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A 3-Step Guide to Accelerating Order-to-Cash

How Appian Process Mining helps you link automation to your business goals.

From sales to finance to supply chain management, the order-to-cash (O2C) cycle touches every aspect of modern business. Yet despite its critical role, few organizations run an optimized O2C process. Why?

Order processing is a highly complex, multi-departmental undertaking with many dependencies. Orders are routinely changed, shipments get delayed, and invoices are re-worked. Bottlenecks in one area lead to delays in another, and inefficiencies are felt throughout the entire organization.

An efficient O2C process is a competitive advantage. Appian Process Mining can help you get there.

How your business receives, processes, manages, and completes orders is critical—accurate, timely invoicing leads to faster collections and improved cash flow, making it easier to meet customer deadlines and increase sales.

Appian Process Mining analyzes your business data so you can make strategic decisions about your O2C process. With transparency and insight into how your order fulfillment process actually works, you can quickly identify problems and their root causes. Then, you can make process improvements and design solutions that include workflow changes and automation. It's simple really—finding and fixing inefficiencies in your O2C process helps you deliver when you say you will, so you can boost reliability and improve performance.
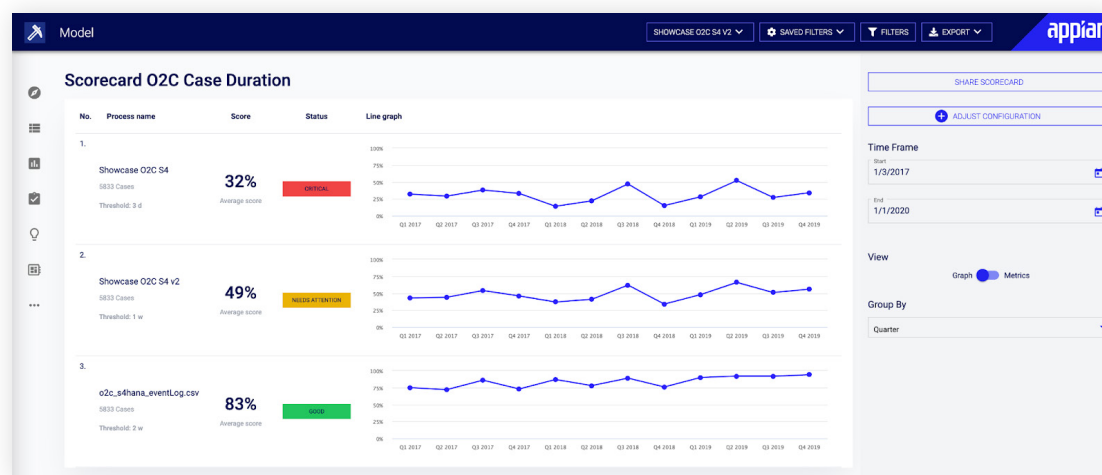
Fig. 1 The target process model for the order-to-cash workflow

Why process mining for O2C?

On paper, the target O2C process looks pretty simple. Create a sales order and move seamlessly through to clearing an invoice.

In practice, however, the O2C process at many organizations looks quite different. Employees skip steps and repeat others, and miscommunications happen.

Even when processes are governed end to end, there's likely to be other systems involved, and the hand-off between them is probably manual. Deviations from the target process can delay subsequent steps, impacting quality and wasting money.

In this eBook, we'll show you how Appian Process Mining found and fixed inefficiencies in the O2C process at a multi-billion dollar manufacturing company. In three steps, you'll see how to reduce cycle time, increase automation, and improve cash flow.

Ready to get started? Let's see Appian Process Mining in action.

After importing your data into Appian Process Mining, you'll be able to analyze it using the following process mining techniques:

- Process discovery.

- Conformance checking.

- Process enhancement.

Process discovery creates a high-level visualization of your process flow as it's being executed in reality, so you can find and investigate bottlenecks and inefficiencies that prevent seamless process execution. The Appian Process Mining module creates this model for you, including all the variants or deviations from your target process.

