



Invoice-to-Cash Automation Market Research Brief

Research Assignment for COO/CPMO (Research Lead) and Secretary (Documentation & Support)

- August 31, 2025

Research Objective

Validate market opportunity for AI-powered invoice collection automation targeting South Asian SMBs, with gradual expansion to global markets.

The Core Problem We're Solving

Current Pain Points for SMBs

Manual Payment Collection Process:

- Business owners spend 5-15 hours weekly chasing overdue payments
- Generic reminder emails often ignored or create client relationship strain
- No systematic approach to follow-up timing and escalation
- Difficulty predicting which clients will pay late vs default entirely
- Cash flow uncertainty affects business planning and growth

Financial Impact:

- Late B2B payments tie up working capital (estimated \$3 trillion globally)
- Indian SMBs typically wait 45-90 days for payment (vs 30-day standard terms)
- 15-20% of receivables require multiple follow-up attempts
- Bad debt rates of 2-5% could be reduced with better collection processes

Current "Solutions" Are Inadequate:

- Manual email/phone follow-ups (time-consuming, inconsistent)
- Basic accounting software reminders (generic, easy to ignore)



- Hiring collection agencies (expensive, damages client relationships)
 - Excel tracking sheets (manual, error-prone, no automation)
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Our Solution: Invoice-to-Cash Automation Platform

Core Product Description

AI-powered software that connects to existing accounting systems and automates the entire payment collection process after invoices are sent.

How It Solves the Problem

Automated Intelligence:

- Analyzes client payment history to predict optimal follow-up timing
- Generates personalized communications based on client relationship and risk profile
- Learns from successful collection patterns to improve over time
- Provides early warning for clients likely to default

Process Automation:

- Eliminates manual tracking of overdue invoices
- Automates appropriate follow-up sequences
- Handles multi-channel communication (email, SMS, WhatsApp)
- Provides actionable insights for cash flow planning

Measurable Outcomes:

- Reduces days sales outstanding (DSO) by 15-25%
 - Recovers 5-10% more receivables that would otherwise become bad debt
 - Saves 10-15 hours weekly of manual collection work
 - Improves cash flow predictability for better business planning
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Market Expansion Strategy & Research Focus

Phase 1: South Asian Foundation Markets (Priority Research)



Primary Focus Countries:

- **India:** Largest SMB market, English-speaking, established accounting software adoption
- **Singapore:** Regulatory-friendly, gateway to Southeast Asia expansion
- **Bangladesh:** Large SMB population, growing digital adoption
- **Nepal:** Emerging market with increasing B2B digitization
- **Sri Lanka:** English-speaking market with payment collection challenges

Research Priority: Focus 70% of research effort on the Indian market, 30% on other South Asian countries.

Phase 2: Broader Asian Markets (Secondary Research)

- **UAE:** Hub for Middle East expansion, significant Indian business community
- **Malaysia:** English-speaking, established fintech adoption
- **Thailand:** Growing SMB digitization
- **Philippines:** Large outsourcing market with B2B payment challenges

Phase 3: Global Expansion (Future Research)

- **Australia/New Zealand:** English markets with similar business practices
- **North America:** After establishing local subsidiary and compliance framework
- **Europe:** Post-GDPR compliance and local partnership establishment

Regional Market Characteristics to Research

Payment Culture Differences:

- Typical payment terms and actual collection periods by country
- Cultural attitudes toward automated collection communications
- Preferred communication channels (email vs SMS vs WhatsApp)
- Relationship-based vs process-based business practices

Regulatory Environment:

- Debt collection laws and automated communication regulations
- Data privacy requirements for financial information
- Required business licenses for financial software providers
- Cross-border payment and data transfer restrictions

Business Software Adoption:



- Market share of different accounting software platforms by country
 - SMB digitization rates and software adoption patterns
 - Integration complexity and API availability by region
 - Local payment gateway preferences and capabilities
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Market Potential Analysis Framework

Growth Potential Indicators to Research

Market Size Factors:

- Number of SMBs with regular B2B invoicing in each target country
- Average annual revenue and invoice volumes per SMB segment
- Current spending on accounts receivable management
- Growth rate of B2B digital payments and software adoption

Pain Point Severity:

- Average days sales outstanding (DSO) in different industries
- Percentage of SMBs struggling with cash flow due to late payments
- Current manual process costs (time + opportunity cost)
- Failed payment recovery rates and bad debt percentages

Technology Readiness:

- Accounting software penetration rates among target SMBs
 - Internet connectivity and digital payment adoption
 - Smartphone usage for business communications
 - Comfort level with AI-powered business tools
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Primary Research Areas

1. Market Size & Pain Point Validation

Online Research Tasks:

- Find statistics on B2B payment delays in India (average DSO, late payment rates)



- Research Indian SMB market size and accounts receivable challenges
- Identify government reports on working capital issues for small businesses
- Look for surveys on manual invoice collection processes and time spent

In-Person Research Tasks:

- Interview 15-20 SMB owners across different sectors (agencies, professional services, suppliers)
- Focus on businesses with >₹10 lakh annual revenue and regular B2B invoicing
- Ask specific questions about current payment collection processes and pain points
- Validate willingness to pay for automated solutions (price sensitivity testing)

Key Questions for SMB Interviews:

- How many days does it typically take to collect payment after invoicing?
- How much time do you/your team spend on payment follow-ups weekly?
- What's your biggest frustration with the current collection process?
- Have you tried any software solutions for accounts receivable?
- Would you pay ₹3,000-12,000/month for a tool that reduces payment delays by 20%?

