How A/R Automation Accelerates Your Collections Process

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For the first time in history, every business in the world is faced with the same challenge: **how to adapt to a rapidly-evolving global crisis in a volatile economic landscape.**

Businesses from every industry are adjusting their practices, including accounts receivable, in order to accommodate uncertainties caused by the coronavirus pandemic.

With most companies pivoting to working from home, maintaining _manual processes_ is becoming cumbersome, at least, and unsustainable, at best. For A/R departments that rely on these tedious and time-consuming processes, the current situation makes it even more difficult.

Accounts receivable automation is a viable solution to alleviate stress and challenges caused by remote access. Automation provides the tools necessary for A/R teams to efficiently manage collections that are central to business success.

It allows teams to eliminate mundane and repetitive tasks, connect their workforce, make data remotely accessible, and enable an enhanced customer experience from end to end.

In this paper, we will take a look at how manual collection processes are failing to support your A/R team. We will also examine how the right automated solution can upgrade your A/R processes, benefit you and your company, and optimize your collections.

What Manual Collections Look Like Today

Collections managers face an uphill battle. When checking the status of a customer's account, there are several steps they must take to ensure data accuracy. From querying various accounting systems, reconciling payments, cross-referencing with ERPs, following up with the clients themselves, and posting updated notes to a separate CRM, there is a lot of time and effort involved. It is certainly not the most efficient use of time, but it has to be done.

Through all this, challenges come to light that hinder teams and potentially harm the company. For one, everything is done manually. Every process is a hands-on, time-consuming undertaking. Many times, there are disparate systems involved that even the most meticulous individual is bound to make a

mistake or two here and there. When you add up all the time required and compare it to the expected return, it hardly seems worth it. Unfortunately, since the process is so complex, it can't be trusted to just anybody. The result is a high-value, highly trained individual forced to spend an excessive amount of time chasing their tail.

Adding to the frustration, the data that's pulled from the system is already out of date by the time it lands on the collections manager's desk. Since manual systems do not track payments in real-time, all the effort they spend is fruitless if the payment was made after the data was initially posted or the report was pulled, resulting in a lot of wasted effort and even more wasted time.

How AR Automation Optimizes Your Collections

Accounts receivable automation and digital solutions that include customer self-serve interfaces enable a new, upgraded approach that drives efficiency and boosts productivity.

Here are some of the key features and benefits to automating your collections:

Timely Payment Reminders

Customizable and automated payment requests that include electronic payment options. These reminders allow customers to immediately pay invoices or solve issues that previously required phone calls to the vendor.

These scheduled notifications can be customized, allowing you to personalize the experience based on which customers you want to reach, and how often. With auto-reminders and requests, fast collections are enabled, as is customer convenience. Plus, your team will spend less time and work chasing payments.

Detailed Invoice Information

You and your team have access to a detailed audit trail for every invoice and payment.

Automation means you can easily access a list of all invoice information, giving you complete visibility and more control from the moment an invoice is sent until payment is deposited. With instant access to the totality of an invoice and customer's history, customer service is enhanced, and new efficiencies enabled.

Valuable Business Insights

Automation enables business insights that help you make timely, smart decisions.

Priorities are set, reminders are sent, and results are tracked in real-time, ensuring that not a moment is wasted.

Resolution to Payment Challenges

Your customers and your employees will enjoy quick, easy, and painless dispute management.

Customers utilize the digital solution to partially pay or dispute invoices. A/R sees the communication and promptly responds, without phone calls or endless email chains. Added to this, instead of calling their vendor and asking for an extension, an automated solution allows customers to pull up an electronic invoice and schedule a payment for a later date. This enables better management of your A/R and lets you avoid awkward phone calls. Customers can connect to your team, and you can communicate with them to answer questions and resolve issues as they arise. This proactive approach allows vendors to settle payment challenges with ease– a huge stress reliever for A/R teams.

Flexible Payment Options

Many times, customers fall behind on payments for good reasons - business is growing faster than cash flow and working capital is negative for a short period. For customers who might be struggling to pay in full on their invoice due date, an automated payment plan gives them some relief on near-term cash crunches, and provides you with insight to their business and credit risk.

Conversely, customers with steady cash flow will want the option to auto pay current invoices. With auto pay, they receive a notice of a pending payment and their invoices are automatically paid on the day that they are due.

These flexible payment options provide an effective way to eliminate payment friction and provide transparency in your cash flow.
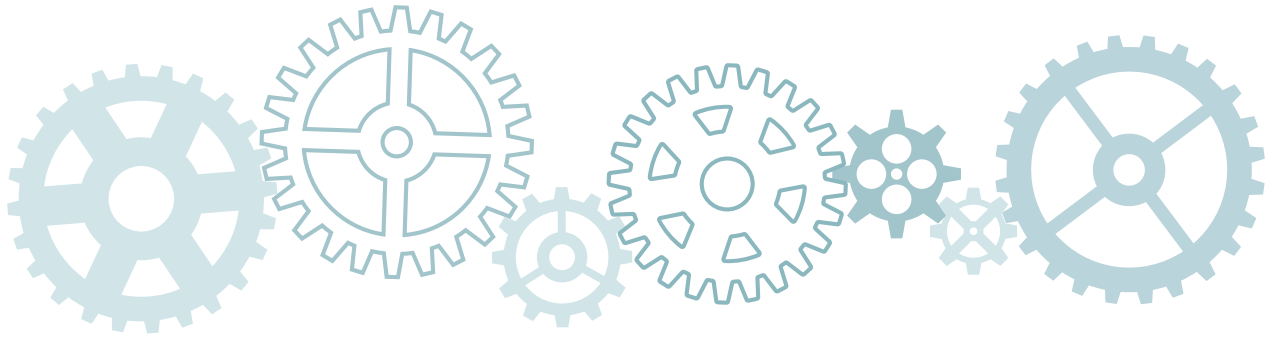
What You Gain With Invoicing and Payment Automation

Historically, manual AR processes are task-based. Every function in the collections workflow – invoicing, reminders, payments, posting, and reconciling – is all conducted as a separate task.

When an account is overdue and goes into collection, it adds an extra layer of complexity as personnel must look up the customer's account and billing history, reach out to them by phone or email, wait for a response (or not), and process payments or refunds as they arise.

With such an extensive to-do list, many of these tasks will impede cash flow and create a domino effect of inefficiency that resonates throughout the organization. *Automation* handles all of these processes with significant benefits.

Your time is optimized, invoices and payments are received in real-time, and the vast majority of all transactions are completed without any errors or human intervention required.

In Summary

An automated accounts receivable process helps you realize optimum efficiency and productivity, even when your team is working remotely.

All employees have access to the information they need to respond to exceptions that arise, and you can eliminate the incessant back-tracking that results from cumbersome manual processes.

Your employees will thank you, your customers will appreciate you, and certainly not least of all, your organization will see their cash flow improve almost immediately.

Billfire™ VALET is the Ideal Accounts Receivable Automation Solution.
As the most intuitive invoice-to-cash solution, VALET eliminates all payment friction to deliver faster payments, increased efficiencies, and improved customer relationships. Accelerate your cash flow today with Billfire™ VALET.
Call us on 602-888-0853 or email betterday@billfire.com to learn how we Make it a Better Day with Billfire.