

3 WAYS AR AUTOMATION CAN HELP YOUR BUSINESS THRIVE

Digitizing your accounts receivable (AR) processes can help accelerate cash flow, promote operational efficiency and support your business growth.

1 REDUCE COSTLY, ERROR-PRONE MANUAL PROCESSES

Reliance on manual processes can result in delays in invoice delivery and receipt of payment, as well as errors and inefficiencies that result in high operational costs and slow processes.¹ According to a variety of industry sources, adopting automated tools could help your business reduce costs and enable payments to be processed with speed,² while enabling employees to focus on higher-value activities.

Top AR challenges cited by businesses:¹



50.1%
Operating costs

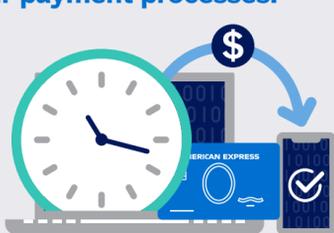


49.2%
Manual processes



48.4%
Processing speed

How AR teams in B2B are adapting their payment processes:



Two-thirds of firms are moving away from manual processes and are planning to upgrade their AR systems with technological solutions for faster processing.¹

Why AR teams are looking to new automation tools:³



68%
to increase efficiency



50%
to reduce errors

KEY TAKEAWAY

Automate your AR processes to create a more efficient and accurate way of working that can help you reduce costs.



2 INCREASE ACCESS TO WORKING CAPITAL

Industry sources agree late payments and delays in following up can put a major strain on a company's ability to maintain cash flow and keep businesses afloat.¹ Digitizing your AR technology can help your business increase the odds of being paid in a timely manner by automating follow-up and avoiding late payments.⁴

What is the state of late payments in B2B?



43% of the total value of B2B credit sales is overdue, partially attributable to an increase in the number of invoices still unpaid 90 days after their due date.⁵



72% year-over-year increase in invoice payment defaults in the US, highlighting a spike in B2B customer credit risk.⁵

Businesses that rely on manual AR processes tend to have:¹



30% longer
average days sales outstanding (DSO)



67% longer
follow-up period for overdue payments

Compared to businesses that rely on medium or high levels of automated processes for collecting receivables.

KEY TAKEAWAY

Help improve overall cash flow and minimize the impact of late payments by digitizing payment processes so you can focus on other goals, like growing your business.

3 ENHANCE CUSTOMER RELATIONSHIPS

A lack of automation for payment processes can lead to friction on both sides of the B2B relationship.⁶ As buyers and suppliers alike move away from paper processes, industry sources say that digitizing AR processes can help deliver a better experience.



58.7% of firms say better customer experience is an expected benefit of innovating their AR systems.¹

How B2B businesses are digitizing their payments:¹



63.5%
of firms are shifting away from physical invoices



66.5%
of firms are receiving more digital payments

How digital payment methods can support businesses:⁷



Automated clearing house (ACH) and virtual cards
Deliver funds faster to vendors and employees



App-based payment tools
Monitor corporate spending and reimbursement requests



Automation technology
Speed up the invoice payment processes

KEY TAKEAWAY

Digitize your payment processes to create a streamlined customer experience.



Digitize your payment processes *now*.
And be ready for whatever comes *next*.

Visit Business Class for Merchants



DON'T do business WITHOUT IT

SOURCES

- ¹B2B Payments Innovation Readiness Report. PYMNTS.com, September 2020 (accessed December 17, 2020).
- ²Digitizing B2B Payments Tracker*. Taking The Paper Check Digital. PYMNTS.com, August 2020 (accessed December 18, 2020).
- ³The Back-Office Optimization Playbook. PYMNTS.com, October 2020 (accessed December 18, 2020).
- ⁴Deep Dive: How eSignatures, Digital Payments And Invoicing Automation Tools Streamline B2B Payments. PYMNTS.com, October 26, 2020 (accessed December 18, 2020).
- ⁵Atradius - Payments Practices Barometer - June 2020 (accessed December 21, 2020).
- ⁶Billtrust CEO: B2B Buyers Ignore Suppliers' Payments Preferences At Their Peril. PYMNTS.com, October 16, 2020 (accessed January 7, 2021).
- ⁷The Digital Shift Report. PYMNTS.com, December 2020 (accessed December 18, 2020).