The dashboard in Figure 3 shows the discovered model for the O2C process at a manufacturing company. With 5,833 cases identified from the event log data and 46 variations in process execution, this model is complex. Reducing the number of variants displayed creates a more manageable model for analysis.
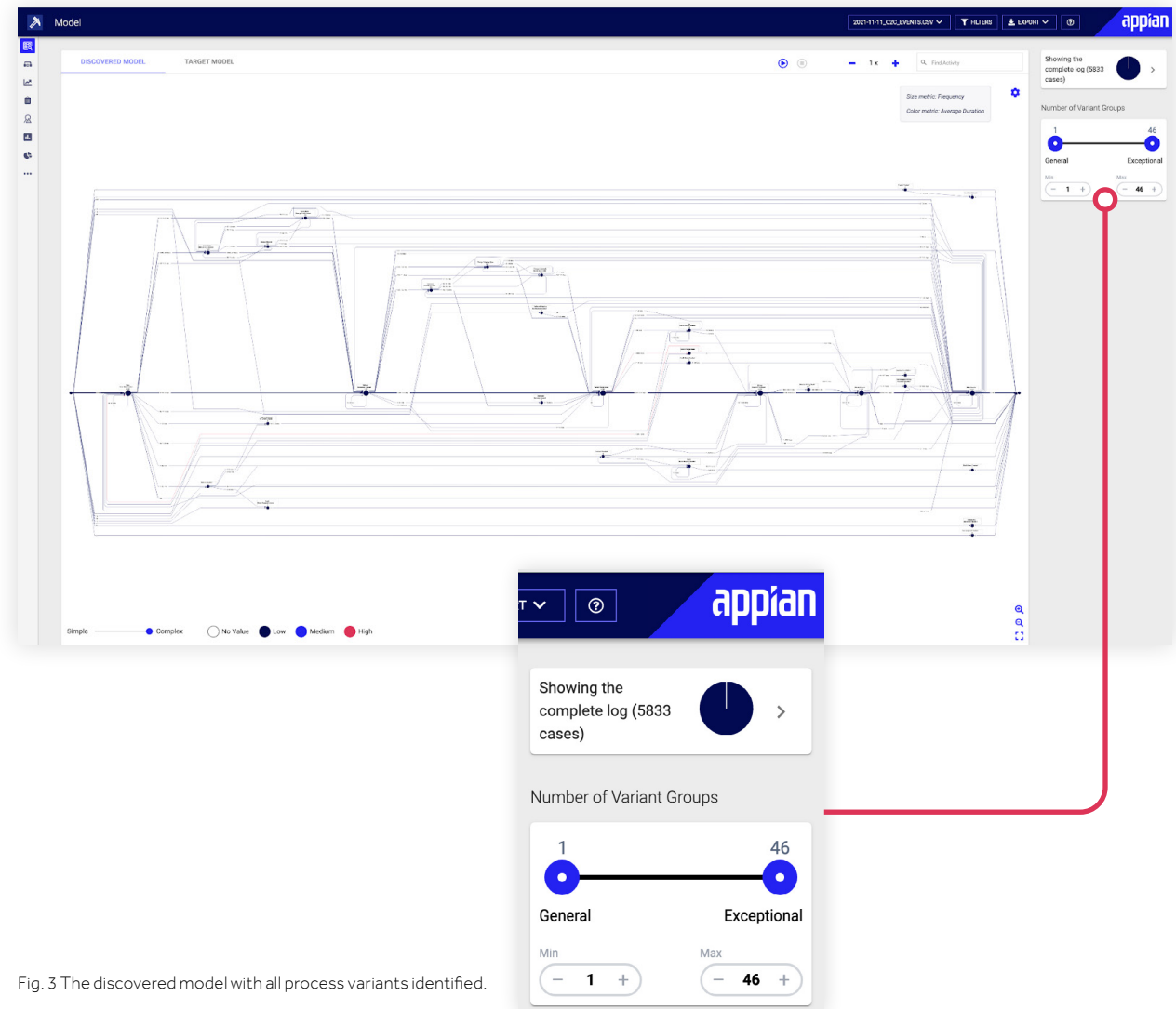

Fig. 3 The discovered model with all process variants identified.

Once you have your discovered model and variants identified, you'll want to compare it to a target process model. Appian Process Mining does this comparison for you, highlighting changes and out-of-order activities and marking where activities have been skipped or occur in a different order.

In Figure 4 below you can see where extra steps were taken during the initial order capture stage. Material changes were made to orders and price increases and decreases occurred before the sales order was processed. You can also see variations at the delivery phase with changes occurring later in the cycle. Increasing or decreasing the number of variants on your dashboard lets you visualize all or just a few of the identified process paths at once.

