

The 2025 Financial Operations Playbook:

Data-Driven Trends for Cash Flow Mastery

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Introduction

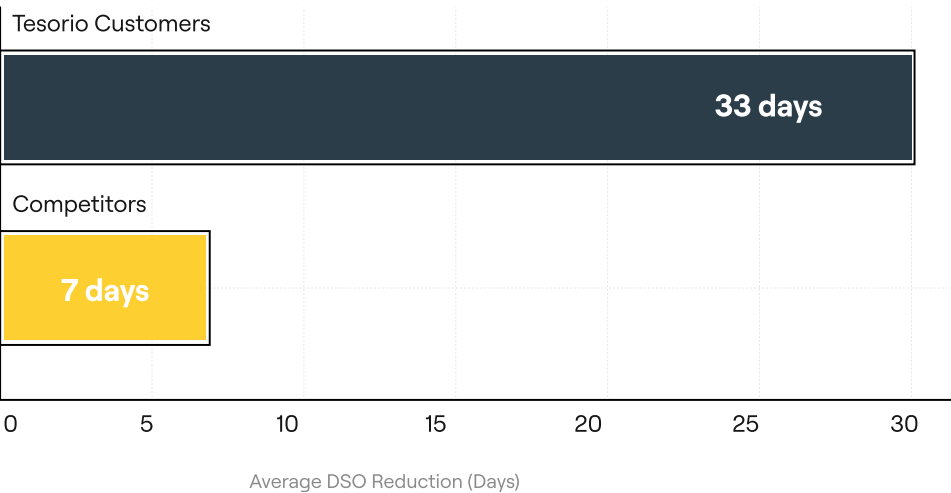
Revenue isn't real until it's collected. In 2025, finance leaders must shift from reactive number crunching to proactive cash flow strategy. The focus is no longer just about managing data but transforming it into meaningful insights that drive business growth. This report delivers actionable, data-driven benchmarks to guide financial operations teams in improving key metrics—from Days Sales Outstanding (DSO) and collections efficiency to AR/AP automation adoption and cash flow forecasting accuracy. By embracing these best practices, finance teams can unlock working capital and fuel sustainable growth.

Executive Summary: Key Highlights

- **DSO Performance:** Tesorio customers are revolutionizing cash flow management. By cutting DSO by an average of 33 days—nearly halving the typical 65-day cycle—users not only accelerate payments but also free up capital for reinvestment.

This represents a transformation in how businesses manage their cash flow.

DSO Improvement - Tesorio vs. Competitors



Industry benchmarks indicate an average DSO of 59 days, with significant variations across sectors. Companies leveraging automation and AI-driven collection strategies have achieved substantial reductions in DSO. For instance, Tesorio users have reduced their DSO by an average of 33 days, enhancing liquidity and operational efficiency.

Sources: -Allianz Trade DSO/WCR Report allianz-trade.com
-PwC Working Capital Study 24/25 pwc.com

- **Automation Adoption Soaring:** Automation has become a critical component for achieving business success due to its ability to enhance efficiency and accuracy. While only 5% of mid-sized firms fully automated their AR/AP processes in 2024, a remarkable 93% plan to increase automation. Tesorio's integrated solutions are setting the new standard for automation in financial operations.
- **Efficiency & Collections Effectiveness:** Tesorio users have tripled their collections output. Automated workflows have significantly reduced delinquent accounts—cutting 90-day past-due receivables in half—and reduced bad debt write-offs by 75%. This shift transforms collections into a driver of business success rather than a manual chore.
- **Cash Flow Forecast Accuracy:** The accuracy of cash flow forecasts has improved to nearly 90%—surpassing traditional methods. By consolidating data and leveraging AI-driven predictions, Tesorio's platform empowers -

- - finance teams to forecast with precision and plan for future opportunities confidently.

Real-World Results:

- **Discovery Education** reduced DSO by 66% in one year, bringing the average collection period from 128 days down to just 43 days.
- **Veeva Systems** doubled collections team efficiency and reduced 90+ day overdue invoices by 50%.

