State of Accounts Receivable in 2026

TRENDS, CHALLENGES AND THE FUTURE OF B2B COLLECTIONS

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The State of Accounts Receivable in 2026:

Trends, Challenges and the Future of B2B Collections

The last five years have been a roller coaster for businesses. Permanent shifts in buying behavior as a result of modern technology and the fallout from COVID and a tumultuous political landscape have reshaped how companies operate across every industry and size.

Leaders in every department have been forced to reassess their teams and overall effectiveness, but perhaps none more so than finance. From the outside, finance can appear straightforward - bills go out, cash comes in. In reality, the processes behind those transactions directly impact cash flow, working capital, and a company's ability to adapt and remain resilient.

To better understand how these shifts are playing out inside today's finance teams, we surveyed accounting & finance professionals across a wide range of industries. Our goal was to uncover the real challenges they are facing today, the technology they are currently using or actively evaluating, how accounts receivable practices are evolving, and the level of automation and digitization in place. The insights from this research reveal not only where AR stands today, but also the opportunities and obstacles that will shape the future of AR in 2026.

Ryan McBee
Director, iSolutions

"What we're seeing across the market is a **clear shift in how AR is viewed inside organizations.** It's no longer a reactive function, it's strategic. The decisions finance leaders make today around automation, digital payments, and visibility will directly shape how agile and competitive their businesses are in 2026 and beyond."

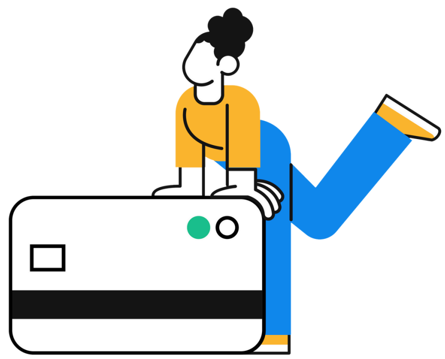
The AR Landscape

The movement and speed of money passing hands is more critical than ever and the choices today's businesses make around their AR processes with significantly impact their bottom line now and in the future.

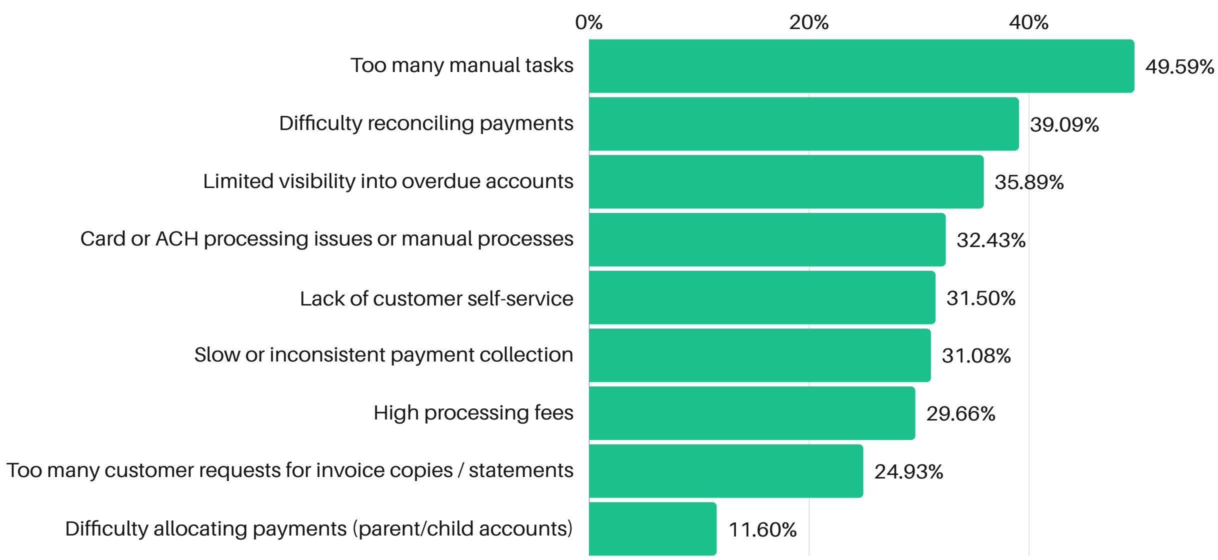
Digital payments used to feel like a luxury reserved for large organizations with big technology budgets. Today, anyone can collect money instantly from a friend, a neighbor, or a small business with apps like Venmo and PayPal.