By looking deeper into each variant, you can start to see patterns to help identify specific activities that cause re-work. This information tells you which part of your supply chain is responsible for the largest number of delays.
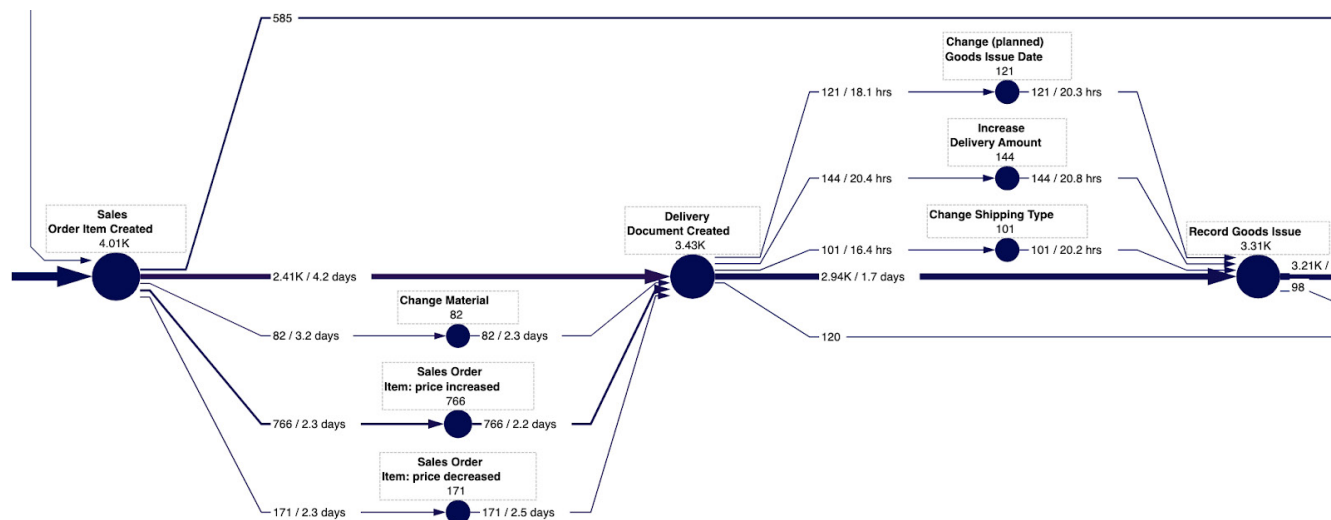

Fig. 4 Identify inefficiencies and bottlenecks in your process

Step 2: Investigate process inefficiencies and uncover automation opportunities.

Appian Process Mining allows you to create customized dashboards to document your KPIs and view collected insights as you go through the process.

The dashboard in Figure 5 highlights key metrics for our O2C example, including a calculated value for the cost of rework, how often the delivery date was missed, average case duration, processing time, and days sales outstanding. Appian Process Mining also tracks the degree of automation in a process.

