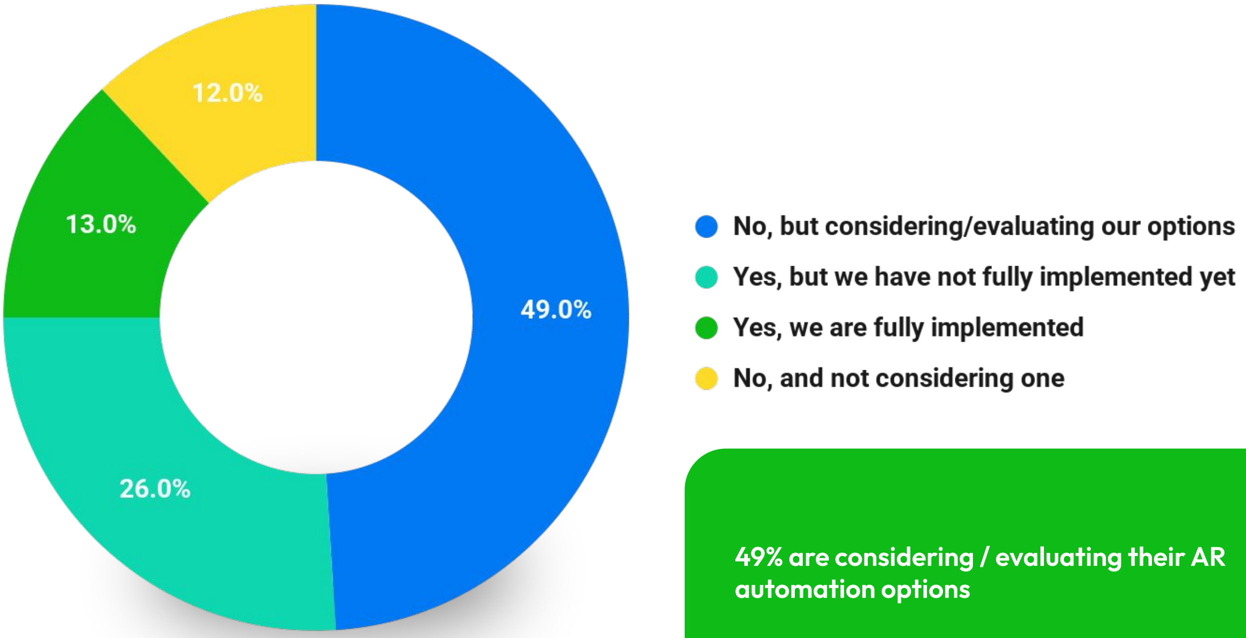


Budget and IT backlog are the biggest barriers to AR automation

- Budget constraints and IT backlog were tied as the top barriers, each cited by 22% of respondents—highlighting both financial and technical limitations as key obstacles to AR automation.
- Resistance to change remains a major hurdle, with 19% of respondents identifying it as their biggest challenge, suggesting internal alignment and process inertia are still significant issues.
- Lack of clear ROI and low prioritization were also commonly cited (13% and 15%, respectively), indicating that many organizations struggle to quantify the business case or elevate AR automation within broader digital initiatives.

AR Automation Vendor Adoption Status

Have you contracted with a vendor to automate your AR process?



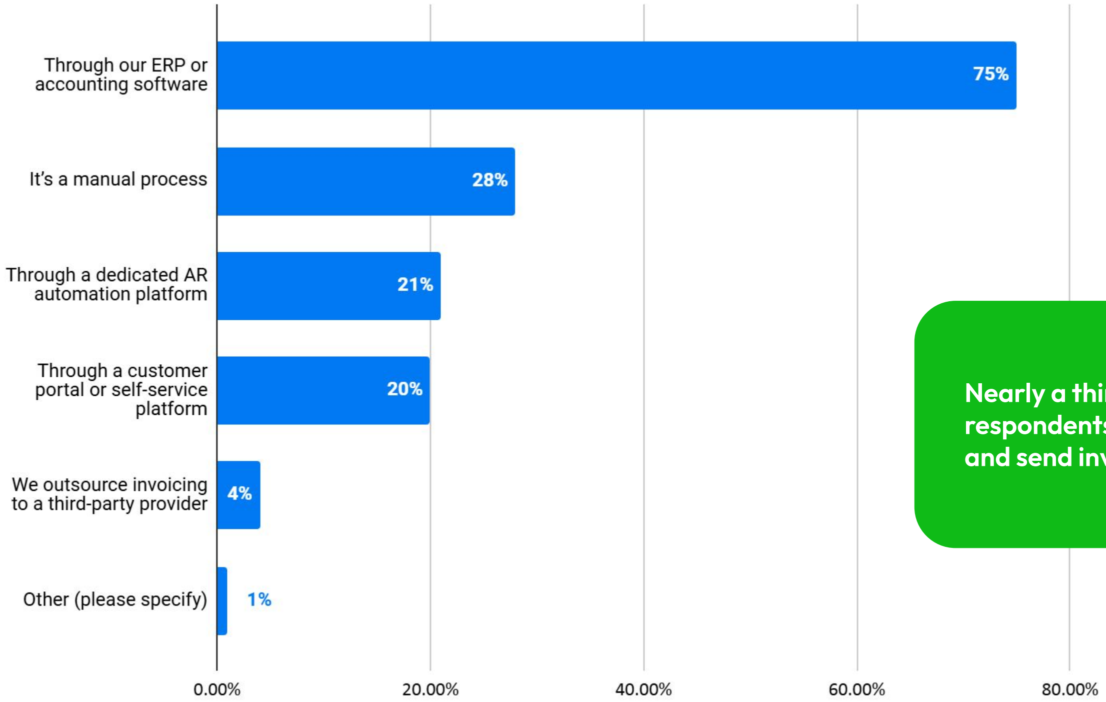
49% are considering / evaluating their AR automation options

- Nearly half (49%) of respondents are actively evaluating AR automation vendors, indicating a strong market interest but also that many companies remain in the consideration phase.
- Only 13% have fully implemented a solution, underscoring the early stage of adoption and the potential for growth in AR automation deployments.
- A combined 39% of organizations (26% in progress, 13% fully implemented) have already selected a vendor, signaling that momentum is building even if maturity is still developing.

Invoicing

Invoice Generation and Distribution

How are invoices currently generated and sent to your customers? (Select all that apply)

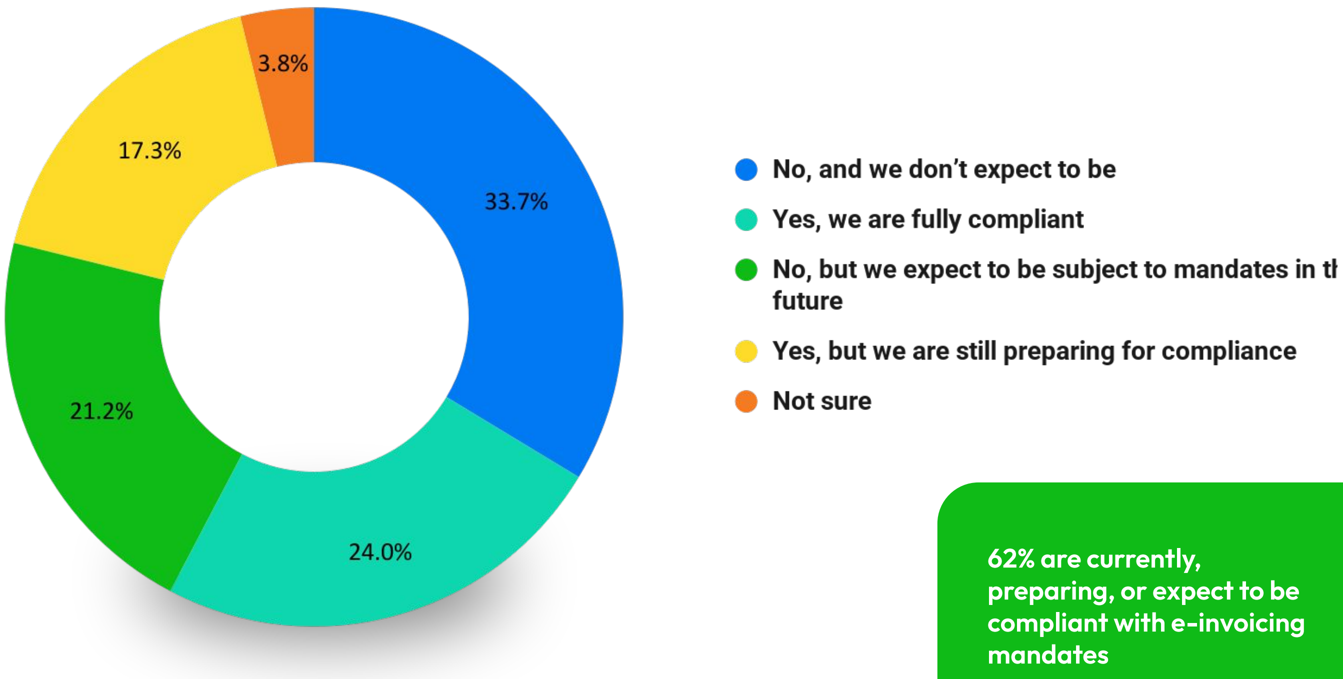


Nearly a third of respondents still generate and send invoices manually

- The majority of respondents (75%) generate and send invoices through their ERP or accounting software, indicating that traditional finance systems remain the primary tool for invoice management.
- Manual invoicing is still prevalent, with 28% reporting they rely on non-automated processes—highlighting continued inefficiencies and opportunities for automation.
- Only 21% use a dedicated AR automation platform and 20% use customer portals, suggesting that while automation adoption is underway, many organizations are still in early stages of modernizing the invoicing experience.

Compliance with E-Invoice Mandates

Are you required to comply with country-specific e-invoicing mandates (e.g., clearance models, real-time reporting)?

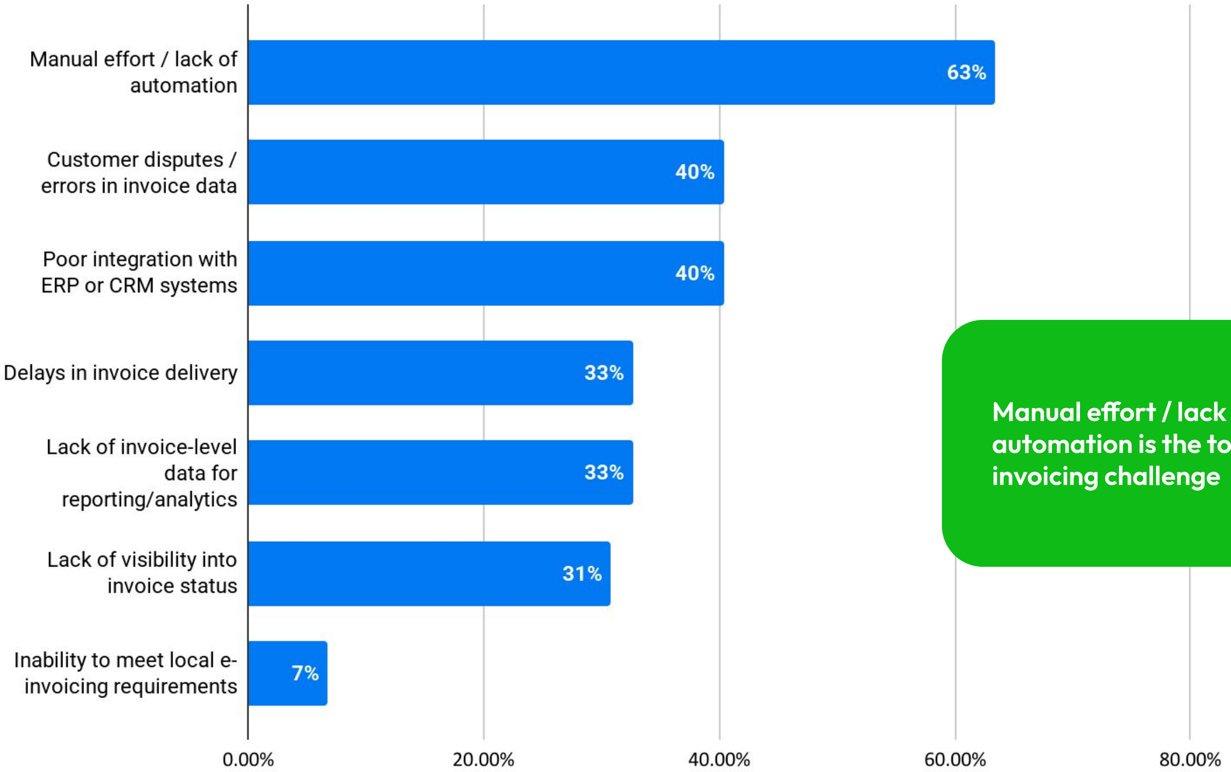


62% are currently, preparing, or expect to be compliant with e-invoicing mandates

- Only 24% of respondents are currently fully compliant with country-specific e-invoicing mandates such as clearance models and real-time reporting.
- More than one-third (34%) say they are not subject to such mandates and don't expect to be, while 21% anticipate future compliance requirements—indicating growing awareness of evolving regulations.
- 17% are actively preparing for compliance, suggesting that a portion of companies are in transition and may soon need solutions to support regulatory demands.