> That shift has permanently changed what customers expect from the businesses they buy from. Companies that still rely on slow, manual payment options aren't just dealing with longer time to collection, they're putting customer relationships at risk.

Along with customer expectations, interest rates are high compared to only a few years ago, margins are slimming, and liquidity pressure is driving focus on cash collected, putting even more pressure on the AR function to collect payments faster and with fewer resources available.



Key Challenges in Accounts Receivable

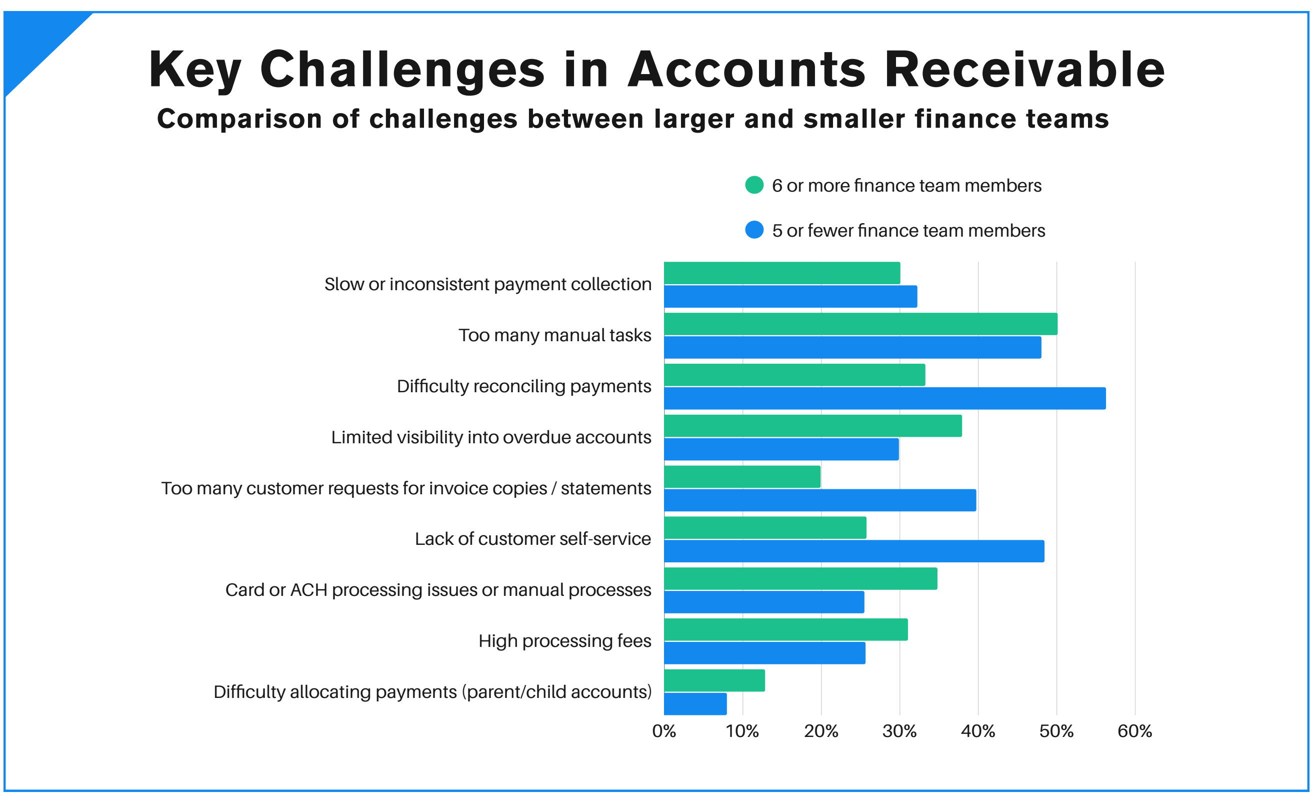


Manual tasks can dominate the work day, with respondents reporting that between 30 – 50% of their work day is spent on manual processes, which can add up to **over 1,000 hours each year per employee** – a significant investment in resources and money each year.