As you optimize and make changes to your O2C process, you can reload the data to track and monitor progress. And, because it is automated, you can run analysis monthly, weekly, and even daily without any additional effort.
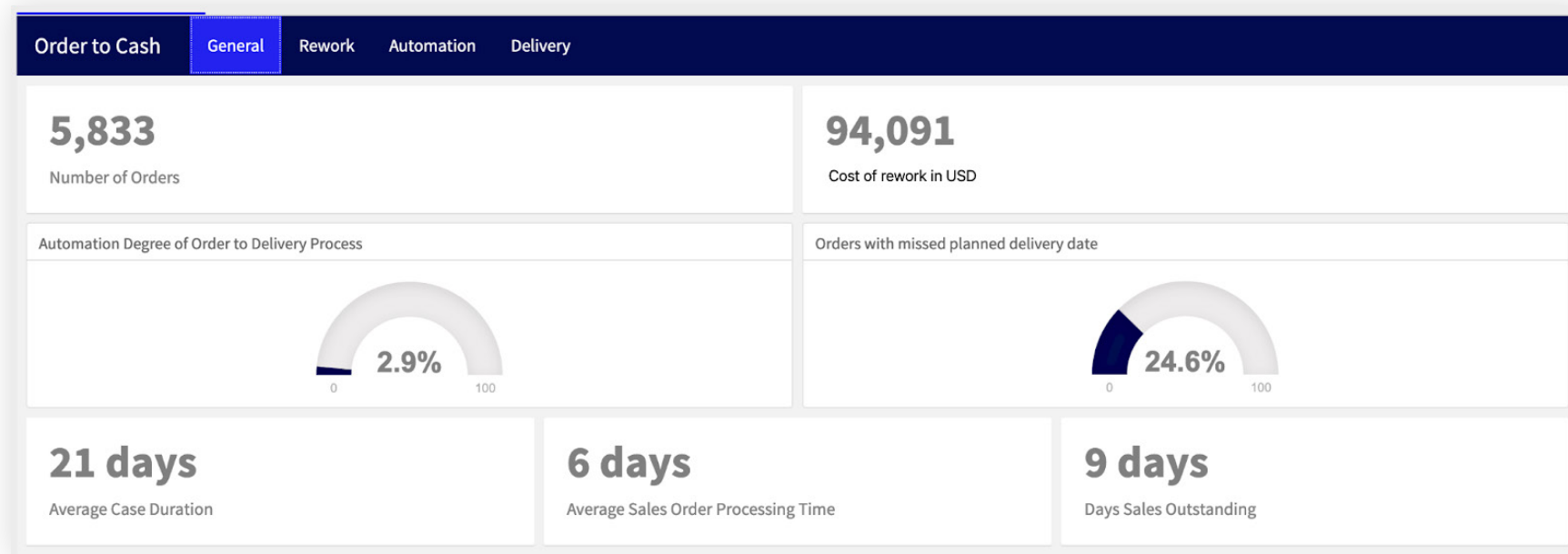

Fig. 5 Customizable dashboard for documenting KPIs and viewing insights.

Step 2: Investigate process inefficiencies and uncover automation opportunities.

For example, the dashboard in Figure 6 offers insight into automation opportunities. By looking at the top manual activities list, you can see that *Sales Order Item Created* is one of the most manual steps—an indicator of excessive re-work.

Since order capture happens mostly through email and phone, this shows clear automation potential, a smart way to maximize Appian complete automation for increased efficiency and cost savings.

AI-driven intelligent document processing (IDP) for example, can make it easy to process large volumes of data fast by eliminating manual steps involved in creating invoices. Robotic process automation (RPA) can automate repetitive and rule-based tasks within your process, reducing cycle time and freeing employees to focus on more important work.

You can also track delivery stats—a direct measure of how happy your customers are. By improving on-time delivery, you can boost customer satisfaction levels and free up working capital.

Appian Process Mining can also perform a root cause analysis to help you learn why these deviations and inefficiencies occur.

With many different ways to analyze the data, Appian Process Mining makes it simple to investigate inefficiencies and root out automation potential for activities and steps in a process.
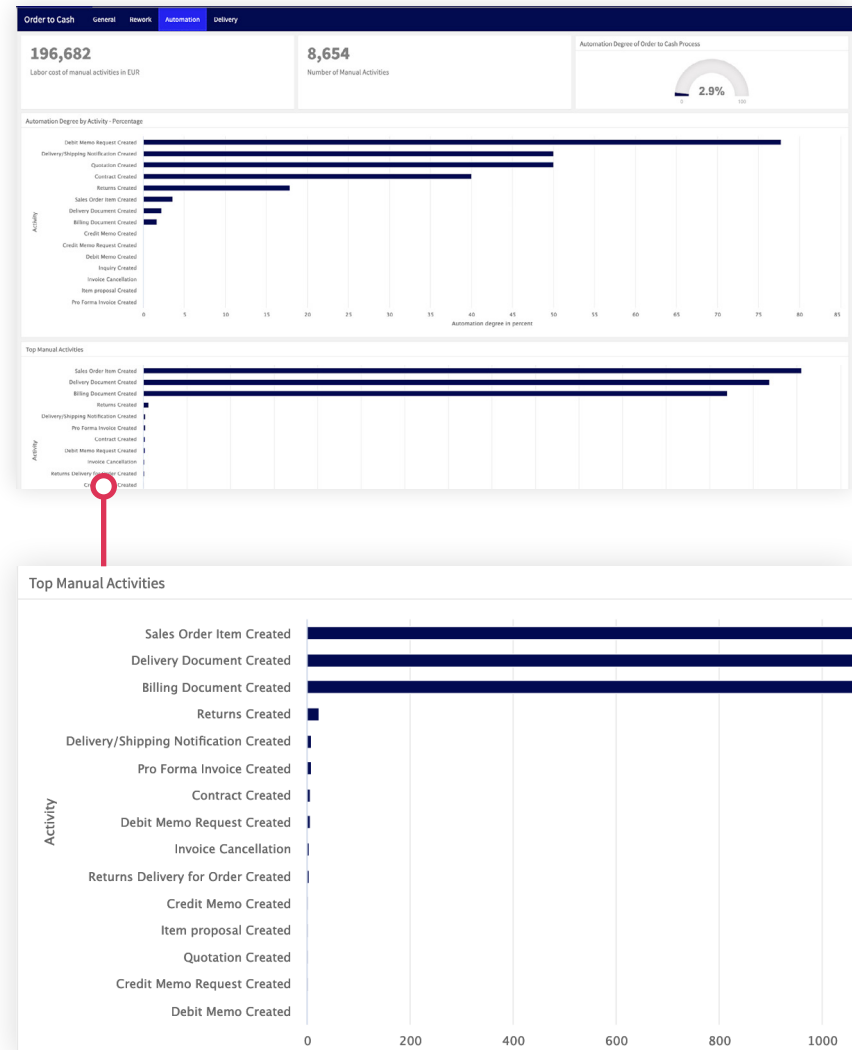

