

A Comprehensive Guide on

Accounts Receivable Outsourcing

Expert strategies to streamline cash flow, reduce DSO, and maximize collections efficiency

What Is Accounts Receivable Outsourcing?



Hiring a third-party expert to handle some or all AR tasks — so your internal team can focus on what matters most.



**Invoicing
& Billing**



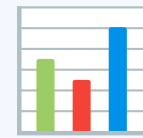
**Payment
Tracking**



**Cash
Application**



**Dispute
Resolution**



**Aging
Analysis**



**GL
Reconciliation**

Companies outsource AR to save money, speed up collections, and improve cash flow visibility.

23%

of AR teams are current on billing

2024 Versapay Survey of 300 CFOs

\$65K

avg salary for in-house AR specialist

Excluding benefits, software & overhead

35%

reduction in DSO via AR automation

2024 Forrester Study

40–60%

cost savings with outsourced AR

equivalent in-house staffing

THE PROBLEM

- 77% of AR teams are behind on billing
- Late invoices delay cash flow before it starts
- Working capital visibility suffers
- Vendor negotiations become harder
- Audit risk grows over time
- Competing priorities undermine consistency

THE SOLUTION

- Specialist provider with process discipline
- Dedicated capacity — no competing priorities
- Software expertise most in-house teams lack
- Structured escalation and collection workflows
- Better cash flow visibility and forecasting
- Reduced DSO and operational drag

What Outsourced AR Services Actually Cover



Invoicing & Billing

Generating, validating, and distributing invoices accurately and on time. Invoice errors are a leading cause of delayed payment.

Cash Application

Matching incoming payments to correct invoices across multiple payment methods and accounts. Manual cash application is slow and error-prone at scale.

Aging Analysis & Reporting

Regular aging reports showing leadership what is overdue, at risk, and where collections should be focused.

Payment Tracking & Follow-Up

Monitoring outstanding balances, sending reminders, and escalating overdue accounts through structured workflows without damaging relationships.

Dispute Resolution

Handling customer questions, billing errors, and rejected invoices with supporting documentation and clear audit trails.

GL Reconciliation

Ensuring AR balances match the general ledger, categories are clear, and all documentation is ready for month-end close.

For multi-entity structures: intercompany AR cleanup, outstanding balance recovery, and governance frameworks across all legal entities.

IN-HOUSE AR COST

\$85K–\$90K

TRUE ANNUAL COST PER AR EMPLOYEE

- Base salary: ~\$65,000
- Employer payroll taxes
- Health benefits & paid leave
- Software licenses
- Equipment & management overhead

OUTSOURCED AR SAVINGS

40–60%

COST SAVINGS vs. IN-HOUSE STAFFING

- Fixed, predictable outsourcing cost
- No benefits, HR, or onboarding costs
- Costs remain stable or decline over time
- Scales immediately with business growth
- No lag for hiring or training new staff

01

Clear Credit Terms from Day One

Written payment terms, credit limits, and escalation procedures for every customer. Unclear terms = delayed payments.

02

Invoice Immediately After Delivery

Delays between service delivery and invoicing extend the payment cycle before it starts. Standard practice, not best-effort.

03

Structured Weekly Aging Reviews

Weekly — not monthly — review of aging reports. Accounts 30, 60, 90 days past due require different, timely responses.

04

GL Classification Discipline

Every receivable needs proper GL coding, approval paperwork, and backup documentation for clean month-end reconciliation.

When to Outsource AR: The Clearest Signals



AR team is behind on invoicing

Delayed or unsent invoices mean cash is being lost daily. This is the clearest and most urgent trigger.



DSO is rising month over month

A steady upward trend in days sales outstanding signals collections are falling behind sales volume.



Aged balances keep rolling forward

Historical AR moving between aging buckets without resolution is a capacity and process problem — not just a reporting issue.



Managing multi-entity or intercompany AR

Intercompany AR is complex. All legal entities need dedicated charge management, approvals, and documentation.



Growing faster than AR can scale

Hiring and training AR staff takes time. Outsourcing scales immediately and cost-effectively with your business.

\$5 Million

RECOVERED IN INTERCOMPANY RECEIVABLES

Private investment firm · Miami Beach · \$115B AUM

Aging intercompany receivables accumulated monthly across multiple legal entities with no resolution process in place.

THE CHALLENGE

- No GL classifications on intercompany charges
- Missing approvals across entity-level finance teams
- Rejected invoices blocking resolution
- Monthly accumulation with no governance framework

OHI'S SOLUTION

- Reviewed the entire intercompany AR backlog
- Processed 600+ intercompany invoices in stages
- Corrected rejections via reconciliations & docs
- Built repeatable governance to prevent recurrence

20+ years in business · Serving US, UK, Canada & Australia · Full AR cycle management

Invoicing · Cash Application · Aging Analysis · Collections Follow-Up · Dispute Resolution · Month-End Reconciliation

Industries Served

- Real Estate
- Construction
- Property Management
- Retail
- CPA Firm Support

Platforms & Software

QuickBooks · Xero · NetSuite

Yardi · MRI · AppFolio

SAP · and more

Ready to Transform Your AR Function?

OHI brings 20+ years of expertise, dedicated capacity, and the process discipline your AR function needs to perform at its best.

Get Started with OHI Today