

ACCOUNTS PAYABLE | ACCOUNTS RECEIVABLE

Using AI-Driven Automation in AP & AR to Support Company Growth

After successfully automating accounts payable (AP) activities, Eagle Family Foods Group leveraged Esker's comprehensive suite to streamline cash application and claims and deductions processes to meet increasing sales volumes.

Here's their story.



ESKER®

AT A GLANCE

Eagle Family Foods Group

 Food & beverage

 Founded in 2015

 Headquartered in Cleveland, OH

 406 employees across 4 locations

 8 brands

 ERP: M3 by infor



Challenges

Improving process efficiency to handle increased sales volume

As a consumer packaged goods producer and marketer of sweetened condensed milk, evaporated milk, bagged popcorn and meal solutions, Eagle Family Foods Group understands the importance of quality, efficiency and consistency. So after acquiring the Hamburger Helper and Suddenly Salad brands in 2022, the company knew it needed to shore up its internal accounts receivable (AR) process to help manage the significant growth in sales volume.

Even before the acquisition, manual processes were causing several challenges for Eagle Family Foods Group — particularly within cash application and deductions management. For example, cash application was a time-consuming, multi-day process largely due to complex remits from the company's largest customer. Deductions was similarly inefficient, with approval done through emails and approval status and customer repayments not easily obtained.

Fortunately, Eagle Family Foods Group was already well acquainted with the benefits of AI-driven automation after implementing Esker Accounts Payable in 2020. So it was a natural next step to expand their automation efforts to their cash application and claims processes.

Objectives

Phase 1: Cash application

- Manage growth without drastically increasing headcount
- Reduce manual work in processing lines from remittance advices
- Quickly post \$0 payments

Phase 2: Deductions management

- Easily track the status of deductions
- Bring all backup documentation into the cloud
- Improve reporting on customer repayments

“Our cash application process prior to Esker was very manual and time consuming with data having to be adjusted in Excel prior to posting. Our claims and deductions prior to Esker were inefficient and time consuming, with a lot of backup documentation and approvals in individual files and emails.”

Nancy Hennings
Cash Application Lead

Solution

Increasing speed, accuracy & visibility with AI-driven automation

Based on its successes with Esker Accounts Payable, Eagle Family Foods Group felt confident in Esker's ability to automate its cash application and claims functions with AI-powered data capture, a simple user interface and customizable workflows.

With Esker Accounts Payable, the company achieved full automation, including 2-way matching with their ERP system for PO and non-PO invoices as well as automated approval workflows. This enabled them to process, on average, more than 2,000 invoices with payments of over \$40 million every month while eliminating paper storage, capturing more early payment discounts and getting real-time performance analytics.

Eagle Family Foods Group was eager to achieve similar performance improvements on the AR side.

Phase 1: Cash application

The company chose to tackle its cash application process first. Prior to Esker, it took up to 2 days to post one day of cash, and the team had to work holidays to keep from falling even further behind. Part of the problem was that it took a huge effort to apply cash from the company's largest client. With 2,000–3,000 lines on the customer's remittance advices that had to be manipulated in Excel prior to posting, it could take the team more than 8 hours to post everything to its ERP.

Today, using Esker Cash Application, all prior day's cash is posted by 2:00 p.m., \$0 checks are posted quickly and the team no longer has to work holidays. It now only takes 5–10 minutes to process its largest customer's remittance advices, thanks to Esker Synergy AI's ability to automatically "read" data from even complex remittances. Additionally, Esker's powerful tracking capabilities allow Eagle Family Foods Group to see which customers are still paying by check so they can encourage them to change to ACH payments for faster processing.

Phase 2: Deduction management

The second phase of the company's automation initiative focused on deductions management. Previously, deduction approvals were handled through email, and backup documentation was stored in various formats and scattered across personal drives. As a result, tracking the status of deductions and pulling together reporting was a challenge — not to mention trying to obtain customer repayments.

With Esker Deductions Management, the entire process occurs within the platform, providing real-time visibility into deductions and ensuring backup documentation is stored in the cloud. All approvals, notes, internal conversations and customer communications are stored with the corresponding claim, allowing all stakeholders to see updates and the claim's current status. Esker Synergy AI pre-populates claim-line information, saving the team time and speeding up the claim process. In addition, Esker's tracking and analytics functionality mean customer repayment information is now reportable.



“Esker has a complete suite of solutions to meet our needs both today and in the future. Plus, since we were already using Esker, we knew the implementation would go smoothly and that the team would be exceptional to work with.”

Nancy Hennings
Cash Application Lead



Results

Achieving impressive efficiency, productivity & cost savings across multiple departments

Eagle Family Foods Group is reaping the rewards of AI-driven automation, including faster processing times, fewer errors, more detailed reporting and analytics, and less stressed employees (no more working on holidays!). And they're well positioned to handle the increasing financial demands of the company's continued growth.

Highlights

- **50% reduction in cash application posting time**, from 48 hours to less than 24 hours
- **98% reduction in remittance advice processing time** for largest client, from 8 hours to 10 minutes
- **Met an increased demand for accurate cash application** with only a small increase in headcount, from one Cash App Analyst to two
- **80% reduction in open deductions**
- **Roughly \$2.3 million reduction** in the amount of non-trade deductions
- **Quadrupled the number of deductions processed** while only adding one additional analyst
- **Enhanced visibility** into claims status, backup documentation and repayment information
- **Improved collaboration, transparency and efficiency** across departments by having everything on one platform

"Esker's full suite of solutions means we can continue automating more aspects of our S2P and O2C processes, and it's making our employees' lives easier."

Nancy Hennings
Cash Application Lead

Want to transform your AP and AR processes like Eagle Family Foods Group?

Our team is at your service.

About Esker

Esker is the global authority in AI-powered business solutions for the Office of the CFO. Leveraging the latest in automation technologies, Esker's Source-to-Pay and Order-to-Cash solutions optimize working capital and cashflow, enhance decision-making, and drive better collaboration and human-to-human relationships with customers, suppliers and employees. Esker operates in North America, Latin America, Europe and Asia Pacific with global headquarters in Lyon, France, and U.S. headquarters in Madison, Wisconsin.

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