When the data is segmented by finance team size, the information **tells a different story.**

49%

indicated that having **too many manual tasks** is a key challenge in AR today.



Finance teams with **5 or fewer people** are drowning in challenges related to difficulty reconciling payments, lack of customer self-service, and too many customer requests for account information.

56% vs 33%
Small teams | Larger teams

Difficulty reconciling payments

This tells us small teams are overwhelmed by cash application complexity and likely rely on spreadsheets or manual posting.

48% vs 25%
Small teams | Larger teams

Lack of customer self-service

Smaller teams are paying the price for not having portals which means every payment and invoice request becomes a manual interruption.

39% vs 19%
Small teams | Larger teams

Too many customer requests for invoice copies / statements

Small teams are acting like a document fulfillment department, not a finance team.

Larger teams with **6 or more team members** don't just have more work, they have more complex work leading to limited visibility to account and difficulty allocating payments.

37% vs 29%
Larger teams | Small teams

Limited visibility into overdue accounts

Larger teams suffer from siloed systems and fragmented data, which makes it harder to see risk at a portfolio level.

12% vs 7%
Larger teams | Small teams

Difficulty allocating payments (parent/child accounts)

Larger organizations often deal with National accounts, Multi-entity structures, and Complex remittance. Their pain is structural complexity, not just volume.

"For me, the takeaway from this data is that **AR bottlenecks aren't a people problem, they're a systems problem.** Small teams are being buried by interruptions and manual touchpoints, while larger teams are struggling with visibility and structural complexity, but both groups are ultimately slowed by fragmented processes.

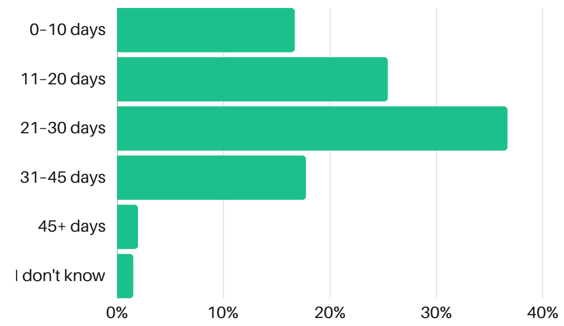
The organizations that will win over the next few years won't be the ones that add headcount, they'll be the ones that eliminate friction and automate."

Ryan McBee, iSolutions

Key KPIs for Accounts Receivable

Time to payment / Days Sales Outstanding (DSO) remains a critical business KPI to evaluate the health of cash flow, efficiency of collections, and overall financial stability. The study found that the average time to payment ranges between **21 and 30 days.**

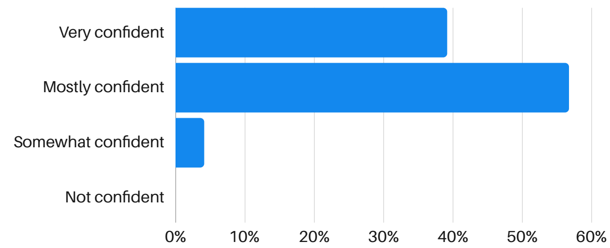
Average Time to Payment



Study participants report **high confidence in their AR data accuracy,** with most indicating they feel either very or mostly confident.

However, the fact that a sizable portion still falls into the "mostly confident" category signals underlying risks, often tied to manual posting, disconnected systems, and payment reconciliation delays. As confidence in data accuracy declines, so does the reliability of cash forecasting and leadership's ability to make timely, informed financial decisions.

Confidence in Accounts Receivable Data Accuracy



Ryan McBee
Director, iSolutions

"What stood out to me isn't that companies feel confident in their AR data, it's that so many are not VERY confident. When you aren't able to **100% trust your numbers**, then every forecast, every hiring decision, every investment becomes a guess.

In today's environment, 'mostly accurate' just isn't good enough. This is exactly why automation, integrated tools, and real-time visibility are a requirement in today's world."

