



WHITE PAPER

# Rewrite the workday

How AR professionals are transforming their day-to-day in new and strategic ways



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# Executive summary

**In the past, business leaders have viewed the accounts receivable (AR) department as a functional, but not strategic component of their businesses.**

But the mass transition to remote work brought on by the COVID-19 pandemic has proved this view of AR to be demonstrably false. AR teams have shown their ability to be flexible and creative in managing changing work practices in a disrupted economy. AR professionals have brought all of their skills to bear in maintaining cash flow for their companies – keeping business moving and employees on the payroll.

The professionals who work every day in the field of accounts receivable do their work with a spectrum of tool sets ranging from paper-based and manual processes on one end to cloud-based and highly-automated tools on the other. Companies that recognized the strategic potential of AR and made smart investments in cloud and automation technology have found that their order-to-cash processes have fared better than peers still reliant on older AR tools during their transition to remote work.

Staci Cima, Corporate Credit Manager of Huttig Building Products, noted that her Credit department made the transition to paperless processes before the pandemic and her entire team was able to smoothly transition to remote work. Rob Brunton, Vice President of Shared Services for GlobalTranz, noted that his team's embrace of the digital transformation of accounts receivable actually increased worker productivity after the transition to work-from-home.

The truth is that accounts receivable and the professionals who work in it are highly dependent on the tools and processes provided by their companies. These tools and processes can limit worker productivity, collaboration and job satisfaction, or they can enable all of these indicators to grow.

Outdated processes that lead to stressed out, overworked employees don't just hurt the smooth flow of receivables from order-to-cash. They also create employee retention problems and damage the perception of businesses in the eyes of their customers because of the less-than-optimal customer experiences that result from under-supported employees.

Accounts receivable, and the professionals who work in it, have the potential for greatness.



Automated order-to-cash platforms can eliminate or reduce many of the manual tasks that eat up an AR professional's day. When manual tasks are reduced, employees have more time to service customers and pursue strategic initiatives. Their workflows become more flexible and tolerant to sudden change. They become available to work on more vital business tasks and have the bandwidth to tweak and improve their business processes.

Using the tools of modern automation, AR professionals now have the power to elevate their contributions to their company and become strategic stewards of their processes.

The following report describes the state of AR as it is practiced today by professionals working in various business sizes along the spectrum of AR technology. In the pages ahead, we will explore new ways of thinking about the everyday tasks of AR, outline approaches to improve those processes and demonstrate how AR automation technology has empowered AR professionals to **rewrite the workday**.

# Introduction

The accounts receivable professional has been overlooked in our business culture. A quick Amazon search reveals hundreds of books written on sales, negotiating, leadership, logistics and creative thinking. Less than five are on the business of accounts receivable.

But there are more than two million accounts receivable professionals in the United States alone. (1,2) All of them fill vital functions for their businesses. All of them are capable of professional growth and strategic thinking. And all of them have played vital roles in maintaining business continuity during the COVID-19 pandemic.



Accounts receivable is the powerhouse of every business. By delivering cash flow, it converts sales success into business viability.

Billtrust is one of the most trusted providers for AR innovation. Tens of thousands of AR pros work with our tools daily. And Billtrust is dedicated to connecting with our vibrant community of users. Through customer interviews, panel discussions and conversations both online and in-person, Billtrust has gathered unique perspectives on how AR professionals approach their workday.

We share these with you now in hopes that these insights will help you approach your work more efficiently and with greater recognition.

# Three ways to measure time

A powerful perspective on task management



Accounts receivable professionals tend to frame their workdays according to a set of tasks that must be completed. And there never seems to be a shortage of things to do. In order to successfully complete their work, the AR professional develops a strategy for ranking, ordering and timing their tasks. At Billtrust, we've found that most AR tasks can be divided into three types.

