order2cash

9 POWERFUL WAYS TO FUEL BUSINESS GROWTH WITH E-INVOICING AND PAYMENTS

THE MESSAGE FROM THE MARKET COULDN'T BE CLEARER: Move fast, make bold bets, and innovate all the time. It's no wonder digital transformation is the #1 priority of the C-suite. While most companies are focused on optimizing customer-facing processes, they should add accounts receivable (AR) processes into the mix. Here are 9 ways e-invoicing and online payments can boost business growth for U.S. suppliers:

1. Gain control over financial processes — and reduce time waste, risk, and cost.

Paper-based invoicing and payment create multiple opportunities for process breakdowns. These breakdowns include lost, incomplete or inaccurate, and rejected invoice submissions; the risk of extending credit to troubled buyers; and slow time-to-value for payments. E-invoicing can reduce AR costs by 60% to 80%,[1] reduce day sales outstanding (DSO) by up to four days,[2] and give your business an accurate, real-time picture of its financial health.

2. End financial issues due to manual processes and poor visibility.

No business wants to struggle with cash flow. Yet the reality is that today's financial processes war against improving working capital. Manual processes decelerate invoice production, print and mail adds days to delivery, and invoice exceptions constitute 20% to 30% of all invoices.[3] E-invoicing helps by automating processes, immediately identifying issues so that AR staff can fast-track their resolution. It also empowers U.S. suppliers by providing a complete picture of their company's financial health, including buyer credit risk, outstanding invoice volumes and value, invoice status, and payments. In a digital economy increasing visibility and control isn't an option: It's a necessity.

3. Automate invoicing and payments to scale with business growth.

Your AR staff are incredible, but they simply can't process more than 7,500 to 30,000 invoices per year.[4] Humans aren't meant to scale the way technology can. Implementing a white-labeled e-invoicing portal with APIs means your AR function can focus time on exceptions and respond quickly when business opportunities arise. Why wait to set up and staff a local AR function to enter a new market? Empower customers to pay online in their own language and currency, while gaining the peace-of-mind of ensuring regulatory and tax compliance in every country your business operates in.

4. Get ready for payment innovation and changes.

Payments are going digital — witness the market's boundless enthusiasm for all things fintech. ACH payments already constitute 32% of all U.S. B2B payments and are slated to grow to 45% by 2020, taking significant share from checks.[5] More than 1 in 3 suppliers say they value digital payments for the ability to track them online like FedEx packages,[6] something that's obviously not possible with checks. Accept a world of payments, while getting ready for blockchain.

5. Accept credit card payments without breaking the bank.

Credit card payments will grow to 12.5% of payments of 2020, due to their convenience, transparency, and global acceptance.[7] While U.S. suppliers value the ability to receive instant payments, accepting credit cards comes with a price. B2B companies spend an average of $2.2 million in credit card processing fees for every $1B in revenue they earn.[8] However, high fees don't have to be a given. Enriching credit card data can reduce processing fees by $1M or more annually, as a leading B2B company discovered when it implemented an invoicing solution from Order2Cash and Worldpay.

6. Accelerate business process optimization.

Automation helps U.S. suppliers gain speed and increase value across the order-to-cash (O2C) cycle:[9] from faster credit checks, contract signing, and purchase orders to streamlined invoice delivery, credit, payment, and collections. With seamless integration into enterprise resource planning (ERP) systems, U.S. suppliers can use data and analytics to fine-tune each step of the O2C process. As we've seen with financial services, eCommerce, manufacturing, and other industries, companies that gain access to — and control over — real-time data can create powerful business intelligence they can use to fine-tune operations and adopt market innovations. For example, with supply chain finance, U.S. suppliers can outsource AR, payment reminders, and collections processes, get payment guarantees, and use dynamic discounting to accelerate payments.

7. Move ahead of buyer's e-invoicing mandates by offering a solution of your own.

Buyers want to streamline accounts payable processes, and many are offering invoicing portals of their own. That means the AR strain on suppliers will escalate. Suppliers must typically enter data manually and pay fees for using their customers' portals. That's a problem that's sure to grow in the coming years as large customers globalize finance functions. By implementing e-invoicing, suppliers create a one-to-many solution that accommodates any buyer, connects to any payment network, and integrates with any ERP system.

8. Prepare for global market standardization and reap business advantages now.

The U.S. market has lagged Europe and Latin America in global adoption, because B2G mandates are in their infancy, and the market lacks the language, currency, and tax complexity European countries face. However, the world is adopting the global ISO 20022 standard, and the U.S. will likely join. Since most companies operate globally, it just makes sense to take a centralized approach to invoicing and payments now. ISO 2022 standardizes messaging, enabling companies to streamline cross-border wire and ACH payments and enrich invoice information for greater consistency and control.

9. Place the right strategic bets on new markets and business opportunities.

Companies are using cash war chests and inexpensive financing to enter new markets, court new partners, and conduct strategic M&A. At the end of October 2017, 11,826 deals in the U.S. market had been executed, with an average transaction value of $1.6 billion.[10] Being able to provide partners, buyers, or financing companies with an accurate, real-time view of your financial position can create competitive advantage against competitors still mired in paper-based process. It also may mean the difference between executing a deal — or losing out to a nimbler competitor.

Adopt e-invoicing and accept a world of payments.

Start getting paid online today.

Global Finance Gains Speed:
B2B Leader Adopts 1 Solution for All of Its AR Processes

This leading B2B company realized that it needed a new approach for handling invoicing and payments. The company had a decentralized approach to invoicing, meaning that it had low visibility into what was happening country-by-country, and each local AR function handled invoice flows on SAP independently. In addition, B2G and B2B mandates were increasing business pressures. In the U.S. alone, AR staff entered invoicing data into 11 different portals, and the number was certain to grow.

The B2B leader is creating a single order-to-cash process globally, harmonizing all invoices, templates, distribution, formats, and queries on a single platform. The solution will be live in 10 countries by 2018 and can scale up to 20. As an added bonus, the B2B leader can accept credit card payments of up to $1M, while reducing processing fees by $1M annually by enriching data. The company uses one platform for a world of customers, currencies, and payments.

Purchase Orders — e-Invoicing — Print & Post — Financial Marketplace — (e)Payments — Cash Application — Credit & Issue Management/ Dunning — Collections — Business Intelligence — Quick Scan — Customer Assessment/ Credit Checks — Insurance — Contract Signing & Archiving

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About Order2Cash

Order2Cash offers B2B companies flawless integration of the entire AR process, across the enterprise and around the globe. We have the world's only true end-to-end solution for credit scoring, online contract and document signing, e-invoicing, payment processing, credit management and legally compliant document storage. **All processes. One platform.**

Designed from the bottom up for managing and accelerating your order to cash processes, our online platform integrates with over 700 ERP systems and complies with all EU and other international VAT/TAX and invoicing requirements. For more information, visit **www.order2cash.com**

Endnotes

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8. David Anderson, "B2B Transactions: Level 2 & Level 3 Credit Card Processing," *Preferred Payments*, November 29, 2016, https://preferredpayments.com/b2b-transactions-level-2-level-3-credit-card-processing.
9. Order-to-cash is also called procure-to-pay or procure-to-paid.
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