



What's so unique about accounts receivable processes within B2Bs?

When it comes to AR processes, B2B companies have unique challenges that their B2C counterparts do not. These challenges burden the business, particularly accounting and finance teams, with lengthy and expensive workflows that are prone to errors, while hindering overall growth.

Lengthy payment processes

The average B2B payment process can take 28 to 45 days to finish. This weeks-long timeline impedes a B2B's ability to accurately forecast, meet financial obligations, and limits access to cash – all of which greatly impacts the overall efficiency of the business.

Expensive and manual workflows

The average B2B payment process takes so long because it is often full of highly manual, time-consuming workflows, which come with high associated labor costs.

Take accepting paper checks for example, which averages \$23 per check to process:

1. After invoicing a customer who pays by check, the business must then wait to receive the check in the mail. (This can be further delayed by the customer's invoice approval process, which itself is often a long process, too.)
2. Once the check is received by the merchant, it must make its way to the accounting department for processing.
3. The check may sit on a desk for a few days.
4. Then someone in accounting must open the letter, look up the account, apply the payment, and dispose of it according to compliance standards.
5. The company must then wait for the check to clear.



High error and fraud risk

Relying on manual payment processes means multiple points of possible errors, with human error being the culprit in the majority of these manual processes. But whether it be simple data entry errors or data formatting issues or download/upload timeouts, any error must later be troubleshooted and resolved, adding further to the timelines and costs mentioned previously.

Plus, with multiple points of possible errors, many B2B organizations can find themselves vulnerable to fraud, as complex processes often translate into security gaps that fraudsters can take advantage of. In fact, according to a recent study by [JP Morgan](#), 65% of companies surveyed acknowledged their battle with B2B payment fraud.

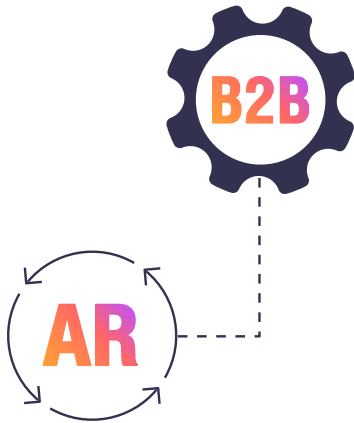
A look at AR automation

Accounts Receivable (AR) automation is a data-driven solution that accelerates cash flow for businesses of all sizes, but especially for B2B companies who want to speed up payment times while reducing overall costs. But when we say, “AR automation,” what exactly do we mean?

For our purposes, we define “AR automation” as using technology solutions to streamline and automate AR tasks that are usually manual or physical. So tasks like creating and sending invoices, sending payment reminders, collecting payments, and reconciliation.

In today’s economy, digital solutions are the backbone of AR automation, specifically digital invoicing with flexible, digital payment options. By going digital with an automated AR process, businesses experience a 63% reduction in the time it takes to process payments and can achieve cost savings of up to 29%.

Any company would love to get paid faster and reduce their processing costs, but let’s explore why AR automation is even more important to the average B2B company looking for new ways to improve efficiencies and grow their business.



AR automation: the path to B2B growth

1. INCREASED VISIBILITY TO CASH

B2B companies rely on accurate cash flow forecasting to make informed decisions. With AR automation, you get real-time visibility into receivables, which means more accurate forecasting and better cash flow insights and management.

2. CUSTOMIZED PAYMENT TERMS

B2B transactions often involve complex payment terms that are customized to meet each client's needs. With AR automation, B2B companies can easily set up tailored payment schedules, discounts, and terms, ensuring a personalized customer experience that helps build strong relationships.

3. AUTOMATED PAYMENT REMINDERS

AR automation takes the guesswork out of follow-ups by sending automated reminders and notifications to customers with outstanding invoices, helping B2B companies spend less time chasing down payments and eliminating manual steps.

4. INTEGRATION WITH ERP SYSTEMS

For B2B companies, keeping your AR processes and ERP systems aligned is essential. AR automation solutions seamlessly integrate with your other platforms, providing a clear view of customer interactions, days-sales-outstanding (DSO) and payment information.

5. IMPROVED CUSTOMER SATISFACTION

According to Deloitte, when businesses embrace AR automation, they see a 40% increase in customer satisfaction levels. Streamlined processes and convenient digital payment options provide customers with the quick and easy, consumer-like, payment experience they crave.

6. ACCELERATED PAYMENTS

Make it easier for customers to pay, get paid quicker—it's just that simple. B2Bs utilizing AR automation see a remarkable 30% decrease in outstanding balances.



The cost of delay

Every day spent relying on burdensome, manual processes is a day of lost potential cost savings and revenue. By deploying the power of AR automation, B2B companies can see a staggering 90% improvement in data accuracy.

Ready to take your B2B operations to the next level? Streamline your processes, boost efficiency, and drive growth by exploring the possibilities of AR automation.

[Contact our B2B payment experts to get started.](#)



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