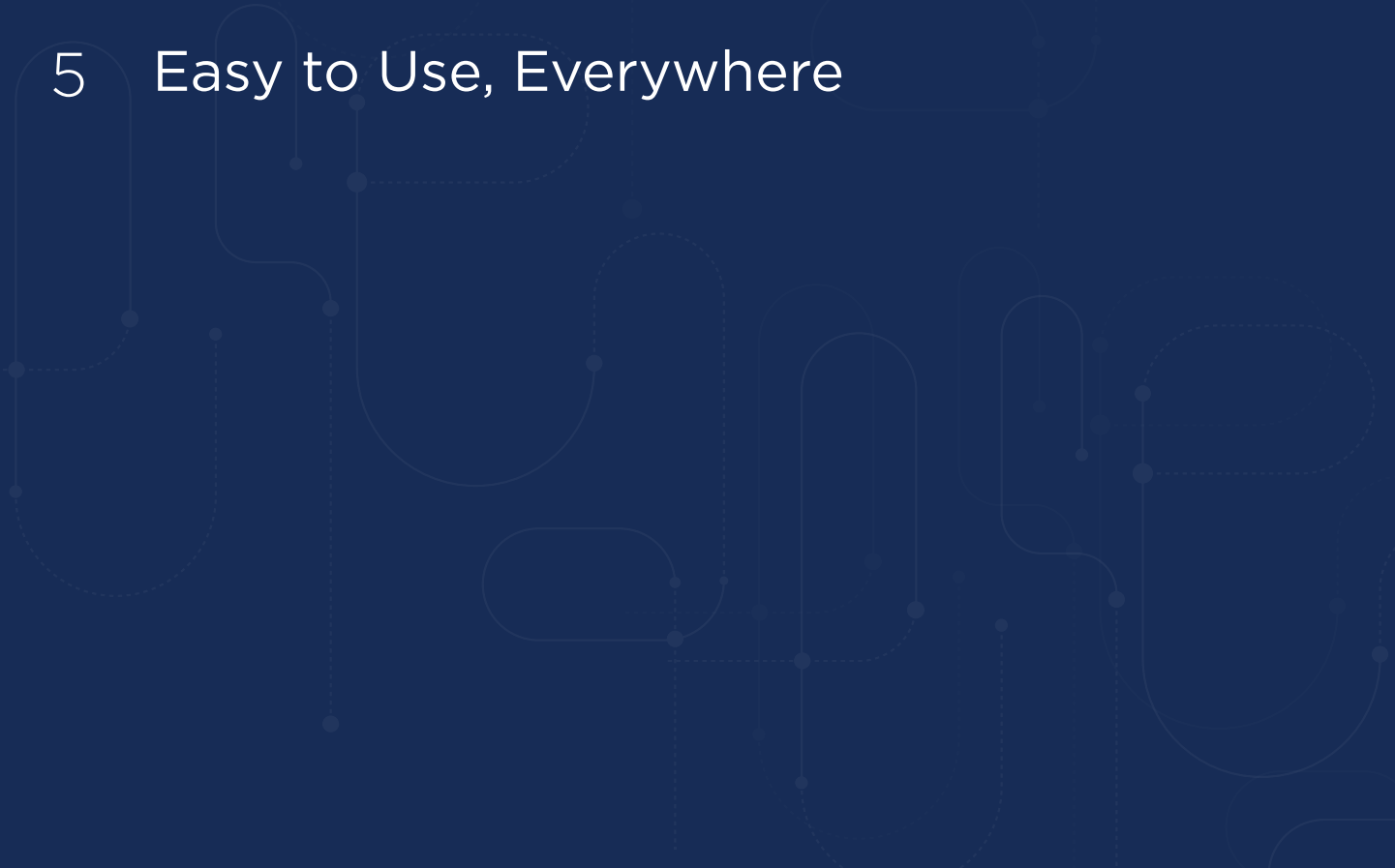# TOP 5 PAYMENT SOLUTIONS

for Automating Accounts Receivable

Top 5 Payment Solutions for Automating Accounts Receivable

Learn to streamline billing and get paid faster.

1   Billing Payment Portal

2   Least Cost Routing and Reducing Fees

3   Virtual Terminals and Funds on File

4   Your Software and SmartData

5   Easy to Use, Everywhere

Top 5 Payment Solutions for Automating Accounts Receivable

Introduction

Enterprises have seen a wave of innovation and growth over the past decade as new technologies and entire business practices have come to market. Insurance companies have seen big data and analytics improve risk analysis and drive efficiency in premiums and quotes. Law firms and legal practitioners have seen much of their workflow digitized and automated with document management systems and contract databases. Marketing, advertising, and recruiting firms have seen almost every aspect of their business move to the cloud, from prospecting to reporting to analysis. In all cases, this automation and digital transformation has brought gains in productivity and profitability. But while the products and solutions these companies offer are cutting-edge, in most cases their payments infrastructure suffers from decades-old stagnation. Without modernizing this infrastructure, it is hard to keep up with the pace of business in today's automation-centric world.