State of Automation

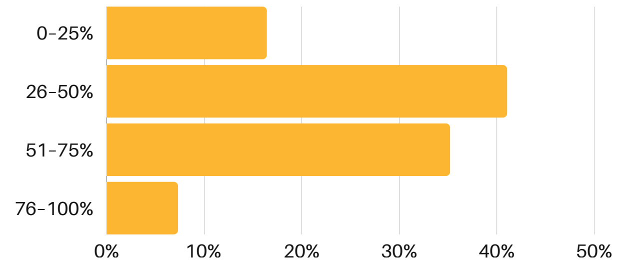
In the study, we find that most companies are only halfway automated when it comes to their AR processes. In fact, 57.48% of respondents fall into the 0–50% automation range, which further solidifies the fact the majority of respondents noted **manual processes as a key challenge for their team.** That means posting payments, reconciling transactions, sending reminders, and handling exceptions are consuming significant resource allocation. Without automation in place, AR is still operationally burdensome for most organizations rather than a strategic department.

The largest single segment of responses is between 26–50% automated, and the second is at 51–75% automated. These teams have invested in some automation, but haven't yet reached the threshold where they are **significantly more efficient.** True end to end automation is still rare with only 7.31% reporting being 75–100% automated.

57%

of respondents are in the **0-50% automation range**.

Percentage of AR Processes Currently Automated



"This data suggests that there is still a long runway of potential ROI for companies who **transform and automate their AR function.** It appears most organizations are operating in a hybrid manual/automated state that likely is creating data accuracy risks, slowing down collections, and increased resource hours."

Ryan McBee, iSolutions

2026 Priorities

When asked to identify top AR priorities for 2026 the number one and two spot were taken by lowering processing costs and reducing overdue accounts. With nearly 60% of respondents choosing these options, it shows that AR teams and leaders are under pressure to improve outcomes and not just execute tasks to get the job done. **Efficiency and cash flow are the key drivers for AR teams in 2026.**

> With 43.4% of respondents prioritizing increased automation, it's clear that **reducing manual processes** is top of mind, aligning with earlier data showing automation levels are still low.

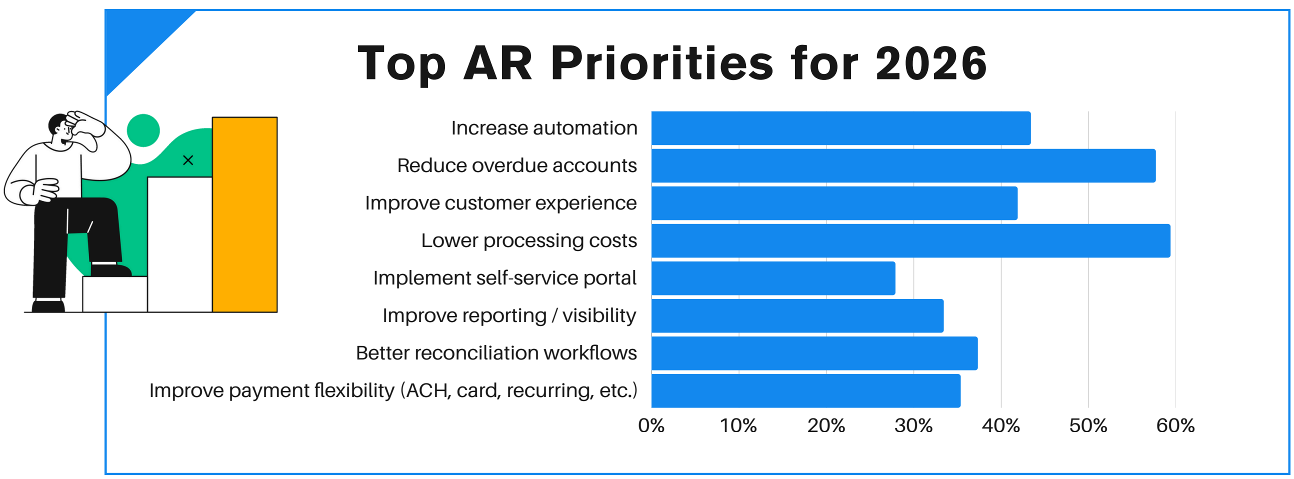
Customer Experience is also listed as a top priority, with 41.89% of respondents focusing on CX. Typically accounts receivable has been seen as solely a back-office function. We are seeing a shift that signifies the key role that the customer experience does play for this function. When collecting payments is easier, it helps the entire AR function operate more efficiently, which leads directly to the fact that self-service is emerging but an under-adopted priority.