1. **Instant:** tasks that can be accomplished instantly
2. **Discrete:** tasks that can be accomplished in one sitting
3. **Extended:** tasks that involve sub-tasks (gathering reports, handling disputes, etc.) and stretch across multiple work sessions

The goal of the strategic AR professional should be reducing the time their discrete and extended tasks take to complete while converting as many of them into instant tasks as possible.

Implementing a combination of best practices and automation can transform their work. And the benefits aren't just in time savings. According to the U.S. bureau of labor statistics, "with more routinized tasks automated, [AR professionals] are expected to take on a more analytical and advisory role over the next ten years. For example, rather than performing manual data entry, [they] will focus more on analyzing... and pointing out potential areas for efficiency gains." (2)

**Let's take a look at how AR workers are transforming how they approach tasks along these three timeframes.**



# 1. Instant tasks: straight-through-processing (STP) is the ultimate goal



Straight-through-processing (STP) refers to any task that can be completed without the manual intervention of an AR professional. This is not to say human intelligence is taken out of the equation, far from it. An AR system that is capable of STP will have been designed and optimized for the specific needs of the process by an AR professional (often working with an automation solution provider).

Unfortunately, very few AR tasks are currently instant or straight-through-processed. According to The Association for Financial Professionals 2016 survey, only about 40% of featured companies had “any” level of STP, and only 8% were able to straight-through-process more than 80% of their receivables. (3)

The types of tasks that are ripe for STP but are still handled by humans can be the most frustrating. Manually keying invoicing data into AP platforms is a key example. Mithat Sancar, VP at Iron Mountain reported to us that some of his team members were unhappy with having to do such a mundane task month after month.





“These are people who have degrees, and this wasn’t how they wanted to be spending their workday. So, we had to look at alternative resources and try to automate as much as we could.”

————— Mithat Sancar, VP of North America, Agreement to Cash, **Iron Mountain**

## The status quo of STP cash application

ERP systems have little ability to STP cash application on their own because they lack deep integration with other systems in the financial environment. Electronic payments arrive in a variety of formats that most ERPs cannot reliably straight-through-process. Electronic card payments often require manual keying, but do have the potential to be automated. Paper checks sent to bank lockboxes undergo expensive, manual “value-added keying” by bank employees before digitized payments data is transferred to the AR department. And often, even this payment data does not meet the remittance requirements necessary for STP cash application through an ERP.

Accounts receivable professionals spend an inordinate amount of their day manually matching payments with invoices. Complications like short pays and discounts can be wonderful tools for building customer relationships, but they confound less sophisticated financial software and all but require manual intervention in all cash application tasks.



# Thompson CAT's journey to STP

One experienced AR professional working at Thompson CAT, a heavy equipment dealer, was able to manually apply nearly 100 payments a day.

This AR superstar was armed with deep knowledge of customer payment behavior which allowed them to overcome the inefficiencies of their cash application process.

Eventually, the AR professional left Thompson CAT, and when they were replaced, the new employee lacked the former's first-hand knowledge. Unapplied and misapplied cash mounted. Customer-confidence plummeted. And the new Thompson CAT employee knew they needed to completely remake their cash application process.

It was time for some outside help.

Thompson CAT worked with Billtrust to implement Billtrust Cash Application, a software-based solution that works in conjunction with the firm's ERP.

Optical Character Recognition and Artificial Intelligence work together in Billtrust Cash Application to automatically read the payments and remittance data in paper check payments, eliminating the need for bank lockboxes and expensive "value-added keying." Electronic payments made by email, Interactive Voice Response or fax are also processed by the Cash Application solution and applied automatically.

Today, Billtrust Cash Application instantly and touchlessly processes more than 80% of Thompson CAT's payments on a daily basis. The other 20% is quickly matched through Billtrust's smart exception handling features.



## STP means flexibility

As an AR team converts more of their tedious tasks to instant, STP tasks, they become more flexible. When data lives in the cloud and can be sent where it needs to go by automated tools, AR pros are less reliant on constant collaboration and access to paper documents or specialized terminals.

