[CLARASYS]

Order to Cash
# 2024 Market Trends and Survey Results

The order to cash (O2C) process is a critical component of any business, encompassing everything from the placement of an order to payment collection. This process involves multiple steps, including order management, credit management, order fulfilment, invoicing, and payment collection. Efficient management of the O2C process is essential for maintaining healthy cash flow, ensuring customer satisfaction, and optimising operational efficiency.

In recent years, organisations have increasingly focused on automating and streamlining their O2C processes to reduce manual intervention, minimise errors, and accelerate the order-to-payment cycle. The adoption of digital technologies, such as electronic invoicing and online customer portals, has played a significant role in transforming the O2C landscape. These advancements have enabled organisations to enhance visibility, improve accuracy, and provide better service to their customers.

However, despite these improvements, many organisations still face challenges in their O2C processes. Common issues include delays in invoice generation, high rates of billing errors, and revenue leakage due to inadequate access controls and inaccurate pricing. To gain a deeper understanding of these trends and challenges, we recently conducted a survey to gather insights from a range of organisations in the UK and US on their O2C practices. The survey results provide valuable intelligence on the current state of O2C processes and highlight areas for improvement.
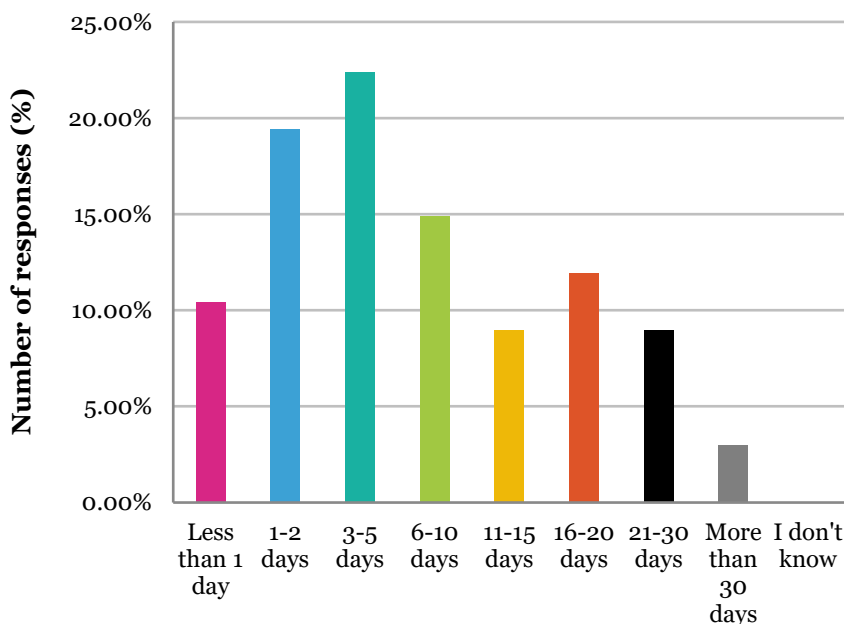
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Question 1
What percentage of your invoices are generated and distributed electronically?
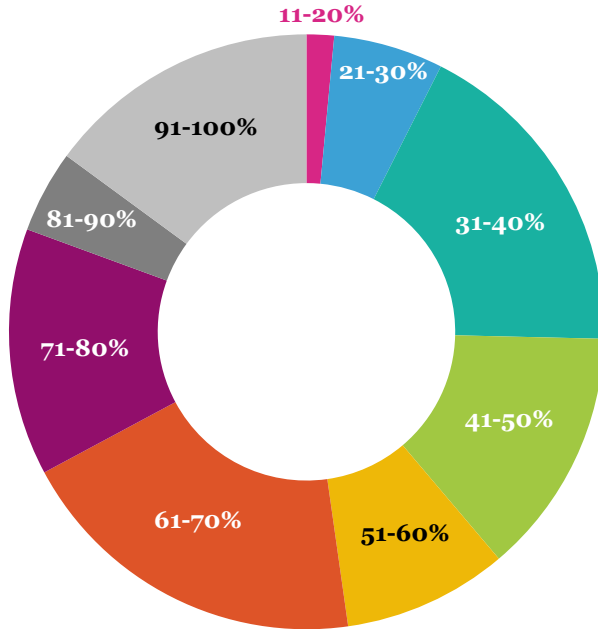
61% of respondents said that **[51% or more]** of their invoices were generated and distributed electronically.
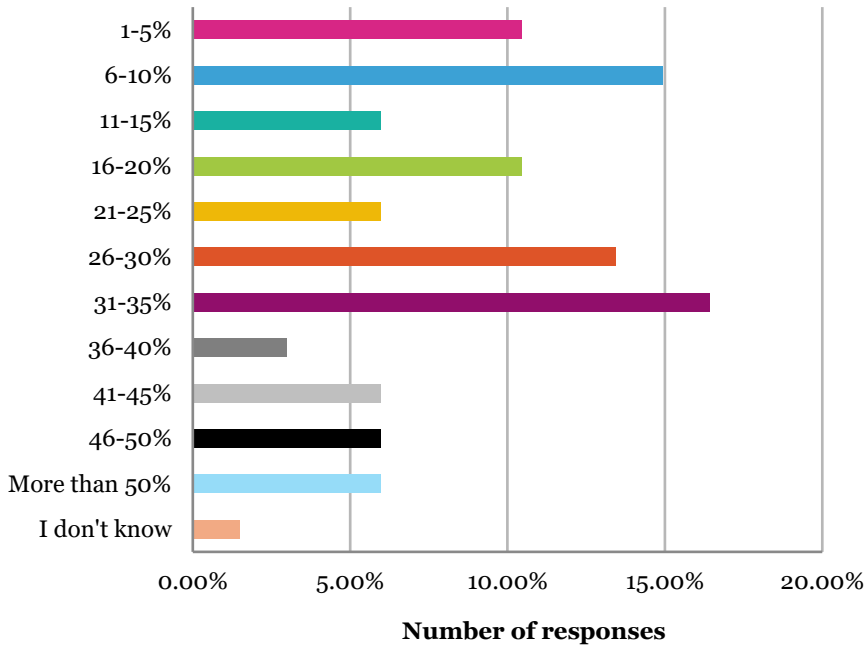
Question 2
How long does it take from a customer signing the order to generating the invoice?