Top Business Challenges with Invoicing

What are your top business challenges related to invoicing today? (Select up to 3)



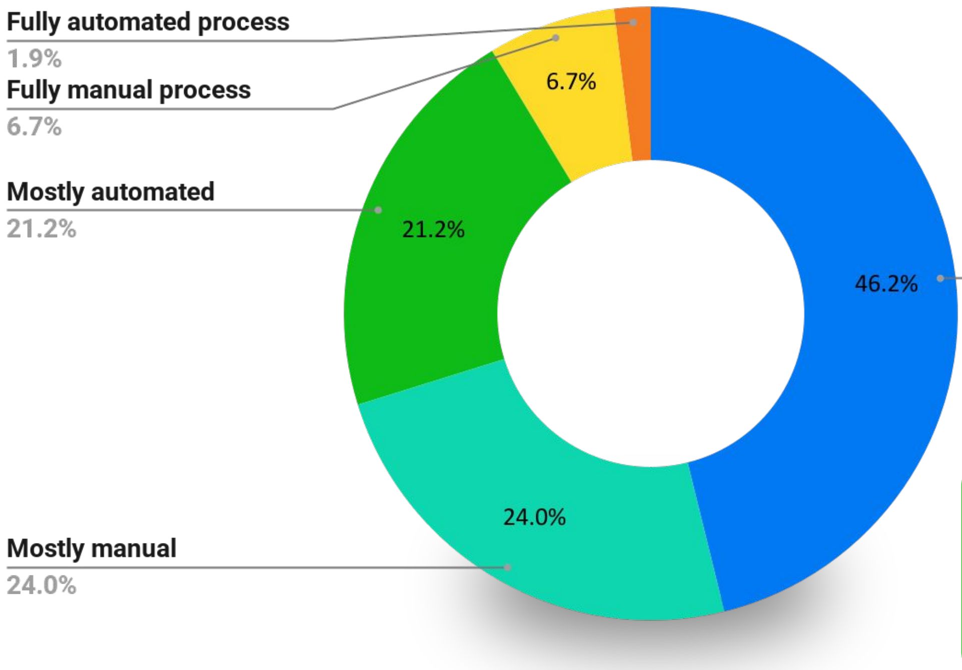
Manual effort / lack of automation is the top invoicing challenge

- 63% cite manual effort and lack of automation as their biggest invoicing challenge, signaling a strong need for streamlined, scalable processes.
- 40% struggle with customer disputes, data errors, and poor ERP/CRM integration, highlighting common issues that directly impact accuracy and cash flow.
- Visibility and reporting remain key gaps, with one-third of respondents lacking invoice-level data and real-time invoice status tracking.

Payments & Cash Application

Level of Automation in Payment Process

How would you describe the level of automation in your customer payment process?

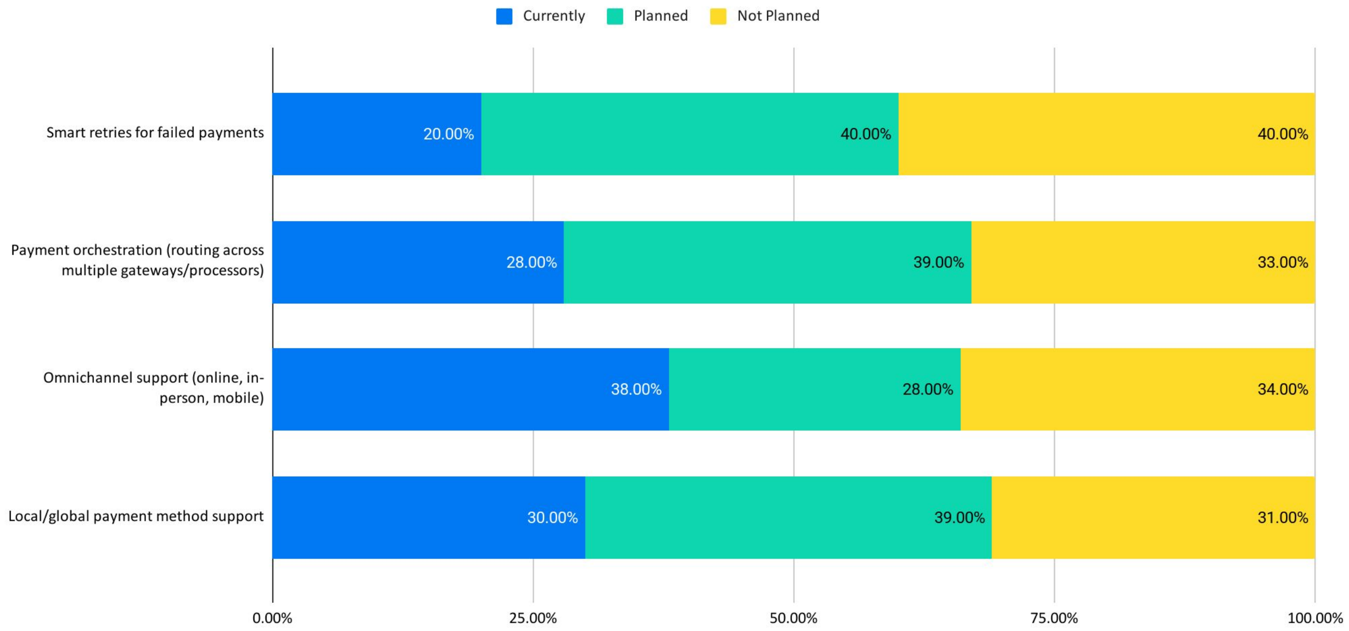


Less than a quarter of respondents have mostly or fully automated their payment process

- Nearly half of respondents (46%) report only partial automation, suggesting that most organizations are still bridging the gap between manual processes and full automation.
- Only 2% have fully automated their customer payment workflows, underscoring the significant opportunity for improvement in streamlining payment operations.
- One in three organizations (31%) still rely on mostly or fully manual processes, which can lead to delays, errors, and increased operational costs. In a separate analysis (not shown on this chart), only 12% of respondents with over $1B in annual revenue have a fully or mostly manual payment process.

Adoption of Payment Capabilities

Which of the following capabilities are currently part of your payment processing strategy?

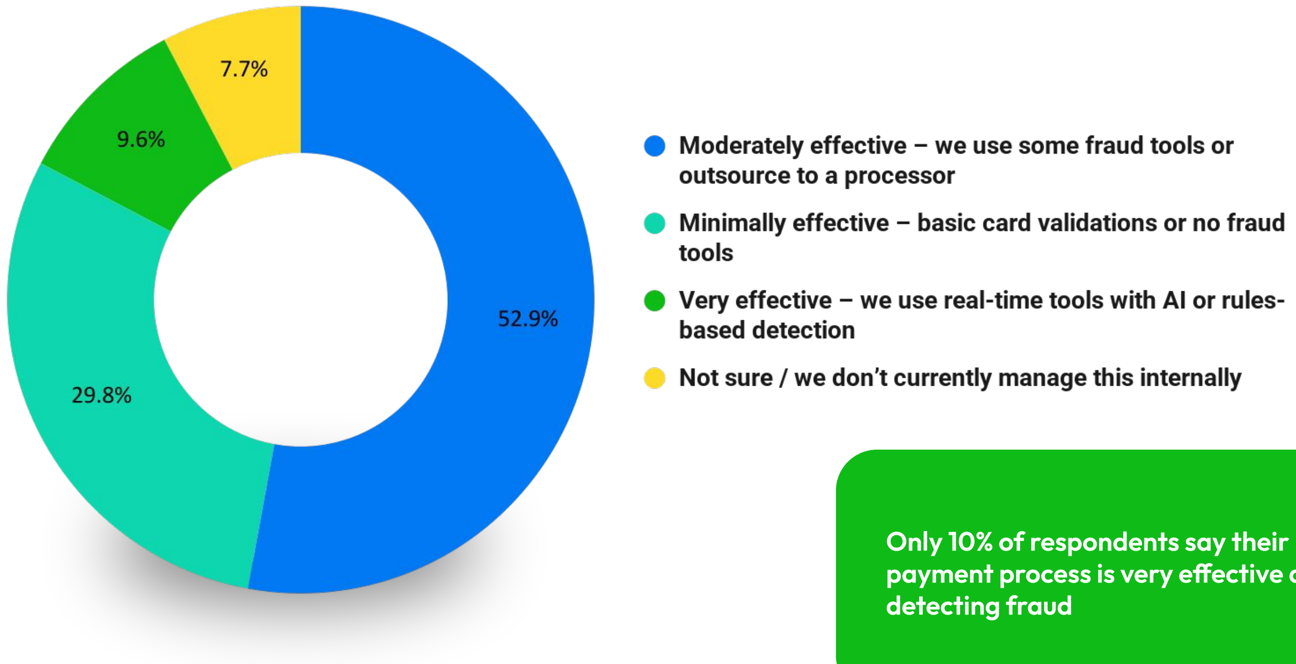


Most organizations are still in the early stages of advanced payment processing capabilities

- Omnichannel support is the most widely implemented feature, with 38% of respondents currently using it—highlighting a focus on enabling online and mobile payment options.
- Smart retries and payment orchestration are still largely in planning stages, with only 20% and 28% currently implemented, respectively—pointing to untapped potential in optimizing failed transactions and gateway routing.
- Local and global payment method support is gaining traction, with 39% planning to add it and 30% already using it—showing growing demand for international and alternative payment flexibility.

Ability to Detect & Mitigate Payment Fraud

How effective is your current payment process at detecting and mitigating fraud or compliance risks?

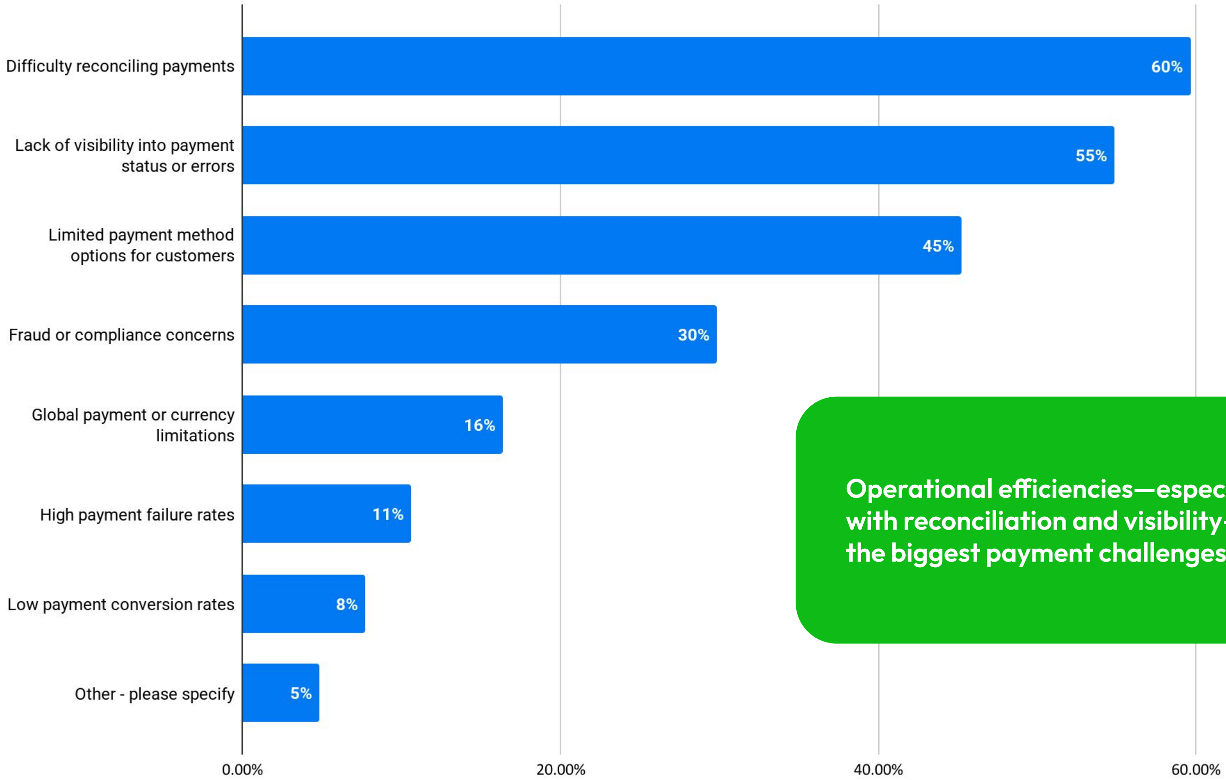


Only 10% of respondents say their payment process is very effective at detecting fraud

- Over half of respondents (53%) describe their fraud and compliance capabilities as only moderately effective, typically relying on outsourced or basic fraud tools.
- Just 10% say they are very effective, using real-time detection powered by AI or advanced rules-based systems—highlighting limited adoption of proactive fraud mitigation strategies.
- 30% report minimal protection, relying on basic card validations or no fraud tools at all, leaving them exposed to potential risk and compliance gaps.

