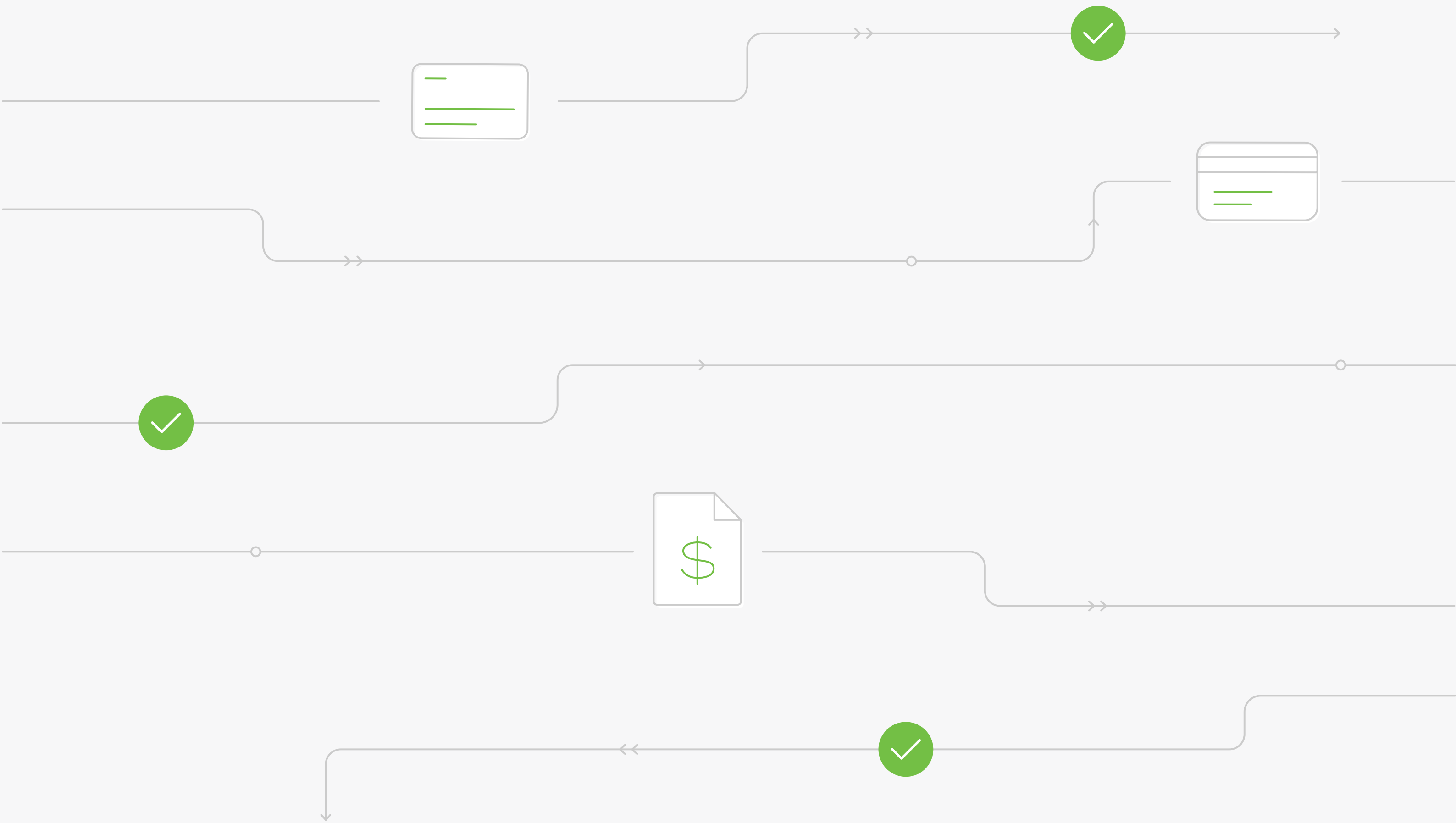
quadient accounts payable by Beanworks

quadient accounts receivable by YayPay



Best Practices for Finance Leaders to Improve Data-Driven Decision-Making

The stakes are high for finance leaders. AP departments are increasingly[1] being targeted by fraud. 93%[2] of companies are experiencing late payments. And customer expectations are not being met in B2B transactions[3].