Finance leaders agree: these transformative outcomes would have been “impossible to imagine...if not for Tesorio.”



Accounts Receivable Benchmarks: DSO & Collections Performance



Accounts Receivable Benchmarks: DSO & Collections Performance

Accounts Receivable Benchmarks: DSO & Collections Performance

High Days Sales Outstanding (DSO) can significantly impede business growth, particularly in industries like office and facilities management, where DSO can extend beyond 100 days. Such inefficiencies hinder companies from reinvesting cash and impair business momentum.

Tesorio's New Standard

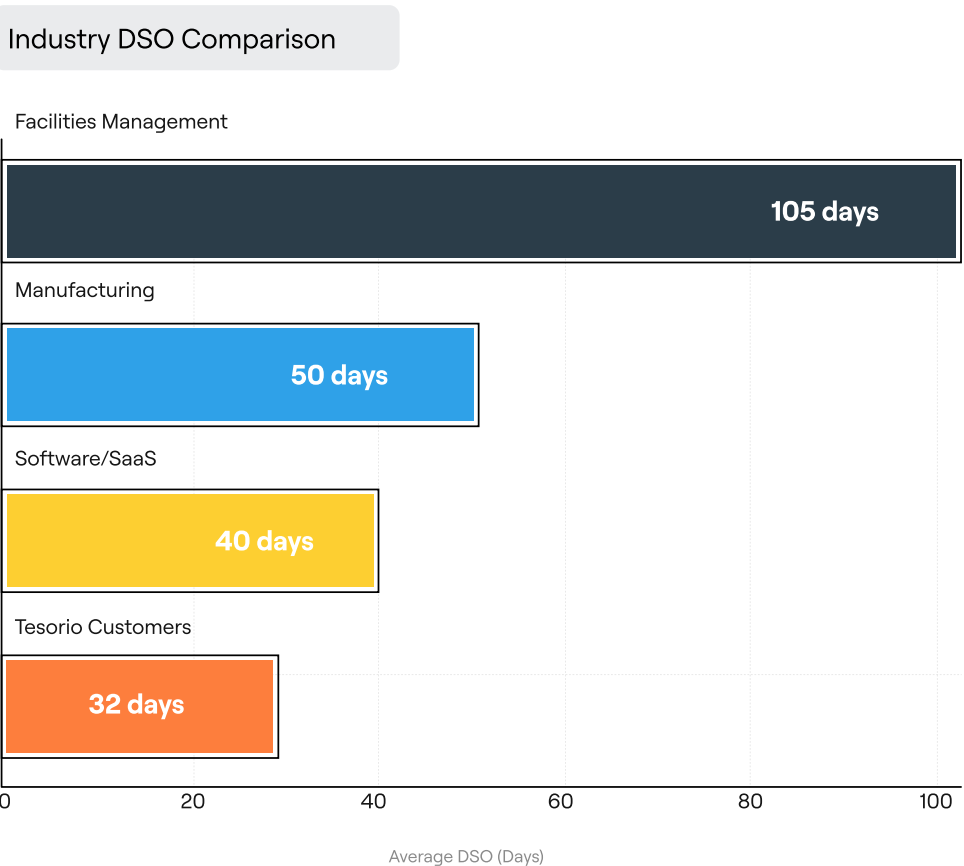
- Leveraging automation and real-time analytics, Tesorio users have achieved substantial reductions in DSO. For instance, Box, a leading enterprise content management platform, operationalized its collections process using Tesorio's platform, resulting in significant improvements:

- **Time Savings:** Simplified the bad debt process, gaining back 2 hours per week.
- **Process Efficiency:** Eliminated the need for spreadsheet consolidation and data crunching.
- **Agility:** Removed weeks of wait time by eliminating the need for engineering sprints to customize dunning campaigns.

Danica Yanga, Senior Manager of Payments and Collections at **Box**, emphasized the collaborative nature of the partnership:

- "What has been really cool throughout our partnership is that we've seen our business requirements actually influence the product roadmap, and we've been able to be very involved in Tesorio's product growth."

These achievements highlight Tesorio's capability to transform accounts receivable management, leading to significant improvements in cash flow and operational efficiency.