2. Competitive Landscape Analysis

Direct Competitors to Research:

- FinanceOS (Indian AR automation)
- Credgenics (collections-focused)
- Razorpay Invoices (payment + basic automation)
- ClearTax (has some AR features)
- International: Billtrust, YayPay, Fundbox

Research Focus:

- Pricing models and market positioning
- Customer reviews and complaints (G2, Capterra, social media)
- Feature gaps and customer dissatisfaction points
- Market penetration estimates
- Funding and growth trajectories

3. Technical Feasibility Research



Accounting Software Integration:

- Research API availability and complexity for:
 - Tally ERP (dominant in Indian SMB market)
 - Zoho Books
 - QuickBooks (international expansion)
 - Busy Accounting Software
- Document integration requirements and limitations
- Data export/import capabilities

Payment Gateway Integration:

- Razorpay, PayU, CCAvenue API capabilities for payment tracking
- Bank statement processing options
- Integration complexity and costs

Regulatory Requirements:

- Research legal requirements for automated debt collection in India
- GST compliance requirements for automated invoicing
- Data privacy regulations for financial data handling
- Required business licenses and compliance frameworks

4. Customer Acquisition Research

Distribution Channel Analysis:

- Research how SMBs currently discover and adopt financial software
- Partnership opportunities with accounting software vendors
- Digital marketing costs and effectiveness for B2B SaaS in India
- Industry association partnerships and events
- Referral patterns in SMB software adoption

Case Study Research:

- Find success stories of Indian B2B SaaS companies targeting similar markets
- Research customer acquisition costs and lifetime values
- Identify successful go-to-market strategies for financial software

Deliverable Requirements



Market Research Report Structure:

Executive Summary (2 pages)

- Market opportunity size and validation
- Key findings and recommendations
- Go/No-go recommendation with reasoning

Market Analysis (3-4 pages)

- SMB payment delay statistics and cost impact
- Target customer segments and pain point severity
- Market size estimates and growth potential
- Customer interview insights and quotes

Competitive Analysis (2-3 pages)

- Competitor feature comparison matrix
- Pricing analysis and market positioning
- Identified gaps and opportunities
- Competitive threat assessment

Technical Feasibility (2 pages)

- Integration complexity assessment
- Regulatory and compliance requirements
- Development timeline and resource estimates
- Technical risks and mitigation strategies

Business Model Analysis (2 pages)

- Pricing strategy recommendations
- Customer acquisition cost estimates
- Revenue projections and unit economics
- Go-to-market strategy recommendations

Appendices

- Interview transcripts and key quotes
- Competitor pricing and feature details
- Regulatory compliance checklist
- Market statistics and data sources



Research Timeline

Week 1: Online Research + Initial Interviews

- Day 1-2: Market size and statistics research
- Day 3-4: Competitive analysis
- Day 5-7: First round of SMB interviews (8-10 interviews)

Week 2: Deep Interviews + Analysis

- Day 1-4: Second round of interviews (8-10 more interviews)
 - Day 5-6: Technical integration research
 - Day 7: Data analysis and report compilation
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Research Quality Standards

Data Validation Requirements:

- Cross-reference statistics from multiple sources
- Include confidence levels and data limitations
- Separate assumptions from verified facts
- Provide source citations for all claims

Interview Quality Standards:

- Mix of industries (agencies, professional services, suppliers, manufacturers)
- Range of business sizes (₹10 lakh to ₹10 crore annual revenue)
- Geographic diversity within target markets
- Include both satisfied and dissatisfied customers of existing solutions

Competitive Analysis Standards:

- Hands-on testing of competitor products where possible
 - Multiple review sources (G2, Capterra, social media, forums)
 - Direct competitor pricing verification
 - Customer testimonials and case studies analysis
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Critical Success Metrics

The research should definitively answer:

1. **Market Demand:** Do Indian SMBs have significant pain with invoice collection that they're willing to pay to solve?
2. **Competitive Positioning:** Can we build something meaningfully better than existing solutions?
3. **Business Viability:** Are the unit economics and customer acquisition costs sustainable?
4. **Technical Feasibility:** Can we build the integrations and AI features with our current resources?
5. **Regulatory Compliance:** What legal and compliance requirements must we meet?

Success Threshold: If research shows <60% of interviewed SMBs would pay for automated invoice collection, or if competitive solutions already address the main pain points effectively, recommend pivoting to different opportunities.

Research Success Threshold: If <60% of interviewed SMBs would pay for automated invoice collection, or if competitive solutions already address main pain points effectively, recommend exploring alternative opportunities.

This research validates whether to proceed with a 50-week development commitment or pivot to different market opportunities.