As a business function that thrives on stability and predictability, it's a tough time for finance teams. The key asset required to stay on the ball is accurate data. This is essential to boost decision-making capabilities and manage fundamental tasks such as payments, collections and forecasting. However, in today's climate, decisioning data can change abruptly.

Finance teams must prioritize building a strong data foundation that informs their actions and enables them to work strategically. This will also reduce the errors and delays that impact their effectiveness and as a result, their company's financial health.

With that in mind, what steps can teams take to improve data-driven decision-making and overcome the obstacles that stand in their way?

The Impact of a Volatile Economy

According to Experian's 2021 global data management research[4], businesses believe that 32% of their data is inaccurate in some way. 55% of business leaders lack trust in data assets and 51% say that improving data quality is a "significant priority".

We're operating in a VUCA climate, which stands for Volatile, Uncertain, Complex and Ambiguous. Finance teams are facing increased turbulence and a higher risk of disruption. Their customers are experiencing the same problems. This makes it much more likely that companies will encounter financial difficulties or other scenarios that affect their business relationships, including their payment patterns.

This causes unpredictability and in financial terms, that equates to reporting and forecasting failures. These challenges are made even more difficult by the fact that many teams are operating remotely and are still working with tools that don't allow them to effectively organize, analyze and share data.

Achieving Financial Visibility

The goal for finance teams is to make data accessible to those that need it, while ensuring it's clean and accurate. This is what enables them to see trends and make informed, quantitative decisions that improve performance.

In both accounts payable and receivable, outdated processes are an obstacle to achieving this. For example, Minikahda Club[5] — a Quadient AP' customer — was managing every aspect of its AP process manually, which required hours of data entry, and led to huge stacks of paperwork and filing cabinets which were hard to keep track of. This increased the likelihood of human error, such as accidentally creating duplicate invoices, and meant time was being wasted checking data accuracy.

Jumio[6] — a Quadient AR customer — faced a similar problem in AR. Relying on Google Docs to manage collections, the company experienced productivity problems. It was difficult to identify customers at risk of missing payments and also to determine whom they should follow up with first.

55% **of business leaders lack trust in data assets.**

This highlights a key challenge that arises when teams use legacy software solutions, such as spreadsheets. They don't provide the insights that finance professionals need to do their jobs effectively. AP and AR teams work with disparate systems such as ERP, CRM and billing tools, and they need a way to consolidate the data stored within these. Spreadsheets don't offer this capability.

The prevalence of remote[7] and hybrid work exacerbates this problem. Today, finance teams desperately need easy access to comprehensive, real-time information — no matter where they work from. Without this, data management is challenging and teams risk inaccuracies and inefficiencies. In addition, when companies don't have sufficient visibility, they may not even be aware of issues. Research has found that 87%[8] of businesses fail to identify performance issues until they begin to impact their finances. This means that problems are slipping through the cracks and in financial terms, that means trapped or lost revenue.

Bridging the Gap Between Finance and Tech

One barrier to data visibility is a lack of departmental collaboration. This is particularly true of finance and IT. With technology affecting nearly every business area, teams must pave the way for smooth integration of new systems and processes. This starts with CFOs, CIOs and their respective staff collaborating more frequently.

Effective collaboration begins with establishing a mutual understanding. Both finance and IT are accustomed to their own vocabulary that's riddled with jargon. This can lead to communication problems between departments and can hinder productivity.

To address this, it's helpful for the teams to study the other's terminology. Finance should ensure they are familiar with concepts such as cloud migration[8], software as a service (SaaS)[9] and business intelligence[10]. On the IT side, members of the team should have knowledge of basic financial terms such as assets, cash flow and balance sheets. When the CFO and CIO embrace this partnership, it leads to better alignment between finance and IT agendas and reveals opportunities.

The trend is promising: a Robert Half survey of 1000 CFOs found that 82%[11] of them collaborate more often with their company's CIO today than they did three years ago. The research also revealed that when finance and IT are closely connected, they benefit from streamlined processes, cost savings, more effective use of data and enhanced security.

