



# Increase Productivity with Automated Collections

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Like many, your collections process probably faces challenges that include late payments due to invoicing errors or missing documents, inefficiencies of collection calls, and large workloads to complete everyday.

The surest way to minimize these challenges is with electronic invoicing and payments, and automated collections.

Harnessing the right A/R solution will reduce errors, improve compliance, and help you gain back employee time that is usually spent on mundane tasks such as resending lost invoices or statements. The time you save can then be put toward actions that contribute to growth of your business including improving customer service by addressing critical account issues.

In this paper, we highlight how electronic and automated accounts receivable solutions solve issues with manual collections to better assist accounting departments, realign priorities, and free up resources for improved operational performances and efficiencies.

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## The Benefits Of Automated Collections

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Your accounts receivable process is directly linked to positive cash flow and profitability. When manual processes become a barrier to efficiency, the impact resonates throughout the organization.

**Here are just a few of the ways an automated collections process helps remove barriers:**

### Prepared for Uncertain Times

Many businesses today continue to struggle with the effects of coronavirus, with some experiencing such a downturn that profitability seems distant at best. The more you can do to improve cash flow, the better. With concerns for wellbeing and safety at the fore, the more processes you can digitize, the better it is for everybody. **Consider that your vendors are also in a similar position.**

If they have relied on paying with paper checks, payments are now likely delayed. With everyone working remotely, getting

things done can be challenging if you insist on staying the course.

Electronic invoicing and payments is a viable way to turn things around. It allows your A/R team, customers, and suppliers to transact digitally, providing value for all concerned. Plus, deploying an accounts receivable automation solution ensures that, no matter what happens in the future, whether our current reality continues or not, [you are ready for it.](#)

## Achieve Positive Cash Flow

Automating your A/R processes results in getting paid faster. Those funds can then be put to work through new marketing initiatives or other business growth concerns. It is useful to consider the benefits and drawbacks that certain expenses can have. For companies who rely heavily on paper-based processes, these cause challenges for both A/R and A/P teams.

For teams looking to quickly, effectively, and affordably process invoices and payments, automation is a proactive step toward lowering costs while improving efficiencies, which will help prevent cash-flow shortages.

## Faster Processing Times

An automated A/R solution offers customers the kind of payment flexibility that helps you get paid faster. Payments are posted daily, so the money is in your account more quickly, helping you maintain positive cash flow and eliminating the time it takes for your team to process, reconcile, and follow up on outstanding accounts before physically depositing checks in the bank.

In a manual process, the time it takes your team to process, print, and mail an invoice, is staggering. These processes can require hours of unnecessary work that eats up resources and increases costs. In a cost-conscious market, manual and paper-based processes require countless hours of employee time and resources – needless expenses that can damage a business. According to research done by the Aberdeen Group, the total time required to manually process an invoice from receipt until payment approval is about 12 days. This is compared to the average of 3 days it takes to process with automation.

**Electronic invoice-to-cash solutions are quick, efficient, and automatically multi-task, which means lower costs and increased efficiency.** When curtailing paper-based A/R transactions and switching to automation, companies benefit from the fast-moving transactions that customers have come to expect.

CFO.com claims that a **“realistic, accurate understanding of your cash inflows and outflows is the bedrock of efficient cash flow, therefore it is critical to work with accounts receivable to understand which of your customers may not be able to pay or will be asking for extended payment terms.”** [Positive cash flow](#) makes it easier to plan for the future, as you will know that funds will be there when you need them. Automation offers regular updates that highlight areas where changes are needed for adjustment to or expansion of current budgets, allowing A/R and A/P teams insight into the effectiveness of their collections and payment policies and processes.

## Eliminate Error and Reduce Risk

Repetitive tasks, like data entry, are rife with mistakes. This forces employees to revisit work they have already done in an effort to correct the problems. Automation reduces many of the risks that come with having paper processes, such as risk due to human error and manual intervention.

**A centralized A/R database eliminates spreadsheets that need to be manually updated. Vendors leverage their ERP and accounting systems to provide the electronic solution with real-time receivables and payment information.** Further, digital accounts receivable solutions provide an invoice with every customer communication. The electronic invoice can't be lost or damaged and can be retrieved at any time from any location. Better yet, multiple accounts payable teammates can receive the invoice to expedite the approval and payment process.

The Aberdeen Group estimates the error rate, or the percentage of invoices issued with incorrect or incomplete information, in manual processes as 53%. On the other hand, with automated processes in place, this is reduced to only 14%. When AR processes are automated, transactions are processed immediately and more accurately. As a result, your employees are always working with authoritative data.

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## The Consequences of Inaction: The Cost of Not Automating your Collections

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If you choose not to automate your collections processes, you might be in for an unpleasant surprise – if not soon, then eventually. As the global business landscape continues to evolve in step with changing consumer expectations, companies must do what they can to remain flexible so they can be ready for what lies ahead.

Just because a certain process or way of looking at things has served you in the past doesn't mean it will continue to

### Your Current Task-Based Software Isn't Doing You Any Favors

Any software is an improvement over manual accounting processes, but when you look at the totality of today's needs, *most fall short* of delivering the efficiencies you need to make a difference. Task-based collections software requires a great deal of human intervention. Invoices are created and sent out manually via email. Unpaid invoices must be followed up, and reminders sent, again manually via email. All of these activities take time and effort, and the results are rarely value-building.

On the plus side, task-based software has a step-by-step process that keeps the team organized, if not busy. On the downside, the workflow doesn't offer any value. A person must still complete every task. On the other hand,

do so. As the business world embraces a "touchless" reality, automation will become even more critical in the effort to stay relevant.

Once you lose your ability to compete with other leaders in your industry, it might be too late. Pressure from customers and suppliers, negative cash flow, and frustrated employees could be more than just a bump in the road.

accounts receivable automation is an exception-based process. Simply put, this means that no human intervention is necessary unless there is an exception to the accepted workflow. Examples might include partial payments, deviation from an established purchase order, or anything that requires direct approval.

The cost savings of working with exception-based software over a task-based solution are significant. By some estimates, a company can lower costs up to 80 percent, giving you more options to channel funds into growth-related areas.

### Optimize Your Collections Today

**Considering the need for simplification, transparency, error reduction, and *process optimization* in collections, there has never been a better time for transformation than now. However, to offer a level of simplicity and flexibility while still using manual methods is simply not feasible.**

**By automating your collections processes, you provide the flexibility of a customizable experience. Customers can pay on their own terms, and you benefit from process optimization and greater customer satisfaction.**

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#### 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](mailto:betterday@billfire.com) to learn how we Make it a Better Day with Billfire.**