With only 27.9% listing implementing a portal as a top priority, even though late payments and manual requests are a known problem, it appears that companies may yet see the correlation between a customer self-serve portal as the solution to many of their key issues including DSO, workload, and customer satisfaction.

#1 Lower Process Costs

#2 Reduce Overdue Accounts

#3 Increase Automation



"No matter the size of a company or the number of invoices they process, the data shows they are under pressure to deliver more with less. When nearly 60% of companies say lowering costs and reducing overdue accounts are their top priorities, that tells me the game has changed. **It's no longer about getting invoices out the door, it's about tightening the entire revenue cycle.**

2026 is the year AR stops being a back-office burden and becomes a real driver of cash flow and customer satisfaction."

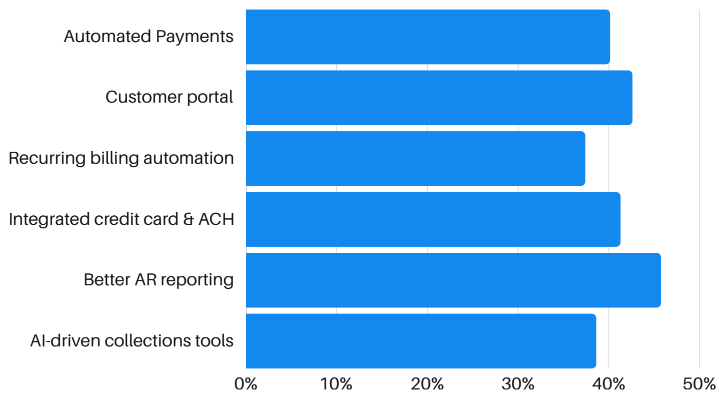
Ryan McBee, iSolutions

Technology Investments for 2026

All respondents stated they are considering investing in technology to support their accounts receivable processes in 2026. Barely edging out in front is **Better AR Reporting** followed by **Customer Portal,** indicating survey respondents are focused on cash visibility and acceleration, which aligns with earlier findings around DSO pressure, cost reduction, and overdue accounts.

Overall the payments infrastructure is a major focus area with automated payments (40.14%) and integrated Credit Card & ACH (42.29%) ranking high on the list. This reflects the manual and time-consuming process that manual posting creates.

Which Technologies Are You Considering Investing in During 2026?



"Many are surprised that companies still need to invest in integrated credit card and ACH processing, but we're not. Dynamics 365 Business Central is powerful, yet it lacks several key components required to truly streamline AR, payment processing being one of them.

That's usually when iSolutions enters the conversation. And while most organizations come to us for credit card and ACH capabilities, they're often surprised by **how much more the iPayments app can automate and simplify across their entire AR workflow."**

Ryan McBee, iSolutions

Technology Considerations
Sorted by Volume of Invoices

Fewer than 500 invoices/mo.