Industry benchmarks reveal significant variations in Days Sales Outstanding (DSO) across sectors. In 2023, the global average DSO increased by 3 days to 59 days, the largest jump since 2008. Sectors such as transport equipment, electronics, and machinery equipment reported DSOs of 114 days, indicating extended payment cycles. Understanding these benchmarks enables companies to assess and optimize their receivables management strategies effectively.

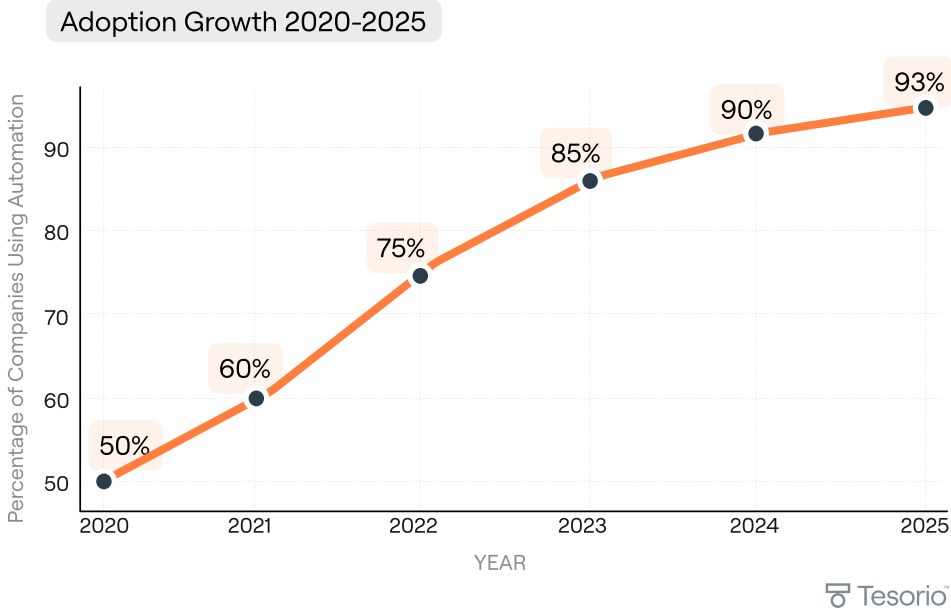
Sources:
-Allianz Trade DSO/WCR Report allianz-trade.com
-Allianz Trade Economic Insights allianz-trade.com

Trends in AR/AP Automation Adoption

Trends in AR/AP Automation Adoption

The Rise of Automation in Financial Operations

The rise of automation in financial operations is clear. In 2022, 73% of data and analytics decision-makers implemented AI technologies, with 74% observing positive impacts on their organizations. As companies transition to digital-first financial operations, they are prioritizing efficiency, scalability, and real-time insights.



The adoption of automation in financial operations has seen significant growth. In 2022, 73% of data and analytics decision-makers reported building AI technologies, with 74% observing a positive impact on their organizations. This trend reflects a shift toward digital transformation, as companies prioritize efficiency, scalability, and real-time financial insights.

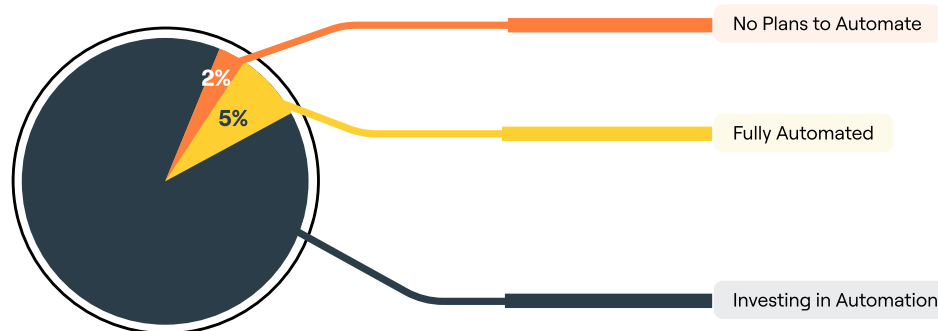
Sources:

- APwC AI Adoption in the Business World: Current Trends and Future [pwc.com](https://www.pwc.com)
- PwC's Global Artificial Intelligence Study: Sizing the Prize [pwc.com](https://www.pwc.com)

The Shift to Investing in Automation

Manual processes in AR/AP are increasingly being replaced by automated solutions, driven by targeted strategic investments. By 2025, automation is expected to become the industry standard, with 93% of mid-sized firms actively planning significant investments in automation solutions. Nearly all companies (98%) are now strategically investing in automation, clearly signaling the end of manual processes.

AR/AP Automation Investment in 2024



In 2024, 93% of companies are expanding automation in Accounts Receivable (AR) and Accounts Payable (AP) to enhance efficiency and cash flow. Only 5% have fully automated their processes, while 2% have no plans to automate. This trend highlights the industry's shift toward digital transformation, with automation becoming a competitive necessity.

Sources:

-PwC Digital Transformation in Finance Report ([pwc.com](https://www.pwc.com))
-BBC Business - The Future of Financial Automation ([bbc.com](https://www.bbc.com))

Leveraging Automation to Accelerate Cash Recovery

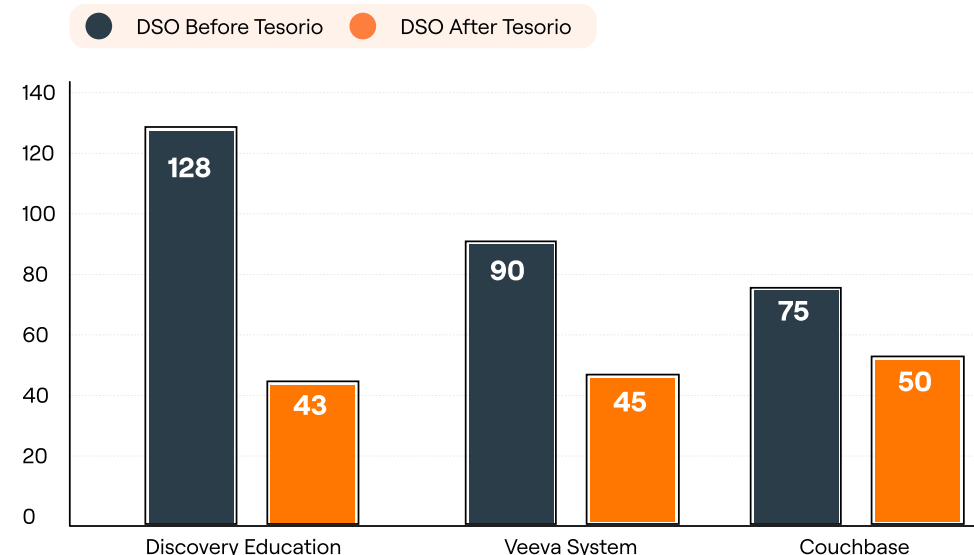
Manual collection processes slow down cash flow, increase overdue balances, and leave revenue stuck in aging receivables. The data is clear: companies that automate collections reduce their Days Sales Outstanding (DSO), accelerate payments, and unlock liquidity for reinvestment.

The Impact of Tesorio on DSO Reduction

The chart below illustrates the significant reduction in DSO experienced by companies that implemented Tesorio's AI-driven automation:

Before Tesorio: High DSO values meant cash was trapped in receivables, delaying reinvestment opportunities.

After Tesorio: Automated outreach strategies enabled faster collections, cutting DSO by as much as 66%, significantly improving working capital.



*Tesorio customers cut **Days Sales Outstanding (DSO)** by an average of **45%**, accelerating cash flow and reducing financial risk. Discovery Education, Veeva Systems, and Couchbase improved liquidity by automating collections and streamlining receivables.*

Sources:

- [Tesorio Case Studies](#)

Why This Matters:

- **Faster Cash Collection** → Businesses get paid quicker, improving cash flow.
- **Lower Bad Debt Risk** → Reducing overdue balances minimizes financial risk.
- **More Resources for Growth** → Unlocked cash can be reinvested into operations.