Fig. 6 Insight on automation opportunities.

Using data from the O2C process at a large manufacturing company, Appian Process Mining identified multiple inefficiencies in the existing process flow along with several automation opportunities for conserving resources and saving money.

Deviations from the targeted process created re-work both in the early stages of the process (multiple order changes) and later in the cycle (changes to delivery documents). Manual processes contributed to an average time delay of three weeks to get orders fulfilled and cash cleared, with missing interfaces, slow handovers, and improper use of internal systems delaying the process further and reducing available cash flow.

With this knowledge, the company can now confidently target inefficiencies, replacing manual work with automation and building workflows that decrease cycle time and improve cash flow. As a result, they can enjoy resource savings of 3,500 hours, freeing close to a million dollars in capital.

Issue	Waste
• Orders manually changed	• 19,396 orders changed
• Time per change	• 12 minutes per change
• Total time delay	• 3–5 week delays

Savings	
• **Increased Automation**: 3,500 hours saved	
• **Reduced Cycle Time**: 367 working days saved	
• **Improved Cash Flow**: $849k in working capital saved	

With Appian Process Mining, you can:

☑ Generate target models with built-in BPM modeling tools.

☑ Visualize a discovered process with automatically generated models.

☑ Perform conformance checks to compare deviations between actual and target processes.

☑ Perform root cause analysis to uncover reasons behind performance issues.

☑ Monitor KPIs and other useful information about your processes with fully customizable dashboards.

Design, automate, and optimize with the Appian Platform.

The manufacturing company discussed in the previous sections had three primary goals for their order-to-cash process: increase automation, reduce cycle time, and improve cash flow.

To achieve these same outcomes at your business, you need to know where the problems are in your process, understand what's causing them, and have the ability to make meaningful improvements.

The Appian Platform can help you achieve all three, combining key capabilities needed to get work done faster. With process mining, workflow, and automation in one unified platform, you can design, automate, and optimize your way to agility, speed, and continuous improvement.

Design. Build a bridge between process mining and automation by creating new workflows faster and more easily using low-code to deliver massive agility to your O2C process and your organization as a whole.

Automate. Get rid of manual tasks and workflows that slow you down with complete automation capabilities, including robotic process automation (RPA), artificial intelligence (AI), intelligent document processing (IDP), business rules, and smart services. Orchestrate tasks between digital and human workers to increase scale, efficiency, and quality.

Optimize. Use insights from your enterprise application data with Appian Process Mining to discover bottlenecks and inefficiencies in your processes, check for conformance issues, and uncover areas ripe for process automation while monitoring performance over time.

Go from insight to action, fast. Design optimized workflows, automate processes, and implement continuous improvement from a single platform.

Ready to optimize your O2C process?

Read the Process Mining Guide

Learn about Appian Process Mining

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Appian is a software company that automates business processes. The Appian Platform includes everything you need to design, automate, and optimize even the most complex processes, from start to finish. The world's most innovative organizations trust Appian to improve their workflows, unify data, and optimize operations—resulting in better growth and superior customer experiences. For more information, visit **appian.com** [Nasdaq: APPN]