We've seen evidence again and again in our customer conversations that the digitization and automation of AR processes has enabled teams to quickly and efficiently go remote. During the July 2020 Billtrust Customer Advisory Council meeting, the Billtrust customers polled reported that productivity had either stayed the same or increased as professionals worked from home and digitized even more of their processes.

## The teams that reported adapting successfully to remote work shared a few common factors:

- Automated tasks ahead of the pandemic
- Displayed flexibility with their existing processes in order to promote quick payment from buyers
- Leveraged collaboration software like Microsoft Teams
- Ensured that their remote staff were equipped with comfortable and effective work spaces
- Kept morale up by participating in remote employee engagement activities

Our Customer Advisory Council members also reported increased employee satisfaction.

Manual keying of invoices and remittance data isn't how anyone should have to spend their day. The straight-through-processing of manual tasks frees AR professionals to flex their skills and makes for happier workdays.

## 2. Discrete tasks: smarter equals faster

The coffee is in hand, and we're ready to go.



Discrete tasks require all of the necessary information to be accessible so the task can be completed in one sitting.

Almost all invoicing tasks are discrete because the AR pro is retrieving information from their own company's open AR data and translating it into a paper or electronic invoice.

The majority of cash application tasks are discrete because even though payment and remittance data are sometimes transmitted separately, one can generally find what they need to apply.

### **The question is: How long does it take?**

There are a multitude of challenges that AR professionals need to contend with if they want to reduce the time it takes them to complete discrete tasks and open themselves to more strategic pursuits. Let's look at some of the challenges faced by Billtrust customers and how their smart integrations with AR automation allowed them to **rewrite the workday**.



### MANUAL KEYING

Ohio Transmission Corporation has grown to be one of the largest industrial distributors in the United States. With the constant increase in their customer count, the number of invoices grew exponentially. Sometimes it took them an entire day to manually key in invoice data when they were working on their larger customers.

AR was overwhelmed and cash flow was in danger. But the company's Director of Credit and Accounts Receivable, Colleen Moran, had previously worked at a company that used Billtrust for invoicing. She implemented Billtrust Invoicing, then expanded to Billtrust Cash Application.

Both solutions reduced the need for manual keying and sped accounts through the AR process.

As payment volume quadrupled, Ms. Moran's team was able to easily handle the growth while maintaining their headcount.

### DISPARATE INFORMATION

Behler-Young, a growing HVAC/R supplier, was handling all billing in house. Each invoice touched several employees before heading to the customer, increasing the preparation time and manual labor required.

The AR team knew the process could be streamlined. They worked with Billtrust to implement a single sign-on portal for both invoice presentment and acceptance of electronic payment. Customers loved that it allowed them to see what invoices were open and closed and enabled them to communicate about what they were paying – all with 24/7 access.

The Billtrust single sign-on solution put Behler-Young's invoicing and payments in one place (both for their customers and Behler-Young's AR professionals) and the streamlined solution vastly reduced the time the AR team spent on cash application, from 20 minutes per payment to under five.

## ERRORS

OMEGA Engineering is an established global leader in the technical marketplace. They offer their customers a range of over 100,000 products. But their successful and complex business led to an overflow of work for the AR professionals on their staff.

They relied on high-maintenance equipment to fold, insert and mail invoices to nearly 85 percent of their customers. And attempts at growing electronic invoice adoption were met with challenges. Their technology didn't allow them to spot failed emailed invoices, and they lacked an easy-to-use customer portal.

The OMEGA Engineering team decided that they needed a complete solution that would not only reduce errors and manual effort, but that would drive electronic invoicing adoption.

They chose the Billtrust Invoicing solution and implemented Billtrust's Customer Portal Automation

(CPA) program. More and more often, buyers are pressuring suppliers to input invoice data into AP portals. This "non-value-added keying" is labor intensive. But with CPA, Billtrust can take the portal credentials from the supplier and input invoices into the customer portal without manual intervention. The solution worked alongside their complex electronic data interchange (EDI) customer interfaces and **saved the AR team over 4 hours a week on manual keying.**

Each discrete task innovation mentioned above did more than just save time, reduce errors and enable better customer experiences. Automation and the speeding of accounts receivable tasks allows AR professionals to focus their attention on more strategic initiatives, driving greater value for their companies and supporting career growth.



