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AI-Driven Cash Forecasting and Management from Payference Provides Actionable Business Insights



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"CFOs and business owners want a product such as Payference that can automate manual tasks and help provide accurate, real-time and better insights instantaneously." Prashant Kumar

CEOCFO: *Mr. Kumar, what is the overall concept behind Payference?*

Mr. Kumar: Payference is primarily a cash forecasting and management platform. We have made it easy for mid-market companies to manage cash, near term and long term. We are an AI driven platform that enables autonomous, real-time, dynamic cash forecasting, which is much better and more accurate than the currently used spreadsheet models.

Cash flow management and forecasting is challenging with many moving parts including managing financial data across a variety of platforms such as ERP, banking systems, and in some cases AP automation platforms.

CEOCFO: *Do you find that many companies realize the challenges and are actively looking at a better way to manage cashflow or is it when they find out about Payference they are happy to give it a try?*

Mr. Kumar: Specifically, with the pandemic, the cash flow has become a top priority for the executive teams. More and more businesses are looking at different scenarios and going through the modeling exercise to optimize and manage cash. Excel continues to be widely used by finance and treasury teams. Finance teams download data from ERP and a bunch of other systems and put it in Excel spreadsheets that forecast cash. Excel is static, error prone and takes a lot of manual time. CFOs and business owners want a product such as Payference that can automate manual tasks and help provide accurate, real-time and better insights instantaneously.

CEOCFO: *What is involved in an implementation?*

Mr. Kumar: Implementation timeline can vary from hours to a few days depending upon the ERP system used by the customer. We are natively integrated via API with NetSuite, Sage Intacct, QuickBooks Enterprise and other accounting systems.

Payference is also integrated with all North American and global banks, enabling us to pull banking transactions and balances in real time.

We can be up and running from hours to days without any hand holding or resources from the IT department. We can work with just the finance teams for the most part.

CEOCFO: *How do you help a company who wants to make a change, but has some trepidation? How do you help a company understand that there is no chance of losing data and that things will run smoothly?*

Mr. Kumar: That is an excellent question. We are hosted in the cloud with high availability and reliability. However, depending on the client's needs, everything on our platform is also exportable to Excel. We do backups at very regular intervals. Data in Payference is protected in two ways. First, we have state of the art backup and recovery processes set-up in Amazon AWS. And second, ERP and banking systems remain the single source of truth, so we can always pull the data back from these systems for recovery.

There is always some trepidation when using a new platform or system. However, we reduce that trepidation by having the customers up and running, at least with some of the functionalities, within hours to days. Our customers can try out our product and see the value first before we get into Ts and Cs. We have reduced the barriers to using our product and we are highly confident in our ability to show the value to our customers and partners.

CEOCFO: *Would a company typically use all of the features of Payference or might they just start with a couple of areas?*

Mr. Kumar: Most customers start with the short-term cash forecasting up to 13 weeks, and then go to 12 months. That is where our machine learning models shine quite a bit, whether it is invoice level or aggregate level prediction. Some of our customers use AR Automation that includes automated customer communication and follow-ups to assist with collections.

The second piece that we help customers do is to optimize payments. The payment function itself is yet another way we help companies drive stronger and more predictable cash flow. Sometimes, companies focus more on the terms with vendors or customers versus the payment method. For example, using P-Card for the the vendor payment, can help with extending payment terms.

CEOCFO: *What types of organizations have been turning to Payference- size, industry, location?*

Mr. Kumar: We have seen organizations within the biotechnology, software as a service, and manufacturing come to us with the need for

cash flow forecasting for 13 weeks and beyond. We have also seen a few eCommerce companies.

In general, we have not been vertically focused. We look at the annual revenue, transaction volume and how cash flow management is done and whether there is a big need for our software. That is what our strategy has been, but as I said, we have seen more engagements with certain verticals than others.

CEOCFO: *Where does the AI come into play? Is it in making recommendations, is it in the analysis? Also, how can you account for a situation like COVID, where everything is up in the air?*

Mr. Kumar: Our AI comes into play in two ways. First, we can accurately predict cash inflows and outflows at aggregate level. Accuracy goes up with the number of years of historical data. Second, we allow for user input to fine-tune our AI models.

With respect to COVID, we have successfully retrained the model with this anomaly, so that the model is then able to predict better with the pandemic as a factor.

CEOCFO: *What has changed over time? What might you have tweaked from your original offering as more and more people have used the product and perhaps given you some suggestions?*

Mr. Kumar: We noticed that even some of the non-finance executives wanted to use our platform. Initially, we were targeting the CFO and the finance team. However, we are seeing folks on the sales team and CXOs have started to use our product. Therefore, we have put added focus on making the product more intuitive and easier-to-use, so that even the non-finance folks can understand the data.

Second, we learnt that our customers need help with key decisions such as Capex, hiring, dividend payout, or bond payments or debt repayments. Accurate cash forecasts help them make better and more informed decisions for next three, six or nine months.

CEOCFO: *What is the competitive landscape for Payference?*

Mr. Kumar: There are quite a few companies in the AR automation space. Larger enterprises using ERP such as SAP or Oracle, develop custom applications. Mid-market companies with \$10M to \$1B revenue and 5-30 member finance teams tend to use Excel for cash forecasting. Some smaller companies offer products that help but there is no other comprehensive solution in the market besides Payference.

CEOCFO: *When a company is looking at Payference, do they understand the difference? Is it easy to recognize how you stand apart from many of the other solutions or is there a particular "aha moment" when a prospective customer might get it?*

Mr. Kumar: Yes. It is not just the value proposition described on our website or by our sales team. We offer them our product for two weeks to one-month trial so they can see the value on their own. Customers

can compare Payference with their existing processes including any Excel models or a competitive product. We are confident that we will outperform all of those options.

CEOCFO: *How is business?*

Mr. Kumar: Business has been growing quite a bit since we launched in early 2020. Our pipeline has shown double digit month-over-month growth.

CEOCFO: *What is ahead? What does 2021 look like for Payference?*

Mr. Kumar: We have a strategy for success in place for 2021. We have a team that is executing well. We will continue to support the business growth through addition of resources especially in sales and marketing. We have a lot of exciting features on our roadmap including treasury, risk, cash forecasting and AR automation.

