INFOGRAPHIC

State of Accounts Receivable Automation:
A Survey on 2025 Trends, Challenges & Priorities

Executive Summary

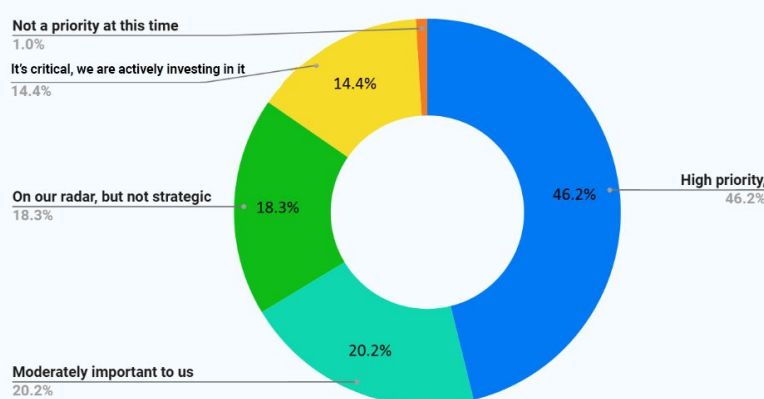**What's Driving the Future of AR Automation in 2025?**

That's the question at the heart of a new survey commissioned by revenue lifecycle management leader BillingPlatform. Conducted in Q2 of 2025, the study gathered insights from over 100 senior finance executives across nine industries to better understand how organizations are rethinking accounts receivable in today's evolving business environment.

With nearly 80% of respondents from companies generating $50 million or more in annual revenue—and 97% directly involved in finance technology decisions—the findings reflect a decisive shift: AR automation has become a strategic priority. From optimizing invoice-to-cash processes to harnessing AI for smarter decision-making, the results offer a compelling view into the roadblocks, maturity, goals, and game-changing opportunities shaping modern AR operations.
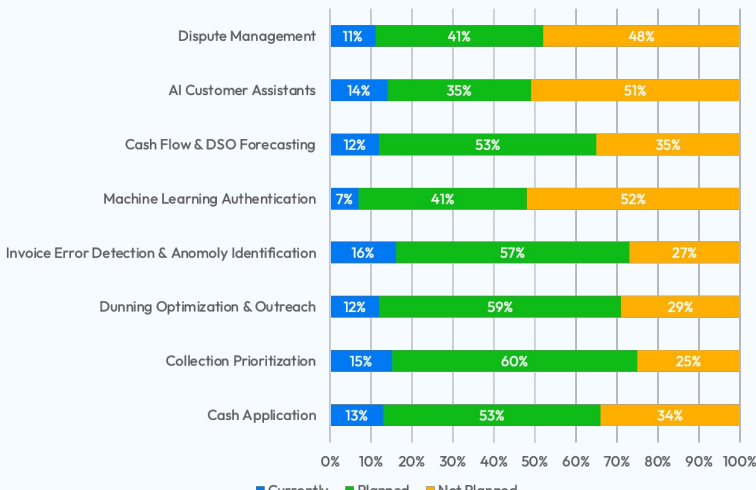
TAKEAWAY
AR automation is a strategic imperative, but maturity lags.

AR automation is now a top priority for 80% of finance leaders—and that number climbs to 92% among companies with over $1 billion in revenue, highlighting the strong link between operational complexity and the need to automate. Yet despite this strategic focus, most companies are still early in their journey: only 3% have fully automated AR processes, while more than a quarter still rely heavily on manual workflows. Budget constraints and IT backlogs remain the top barriers, but finance leaders are motivated to overcome them.

Not a priority at this time 1.0%
It's critical, we are actively investing in it 14.4%
On our radar, but not strategic 18.3%
Moderately important to us 20.2%
High priority 46.2%

80% of say automating AR is important, high priority, or critical to their organization.

Dispute Management — Currently 11%, Planned 41%, Not Planned 48%
AI Customer Assistants — Currently 14%, Planned 35%, Not Planned 51%
Cash Flow & DSO Forecasting — Currently 12%, Planned 53%, Not Planned 35%
Machine Learning Authentication — Currently 7%, Planned 41%, Not Planned 52%
Invoice Error Detection & Anomaly Identification — Currently 16%, Planned 57%, Not Planned 27%
Dunning Optimization & Outreach — Currently 12%, Planned 59%, Not Planned 29%
Collection Prioritization — Currently 15%, Planned 60%, Not Planned 25%
Cash Application — Currently 13%, Planned 53%, Not Planned 34%