# 3. Extended tasks: herding cats through automation

These are the tasks that can turn into major AR challenges.

Extended tasks require multiple inputs from both inside and outside the firm and are prone to many mishaps. AR professionals handling extended tasks efficiently need excellent organizational skills, a solid plan of action and, often, some luck.

## **THE STATUS QUO OF CREDIT APPLICATION**

The onboarding process to approve credit for a new customer is especially complicated. The AR professional must first issue a credit application, which is generally in the form of a PDF. They then need to follow up with the prospective customer, process the filled-out application and then contact the bank references the prospect entered on their form. Prodding the bank to provide the reference in a timely manner is an art in itself. Concurrent to this, credit reports must be gathered on the prospect. And, hopefully, all of the information arrives in time to make a credit decision.

It's no wonder that many workers can experience burnout when juggling dozens to hundreds of tasks across days, weeks and months. Let's look at one example of an AR team that took the time to step back, analyze their processes and implement automated solutions with Billtrust that helped them manage, streamline and better organize the extended tasks that filled their workdays.



## Automating the Credit Application

A massive CPG manufacturer with multiple businesses selling products into 120 markets (and growing) was hitting a snag. As they acquired more businesses, markets and products, their AR professionals in the credit department were overloaded by faxes and phone calls as customers attempted to be approved for credit.

They could handle it. But their manual, nose-to-the-grindstone methods were not scalable. They suspected there could be a better way.

They contacted Billtrust to discuss the problem. The Billtrust team spent significant time with the CPG manufacturer's credit department. We came to understand their needs and challenges.

Billtrust's solution was to take the complicated process of gathering filled out applications, completed bank references

and credit reports and flatten it. Billtrust built a simple online credit application that automated many of the steps that AR professionals were doing manually.

The CPG manufacturer's processing and approval time for credit applications dropped from days to hours. Customer phone calls, faxes and emails about credit approval decreased dramatically. Most applications are sent, filled and approved in less than a day. Rules can even be established that lead to auto-approvals.

And it all happened because their team had a vision of a better way of doing their job and reached out to Billtrust to help them get there. They turned one of their most onerous extended tasks into a discrete one. This is perhaps the most dramatic example yet of AR professionals working with automation to **rewrite their workday**.





# Conclusions and recommendations

The world of AR will always be home to challenges. As stated earlier, AR is the vital engine of business, transforming sales success into business viability. But as technology accelerates the pace of business, today's AR professionals face a dilemma. Should their stance towards faster sales cycles, increased electronic payments and accounts payable automation that shifts work onto the AR side be reactive?

Or should they take an active approach and seek out partnerships with accounts receivable automators like Billtrust?

In many ways, the COVID-19 pandemic has already provided an answer. Few business leaders bought into the digital transformation of AR to secure against a future pandemic. Most investments were made to save time and money and create better customer experiences. But for those businesses leaders who did invest — the digital transformation of AR has paid off in ways they could not have predicted.

Business continuity and cash flow have been bolstered. Employee productivity in remote environments has grown. Worker satisfaction has improved. And the vital work of AR has continued even in the face of unprecedented challenges.

So, where can AR professionals and their leadership go from here? We hope the success stories chronicled in this paper provide a clear answer. Across every type of type of AR task — instant, discrete and extended — AR automation has a positive role to play in the lives and careers of AR professionals.

The reduction of manual tasks elevates their role to a strategic steward of their business. And as tasks are completed more quickly, accurately and strategically, customers reap the benefits.

We hope that you find this to be a valuable message to share with your coworkers and your leadership. And if you'd like to learn more about how you and your team can utilize AR automation to rewrite your workday, please reach out to [sales@billtrust.com](mailto:sales@billtrust.com).

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