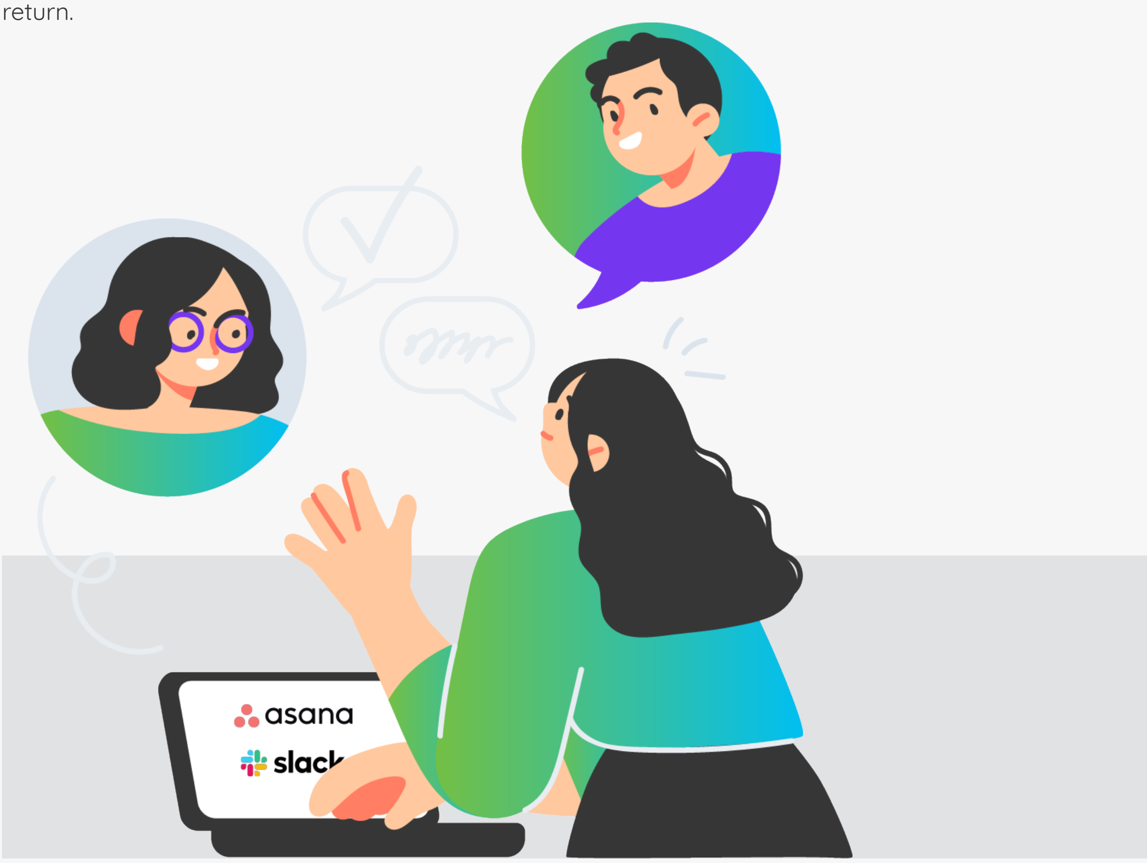
Tools for Collaboration

To facilitate both departments achieving their goals — such as increased data visibility — it's vital for them to work together closely. Members of the technology team should be included in finance meetings to gain a better understanding of how their work influences the department's overall strategy.

There are simple ways to enable this. You can hold weekly sessions where both teams have the opportunity to share updates on their work and identify symbiotic areas. Additionally, collaboration tools such as Asana[12] and Slack[13] can help teams interact frequently and easily exchange information.

The importance of these efforts should not be underestimated. Brian Klingbeil, chief strategy officer at Ensono — an IT service provider for large enterprises — says that when his organization established a strong working relationship between finance and IT, it was like lifting a curtain. He gave the following example[14].

His team knew the unit price they were charging a client was low, but they thought they were making it up in volume. Data from IT revealed a different story. The client represented 3% of revenue but 21% of service desk volume. After matching the data, they parted ways with the client, recognizing that the effort the team was making to support the customer was disproportionate to what the business was getting in return.



