CHECKLIST

10 Accounts Receivable Automation Tactics That Can Transform Your Business

There's a wealth of tactics that make up effective Accounts Receivable (A/R) automation beyond the purchase of software. Our top 10 list will help inform your view of what goes on behind the scenes when automation replaces manual work.

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LEVEL 1:

Building a Solid Foundation

Digitize A/R Records

In order to automate, any data that comes into the A/R department must transition to a digital format. That includes customer records, invoices, late payment reminders, invoice error inquiries, and payment tracking & reconciliation. Otherwise, you run the risk of automating with offline data: an impossible task.

Send Invoices Electronically

Drop the constant process of printing and sending invoices and daily mail checks. With all of your A/R data digitized, there's no reason not to send invoices to customers via email. Expect a brief ramp-up period as you collect email addresses for stragglers, and consider an incentive (or penalty) to get to 100%.

Provide Online Payment Options

Once customers receive their electronic invoice, give them the option to make a payment online. Evaluate transaction types (like ACH and eCheck) with minimal fees, or negotiate credit card processing fees for lower rates. And be sure to look into B2B payment networks: some offer a fixed fee for unlimited payments.

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LEVEL 2:

Creating a Strong Framework

Create Actionable, Automated Reminders

Nearly 100% of invoices require an extra touch to get paid. That means businesses need a robust follow-up strategy, and automated invoice reminder emails are the key. A/R automation platforms will have varying levels of flexibility in customizing reminders. Create a workflow based on your business's payment terms.

Allow Customers to Self-Serve Wherever Possible

Nearly ¾ of customers surveyed expect businesses they interact with to offer self-service, and 40% of them actually prefer it over human contact. Give customers control at every touchpoint with a self-service portal. Making payments, requesting credits, changing payment cards or terms, and downloading receipts are all within reach.

Ensure Internal Teams Can Change Workflows

Wouldn't it be a shame to set up A/R automation only to find you can't change it? Make sure any workflows and/or tools you use can be set up en masse AND edited on the fly. That means changing or deleting invoices, pausing communications, adding notes, and tracking the history of A/R records.

Integrate with Mission-Critical Systems

All the functionality gained through automation is exponentially more powerful when connected with the business's CRM, ERP, AP, and PEO tools.. Customer data can flow directly from the CRM to A/R, and paid invoices can connect seamlessly to an ERP. Make the appropriate connections to complete the cycle.

LEVEL 3:

Putting on Finishing Touches

Offer Payment Plans to Manage Complex Arrangements

Payment or collection plans enable customers to make purchases they might not otherwise make, and automated A/R often has them baked into the platform. Templated emails, risk profiles, payment categories and types of receivables help determine the communication experience for customers.

Leverage Payment Tokenization for Greater Security

Customers are extra sensitive about protecting their payments data. Give them greater confidence by using an A/R automation platform that offers payment tokenization or fund-on-file. Your business can bill their card using an auto-generated token, without accessing their private data repeatedly.

Reduce Clicks to Drive Efficiency for Customers & Staff

A/R Automation alone will drive drastic efficiencies, but there's always room for improvement. Be on the lookout for ways to reduce clicks or remove human interaction. For customers, that might be a "Pay Now" button right on the invoice email. For staff, it could be automatically closing invoices once a payment is received.

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