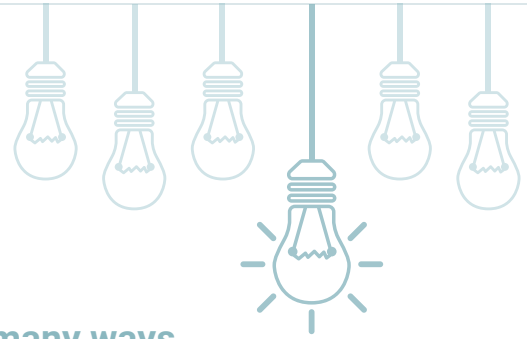




Why Crises Highlight the Need for Automation

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A crisis presents opportunities for companies in many ways.

While crises can impact a company's bottom line in the short-term, their benefit is that they also highlight weaknesses in processes that need to be addressed. Businesses can utilize the current pandemic to address key issues and strengthen their business to bring prosperity over the long-term.

Most crises take time to develop. However, with the COVID-19 pandemic occurring over the span of a only few months, businesses have found themselves in a unique and unconventional situation. As a result, the crisis has created a massive disruption to businesses and has thrown many companies into limbo.

Automation, especially as it relates to invoicing and payments, has always been highlighted as the need of the hour during

crises. Still, many businesses are hesitant to upgrade their accounts receivable solutions because of [misconceptions in the market](#). In the end, electronic invoicing and payments deliver significant value. Indeed, according to the Association for Intelligent Information Management (AIIM), companies can spend up to \$12.44 processing an invoice manually. Conversely, the cost of an electronic invoice can be as low as \$4.98, which represents a significant cost reduction.

The Need for Automation

In the past, automation was presented as a means to reduce costs, increase efficiencies, and improve cash flow. With the current crisis, automation not only continues to offer these elements, but has brought to light other useful features that meet challenges businesses are encountering for the first time.

The most obvious may be touchless payments. With social distancing, people are encouraged to limit personal contact and conduct business from a distance of at least six feet. Even if not automated, electronic payments eliminate the need to exchange cash or checks.

A more widely recognized benefit is that collections can continue even when workers cannot be physically present at offices. For accounts receivable departments that rely on paper-based, manual processes collections are increasingly difficult. Without automation, or at least electronic invoicing and payments, in place, these businesses will struggle to collect revenue in a timely manner.

As widely adopted as automation appears to be, there are still many companies that are behind the curve. ISG Research

indicates that just 7% of companies have achieved significant scale with their automation initiatives. Furthermore, a study by AIIM found that on average, 38% of the A/R process depends on paper-based execution and follow up. This number is on the lower end of the scale considering that it also accounts for businesses that have automated their invoicing and collections process.

In order to realize the full benefits of automation, consider how a [manual invoice-to-cash process unfolds](#); employees print invoices manually, stuff envelopes, and mail them. When payments are received via check, they then need to be manually reconciled using spreadsheets and even multiple computer screens. Once this is done, the check has to be manually deposited in the bank.

The pandemic has ensured that none of these tasks can be executed with any degree of efficiency. After all, employees no longer have access to workplaces and, in some cases, they cannot walk up to a bank and physically deposit checks. Combine this with decreased business output, and most businesses are facing a massive cash problem as the pandemic stretches on.



With that in mind, here are some of the negative effects that businesses are currently facing:

Cash flow reduction

With employees working from home, workplaces shut down, and customer payment procedures disrupted, cash flow has dried up. Working capital is stretched more than ever before as companies rush to develop alternative solutions.

Changing the priority of tasks

With fluid circumstances and daily disruptions to workflow, companies have had to reprioritize their tasks. This has led to some revenue streams being disrupted and limited resources.

In-person payments are an unnecessary risk

While they appear intuitive, in-person payments are no longer unacceptable or applicable because of numerous risks to employee health and safety. Consequently, companies need to find a way to reduce in-person contact and move to contactless payments.

Disrupted supply chains

EVERYTHING seems to be out of stock. According to the consulting firm Oliver Wyman, supply chains have been disrupted and order backlogs have grown because of the lockdowns imposed by governments. Revenue collection has slowed down as well, placing further stress on working capital.

Negative customer experiences

As an aftereffect of the overnight nature of the pandemic, companies have not had time to prepare their customers for changes to workflow. Unfortunately, this has led to negative customer experiences. For example, payments have been sent by the customer to empty offices, and checks have failed to be correctly deposited or applied against invoices as a result.

Moreover, communication between employees has suffered due to lockdowns, introducing more errors in the system as everyone adjusts to solely online or over-the-phone communications.

Automation solves these challenges. Here's how electronic invoicing and payments can make your business more efficient and support business continuity through crises. **The Benefits of a Fully Automated Business Processes.**

Better customer experience

Forrester research indicates that customers expect their vendors to be partners in their business as opposed to viewing them as a cash cow. This sometimes leads to demands of lengthier credit cycles and it makes evaluating customer data even more crucial.

Automation enables vendors to offer payment plans and provide better payment solutions that don't require users to remember IDs and passwords. By making it [easy for customers to pay](#), vendors reduce the obstacles that impede cash collection.

Reduces stress on workers and processes

With business conditions changing rapidly, it's tricky to plan for the future and address critical issues. Organizing tasks is tough in a manual process as employees spend more time updating spreadsheets and carrying out manual labor instead of projecting cash and adding value to the business.

Digital accounts receivable solutions help relieve this stress by allowing businesses to automate tasks and empower employees to use their time and skills to benefit the business.

Better dispute management

Communication has been disrupted and customer contacts are constantly changing. With employees working from home under varying degrees of access, dispute management has become a larger issue. Employees need access to paper records in offices they no longer are able to get.

An electronic solution eliminates this need completely and allows employees to drill deep into their data to offer customers better payment solutions. With electronic dispute management, customers can partially pay or dispute invoices from a single interface, and A/R can manage communication, address questions, and quickly resolve issues.

Enhanced visibility

Automated solutions offer enhanced visibility across the board and establish clear audit trails throughout the ITC process. In addition to this, the cost savings are also dramatic.

Adopting an automated solution actually lowers costs. From an A/R perspective, electronic invoice-to-cash solutions can decrease per invoice costs to as low as \$1.50 each.

Automation is the need of the hour

A survey conducted by the VC firm NFX indicates that 40% of venture capitalists believe the American economy will not return to normal until April 2021. Dealing with a disruption of this size requires innovation in order to survive well into the future. The pandemic is an opportunity for businesses to re-evaluate their processes and adopt solutions that allow them to allocate resources intelligently and to emerge stronger than ever before.

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.