Top Challenges with Customer Payments

Please select the top challenges your organization faces with customer payments? (Select up to 3)

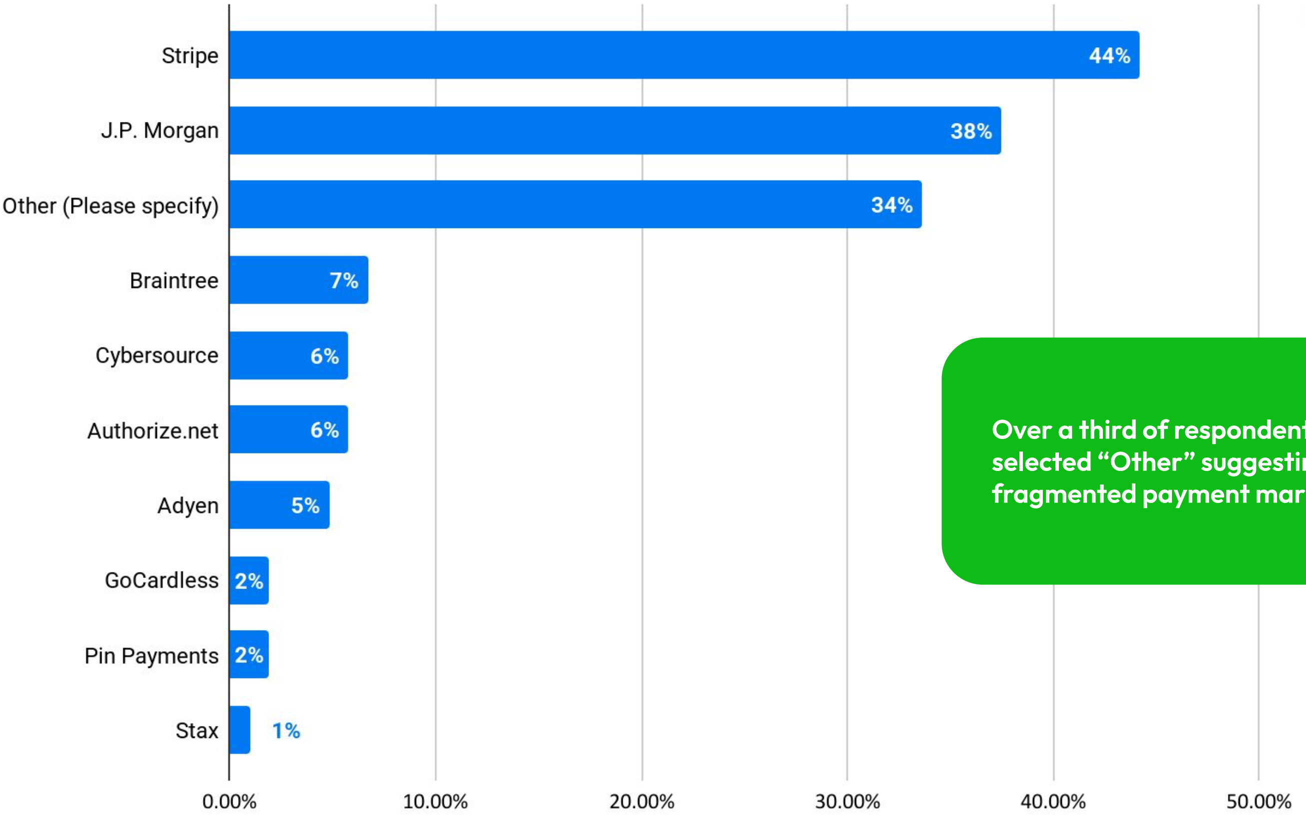


Operational efficiencies—especially with reconciliation and visibility—are the biggest payment challenges

- Difficulty reconciling payments is the most cited challenge, reported by 60% of respondents—highlighting a major operational pain point in the payment lifecycle.
- Lack of visibility and limited payment options are also top concerns, selected by 55% and 45% of respondents respectively, pointing to gaps in transparency and customer flexibility.
- Fraud and compliance issues (30%) remain significant, but lower than operational concerns—indicating that for many, process inefficiency outweighs risk management as a top priority.

Payment Processing Vendors

Which of the following vendors do you use for payment processing? (Select all that apply)

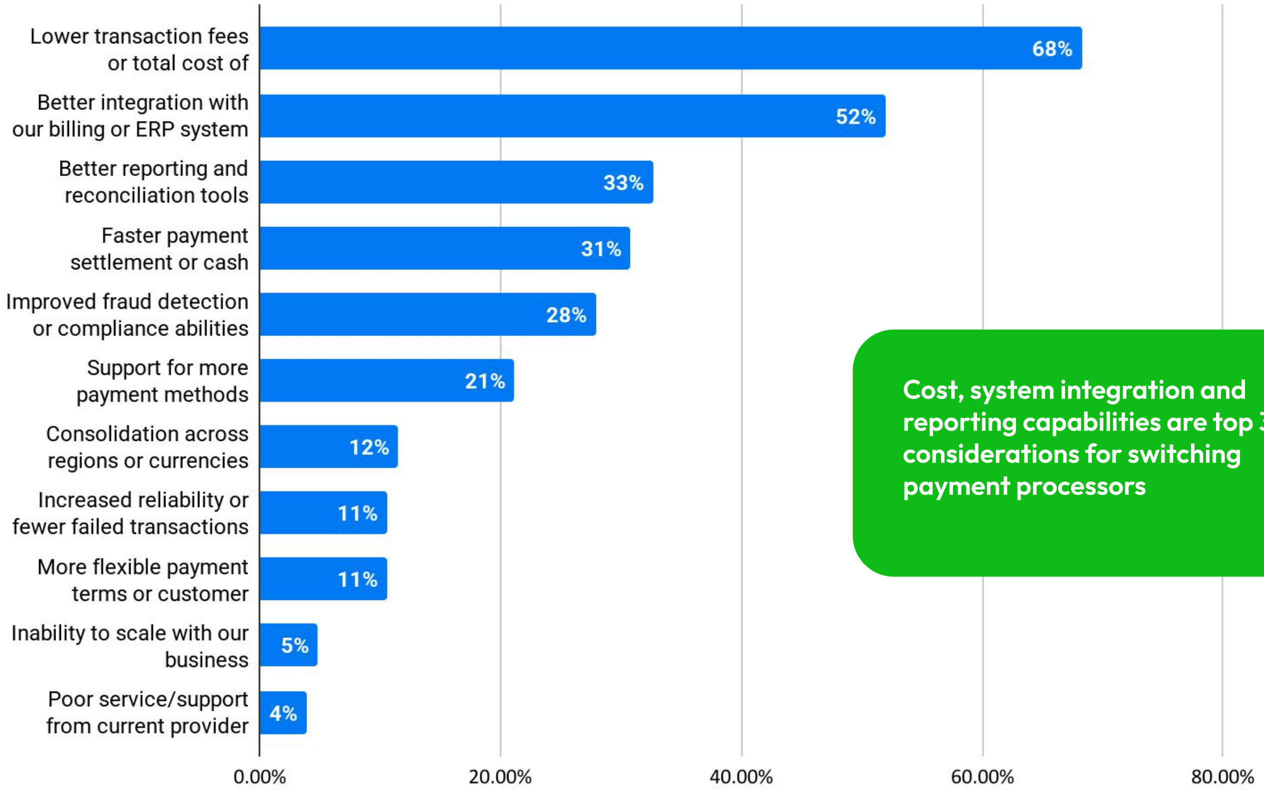


Over a third of respondents selected "Other" suggesting a fragmented payment market

- Stripe (44%) and J.P. Morgan (38%) are the most widely used payment processors.
- One-third of respondents (34%) selected "Other," suggesting a fragmented market with many niche or regional providers not captured in the main list.
- Few respondents use platforms like Braintree, Cybersource, or Authorize.net, each with adoption below 10%.

Top Drivers to Switch Payment Vendors

What would make you consider switching payment processors? (Select up to 3)

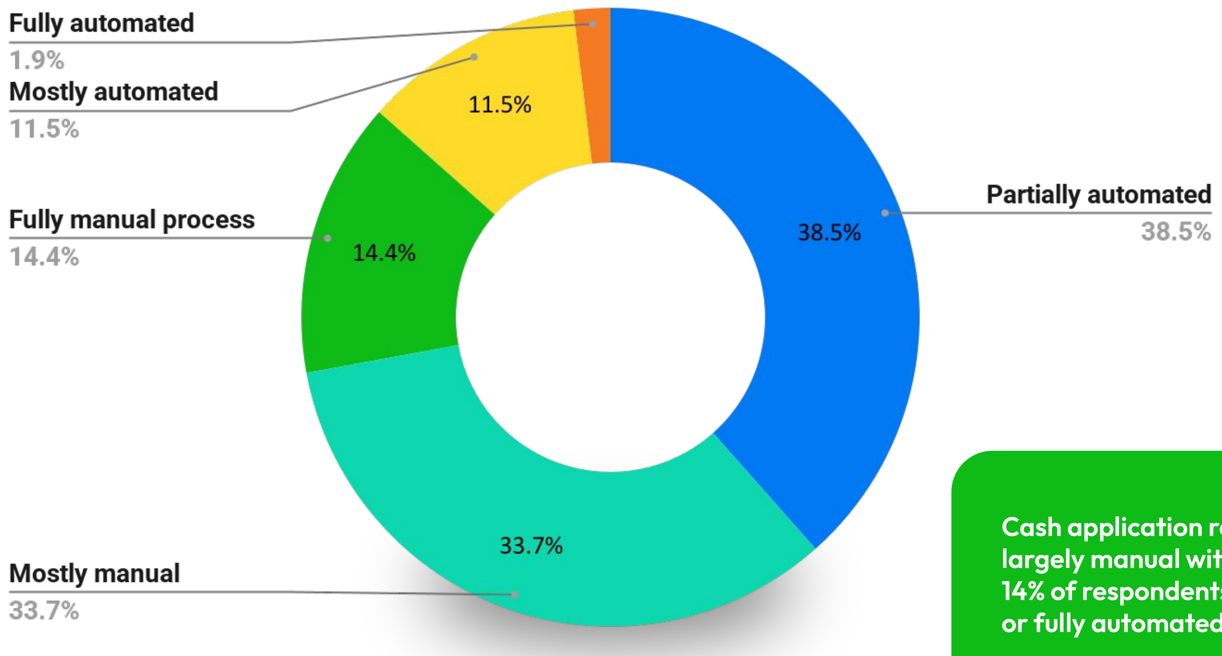


Cost, system integration and reporting capabilities are top 3 considerations for switching payment processors

- Lower transaction fees or total cost of ownership is the top driver, cited by 68% of respondents—making cost savings the most influential factor in switching decisions.
- Better integration with ERP or billing systems (52%) and improved reporting/reconciliation tools (33%) are key operational motivators, reflecting a need for tighter ecosystem alignment.
- Other considerations like faster settlement (31%) and improved fraud capabilities (28%) also matter, though to a lesser degree than cost and integration.

Level of Cash Application Automation

How would you describe the level of automation in your cash application process?



Cash application remains largely manual with only 14% of respondents mostly or fully automated

- Most organizations are still early in their automation journey, with 86% describing their cash application process as either fully manual, mostly manual, or only partially automated.
- Only 2% have fully automated their cash application process, showing significant opportunity to improve speed, accuracy, and resource allocation.
- Partial automation (38%) is the most common stage, suggesting many organizations are using a mix of tools and manual intervention to apply payments.

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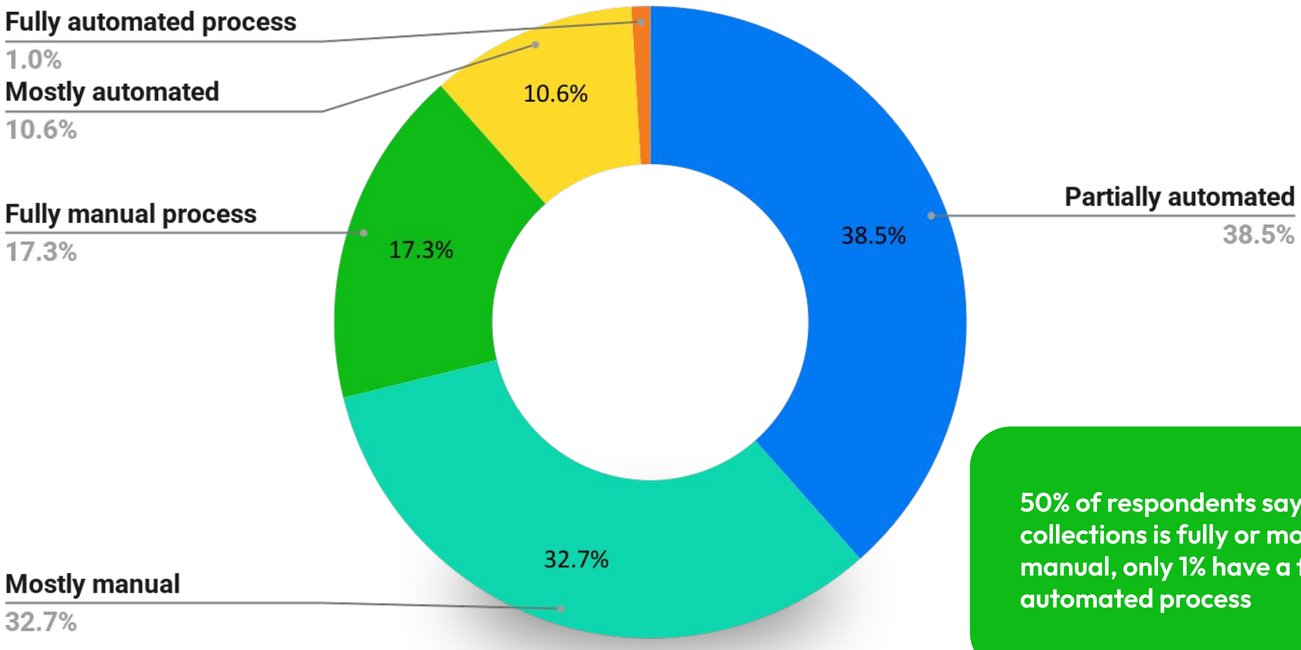
Collections & Dunning

Collections Process Management

How is your collections process currently managed?