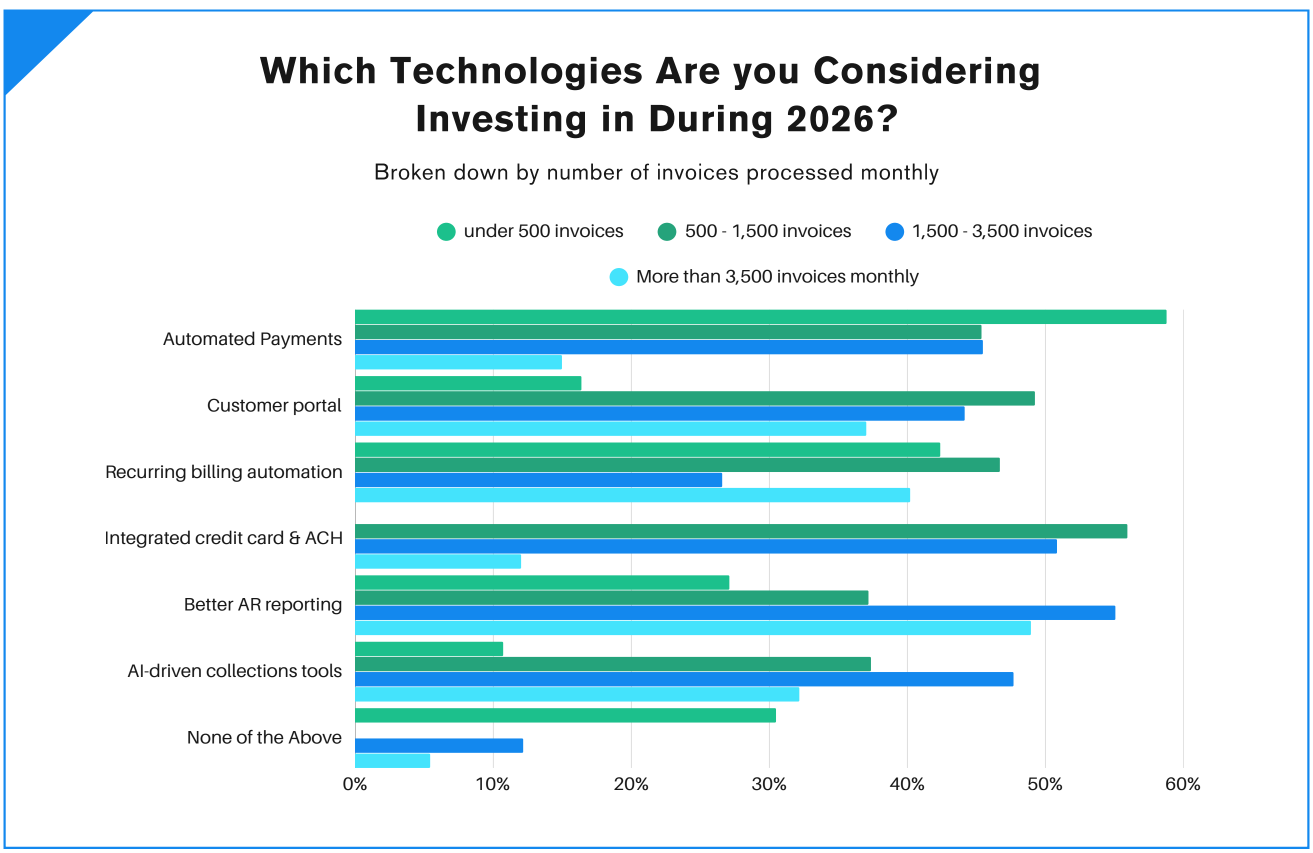
When responses for technology considerations are broken down by volume of invoices processed monthly, the story changes slightly. We see that low-volume AR teams with fewer than 500 invoices monthly are both the **least automated and the least motivated to modernize.** 58.79% of that group plans to invest in automated payments, the highest of all groups while 30.49% reported they don't anticipate in investing in any modernization or automation in 2026. They likely do not feel the daily pain of scale and their main focus is getting paid faster rather than rethinking their processes.

Overall, this group is reactive and not strategic, perhaps they aren't ready to plan for the future or don't anticipate business growth that would require modernization.

500-1500 invoices/mo.

Mid-volume teams processing 500–1,500 invoices are understanding that in order to **maintain or grow their AR Volume levels**, it's time to start investing in the technology to streamline and automate their processes. This group is showing interest in nearly every technology advancement available to them with 49.25% planning to invest in portals, 55.95% in integrated payments, and 46.71% in recurring billing. Not a single respondent said they were not interested in any of the options for 2026.

Overall, this group is likely feeling the most pain right now, struggling with manual processes and trying to determine the right tools to solve those struggles.



1500-2500 invoices/mo.

Mid to high volume teams processing 1,500 – 3,500 invoices are **prioritizing reporting, AI and the customer experience** in 2026. This group has moved beyond the basic automation and processes and are now looking for better visibility into their data, predictive tools, and a smarter way to process collections.

While they likely have solid processes in place for standard invoicing and collection, they may still struggle with those exceptions including invoices that aren't paid on time, or at all.

Over 3500 invoices/mo.

The final group is made up of the high-volume teams processing over 3,500 invoices monthly. These teams are frequently overwhelmed but still under-automated with their core AR processes. This group shows **higher interest in portals, reporting, and recurring billing.** They likely are already using a payments automation solution but still struggle with visibility and customer volume issues.