Upgrading Your Tech Stack

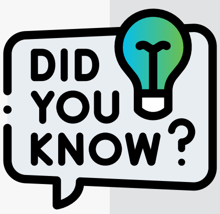
While these suggestions can help improve performance, relying completely on manual processes leaves your company at risk. With the increase of remote work, data visibility has become virtually impossible for companies that still rely on manual filing and documentation. For employees working from home, it requires an individual in the physical office who can search through filing cabinets, locate the necessary document and then either scan or manually input the information into a format that can be shared. Not a particularly smart use of time.

And the risk goes beyond wasted hours. Statistics from PWC show that 7.5%[15] of paper documents get lost. They can also be destroyed if a business suffers some kind of catastrophic loss due to a natural disaster, such as flooding or fire.

Fortunately, there are several technology solutions that finance teams can use to move away from manual methods. Document management systems — such as PandaDoc, Juro or FileMail — function as a digital filing cabinet. They help businesses receive, store, organize and protect business files. They not only reduce storage space, but allow for easier document retrieval and better collaboration. Beyond the visibility benefits, they also help ensure regulatory compliance and provide greater security for potentially sensitive information.

An even better option is to provide your team with an automated finance solution — like Quadient AP or Quadient AR. These tools can integrate with multiple systems, such as your CRM, ERP and accounting software, to provide cross-platform visibility. They pull all your data from your existing tech stack, consolidate it and present it to you in a usable manner. This means you can stop going back and forth between applications and focus more on the data analysis that helps you to work effectively.

A smart AP or AR platform also provides access to advanced reporting built around the KPIs that matter to your company. You can immediately see all the data you need for reports, and can set parameters, determining how much or how little information you want to see. Intuitive, user-friendly dashboards make viewing and sharing vital information far easier.



With remote and hybrid teams established as the new normal, businesses are increasingly looking to agile business principles to succeed. The ability to set goals quickly, continuously monitor results and adjust methodology as needed relies on real-time information that can be accessed anywhere, at any time. Automation gives you the tools needed to make this goal a reality.

The Demand for Data Accuracy

The great American satirist Tom Lehrer said, **"Life is like a sewer. What you get out of it depends on what you put into it."**

The same is true when it comes to data entry and the effort to achieve reliable analytics. The information can only be as good as what is input.

We know that manual data entry leaves businesses susceptible to human error. Something as simple as a typo can have a massive impact on tasks such as cash flow forecasting. Invoice disputes, delayed payments and damaged relationships with customers or vendors could follow, and these are only a few of the immediate negative impacts. A startling 69%[17] of workers state that their CEOs have made major business decisions based on inaccurate data. Yikes.

When errors like this occur, it can create a logjam in both the AP and AR process. Employees are forced to comb through records to identify the error, and then to go through the lengthy process of correcting it and properly recording the reasons for the change.

Data errors also have an impact on a business' bank account. The 1-10-100[18] rule of quality states that it takes around $1 to verify data is accurate before inputting it, but as much as $10 to correct it later.

Steps to Succeed

In the absence of an automation solution, there are still several practical steps that can be taken to achieve greater data accuracy.

Firstly, it's important to establish consistency in how data is input to minimize errors. A key part of this is eliminating multiple points of data entry. It's also important to centralize where data is stored. The average company with 200 to 500 employees is estimated to use 123[19] software as a service (SaaS) applications, while companies with under 50 employees are still using around 40. If the systems are not integrated and do not communicate, data must be manually transferred between them, which opens up the possibility of mistakes.

Organizations need to create a formal approval cycle, so that every invoice goes through the exact same process. They can also incorporate additional security measures, such as requiring sign off from multiple individuals if an invoice is over a certain amount. Managers should be entrusted with accountability to check details along the way.

A further step can be to eliminate informal communication channels, as these lead to lost information. They also make it difficult to audit the process and identify any necessary accuracy and efficiency improvements. It's best to do away with casual practices such as using email to request approvals and paper-based expense receipts. Instead, approvals should be tracked in a cloud-based tool with shared access to improve visibility.

Smart Solutions

As with improving visibility, a document management system can be an invaluable tool in increasing accuracy. When inputting by hand, there is always the possibility of a typo or a misread line. To eliminate data entry errors when moving documentation to a digital format, it's helpful to use Optical Character Recognition or "OCR" technology which extracts information from printed or written texts from a scanned document or image. The best solutions are 98% accurate.

