

Case Study: Invoices



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Client

A mid-sized Australian FinTech that processed huge quantities of invoices

Challenge

Businesses need to predict their future cash flows in order to make informed decisions about their spending and to stay out of fiscal distress. This is made more complicated by the fact that a large proportion of invoices sent out by businesses are paid late.

Because of this lateness businesses currently have to guess how much money will be paid in and hold more money in cash and other easily liquidated assets than they really require.

The client processed huge quantities of these invoices already, and we made the case that building software to predict when invoices would be paid could provide a useful service to their customers, allowing them to further establish their unique value proposition.

Solution

We built an AI that read the contents of individual invoices and then used it's knowledge of tens of thousands of other invoices to make predictions about when invoices were likely to be paid. By predicting payment times for each individual invoice, the AI could then collate this to create a system that could predict the probability of having a certain amount of cash on hand at a given time.

The AI returned it's findings in the form of several easily readable plots built to be digested not just by the technical teams, but also by the business and accounting teams who needed these insights.

Results

Client obtained a fully functional system that wildly exceeded expectations, providing predictions roughly 85% more accurate than competitive methods. The full system is making it's way into production shortly and is already part of the companies unique value proposition and future strategies.

Client extended our work to cover fraud detection and have begun laying the groundwork for us to develop their own in-house data science team. Client also offered several full time roles.