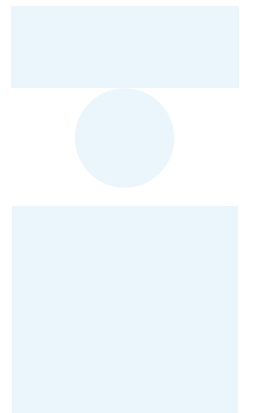
Case Studies: Real Business Impact

- **Discovery Education** reduced DSO **from 128 days to just 43 days**, enabling better forecasting and cash availability.

Veeva Systems cut overdue receivables by 50%, improving collections efficiency.

- **Couchbase reduced DSO from 75 days to 50 days**, enhancing liquidity.

Tesorio's automation doesn't just improve collections—it transforms how businesses manage cash.



Cash Flow Forecasting Accuracy & Visibility



Cash Flow Forecasting Accuracy & Visibility

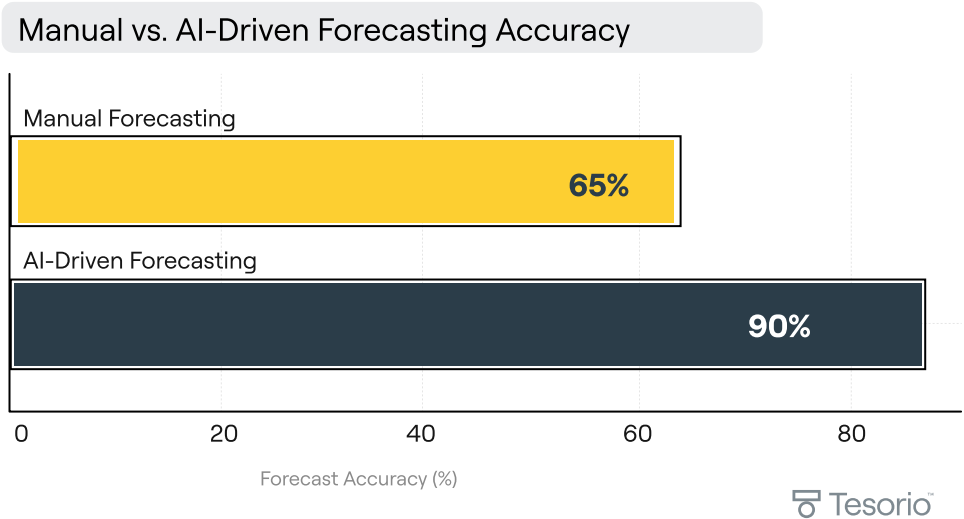
The Forecasting Challenge: Why AR & Customer Payments Matter

Cash forecasting is tough—especially when customer payments are unpredictable. Late payments, disputes, and inconsistent cash inflows make it nearly impossible for finance teams to predict working capital with confidence. Traditional methods, built on spreadsheets and gut instinct, often fall short, leading to cash flow surprises.

Integrating AI into financial forecasting processes has demonstrated significant improvements in predictive accuracy. Traditional forecasting methods often achieve around 65% accuracy, whereas AI-powered tools can enhance this accuracy to approximately 90%. For instance, Siemens reported a 10% boost in prediction accuracy after implementing AI-driven financial modeling. These advancements enable finance teams to make more informed decisions, optimize resource allocation, and enhance overall financial performance.

Sources:

- Coherent Solutions - "AI in Financial Modeling and Forecasting: 2024 Guide" (coherentsolutions.com)
- Phoenix Strategy Group - "How AI Predictive Analytics Improves Cash Flow Forecasting" ([phoenixstrategygroup](https://phoenixstrategygroup.com))
- ResearchGate - "AI-Driven Financial Forecasting: Innovations and Implications for Accounting Practices" (researchgate.net)



That's where **AI-driven** forecasting changes the game. Instead of relying on static models, **automation analyzes real-time AR trends, flags potential delays, and adjusts forecasts dynamically**—so finance teams can make **smarter, faster decisions with fewer surprises**.

