

SAP LEONARDO SOLUTION: DSO PREDICTOR

Intelligently predicting DSO to better manage receivables

Function: Finance

Process: Accounts Receivable

Industry: Cross-Industry

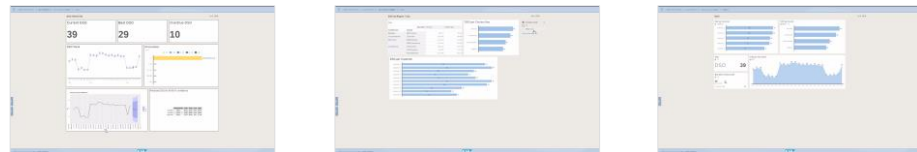
Application Overview

In today's ever-competitive world, organizations must rethink their strategies with regard to effective management of their working capital. One avenue is having the ability to predict the receivables accurately, and thereby, proactively channel efforts for better control of receivables.

DSO Predictor is a digital tool that enables the Accounts Receivables team and managers to predict future Days Sales Outstanding (DSO) based on past trends. It enables the team to manage receivables in a better way by categorizing and classifying defaulting customers. Also, the tool has the flexibility to predict values in various dimensions such as country, region and company code, according to user need.

Solution

DSO Predictor uses machine learning and predictive analytics to calculate future outstanding and overdue receivables and accordingly classify and categorize delinquent customers accurately.



Business Value

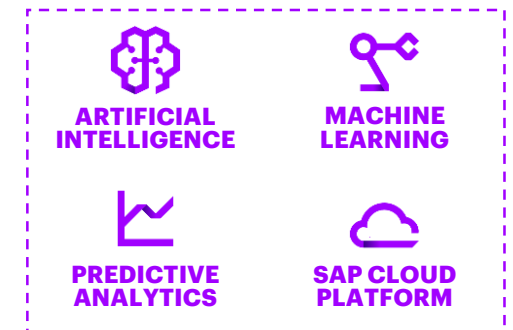
- Provides management with an estimation of the percentage of receivables that may become overdue based on DSO values and accordingly enable strategizing on collections and working capital needs.
- Allows for earlier action to correct lags.
- Helps the organization better gauge the effectiveness and efficiency of Accounts Receivables.
- Generates insights in real time.
- Supports working capital savings with DSO reduction.

Features

- Use of past actual trends to predict future DSO.
- Update of the predicted DSO values with real-time postings.
- Calculation of Best Possible DSO.
- Calculation of Delinquent DSO or Average Days Delinquent to help evaluate defaulting customers, regions, company codes, etc.
- Suggestions and recommendations based on the DSO values.
- Integration of SAP S/4HANA Finance with the SAP Predictive Analytics Library for real-time data and predictions.

Technologies in Use

- SAP S4/HANA®
- SAP Leonardo Analytics Cloud
- SAP Leonardo Machine Learning Functional Services
- SAP Fiori
- SAP Leonardo Predictive Analytics
- R Server



to watch the video.