33% of respondents said that it took **[11+ days]** between the customer signing the order and generating the invoice.
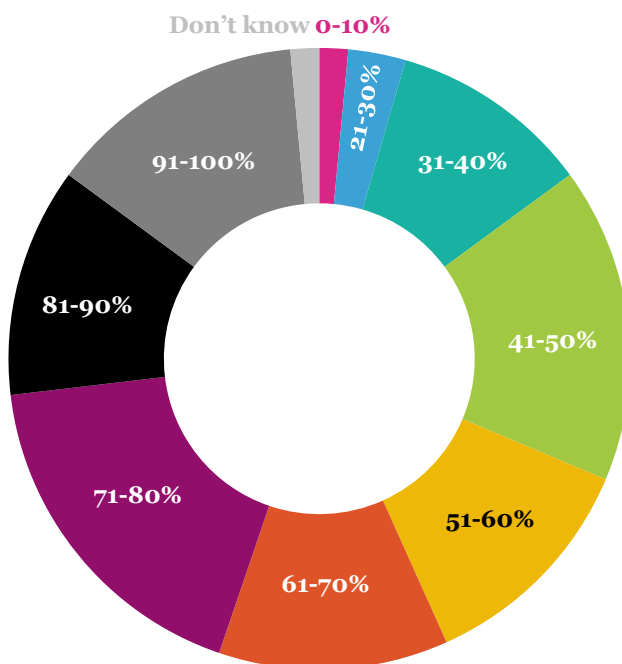
Question 3
What percentage of your invoices require correction for billing errors?