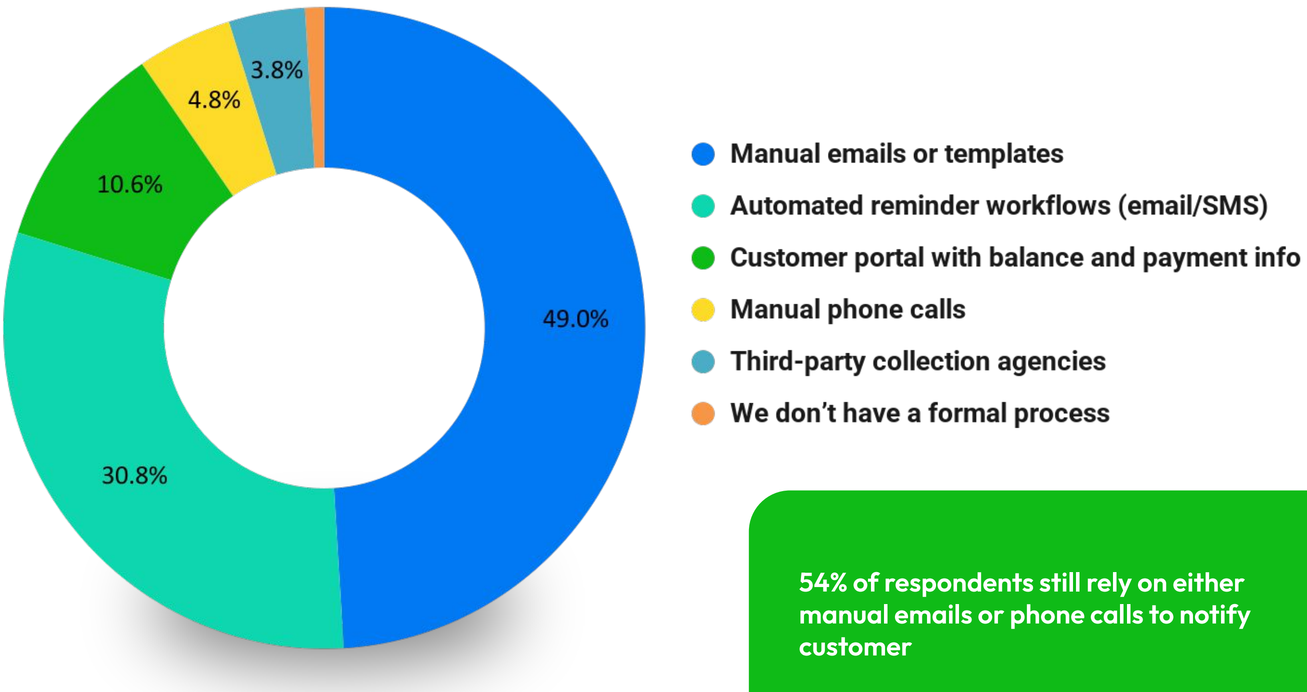


50% of respondents say collections is fully or mostly manual, only 1% have a fully automated process

- Most organizations are still relying on manual or semi-manual collections, with 88% reporting their processes as fully, mostly, or partially manual.
- Only 1% have fully automated collections, highlighting a major opportunity to reduce DSO and improve collection efficiency through automation.
- Partial automation is the most common stage (38%), suggesting many finance teams are in transition but still lack end-to-end automation.

Collections Notification Methods

How do you notify customers about items such as days-to-agreement end date, overdue invoices, payment received/failed, usage thresholds or a trial period beginning/ending?

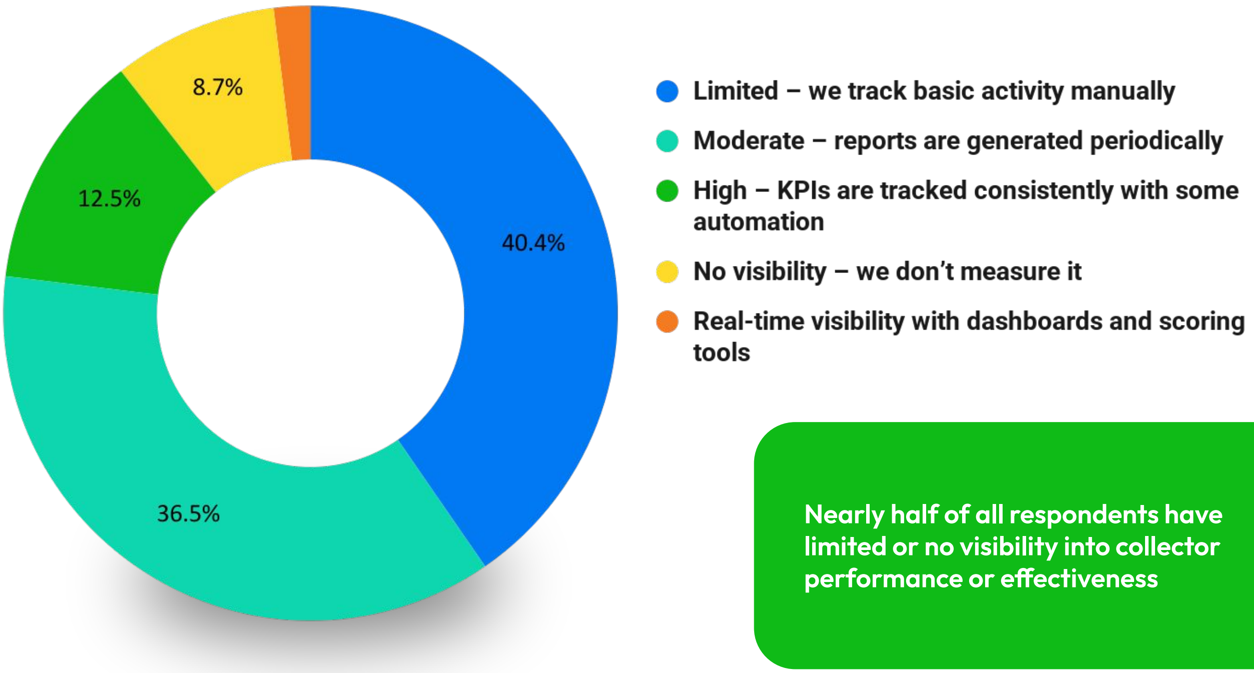


54% of respondents still rely on either manual emails or phone calls to notify customer

- Manual emails or templates are the most common notification method, used by 49% of respondents—indicating a heavy reliance on manual outreach.
- Only 31% use automated reminder workflows, suggesting significant opportunity to improve efficiency and timeliness through automation.
- Very few leverage customer portals (11%), highlighting underutilization of self-service tools that can enhance customer experience.

Visibility into Collector Performance

What level of visibility do you have into collector performance and collection effectiveness (e.g., contract rates, promises to pay, recovery success)?

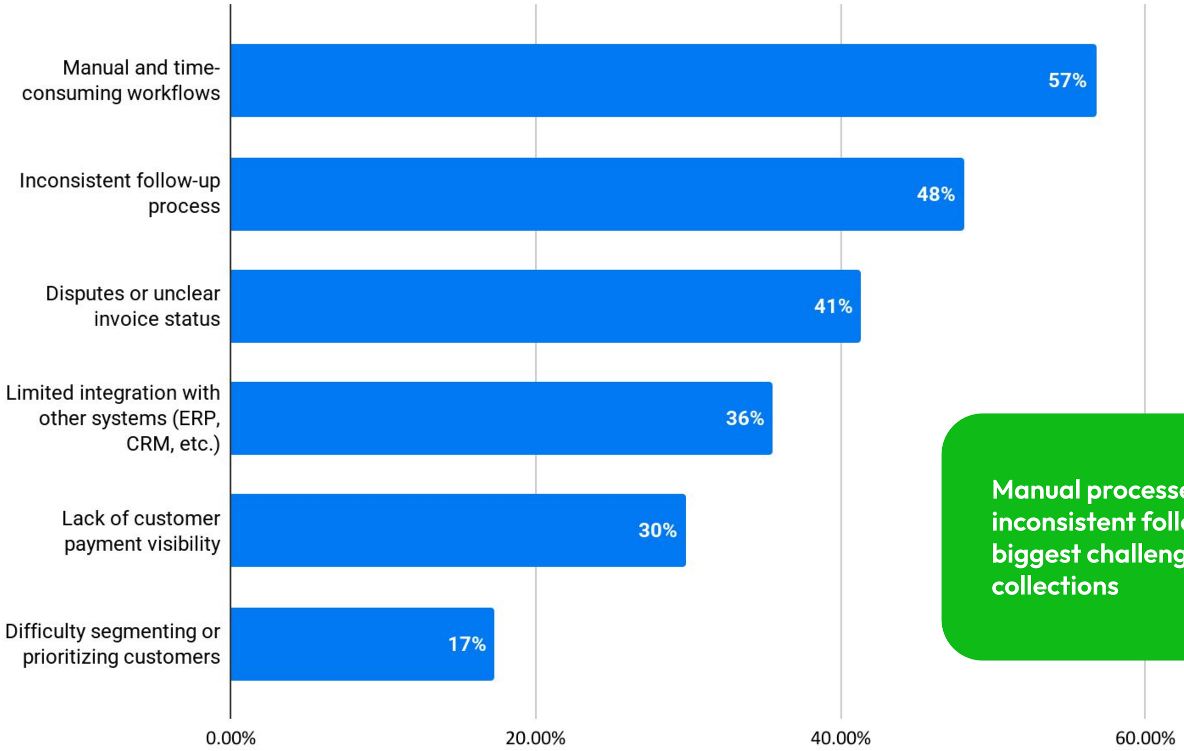


Nearly half of all respondents have limited or no visibility into collector performance or effectiveness

- 77% of respondents have limited or moderate visibility, with most either manually tracking basic activity or relying on periodic reports.
- Only 15% report high or real-time visibility, indicating that automation and advanced analytics in collections performance remain rare.
- 9% of organizations have no visibility at all, showing a significant data gap that may hinder performance tracking and optimization.

Top Challenges for Collections

What are your biggest challenges related to collections? (Select up to 3)

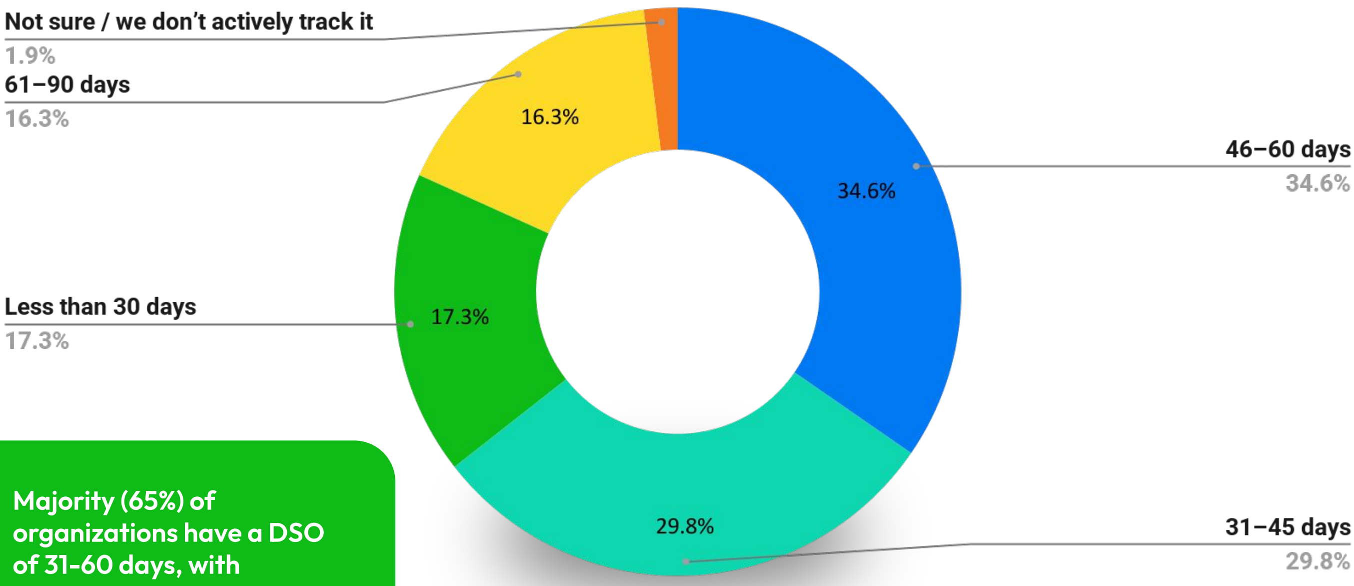


Manual processes and inconsistent follow-up are biggest challenges with collections

- Manual and time-consuming workflows top the list of collection challenges, cited by 57% of respondents—highlighting the urgent need for automation.
- Nearly half (48%) struggle with inconsistent follow-up, which can lead to missed recovery opportunities and longer DSO.
- Limited system integration (36%) and invoice disputes (41%) are also common issues, pointing to fragmented processes and data visibility gaps.

