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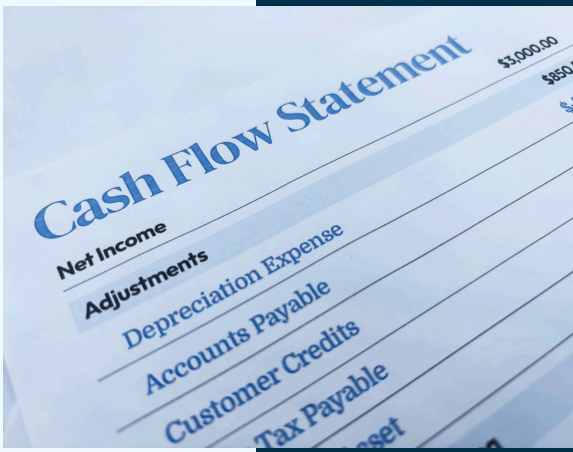
Cash Acceleration in JD Edwards: AP & AR Optimization



A private equity-backed $100M revenue company running JD Edwards (JDE) faced a costly cash-flow paradox: the business was paying suppliers early while also experiencing late payments from customers. These dynamics were driven by inconsistent execution across Accounts Payable (AP) and Accounts Receivable (AR), manual workarounds, and limited operational visibility into why invoices were being paid or collected outside policy.

By redesigning AP and AR execution in JDE and embedding continuous monitoring, the company reduced early pay, minimized late-payment exposure, and accelerated cash conversion, delivering $1.6M annual EBITDA impact and $2.2M in working capital release.

Impact at a glance

- $2.2M working capital released via 8-day DSO reduction
- $1.6M annual EBITDA improvement from working-capital benefit, productivity, and leakage reduction
- Early-pay reduced by 55% (as a share of payments made before agreed terms)
- Late supplier payments reduced by 35% (fewer invoices paid past due)
- AP invoice cycle time improved by 20%
- AR dispute cycle time reduced by 25%

$1.6 million

EBITDA improvement from working-capital benefit

$2.2 million

working capital released via 8-day DSO reduction

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Monitoring and Governance

To sustain gains, the company embedded ongoing monitoring of early-pay and late-payment behavior directly tied to daily execution:

AP monitoring

- % of payments made early vs. on-time vs. late
- Early-pay reason codes (rush, master data, batch timing, manual override)
- Invoice cycle time by step (entry → match → approval → payment-ready)
- Approval SLA breaches and recurring exception drivers by vendor/site/role

AR monitoring

- DSO by segment and root-cause (dispute-related, invoicing-related, collections-related)
- Past-due aging movement (what is improving vs. worsening each week)
- Dispute cycle time and “stuck” reasons
- Cash application lag and unapplied cash trends

Result: finance leaders could quickly see where behavior drifted (early pay creeping up, approvals slowing, disputes aging) and intervene before it hit cash flow.