Addressing Efficiency in the Enterprise Cash Cycle

Invoicing, payments, and reconciliation (the enterprise cash cycle) are the lifeblood of a growing business. So, it is no surprise that an efficient payments infrastructure is critical for growth. From automating manual processes to speeding up time to cash to lowering transaction costs, a modern payments infrastructure provides many benefits. Unfortunately, legacy systems and manual processes still plague a majority of companies. Antiquated payment methods like paper check still dominate. Manual processes in collections and reconciliation burden most finance departments. These outdated processes put significant stress on the business. They also have bottom-line ramifications that can affect profitability and sustainability.

Since payments sit at the heart of the business and since cash flow is crucial for financial health, CFOs, controllers, and finance managers need to address outdated payments infrastructure or risk being surpassed by those who do. Fortunately, solutions now exist to modernize billing and payments.

Below are five key solutions for eliminating stagnant cash flow and poor collections on accounts receivable. These solutions will help you achieve automation, efficiency, security, and higher ROI.

1. Billing Payment Portal

A billing payment portal is one of the most effective ways for your customers to remit payments and allow you to more quickly and efficiently capture receivables. Your payment portal should be easy to use, functional and feature rich, and speed your time to cash while reducing your costs.

To achieve this, start by ensuring your payment portal offers your customers all payment types: credit and debit cards, ACH, and Smart ACH. By offering payment options that conveniently match your customer's existing operations, the faster they will pay.

Second, the technology should operate easily in your website and invoices, bills, and sales orders while also extending to your field services, warehousing, and any mobile operation. Thus, allowing your customers to pay from anywhere on any device.

Third, the payment portal needs to accept data from external sources and allow for the pre-populating of fields and key data points (such as customer data and "amount owed"). The less your customer has to fill in and the more the payment is tied to your records, the faster reconciliation and time to cash will be.

Fourth, the experience your customers have should champion your brand.

Your payment processing, with a properly optimized and branded billing portal, should see remittance times and DSO fall from a few weeks to a couple of days.

2. Least Cost Routing and Reducing Fees

Reducing transaction fees, especially if you accept credit cards, is key. Making cards the *only* method of payment ultimately will cost you, but thankfully that cost can be reduced by being familiar with card network fees and a few options you have for shifting the burden - sometimes avoiding it altogether.

Not all cards cost the same: credit cards are more expensive to accept than debit cards, in part because the balance of the debit card is backed by actual cash in a card-holder's account. Some credit card networks charge over 4%, whereas your average debit card processor charges less than 1%. Make sure your card processor accesses both network types, and that they pass the savings on to you.

If you must accept card payments and debit pricing hasn't reduced your costs low enough, look to passing the transaction fee on to your customer. A simple "payer pays the fees" process can reduce your costs to $0, while still providing your customer the convenience of paying with their cards.

The Achilles Heel of accepting cards is the percentage based pricing, inflating proportionately to your business' growth. Thankfully, solving that is as easy as including flat-rate payment options, such as eCheck, ACH, and Smart ACH. The Automated Clearing House (ACH) network allows your customers to pay with their checking or savings account, and uses low, flat rates immune to the size of the transaction. Smart ACH adds balance verification in which a customer has to confirm their available funds before payment, so insufficient funds and bounced checks become expensive relics of the past.

3. Virtual Terminals and Funds on File

Full-service acceptance of payments requires a virtual terminal, so your customers can deliver a payment over the phone and your staff can re-charge a previously used card or bank account. A virtual terminal is available to your authorized staff members only, and grants them the ability to enter card and bank details on behalf of your customer. They can take those details over the phone, so your customer can pay even if they are not in front of a computer or smartphone.

A virtual terminal also allows your staff to re-charge the payment devices your customers used previously. Your staff can access the payment device (or fund) stored on file, and in a few clicks, help your customer pay by simply charging "whichever card or bank I used last time."

"Funds on File" also allow for scheduled and recurring payments, such as subscriptions, installments, payment programs, and any returning customer. Make sure your payment processor is fully protected, and that you're not responsible for any unknown security requirements.

4. Your Software and SmartData

If you keep books, maintain a ledger, or in any way track invoices, bills, and sales orders, your payments need to reconcile back into that record keeping system. In order to achieve that, each payment needs to carry more data than just the amount and payment method. It needs to include what the payment was for and the invoice, bill, or sales order to which it is connected. Thus, you avoid the inevitable costly, error-prone, manual effort of reconciling your books.

5. Easy to Use, Everywhere

No two businesses are alike and you shouldn't suffer "one size fits all" tools, especially when it comes to something as vital as your payments. Look for processors that help you engage customers throughout your entire business; from your website, invoices, bills and sales orders, from within your emails, and more - and all with your valuable branding (not someone else's).

Better yet, find a processor that can deliver tools that are easy to use, easy to implement, and easy to brand.

PayStand offers all the listed features and more. Our next-generation billing and payments network can be customized to meet your needs. Contact us today to learn more about our AR solutions and to modernize your payments infrastructure. We look forward to hearing from you!

ABOUT PAYSTAND

PayStand's mission is to use modern Internet, Blockchain, and SaaS technologies to transform B2B payments. PayStand's revolutionary "Payments as a Service" model creates a smart billing & payment network that can digitize receivables, automate processing, reduce time-to-cash, lower transaction costs, and enable new revenue. www.paystand.com