CONSIGNMENT CONSUMPTION + CASH APPLICATION

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SOFTWARE SYSTEMS

Updating your enterprise resource planning (ERP) system with accurate data as quickly as possible directly affects your bottom line. Consignment consumption and cash application are two use cases where you need to rapidly capture data from your customers, validate it, and send it to your ERP system.

WHAT IS CASH APPLICATION?

As part of the accounts receivable (AR) process, cash application matches a business's incoming payments to outstanding invoices and then allocates them to the appropriate customer accounts for entry.

This process enables organizations to properly track cash flow and capital so they can gain insight into funds and make smart decisions about spending. Since you can't use incoming cash until you assign it, cash application enables businesses to quickly assign and use cash.

The software eliminates manual user tasks from several stages from the consignment consumption and cash application processes.

WHAT IS CONSIGNMENT CONSUMPTION?

Consigned inventory consumption exists when inventory is in the possession of one party (supplier) but remains the property of another party (manufacturer) by mutual agreement.

The change of ownership from manufacturer-owned stock to supplier-owned stock is called consumption. Software for identifying the consumption of inventory is helpful for businesses of all sizes since those companies can not receive the money associated with that inventory until it is identified as "consumed".

This data is reviewed using various rules and logic to determine which rows to extract data from. The original reports are stored and can be retrieved in the future or viewed as supporting documents. Each valid row of data is also stored as a transaction which can be displayed to the user when a transaction (row of data) requires exception processing. Exception processing is determined by a workflow engine that performs validations against things like; part number, unit price, lot number, open invoice numbers, balance due, transaction ID, open invoice amounts, and more.

Within exception processing, users can mark lines they don't want uploaded to the ERP system. Once transactions pass validations or exceptions are corrected, the workflow will create Sales Orders, reserve the material, and create the shipment. The workflow will also automatically create the cash receipt and apply the invoice to the cash receipt.

Follow up automations will confirm the shipment was generated in ERP, and reconciliation reports ensure the data from automation made it into ERP.

HOW DO THESE SOFTWARE SOLUTIONS WORK?

These solutions use multiple technologies to capture data and documents, automate the review, perform matching and exception processing, and update the ERP system with the appropriate information at the appropriate time.

The solutions start the process by signing into web portals to download reports each day.

THE FEATURES AND BENEFITS OF CONSIGNMENT CONSUMPTION AND CASH APPLICATION SOFTWARE

The software eliminates manual user tasks from several stages from the consignment consumption and cash application processes. Users only handle the exceptions. You'll see efficiencies, including:

- ➤ Automatically downloading multiple reports from multiple portals with no user interaction.

- ➤ Eliminating data entry from spreadsheets into the ERP system.

- ➤ Ensuring only clean data is sent into the ERP system using data validations.

- ➤ Automating the exception processing workflow for items that fail the data validations.

- ➤ Accelerating transaction resolution using time thresholds on exceptions – including notifications and escalations.

Ultimately, an organization can process sales orders sooner, cleaner, and faster to speed up sales as a whole and realize more revenue.

At All Star Software, we've seen organizations' real, tangible ROI from cash application software. One of our customers was able to cut outstanding cash in half on the first day of their use of the software — amounting to $10 million in revenue.

With a completely touchless process for clean transactions, your accounts receivable department will be able to focus on more high-value tasks that contribute to business growth. Get in touch with us today to discover how to improve your accounts receivable productivity and drive more revenue with consignment consumption and cash application software.

ACCELERATING Business

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