Average Days Sales Outstanding

What is your organization's current average Days Sales Outstanding (DSO)?

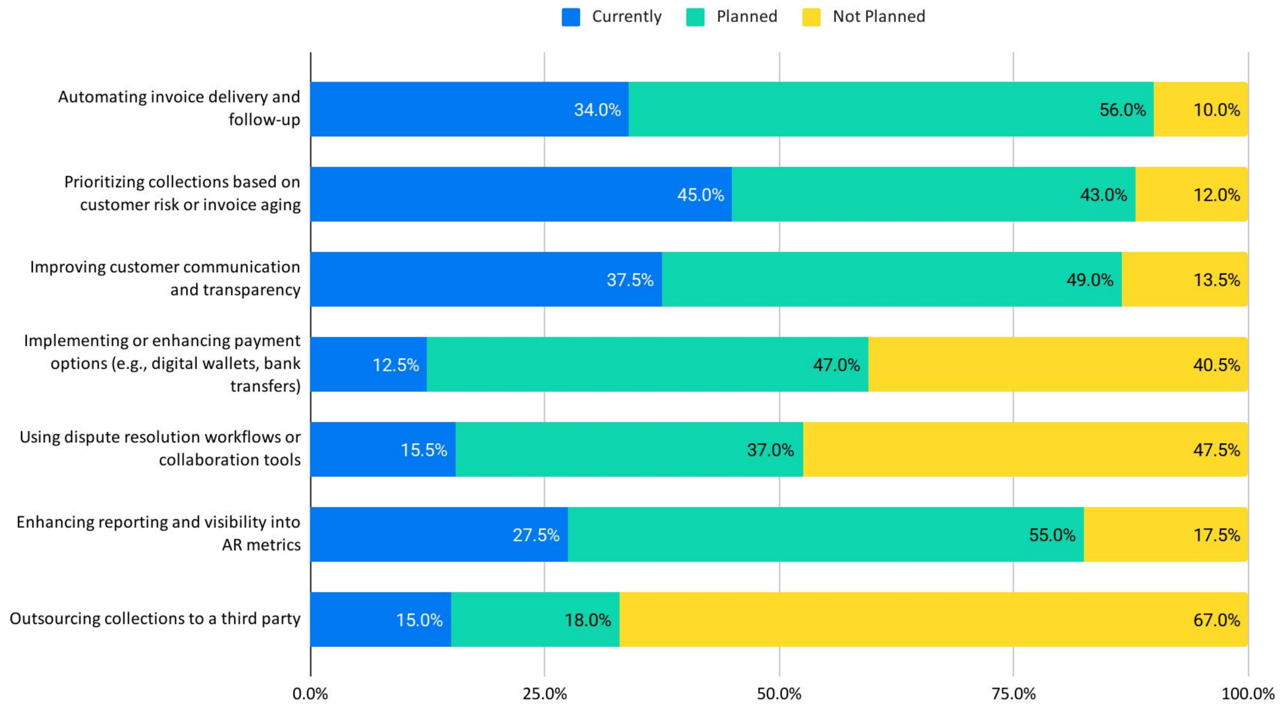


Majority (65%) of organizations have a DSO of 31-60 days, with relatively few achieving sub-30 day performance

- Most organizations (65%) report a DSO between 31 and 60 days, with the largest group (35%) falling in the 46–60 day range.
- Only 17% achieve a DSO under 30 days, indicating that rapid receivables collection remains out of reach for many.
- No respondents reported a DSO over 90 days, but 2% were unsure or do not actively track the metric, suggesting some visibility gaps still exist.

Current & Planned Actions to Reduce DSO

What actions is your organization currently taking (or planning) to reduce Days Sales Outstanding? (Select all that apply)

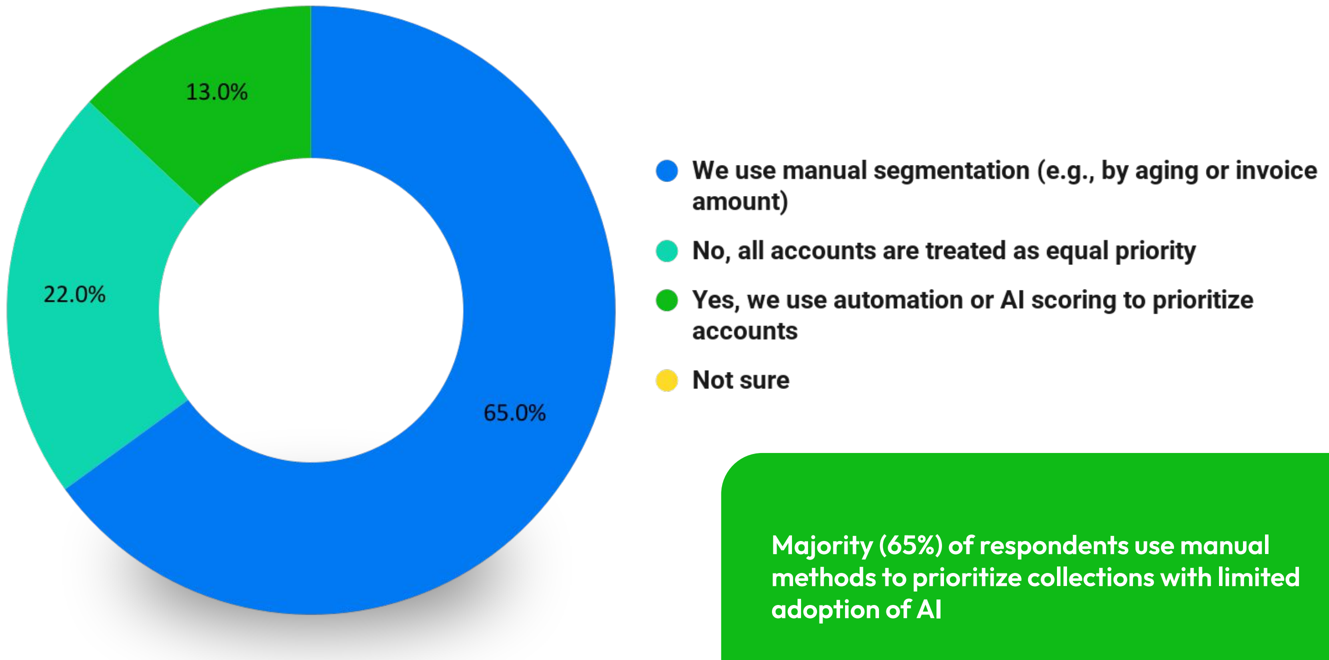


Automating invoice delivery and enhancing reporting are top planned actions to reduce DSO

- Automating invoice delivery and follow up (56%) and enhancing reporting and visibility into AR metrics (55%) are the top planned actions to reduce DSO.
- Prioritizing collections based on customer risk or invoice aging (45%) is the top current action to reduce DSO.
- Outsourcing collections is the least popular strategy, with 67% indicating no plans to pursue it—suggesting a preference to retain control over receivables.

Use of AI to Prioritize Collection Follow-up

Do you use automation or AI to prioritize which accounts to follow up with first (e.g., based on risk, value or payment behavior)?

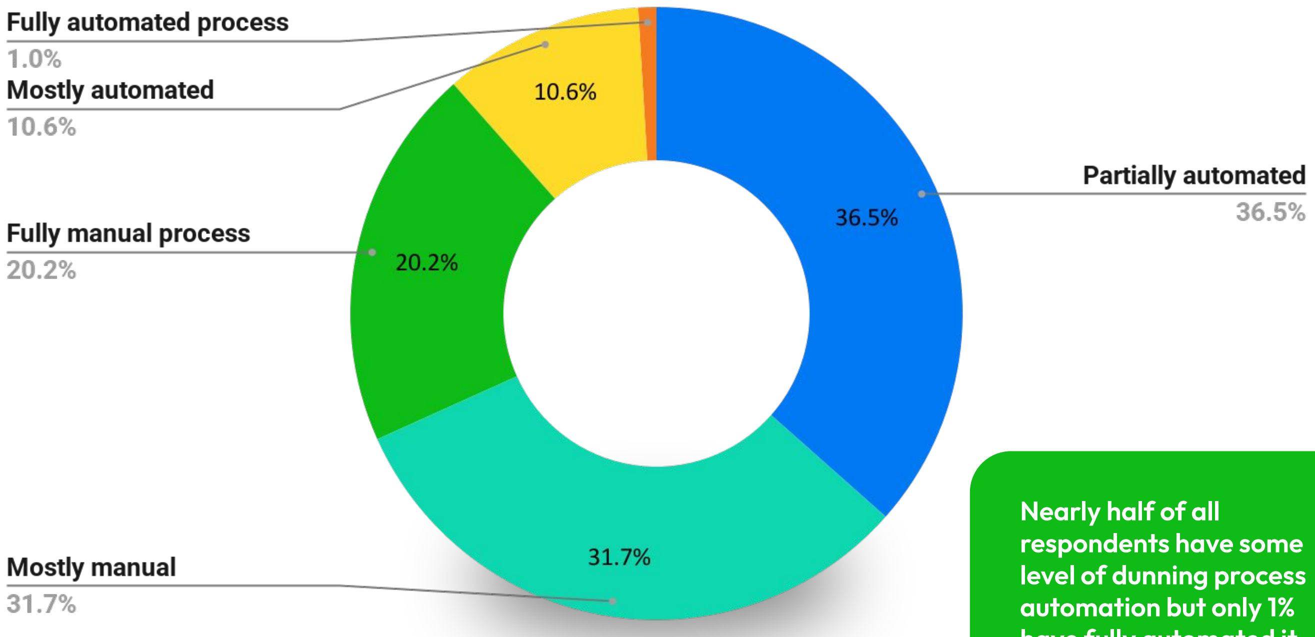


Majority (65%) of respondents use manual methods to prioritize collections with limited adoption of AI

- Only 13% of organizations use automation or AI to prioritize accounts based on risk, value, or payment behavior.
- Manual segmentation dominates, with 65% of respondents relying on invoice aging or amount to guide follow-up strategies.
- 22% treat all accounts with equal priority, potentially missing opportunities to focus efforts where they matter most.

Current Dunning Process

How would you describe your current dunning (invoice reminder/follow-up) process?

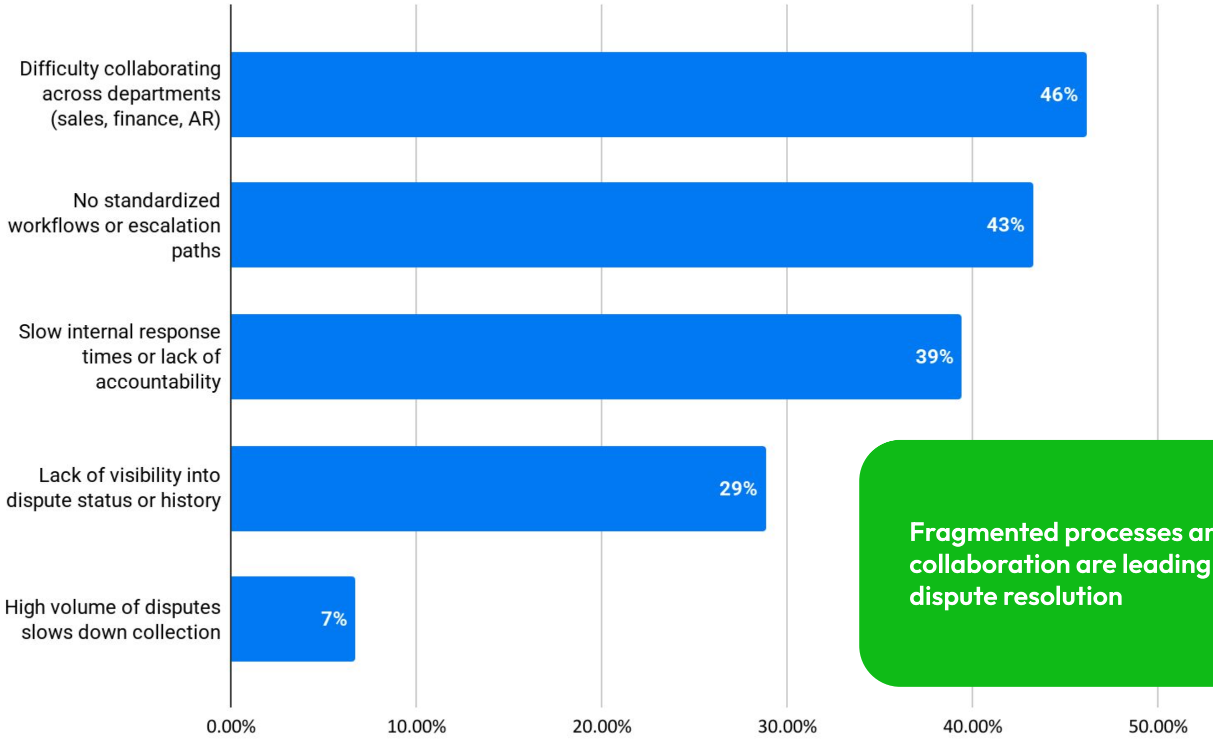


Nearly half of all respondents have some level of dunning process automation but only 1% have fully automated it

- 52% of organizations still rely on mostly or fully manual dunning processes.
- Partially automated dunning is the most common approach (37%), signaling that many companies have a hybrid approach.
- Only 12% have mostly or fully automated their dunning, highlighting an opportunity to reduce DSO and streamline operations.