While that is impressive, there are still limitations to what OCR can do. After all, information requires context to give meaning and the software does nothing to consolidate and structure the information in a way that can provide actionable insights. To achieve comprehensive data accuracy, automation is the most effective solution.

It's estimated that organizations that are reliant on manual processes experience a 1% error rate. On the surface, that may sound like a small problem. However, imagine the negative impact caused by 10 out of every 1000 invoices in your system being incorrect. Now multiply that by the number of systems the data has to be exchanged between and the errors quickly escalate.

An intelligent AP or AR solution helps you to eliminate this concern. Quadient AP' machine learning technology automatically extracts information from invoices, receipts and PDFs and populates it into the tool, reducing data entry time by over 80%.

Quadient AR centralizes data from your ERP, CRM and billing systems into one intuitive platform to provide accurate, real-time AR visibility. With comprehensive knowledge of what your company owes, what's owed to you and when you're likely to receive it, you're well equipped to create accurate cash flow forecasts that visualize your financial future.

Using automation also enables you to lower your overall exception rate by eliminating bad data due to human error. Exceptions take time to resolve, and can ultimately result in late payments.

When you reduce them, you're less likely to encounter late fees, fines and damaged relationships with vendors.

Breaking Down The Silos

Multiple systems lead to data opacity in financial reporting. They prevent teams from being able to peer into inner workings to determine the root causes of process delays and missed payments. Any mistakes made in a routine finance process — such as collections — can lead to cash flow delays. Something as simple as an incorrect billing address or pricing selection can add days to the time it takes to make or receive payments. If data isn't centralized, these errors will always occur.

It's therefore unsurprising that 52%[20] of CFOs are digitizing accounts payable and receivable to consolidate systems and improve transparency. Finance leaders want to eliminate not only the wasted time, but more significantly, the lost revenue that occurs because of data errors. They also expect to see an improvement in their customer experience when transparency is prioritized. PYMNTS' research reveals that 70%[21] of CFOs say AR transparency would boost customers' lifetime value. And being able to provide customers with a positive experience that extends their relationship with your company is essential in today's competitive market.

The Value of Accounts Payable and Receivable Automation

For accounts payable teams, automation solutions provide complete oversight of the AP process, from the moment an invoice is received until it is paid. Tracking is easy, and it prevents invoices from getting lost in the shuffle of day-to-day business or forgotten about. It also means that bottlenecks in the process can be quickly identified and resolved.

This increased visibility helps facilitate better cash management. Late payments can result in fines, fees and damaged relationships. It can even impact your supply chain. That said, unless there is a financial incentive to do so, it's best not to pay invoices until they are due. You'll want to keep that money in your pocket. The increased visibility provided by automation provides the necessary tools to thread that needle.

All of this information helps provide a better picture of your company's overall financial situation — what money you have, what is spoken for and when it needs to be paid. This, in turn, helps you make better financial decisions when planning.

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On the accounts receivable side, integrating automation is equally transformative. It provides a centralized, real-time source of customer information that can be accessed at any time and from anywhere.

This detailed data is fundamental for cross-departmental collaboration. For example, it makes it easy for your sales team to coordinate with your AR department when assessing things such as creditworthiness and the types of terms to extend. This helps your company onboard reliable customers, while also supporting your sales team's effort to set up customer contracts as quickly as possible.

Another vital element to mention is how automation can help you predict customer payment behavior. This is extremely valuable to protecting your cash flow and reducing DSO. With a tool like Quadient AR, you can take advantage of predictive payment analytics that are up to 94% accurate. This allows you to accurately estimate how much cash will come into your business on a weekly, monthly or quarterly basis.

From Struggles to Success

AP Case Study

PR Asset Management, an investment management company with over US$2 billion of real estate assets, wanted to implement a budget system for evaluating investments.

Steve Schultz, Financial Systems manager, found himself overwhelmed by piles of data that he had to find by searching through seemingly endless filing cabinets. He also noticed that there was very little history or documentation noting what a particular expense was for, who ordered it and who approved it.

When he began looking for a solution to solve the problem, he realized that he needed a solution that would integrate with their accounting software and could accommodate their real estate and property management portfolio.

Quadient AP was integrated seamlessly and the company saw immediate improvements. Previously, only 30% of invoices were getting through to management. That number increased to 100%.

