5 WAYS TO MAKE YOUR INVOICE-TO-CASH PROCESS FLEXIBLE
Let’s talk about updating your invoice-to-cash process

Conversations around invoicing, payments, and cash application usually revolve around improving the metrics of speed, efficiency, and saving money. All of these are crucial to the success of your business, and should be near the top of your list. But when was the last time you evaluated flexibility?

**How flexible is your business?**
Are you sure that you are flexible enough to meet the demands of your growing business? Can you adapt to your customers’ needs? Are you flexible enough to change along with your industry or will you get left behind? Ask yourself these questions to help you evaluate if you’re really running your AR department as efficiently as possible.

**What does a flexible invoice-to-cash process look like?**
It’s pretty simple to describe the best practices for a flexible, adaptable invoice-to-cash process, or as we like to call it, **Payment Cycle Management**.

**You can break flexibility down into three main components:**
1. Deliver accurate invoices to your customers, using the method each customer chooses.
2. Enable customers to pay the way they want.
3. Apply payments quickly and accurately from a variety of sources.
Why should I make my AR process flexible?
A flexible Payment Cycle Management solution gives you creative new ways to increase speed, efficiency and save your business money. It will bring cash flowing in much faster by reducing days sales outstanding (DSO). And most importantly, flexibility brings scalability, which means your business will be able to handle growth easily.

So how do I make my business flexible?
Turn the page to see our proven top 5 ways to make your invoice-to-cash process flexible.
1. SEND YOUR INVOICES ELECTRONICALLY

Adding the ability to deliver electronic invoices will give you the flexibility to invoice your customers where they are likely to see it first. Email is a popular option for electronic delivery, but not the only option. You can also send invoices to AP systems, online banking systems, and other payment portals.

Why should you send electronic invoices?

- Electronic invoicing saves money by eliminating printing costs. It reduces those “I lost my invoice, can you send it again?” phone calls that take up time and resources.
- It speeds up your delivery time, delivering invoices in seconds instead of days, reducing DSO.
- You are less likely to send the wrong invoice, or have other mistakes.
- Your customers get the flexibility to send electronic invoices for processing and approval more quickly too.

And the best reason of all?

Your customers will be happier to receive invoices through their preferred method, and pay them faster.
2. ACCEPT ELECTRONIC CUSTOMER PAYMENTS

The fastest way to get paid is to accept whichever form of payment your customer wants to use. It’s that simple. Improved electronic payment methods, such as Level 2 and 3 credit card processing, are also less expensive. At the end of the day, you’ll have the cash back in your business faster and with less cost and effort.

How does electronic payment reduce DSO?

DSO reflects the amount of time it takes from when you send out the invoice until you have received and applied the payment. Payment through electronic channels reduces that time through a variety of ways:

- Checks don’t sit on someone’s desk waiting to be deposited at the bank
- Electronic payments can be linked to invoices, for faster cash application
- The more customers who use electronic payments, the greater the impact on reducing DSO
- Fewer human errors when payments are handled electronically

Best of all, you’ll never hear that old excuse, “the check is in the mail.”

When your company offers flexible payment methods, you’ll not only get paid more quickly, you’ll discover that your customers are happier, and
3. OFFER REMOTE DEPOSIT CAPTURE

You can make your invoice-to-cash process more efficient by being flexible enough to offer other payment choices such as remote deposit capture (RDC) to your customers.

It’s easy to see why RDC is better for your business:

- Better deposit availability
- More convenient
- Reduced transportation cost and risk
- Enhanced cash flow from cash management
- Reduced processing costs
- Consolidation of banking relationships
- Banks prefer RDC payments because it also reduces their transportation, processing and clearing costs as well.
4. USE INTELLIGENT CASH APPLICATION

The last step in the AR process, cash application, can also be one of the most difficult to manage.

One of the biggest issues facing any AR process is applying cash payments to the correct invoices. Automating this process through a flexible system that “learns” how to apply payments correctly, allowing it to become more efficient and accurate over time.

Why is automated cash application more flexible?

- It can be very difficult to strike the right balance in your accounts receivables department.
- Too few employees leads to longer processing times
- Too many employees? You’re not managing resources efficiently
- Human error can create accounting problems and unhappy customers
- Manual cash application is difficult and expensive to scale as your business grows
- Automated cash application actually saves you money

Use an intelligent, automated system to reconcile payments faster and with fewer errors than manual cash application processes. Your dedicated employees can spend more time handling important AR tasks, such as decoupled payments, and leave the busy work to automated system. And you’ll save money when it automatically applies cash payments as soon as they land in your account.
5. USE DASHBOARDS AND REPORTING TOOLS

The final step towards making your invoice-to-cash process flexible is to integrate dashboards and reporting tools that allow you to monitor accounts and identify trends. Accessing and using accurate data is the only way you can measure DSO, find inefficiencies, and gain transparency and insight into which areas of your AR process need improvement.

User friendly reporting tools give you the flexibility to create your own reports whenever you need to see which accounts are in good standing, which ones are outstanding, and where you can reduce your DSO.

What do reports and dashboards bring to my business?

- **Transparency** – Data shows you where your invoice-to-cash process can be improved
- **Accountability** – Errors, overdue invoices, and other problems can’t be overlooked
- **Flexibility** – Managers, accountants and even the CFO can look at accurate data anytime
Make your invoice-to-cash process flexible, the easy way

Billtrust can help you add flexibility and make your customers happier through Payment Cycle Management solutions designed to accelerate your invoice-to-cash process and reduce DSO.

**What exactly does Billtrust do?**

Billtrust will help your business automate some or all of your AR department functions, including invoice delivery, invoice payment, and cash application. Billtrust will help reduce your DSO and increase efficiency through the use of electronic billing channels, eAdoption programs, and smart automation that make your invoice-to-cash process flexible.

Our goal is to save you money and increase your own customers’ satisfaction because you’ll deliver customized invoices and collect payments using their preferred methods.
HOW WILL BILLTRUST SAVE YOU MONEY?

Implementing Billtrust Payment Cycle Management solutions can help your business:

- Reduce DSO between 3 and 9 days, or more in some instances
- Increase the use of electronic invoicing and payment, eliminating printing costs
- Decrease the number of invoicing support calls
- Reduce payment processing fees
- Improve department efficiency and employee satisfaction
- Increase customer satisfaction

Billtrust is also developing new solutions designed to help your accounts receivables department grow and adapt, such as mobile presentment and payment options. With Billtrust, you can reduce AR costs overall by up to 35% or more, depending on the customized solution that’s right for your business.

Learn more about Billtrust’s Payment Cycle Management solutions today:

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or
1-888-580-2455

Contact us today!