

Window of Opportunity: Gaining AR Transparency Through Automation

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Lack of visibility into accounts receivable is standing in the way of businesses' growth. Can automation shine a light on B2B payment processes to transform relationships and drive success?





accounting teams lack insight into problems' causes, it can be tough — or impossible to arrive at the best solutions. Promoting greater transparency in buyer-supplier relationships leads to stronger



partnerships by fostering better communication and information-sharing. Automation offers both parties the clarity they need, ultimately enhancing trust. Suppliers can gain a needed window on cash flow by digitizing their payment processes

The absence of transparency in AR poses challenges for many businesses. When



and leveraging AR automation. This innovation offers further benefits such as reduced errors and delays.

PYMNTS Intelligence interviews Barrett Smith, Chief Payments and Customer

Operations Officer at Versapay, on the importance of transparency in B2B payments. In today's uncertain economic landscape, a lack of transparency in accounts receivable (AR) processes is hindering businesses' growth. When accounting teams operate in the dark, payment hurdles,

inefficiencies and hidden costs go unchecked. This makes it difficult for companies to understand the root causes of issues, challenging their ability to make informed decisions. Transparency through automation of the payment process can transform AR management, offering all the insights needed to enhance cash flow, strengthen buyer-supplier relationships and, ultimately,

promote overall success. • Lack of AR Visibility Impedes Companies' Growth • Increased Transparency Leads to Better Buyer-Supplier Relationships

- Automation Sheds Light on AR for Better Forecasting
- An Insider on How AR Automation Is Bringing Transparency to B2B Payments
- Opening the Door to Growth With AR Automation
- The absence of transparency in AR poses challenges for many businesses. When accounting teams lack insight into problems' causes, it can be tough — or impossible — to arrive at the best solutions.

Lack of AR Visibility Impedes Companies' Growth

Lack of AR transparency is a top challenge facing small businesses.

challenges have become an all-too-familiar pain point. What is less well-known is their major source: a lack of payment transparency. Having visibility into the AR process is crucial, as it is the only way a company can spot problems that may be holding up payments. Research has shown that United States small to mid-sized businesses (SMBs) rank the lack of real-time

In today's complex business environment, cash flow

of SMBs cite cash flow forecasting as the top challenge of manual AR.

growth. Manual processes contribute heavily to poor visibility into AR. SMBs cite cash flow and forecasting as the number-one challenge of relying on manual AR processes,

having real-time information on cash flow can have a damaging effect on a business's revenue and

visibility into their current cash position as one of their top financial planning challenges. Moreover, not

time on AR processing. For these businesses, achieving increased visibility into AR is an urgent necessity to position themselves for success. Fortunately, AR automation is rapidly emerging as an effective solution for gaining this

with 59% facing this problem. In addition, 50% say these outdated systems result in spending excessive

Increased Transparency Leads to Better Buyer-**Supplier Relationships**

Promoting greater transparency in buyer-supplier relationships leads to stronger partnerships by fostering

better communication and information-sharing. Automation offers both parties the clarity they need,

Buyers demand improved visibility into payments. Transparency in B2B payments is a two-way street.

53% of heads of payment at middle-market companies want simplified processes

ultimately enhancing trust.

visibility.

for paying suppliers.

Forecasting

reduce delays.

automation.

customers.

the likelihood of costly mistakes.

supplier and buyer," Smith noted.

expressed their preference for transparency and more information overall, with 37% wanting access to order status, order history and outstanding invoices. PYMNTS Intelligence research confirms this, with 38% of heads of payment from middle-market companies seeking tracking and transaction management features when choosing which option to use in their supplier payments. Moreover, 53% want simplified payment processes. Offering self-service customer portals and automated communication workflows is an important solution to ensuring better customer communication and satisfaction. Suppliers need more communication from buyers. Suppliers want more data and clearer communication from their B2B buyers. When asked what changes

Customer disputes and exceptions to billed receivables

are a major source of business disruption, and the key

culprit, again, is a lack of payment transparency — in

this case, for the buyer. In a recent survey, B2B buyers

their top customers could enact to foster better working relationships, 98% said improvements in communications are vital. Specifically, one-third of suppliers said that buyers could make information

more easily accessible. In addition, 26% of suppliers expressed a preference for a unified digital platform

providing access to everything they need. **Automation Sheds Light on AR for Better**