In addition to better visibility, they also reduced the time they spent coding invoices by 25%. The software had an immediate impact on their finances as well, with overall costs decreasing by 10%.

Steve Schultz, Financial Systems Manager at PR Asset Management, said,

"It didn't take long before the benefits of choosing Quadient AP were realized. Management was seeing 100% of the invoices they needed to approve rather than the 30% that were originally getting through."

AR Case Study

CorneaGen, a global healthcare company, needed to improve AR management. The company's financial health was in jeopardy, with days sales outstanding (DSO) averaging 78 days and invoices older than 150 days representing US$1.5 million in revenue.

Haphazard AR practices wasted time. When invoicing, old credit notes were applied to outstanding invoices. This meant the team often had to spend time reconciling information.

Disorganized reporting exacerbated this. When an account had a specific condition, this was attached as a comment, rather than as an actionable field. The team then had to filter through endless notes before attempting to collect from customers. This made it impossible to keep up with the 150 daily invoices that they had to bill.

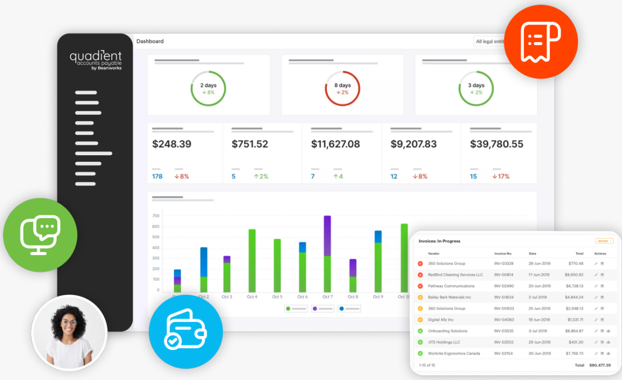
The company partnered with Quadient AR to manage AR more strategically and efficiently. Using intelligent workflows, invoices with POs are automatically routed to the AP team and invoices without POs are routed to the purchasing team. This eliminates the need to filter through information and ensures tasks are executed faster.

Data is centralized on Quadient's AR intuitive, cloud-based dashboards. This provides complete visibility across the company's customer portfolio and enables the team to quickly identify risks. This results in reconciliations being completed much faster.

Using these capabilities, the team saw a 70% reduction in their write-offs. They also experienced an almost 50% reduction in DSO.

Jaime Beadnell, Billing and Collections Manager at CorneaGen, said,

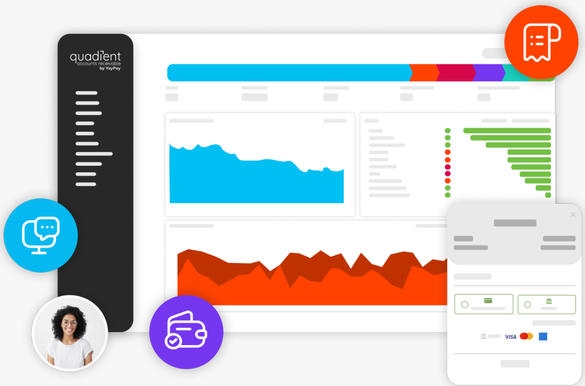
"Quadient AR provided immediate value. Being able to instantly identify outstanding invoices and follow up with customers armed with accurate, real-time information helped quickly reduce our past due invoices."



quadient accounts payable by Beanworks

Quadient Accounts Payable Automation by Beanworks is an essential all-in-one cloud-based accounts payable automation solution for the world's accounting teams. Our platform drives efficiency and productivity for busy AP teams. Quadient supports hundreds of thousands of customers worldwide in their quest to create relevant, personalized connections and achieve customer experience excellence.

For more information, visit www.quadient.com/ap-automation



quadient accounts receivable by YayPay

Quadient Accounts Receivable Automation by Yaypay is a leading accounts receivable automation solution providing intelligent credit-to-cash software, payment processing and industry best practice. Our end-to-end platform ensures process efficiency, team productivity and customer delight while accelerating cash flow. Quadient supports hundreds of thousands of customers worldwide in their quest to create relevant, personalized connections and achieve customer experience excellence.

For more information, visit www.quadient.com/ar-automation