Biggest Challenges Resolving Disputes

What is your biggest challenge related to resolving customer disputes? (Select up to 2)



Fragmented processes and poor collaboration are leading barriers to dispute resolution

- Cross-department collaboration is the biggest pain point, with 46% citing difficulty aligning sales, finance, and AR teams on dispute resolution.
- Lack of standardized workflows and slow internal response times are key bottlenecks, reported by 43% and 39% of respondents respectively.
- Limited visibility into dispute status also impacts efficiency, making it harder to track progress and ensure timely resolution.

Customer Self-Service

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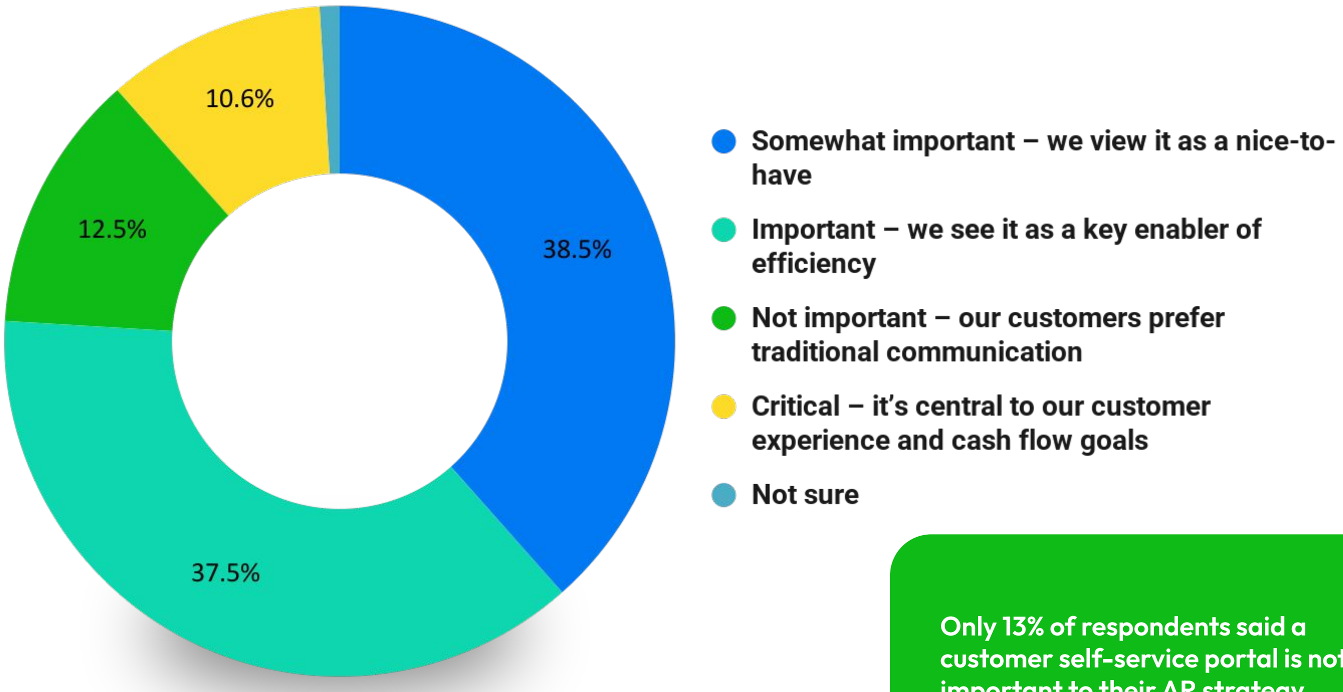
Importance of Customer Self-Service Portals

How important is a customer self-service portal to your organization's AR strategy?

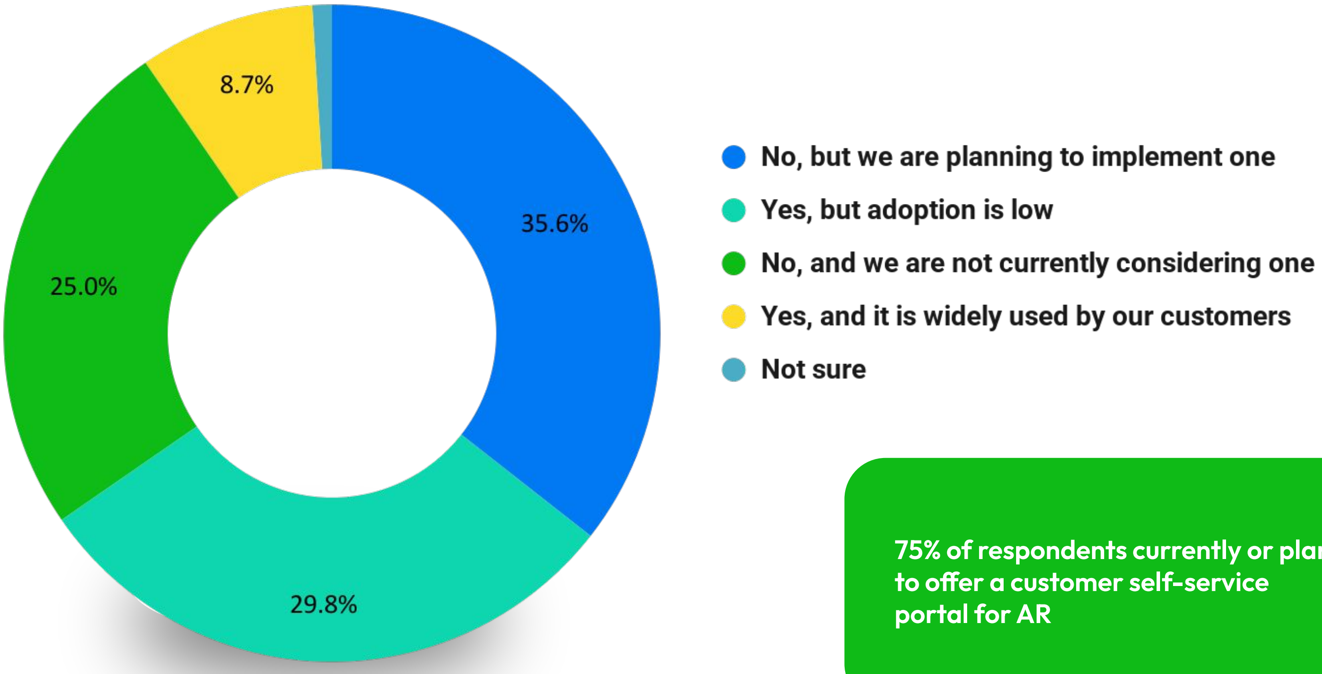


Only 13% of respondents said a customer self-service portal is not important to their AR strategy

- 76% of respondents view customer self-service portals as important or somewhat important, highlighting growing interest in digital self-service to enhance AR efficiency.
- Only a small segment (11%) sees the portal as central to both customer experience and cash flow acceleration.
- 13% still prioritize traditional communication methods, suggesting room for broader portal adoption across industries.

Availability of Customer Self-Service Portals

Does your organization currently offer a customer self-service portal for accounts receivable activities (e.g., viewing invoices, making payments, downloading statements)?

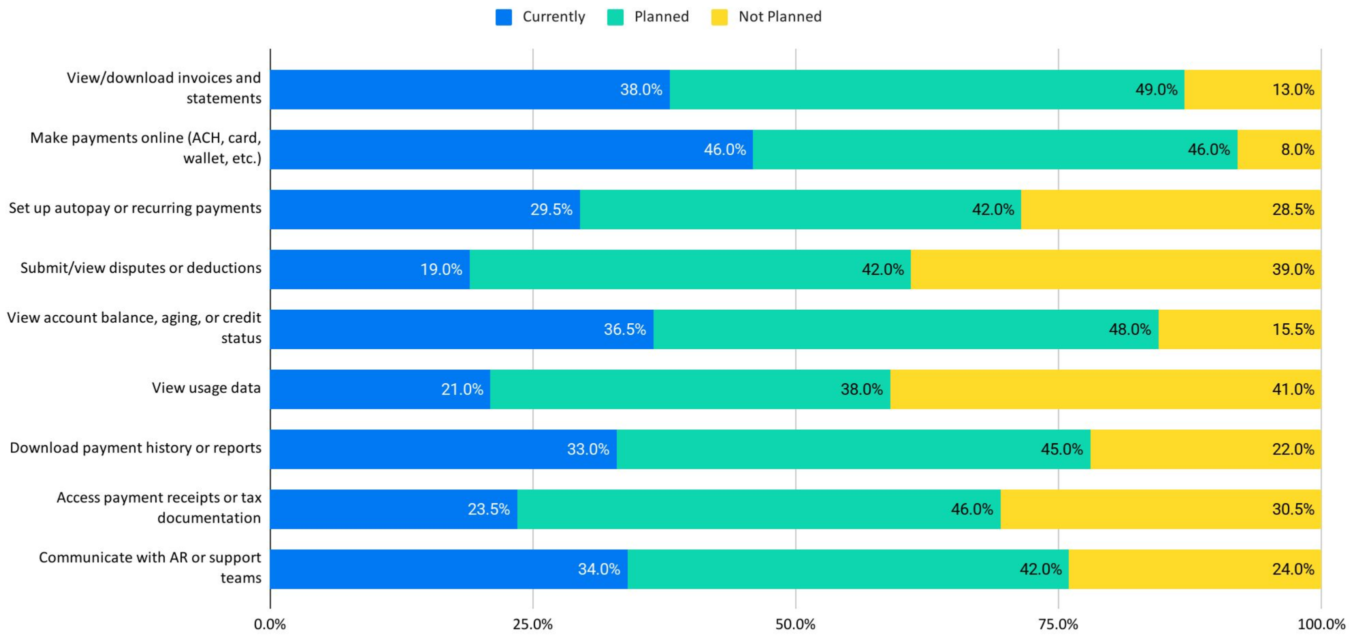


75% of respondents currently or plan to offer a customer self-service portal for AR

- 39% of respondents offer a customer self-service portal but customer usage is still low–9% report widespread adoption.
- In a separate analysis (not shown in this chart), over 60% of respondents with $1B or more in annual revenue offer a portal and only 12% don't plan to offer one, signaling its growing importance among large enterprises
- Over one third (36%) of all respondents plan to implement a portal

Customer Portal Capabilities

What features are currently available (or planned) in your customer self-service portal?