Suppliers can gain a needed window on cash flow by digitizing their payment processes and leveraging AR automation. This innovation offers further benefits such as reduced errors and delays. Automation's invoice tracking features

payments. Many of these benefits come from having increased visibility. Nearly eight in 10 CFOs at firms making more than \$1.5 billion annually said AR automation reduced

automation meaningfully reduces problems related to

PYMNTS Intelligence findings reveal that 40% of CFOs say

delays through improved invoice tracking. In addition, 85% said it did so by addressing invoice errors and discrepancies. Large and small firms alike are benefiting from increased visibility through AR automation. Major financial institutions are noting the benefits of AR digitization and automation. Moreover, SMBs' finance leaders cite better visibility into cash flow as the most commonly sought advantage of AR

tracking.

of CFOs at large U.S. firms say

delays by improving invoice

AR automation reduces

77%

An Insider on How AR Automation Is Bringing **Transparency to B2B Payments**

44 As automation and technological advancements continue

[accounts receivable] and accounts payable."

Chief Payments and Customer Operations Officer

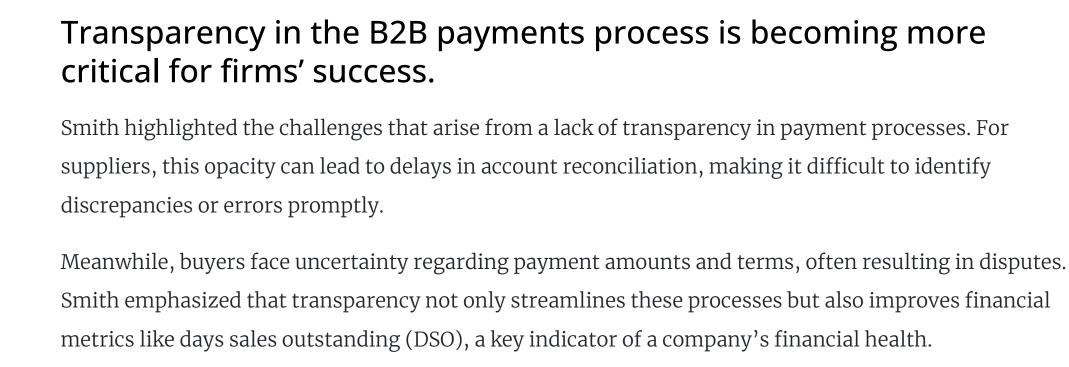
to evolve, increased transparency will accelerate the B2B

payments process and facilitate better alignment between

PYMNTS Intelligence interviews Barrett Smith, Chief Payments and Customer Operations Officer at payments

automation company Versapay, on the importance of transparency in B2B payments.

Barrett Smith



inefficiencies of manual accounting. Smith underscored how automation can reduce errors and enhance the overall experience for both suppliers and buyers. By automating AR, businesses can achieve real-time visibility into payments and invoices, leading to better communication between disparate departments. Furthermore, AR automation minimizes manual data entry, thus improving data integrity and reducing

"Both AP and AR automation can reduce the mundane data entry tasks and spreadsheet-based work,

"This means teams can focus on high-value tasks such as at-risk customer outreach and credit risk

leading to increased efficiencies, fewer errors and a more streamlined end-to-end journey," Smith said.

As companies strive to streamline their financial operations, AR automation offers a solution to the

Additionally, he noted that greater transparency in B2B payments can ensure that data is organized in

standardized formats. This can make processes more consistent and efficient. Having more transparent

data can help companies qualify for better payment processing rates, saving money and adding value for

Automation addresses these concerns by enabling greater

alignment between businesses' AR and AP departments.

analysis to improve collection efficiency." Automating AP and AR will require upfront investments in process changes, team training and software, Smith added, but the long-term benefits are considerable. They include significant cost savings, improved accuracy, and stronger relationships between buyers and sellers. The biggest challenges for companies looking to automate their AR processes are adjusting workflows and ensuring data quality.

