

# Checklist: How Small Businesses Can Thrive in the Digital Future



As the pandemic amplified the need for faster payments, many suppliers are encouraging clients to replace slow-moving paper checks with digital payments.<sup>1</sup>

According to multiple surveys, **moving toward digitization could help strengthen your business for the digital future.**

## TIP 1



### Automate your AR process for increased efficiency and faster payment acceptance

Speed of payments can be especially important to small businesses as they tend to have fewer financial resources to tide them over if payments are late.<sup>2</sup> Small companies with automation can see up to **15 days shorter days sales outstanding (DSO)** compared to those with few or no technologies<sup>3</sup>

#### Steps you can take to help achieve this goal:

- ✓ **Adopt accounts receivable (AR) automation.** Automated processes and card acceptance can improve customer satisfaction and team efficiency.<sup>3</sup>
- ✓ **Upgrade or expand your digital payment capabilities.** 46.9% of small businesses surveyed have enhanced or added digital invoicing.<sup>4</sup>
- ✓ **Automate billings and collections to meet your business needs.** Take advantage of promotions from our automation partner [Invoiced](#).

## TIP 2



### Improve your e-commerce presence to enable digital payments

Small businesses are retooling their business models to serve a more digital-first consumer base.<sup>5</sup> Based on survey data, over half of small businesses have added or improved their e-commerce portals since the pandemic began,<sup>4</sup> and **67% expect to generate more sales online** once the pandemic subsides.<sup>5</sup>

#### Steps you can take to help achieve this goal:

- ✓ **Learn how to set up your e-commerce site** and help improve customer satisfaction by accepting digital payments in our [small business how-to-guide](#).
- ✓ **Let customers know they can pay their preferred way** with [free signage](#) and supplies for your website.

## TIP 3



### Adopt digital payment solutions that fit your business needs

Due to longer job timelines, small businesses are seeking working capital solutions outside of traditional loans and vendor credits. As a result, **21% of small businesses surveyed used credit cards to help finance payments in 2020.**<sup>6</sup>

#### Steps you can take to help achieve this goal:

- ✓ **Optimize your collection processes for the digital future.** Get [expert advice and offers](#) for businesses like yours.
- ✓ **Protect your business and your customers from fraud.** Learn more about the [solutions](#) that keep your business secure.
- ✓ **Find more useful resources to support your business.** American Express has been proudly supporting small businesses like yours with [Shop Small](#)®.

American Express has been proudly supporting small businesses with the tools and insights to thrive in the digital future.

#### SOURCES

<sup>1</sup>Next Gen AP/AR Digitization Report, PYMNTS.com, March 2021 (accessed May 26, 2021).

<sup>2</sup>The CFO's Guide to Digitizing B2B Payments, PYMNTS.com, September 2020 (accessed May 26, 2021). | The survey referenced defines small businesses as those with fewer than 100 employees and annual revenue between \$50,000 to \$1 million were surveyed.

<sup>3</sup>B2B Payments Innovation Readiness Playbook, PYMNTS.com, February 2021 (accessed May 27, 2021). | Based on survey data from small to large businesses from numerous industry sectors for which sales to other businesses account for at least 75 percent of their total revenues and for which at least 20 percent of sales are made on terms.

<sup>4</sup>The State of Main Street in 2020's Second Half, PYMNTS.com, August 4, 2020 (accessed May 26, 2021). | SMBs generating less than \$10 million in annual revenue and maintaining at least one brick-and-mortar location in a commercial area as opposed to in a residential area or their owners' domiciles.

<sup>5</sup>Main Street SMBs: The 18-Month Outlook, PYMNTS.com, December 2020 (accessed May 26, 2021). | Survey based on 563 Main Street SMBs in the sectors of technology, construction/contracting, retail trade, manufacturing and professional services.

<sup>6</sup>2021 Report on Employer Firms: Small Business Credit Survey, Federal Reserve Banks, (accessed June 8, 2021). | SMBs represent small employer firms with 1-499 full or part-time employees (hereafter "firms") across all 50 states and the District of Columbia.