Key Takeaways

- Portals, reporting, and AI grow in importance as volume increases
- Low volume organizations don't have the same needs for automation, but they are focused on the key things they can change on a base level
- Mid volume organizations that are experiencing growth are looking at every option to help streamline their processes and collect payments faster

"**Manual work slows down cash flow.** We've seen customers speed up their time to payment with minimal investment and ramp up time. In fact, most of our customers comment how surprised **how easy it was to automate their AR processes with iPayments** and that they wished they had done it sooner. Those companies using Dynamics 365 Business Central can access the same level of automation and support as the largest organizations.

Our Customer Portal gives businesses the self-service experience their customers expect, reducing overdue accounts and inbound requests, while our Advanced Collections Management automates reminders and follow-up so teams can focus on resolving exceptions instead of chasing payments. No matter the invoice volume, companies that modernize with automation, self-service, and integrated payments finally get the speed, visibility, and predictability their AR process has been missing."

Ryan McBee, iSolutions

Streamlining AR for Dynamics 365 Business Central

While the struggles within the AR department may seem complicated, the solution for those using Dynamics 365 Business Central is not. Business Central is without a doubt the leading ERP solution for small to midmarket companies and is not only backed by Microsoft, but also a large ecosystem of developers, partners, and ISVs who work to enhance the product with add-on solutions for niche industries or needs – include accounts receivable automation.

iSolutions Payments is the parent company for the **top-rated AR solution on Microsoft AppSource**, iPayments, which includes the robust features today's finance teams need to collect payments faster and in an automated way.

Watch an overview of the solution here.

Additionally, iSolutions has developed an app that allows you to manage **National Accounts,** simplifying intercompany billing and payments. This app allows you to associate parent and child account records in Businses Central. Watch an overview here.

How iPayments Helps

- Credit Card and ACH processing directly within Dynamics 365 Business Central
- Click to Pay links to collect and apply payments on invoices automatically
- Advanced Collections Management with automatic payment reminders and delinquent alerts
- Configurable AR Aging Buckets and automated collections plans
- E-Commerce for online shopping cart payments directly linked to Business Central
- Customer Portal for self-service access to view and pay invoices and orders
- Point of Sale for card-present payments with a direct link to Business Central

Conclusion

Accounts receivable for small to midmarket businesses is at turning point. Finance teams are under growing pressure to collect payments faster, operate leaner, and deliver better visibility, both to internal stakeholders and also to customers. However, most companies are reporting they are only partially automated and manual processes still bog down teams.

> AR is becoming a strategic department to **drive cash flow, customer experience, and business resilience.** As companies grow and customer expectations rise, those organizations that have manual processes in place will find it difficult to keep up.

In 2026 the companies that will succeed will be the ones that move on a path of proactive rather than reactive, putting technology and tools in place to automate manual tasks to eliminate friction before it becomes a significant issue.

Research Participant Breakdown

Who Participated in This Study

This study reflects insights from finance and AR professionals actively responsible for invoicing, collections, and cash application within their organizations. Participants span a wide range of company sizes, invoice volumes, and AR maturity levels, providing a realistic snapshot of how accounts receivable operates today across industries.

Rather than focusing solely on large enterprises, the study intentionally includes small and mid-market organizations—where resource constraints often make AR challenges more acute.

Participant Roles & Responsibilities

Respondents primarily hold hands-on or decision-making roles within the AR function, ensuring feedback reflects real operational experience rather than theoretical perspectives.

Typical roles represented include:
- AR Managers and Supervisors
- Controllers and Accounting Managers
- Finance Directors and CFOs
- Accounting and AR Specialists

This mix allows the data to capture both day-to-day process pain points and strategic priorities.

Company Size & Invoice Volume

Participants represent organizations processing anywhere from a few hundred to several thousand invoices per month, allowing trends to be analyzed by scale.

Why This Matters

By capturing perspectives across roles, invoice volumes, and automation levels, this research provides a balanced view of the modern AR landscape. The findings reflect the realities finance teams face today—not just best-case scenarios—making the insights directly applicable to organizations evaluating their next steps in AR modernization.

For the full report with raw data,
contact iSolutions.