Companies aiming to automate their AR processes face challenges, Smith noted. Among the most

will integrate with or replace traditional methods. However, technology is not the only barrier.

significant hurdles is the need to adapt existing workflows and elevate data quality.

early attention to maintain data consistency and achieve seamless operations.

and users, AR processes become considerably more efficient.

decision-making and uncover hidden inefficiencies.

suppliers by ensuring accuracy and timeliness.

term partnerships.

reconciling and optimizing money," Smith said.

"People tend to be fearful of change, and that fear can limit the adoption of automation capabilities," Smith said. Ensuring that employees recognize the benefits of automation is crucial for adoption. Additionally,

integrating disparate systems like ERP and CRM platforms with AR/AP software is complex. It requires

"With careful planning, process reengineering, data quality management and team training, these

concerns can be addressed and lead to simplified AR processes that improve outcomes for both the

Companies must pinpoint which AR processes require adjustment and how new automated workflows

Advanced technologies such as artificial intelligence (AI) are transforming AR automation. AI's role extends beyond merely sorting invoices or processing payments, Smith explained. It is transforming how users interact with data. By integrating AI as an intermediary layer between systems

"The potential power of AI is very exciting when you think about the complicated web of moving,

For instance, AI can swiftly convert queries into actionable insights, eliminating the need for manual

data analysis. This capability not only streamlines operations but also scales business functions.

Versapay's moves to leveraging AI to refine internal workflows and elevate customer experiences

"AI is having and will continue to have a major impact across AR and global payments," Smith asserted. Opening the Door to Growth With AR Automation

illustrate a broader shift toward utilizing AI for its profound impact on financial operations and beyond.

To capitalize on the benefits of transparency in AR processes, firms must embrace digital and automated

technology. Businesses critically need to address visibility gaps that hinder effective decision-making,

weaken buyer-supplier relationships and impede growth. Implementing the following steps can position companies for sustained success: • **Take stock of your current process.** Investing in technologies that enhance visibility into AR processes enables better tracking and analytics. Improved transparency can drive more-informed

• **Determine the need to foster collaboration.** Enhancing communication and data sharing builds

stronger buyer-supplier relationships. Transparent processes foster trust, which is vital for long-

• Automate AR to streamline operations. Automation tools streamline AR operations. This reduces

manual errors, speeds up payment processing and ultimately strengthens relationships with

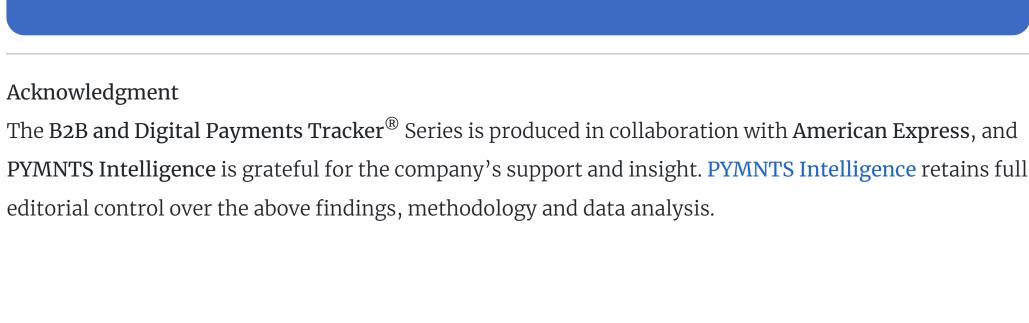
By digitizing and automating AR, businesses can overcome the challenges posed by a lack of transparency. The roadmap to success begins with visibility, leading to informed decision-making and sustainable partnerships.

partner and proprietary buyer and supplier capabilities, like our Automated Payments solution, OneAP. These capabilities allow our customers to streamline back-end processes and gain efficiencies, granting businesses a window into payment status and potential delays. We are enhancing our products to strengthen buyersupplier relationships, improve cash flow and realize growth." RJ Ancona VP & GM, B2B Product, Partner & Client Management

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44 Automating AP and AR processes can help boost transparency

in business payments. American Express is investing in both



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