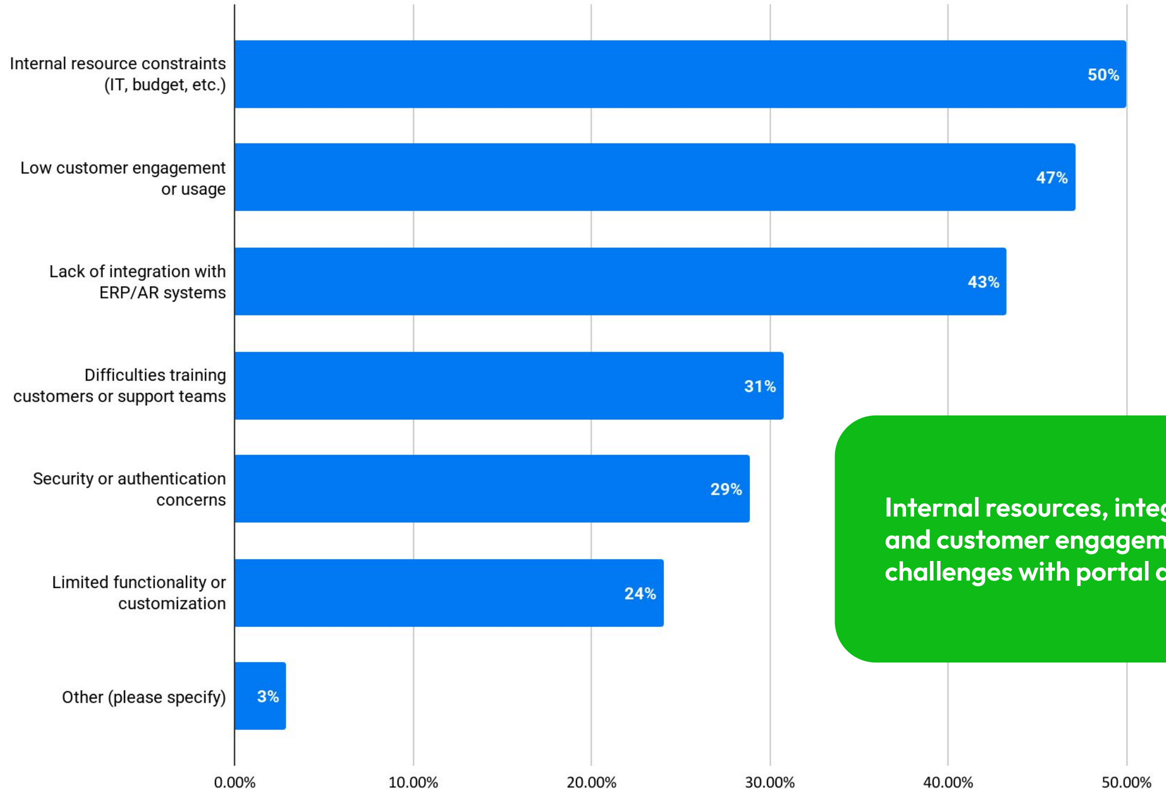


Ability to make online payments (46%) is most widely available portal capability

- The most widely available capabilities today are online payments (46%), invoice downloads (38%), and viewing account balances (36%).
- Over 40% of respondents plan to add features like recurring payments, dispute management, and payment history access, highlighting a strong roadmap for future enhancement.
- Features like usage data visibility and tax documentation access remain underdeveloped, with roughly one-third not planning to offer them at all.

Customer Portal Adoption Challenges

What challenges are you facing (or expect to face) with customer portal adoption? (Select up to 3)

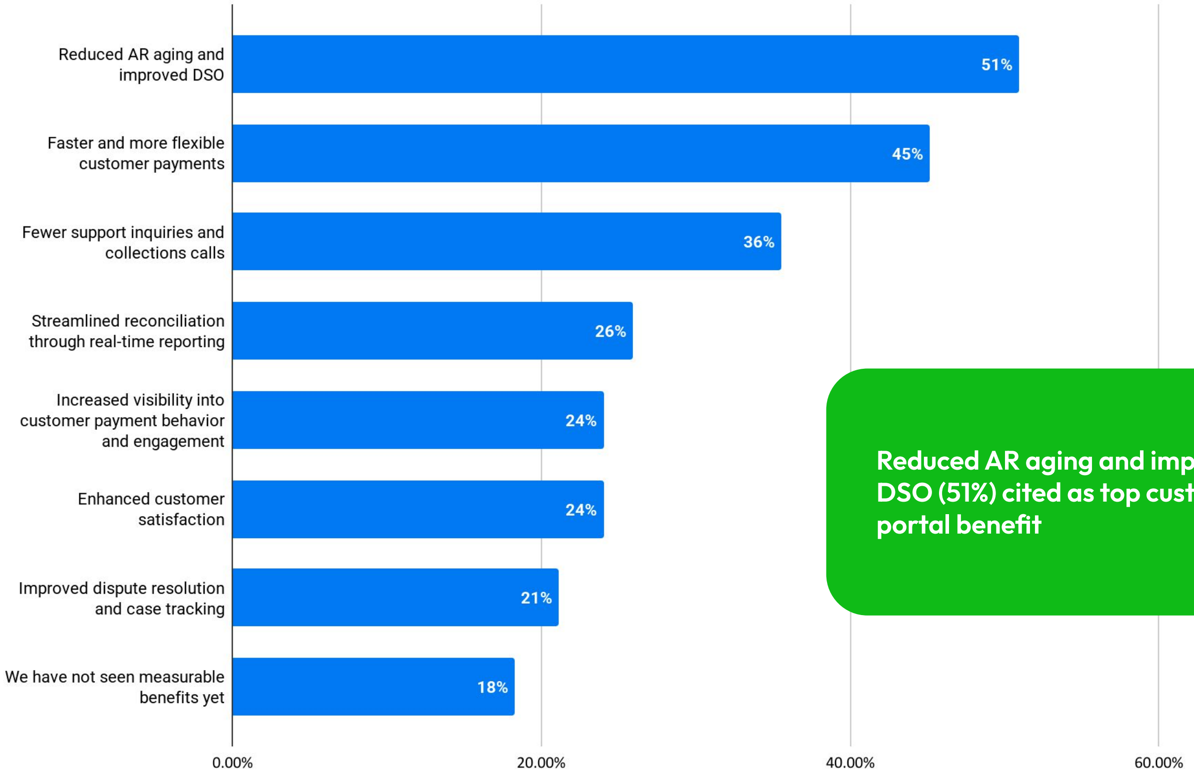


Internal resources, integrations and customer engagement are top challenges with portal adoption

- The most common challenge is internal resource constraints (50%), highlighting capacity issues in IT, budget, and implementation support.
- Low customer engagement or usage (47%) and poor ERP/AR system integration (43%) are also major roadblocks to successful portal adoption.
- Concerns about security (29%) and training (31%) indicate that both technical and operational hurdles must be addressed

Top Customer Portal Benefits

What benefits has your organization realized (or expects to realize) from offering a customer self-service portal? (Select up to 3)



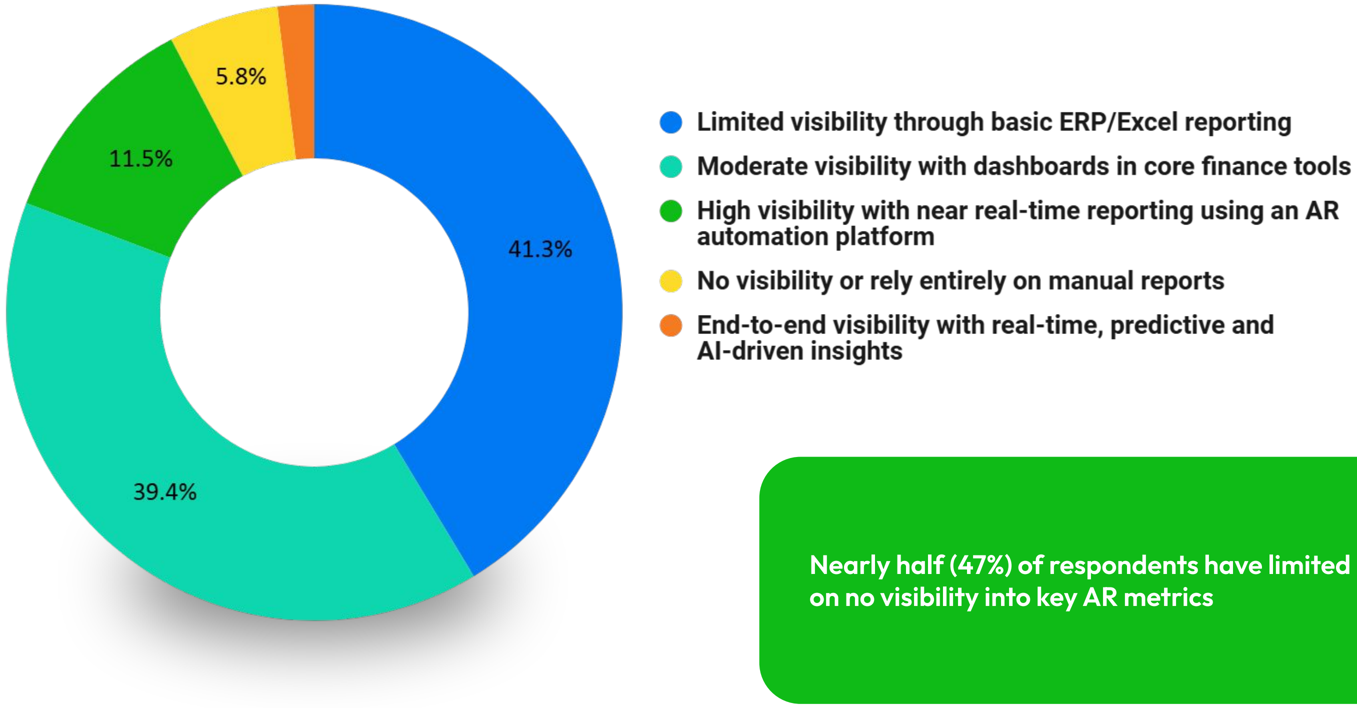
Reduced AR aging and improved DSO (51%) cited as top customer portal benefit

- The top reported benefit is reduced AR aging and improved DSO (51%), underscoring the portal's impact on cash flow acceleration.
- Faster and more flexible customer payments (45%) and fewer support and collection calls (36%) highlight improvements in both operational efficiency and customer convenience.
- Only 18% reported seeing no measurable benefits yet, indicating strong ROI potential for most adopters.

Reporting & Analytics

Level of Visibility into Key AR Metrics

How would you describe the visibility your organization currently has into key accounts receivable metrics (e.g., DSO, aging, collection effectiveness, cash flow forecasting)?

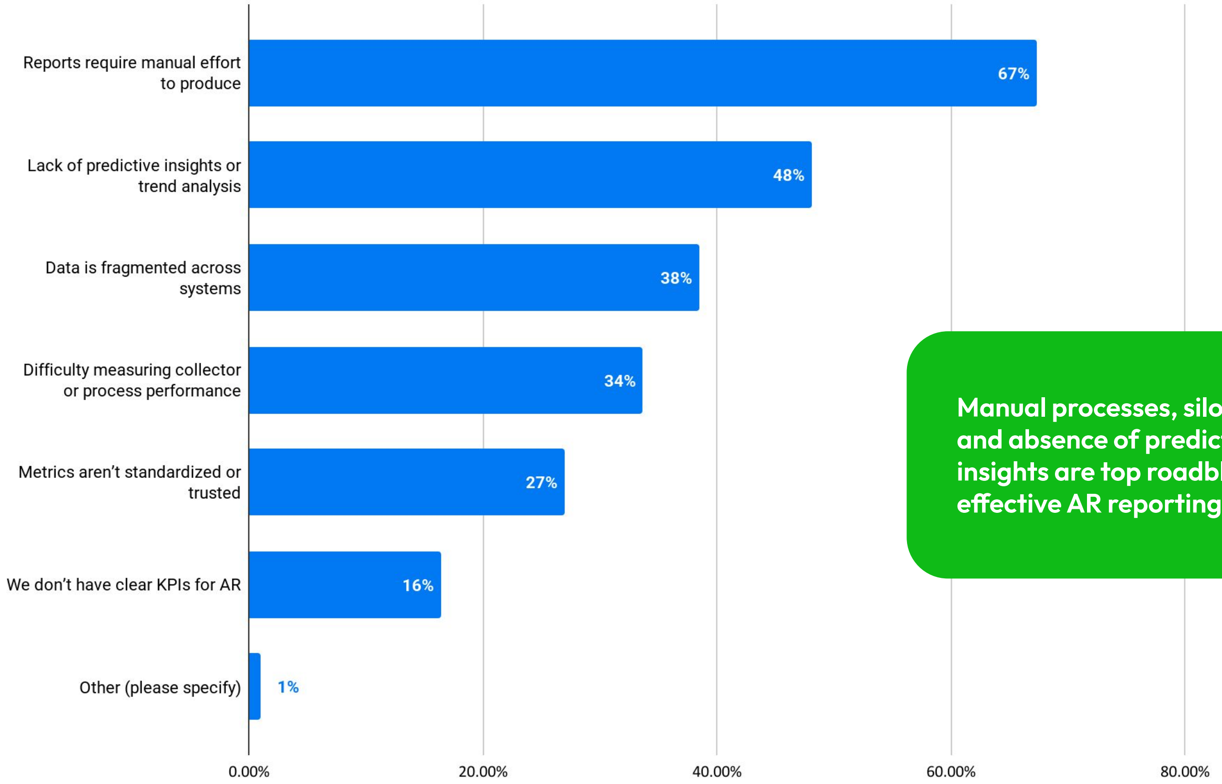


Nearly half (47%) of respondents have limited on no visibility into key AR metrics

- 80% of respondents report only limited or moderate visibility, relying on ERP/Excel reports or dashboards in core finance tools.
- Just 12% have high visibility using near real-time reporting from AR automation platforms.
- Only 2% have reached true end-to-end visibility with predictive and AI-driven insights, highlighting a major gap in AR analytics maturity.