Real Companies, Real Impact

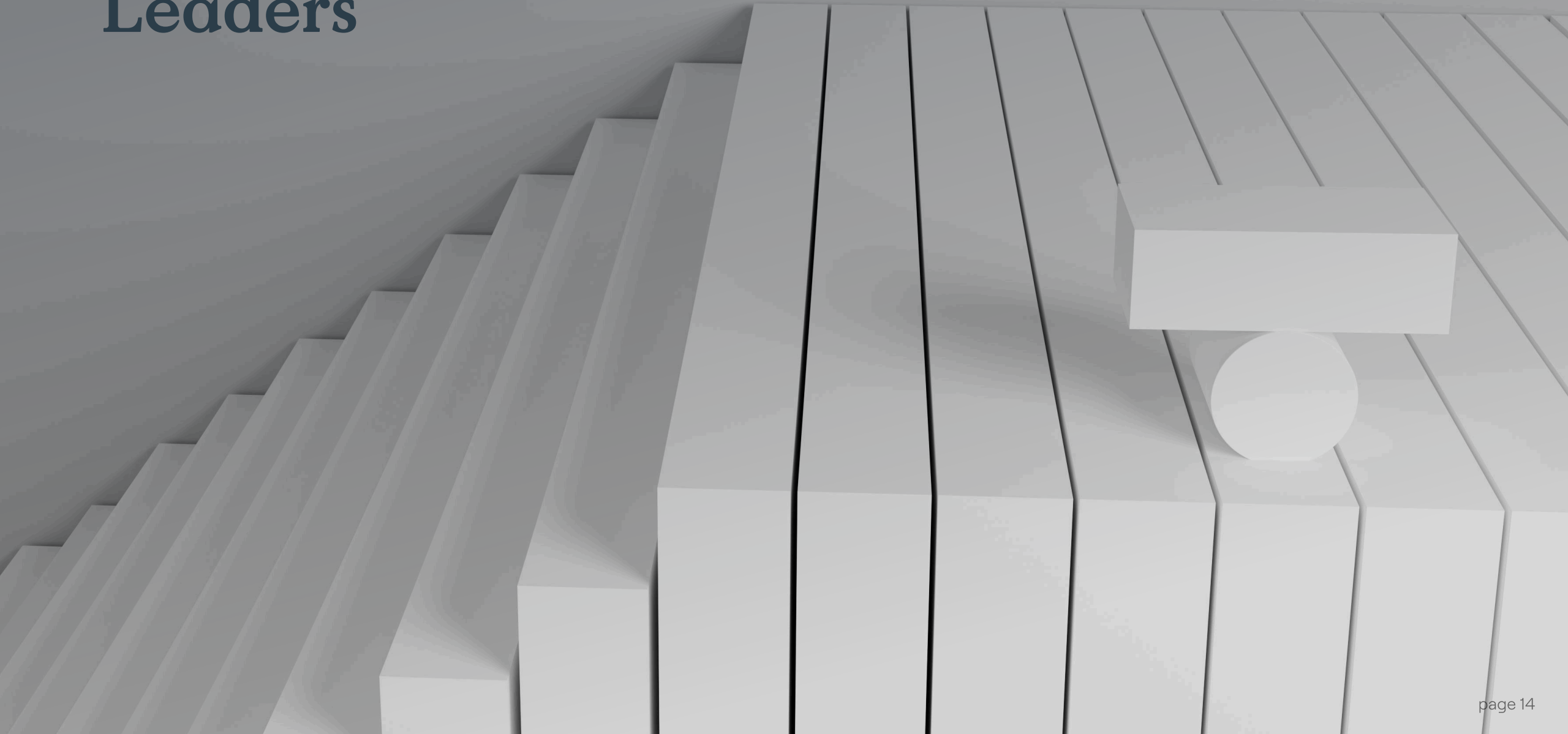
Couchbase used to spend 10 days building cash flow forecasts—by the time they were done, the numbers were already outdated. With automated forecasting, they:

- **Cut DSO by 10 days**, improving cash flow.
- **Doubled collections per analyst**, scaling efficiency.
- **Reduced forecast prep from 10 days to hours**, making planning agile.