Number of responses

51% of respondents said they had to correct [*over 26%*] of their invoices for billing errors, with **6%** having to correct [*more than half*] of their invoices.
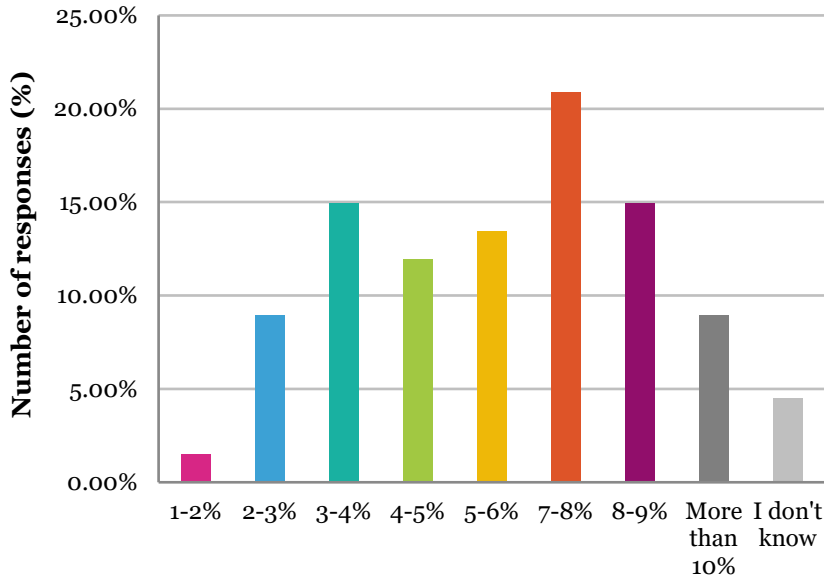
Question 4
What percentage of your customers have online access to their account data?

67% of respondents stated that [*over 51%*] of their customers have online access to their account data.
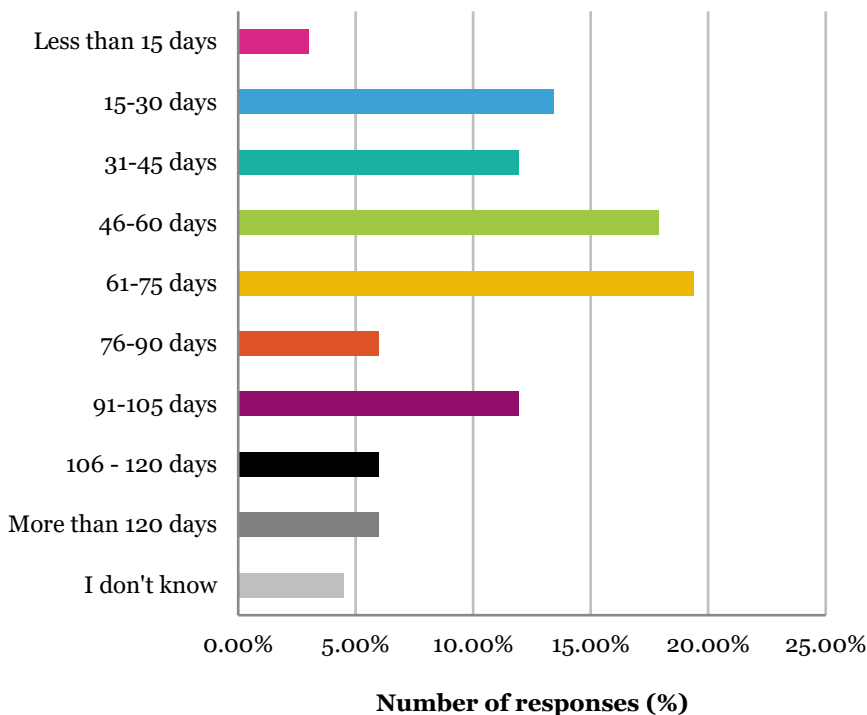
Question 5
What is your process cost of order to cash as a percentage of your revenue?

70% of respondents said that their process cost of order to cash was **[5%+]** of their revenue, with **9%** saying it cost **[more than 10%]**.
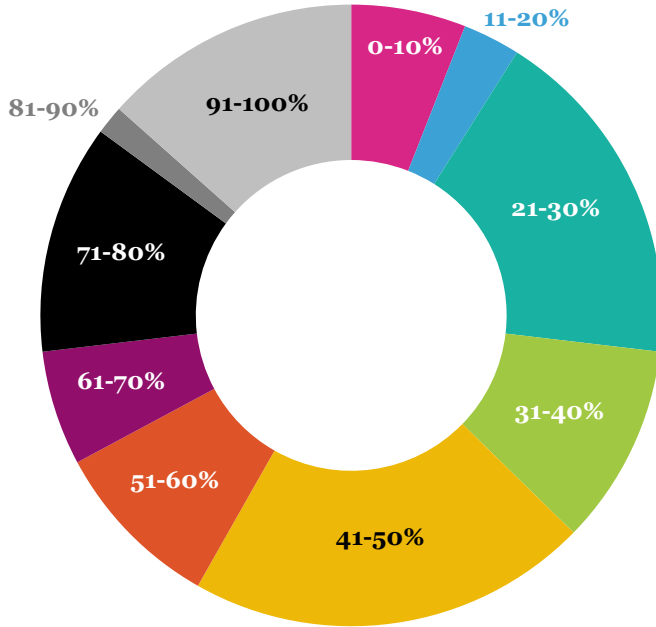
Question 6
What is your average DSO?