Key Challenges with AR Reporting & Analytics

What challenges do you face with analytics and reporting in your AR process? (Select up to 3)

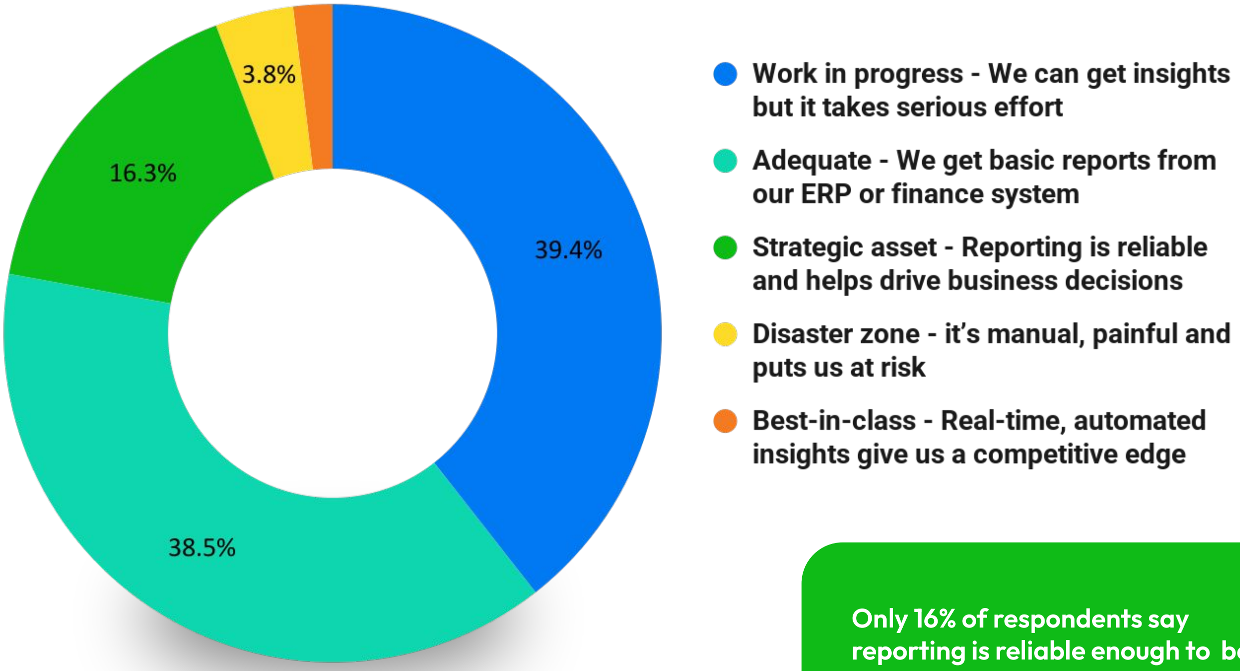


Manual processes, siloed data and absence of predictive insights are top roadblocks to effective AR reporting

- 67% of respondents say AR reports require manual effort, creating delays and inefficiencies.
- Nearly half (48%) report lack of access to predictive insights or trend analysis as a challenge, limiting proactive decision-making.
- 38% struggle with fragmented data across systems, making comprehensive reporting difficult.

Ability to Generate Actionable Insights

How would you rate your organization's ability to generate actionable insights from your AR process?



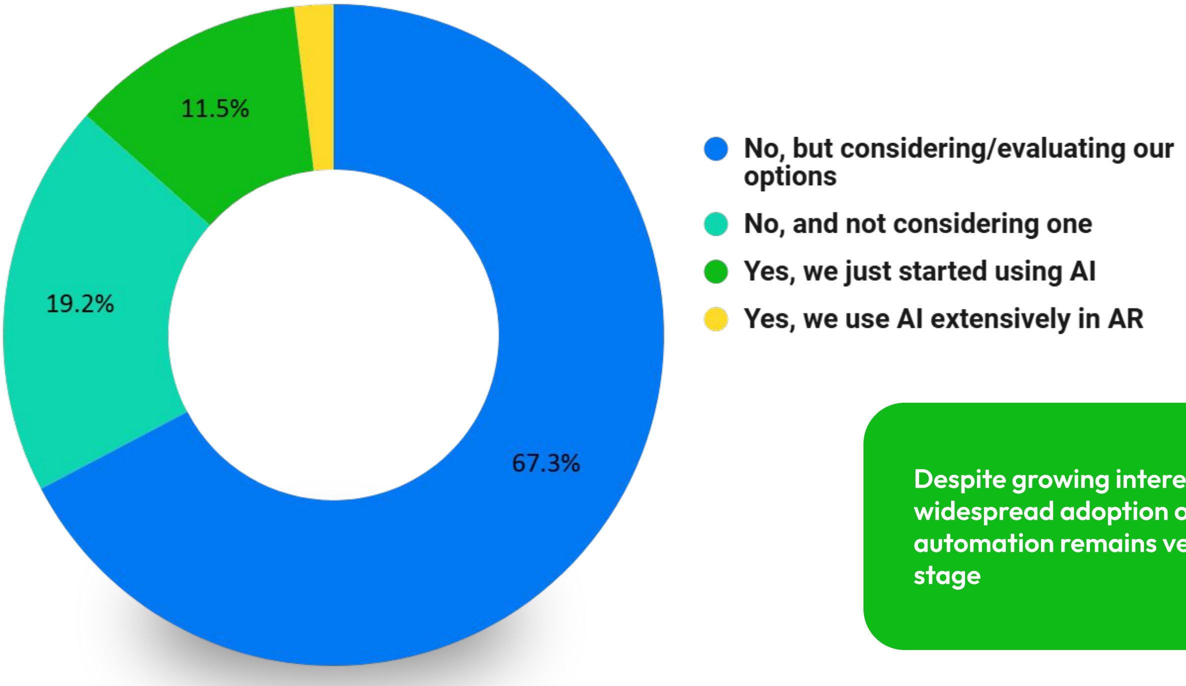
Only 16% of respondents say reporting is reliable enough to be a strategic asset, just 2% call it best-in-class

- 77% of organizations describe their AR insights as either a work in progress or only adequate, requiring manual effort or offering only basic reporting.
- Just 16% say reporting is reliable enough to act as a strategic asset to support decision-making.
- A mere 2% consider their insights best-in-class, powered by real-time automation and analytics.

Artificial Intelligence

AI Adoption in AR

Are you currently using any artificial intelligence (AI) tools as part of your AR automation process?

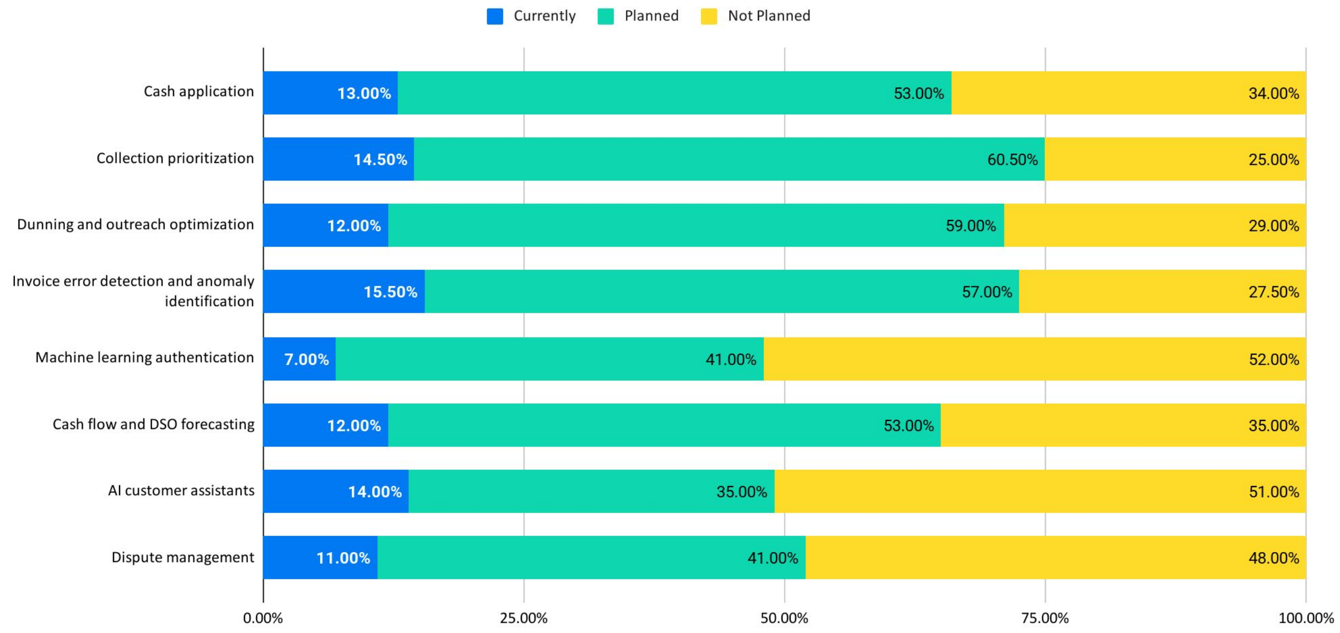


Despite growing interest, widespread adoption of AI for AR automation remains very early stage

- 67% of respondents are not yet using AI but are actively evaluating options.
- Only 2% report using AI extensively in their AR automation processes.
- 19% have no plans to adopt AI at this stage, signaling possible barriers to adoption.

Current & Planned Use of AI

What AI tools do you currently use in your AR automation process? (Select all that apply)

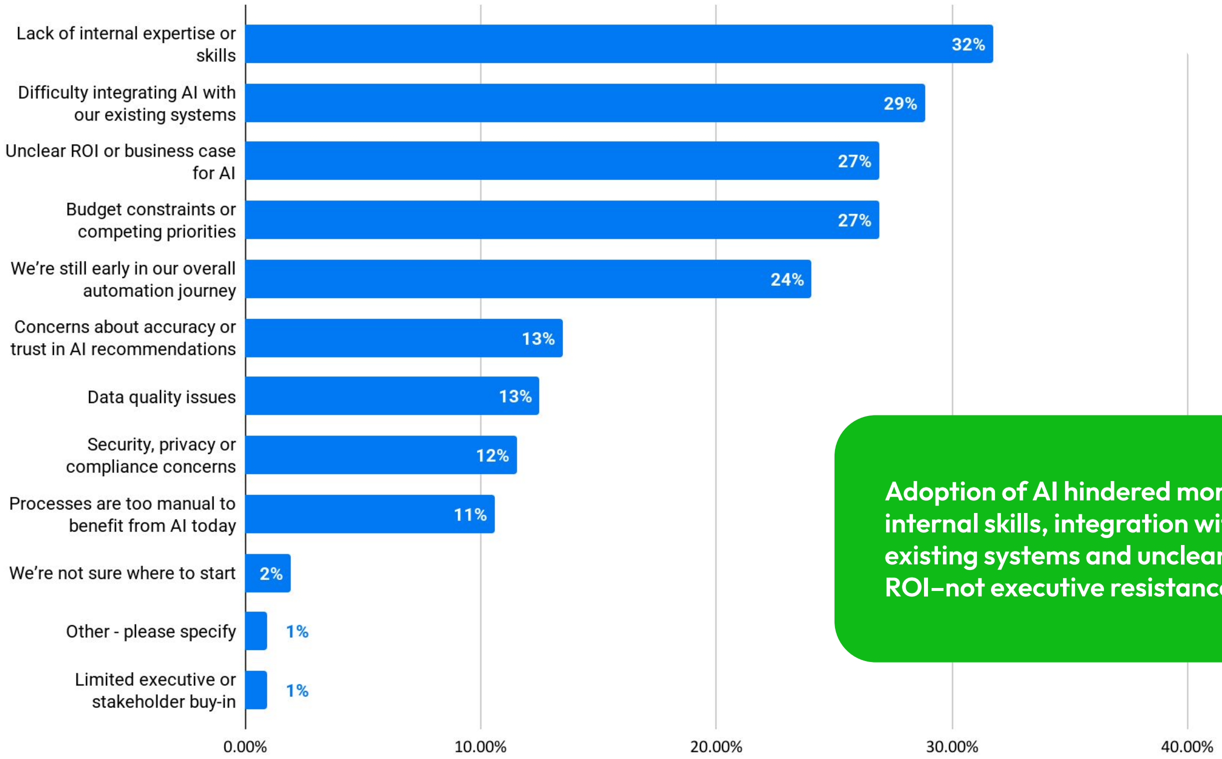


Collection prioritization, dunning optimization and invoice anomaly identification are top use cases for AI

- Majority of respondents plan to adopt AI tools for collection prioritization (60%), dunning optimization (59%) and invoice error detection (57%).
- Current usage of AI is low across the board, with only 12–16% of respondents actively using AI tools today.
- Adoption plans are especially strong for cash flow forecasting (53%) and cash application (53%), signaling priority use cases.

Biggest Barriers to Adopting AI

What's the biggest barrier to adopting AI in AR? (Select up to 2)



Adoption of AI hindered more by internal skills, integration with existing systems and unclear ROI–not executive resistance

- Lack of internal expertise (32%) is the leading barrier to AI adoption, underscoring a major talent and skills gap in finance and AR teams.
- Integration challenges (29%), unclear ROI (27%) and competing priorities (27%) are top barriers as well, highlighting the need for better implementation support and business case clarity.
- Limited executive buy-in is not a barrier (just 1%) but nearly 1 in 4 (24%) say they're simply too early in their automation journey.

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