And they're not alone—**70% of finance leaders** now say accurate forecasting is a top priority. A recent survey shows the biggest obstacles are inaccurate projections, limited ERP visibility, and unpredictable customer payments—problems that automation is solving.

When finance teams can see what's coming, they can act faster—that's why companies are ditching spreadsheets and using AI to stay ahead of cash flow surprises.

Best Practices & Case Studies: Lessons from Finance Leaders



Best Practices & Case Studies: Lessons from Finance Leaders

Leading finance teams have leveraged Tesorio's platform to enhance their accounts receivable (AR) processes, achieving significant improvements in efficiency, cash flow, and customer satisfaction. Below are notable case studies demonstrating these successes:



- **GitLab: Optimizing Daily Time Investment and Enhancing Team Performance**

Challenge: GitLab sought to streamline its AR functions to improve cash flow visibility and team efficiency.

Solution: By implementing Tesorio's AR Forecast, GitLab achieved a 30% reduction in time spent on daily billing tasks, allowing the team to focus on activities that improve the Collections Effectiveness Index (CEI).

Outcome: These improvements resulted in better cash flow management and a more efficient AR process.

Key Takeaway: Investing in team development and leveraging automated forecasting tools can significantly enhance AR efficiency and cash flow management.



- **Smartsheet: Expanding AR Capability and Enhancing Customer Experience**

Challenge: Smartsheet aimed to improve its AR processes to support rapid growth and enhance customer interactions.

Solution: With Tesorio's platform, Smartsheet improved and expanded AR capabilities to manage increased demand and streamlined processes, leading to better customer interactions and satisfaction.

Outcome: The company achieved a more efficient AR process and a superior customer experience.



Discovery Education: Achieving Automation and Reducing DSO

Challenge: Discovery Education needed to automate its AR processes to reduce manual workload and Days Sales Outstanding (DSO).

Solution: Implementing Tesorio's platform enabled Discovery Education to recoup valuable work time by reducing manual tasks and drastically cut DSO in a key business segment, improving cash flow.

Key Takeaway: Automating AR processes can lead to substantial reductions in DSO and free up resources for strategic initiatives.



- **Box: Operationalizing Collections with Personalized Dunning**

Challenge: Box sought to improve its collections process to enhance efficiency and cash flow.

Solution: By utilizing Tesorio's personalized dunning campaigns, Box enhanced the efficiency of collections through tailored strategies and achieved better cash flow management.

Outcome: The company experienced more efficient collections and improved cash flow.

Key Takeaway: Personalized dunning campaigns can significantly improve collections efficiency and cash flow.



- **Couchbase: Cutting DSO and Doubling Collections**

Challenge: Couchbase aimed to reduce its DSO and enhance collections efficiency.

Solution: Implementing Tesorio's platform allowed Couchbase to cut DSO by 10 days, improving cash flow, and double collections within a year, enhancing financial performance.

Outcome: The company achieved better cash flow and collections efficiency.

Key Takeaway: Leveraging advanced AR tools can lead to significant reductions in DSO and substantial improvements in collections.

These case studies demonstrate that adopting Tesorio's platform enables finance teams to automate processes, improve efficiency, and enhance cash flow management, leading to better financial outcomes and stronger customer relationships.

Conclusion & Next Steps

Conclusion

The 2025 outlook for financial operations is clear: automation and data-driven strategies are essential for improving cash flow and collections. Companies that embrace these changes will unlock liquidity, improve efficiency, and become true business partners.

To stay competitive, finance leaders must assess their current operations, identify inefficiencies, and leverage automation to turn revenue into actionable cash. The benchmarks and insights in this report provide a roadmap for modernizing financial operations and driving sustainable growth.

Your Next Steps

Request a Personalized Demo

See firsthand how Tesorio's platform can transform your financial operations. Our specialists will guide you through features tailored to your needs—from AR automation workflows to AI-powered forecasting. [Request a Demo](#)

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https://www.allianz-trade.com/en_global/news-insights/news/dso-wcr-report.html
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