16% of respondents said their average DSO was **[30 days or under]**. **49%** said it was **[over 60 days]**.
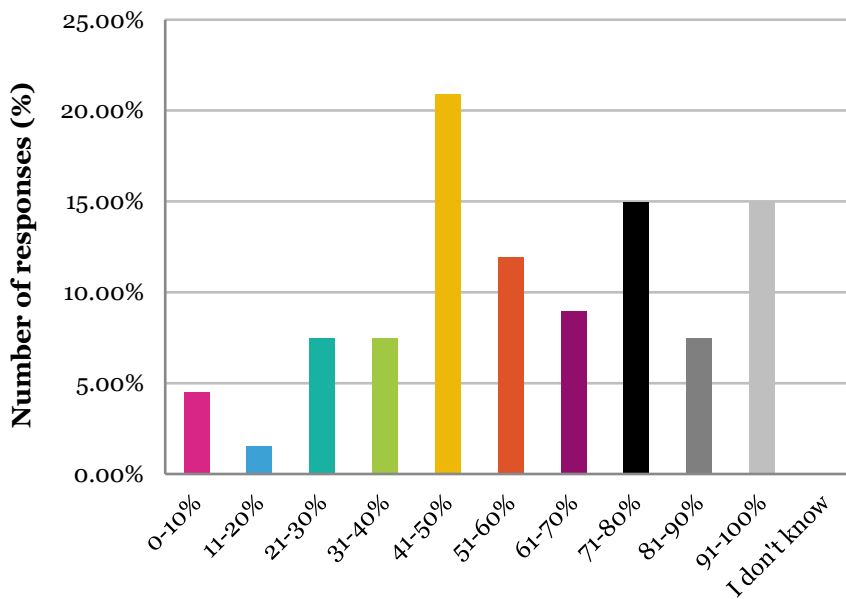
Question 7
What percentage of your orders are touchless?

58% of respondents said that **[*under 50%*]** of their orders are touchless.

Question 8
What percentage of your revenue is Subscriptions?

58% of respondents said that **[*over 50%*]** of their revenue came from subscriptions.

Conclusion

The survey results highlight several key trends in the O2C process, including the increasing adoption of electronic invoicing, the variability in invoice generation times, and the significant impact of billing errors. Organisations are also focusing on providing customers with online access to account data and managing the process cost of O2C. Addressing common causes of revenue leakage remains a priority to improve overall efficiency and profitability.

@ **Get in touch**

If your organisation is looking to enhance its O2C processes, reduce errors, and improve overall efficiency, please get in touch. Our team of experts is ready to provide you with the insights and support you need to transform your O2C operations and help you achieve your business goals.
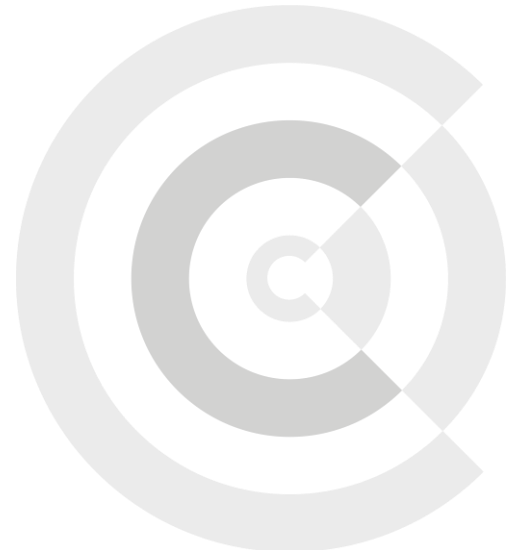
Survey results based on 67 responses from organisations in the UK & USA