Currently | Planned | Not Planned

60% of say they plan to use AI for collection prioritization
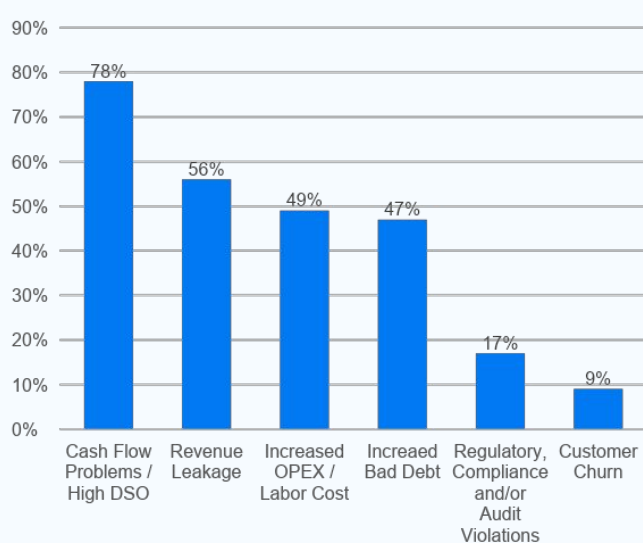
TAKEAWAY
AI has a big role to play in AR, but it's early days.

Interest in AI for AR is growing rapidly, with 67% of finance leaders planning to use it for tasks like collections prioritization, dunning optimization, and invoice anomaly detection—though only 14% currently use it meaningfully. Barriers include limited internal expertise (32%), integration issues (29%), and ROI or budget concerns. Encouragingly, executive resistance is now virtually nonexistent, paving the way for smarter, more scalable AR operations.
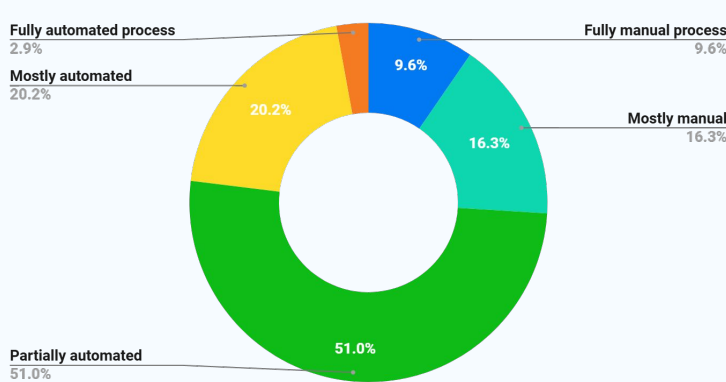
TAKEAWAY
Cash is still king, DSO remains a central concern.

Poor cash flow and high Days Sales Outstanding (DSO) were cited by 78% of finance leaders as the most significant consequences of inefficient AR, with most companies reporting DSO between 30–60 days. These delays lead to revenue leakage, higher operational costs, and slower reinvestment. To combat this, finance teams are prioritizing automation and improved AR visibility to reduce DSO.

Cash Flow Problems / High DSO 78%
Revenue Leakage 56%
Increased OPEX / Labor Cost 49%
Increased Bad Debt 47%
Regulatory, Compliance and/or Audit Violations 17%
Customer Churn 9%

78% of say cash flow / high DSO is top consequence of inefficient AR

Fully automated process 2.9%
Mostly automated 20.2%
Fully manual process 9.6%
Mostly manual 16.3%
Partially automated 51.0%

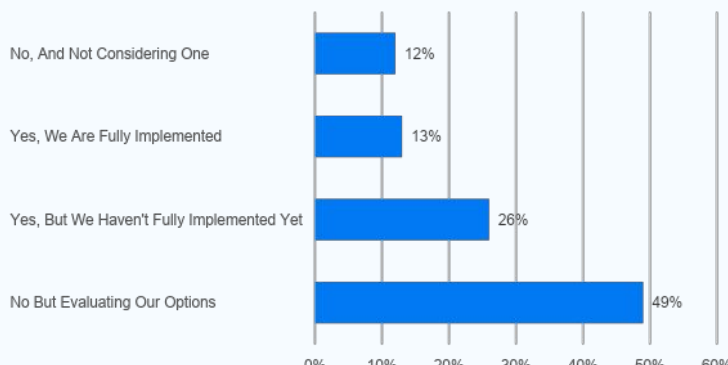**Only 3%** have a fully automated AR process.

TAKEAWAY
Manual processes remain the top AR challenge.

Manual processes still dominate AR operations—28% of companies handle invoicing manually, and more than half rely on manual collections. Only 14% have mostly or fully automated cash application. These human-dependent workflows limit scalability, delay resolution, and increase the risk of errors, underscoring the urgent need for integrated automation across the AR lifecycle.

TAKEAWAY
AR automation could be the next big finance technology wave.

Nearly half (49%) of finance leaders are actively evaluating vendors, while another 26% have selected a vendor but haven't yet implemented—demonstrating strong market interest and intent. Momentum is accelerating as more companies prioritize modernizing their AR operations.

No, And Not Considering One 12%
Yes, We Are Fully Implemented 13%
Yes, But We Haven't Fully Implemented Yet 26%
No But Evaluating Our Options 49%

Only 12% aren't considering an AR automation vendor.

This is just a snapshot of what survey respondents had to say. Download the full report and visit www.billingplatform.com to learn why BillingPlatform is the market leader in revenue lifecycle management and how we can help you transform your accounts receivable function into a competitive weapon for your organization.

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