



AP & AR: Common Concerns, Shared Solutions

Are they really that far apart?

Accounts Payable (AP) and Accounts Receivable (AR) can seem like siloed functions with little interaction required to successfully accomplish their daily tasks of making and applying payments.

But look a little closer and you'll find that in actuality, the two functions share common problems. Even more importantly, they share ways to find new efficiencies, savings, and opportunities.



The Demands Placed on AP and AR

AP and AR directly impact the cash flow of a business. They both feel pressure to:

- 1 Reduce Slow & Outstanding Payments
- 2 Capture Discounts & Savings
- 3 Reduce Process Complexity
- 4 Improve Visibility

Common Problems in AP & AR

Listen to AP and AR and you'll quickly understand how many pain points are shared across functions.

75%

of CFOs want to transform the way they pay and get paid.

(Censuswide/Bottomline Survey, 2023)



Paper Documents



Different Invoice Formats



Data Management



Lack of System Integration



Payment Fraud Risk



Manual Processes



5 Common Solutions for AP & AR

To meet the common demands placed on AP and AR and overcome their common challenges, there are five key tactical improvements that can be implemented.



1. Digital Payments



2. Automated Processes



3. ERP Integration



4. Improved Data & Analytics



5. Self-Service Systems



Common Solution #1

Digital Payments

Paper invoices and payments become less efficient and affordable by the year. They require manual processes and – from a cost, time, and resource perspective – are a significant burden for your business.

Increasing digital payments like ACH and virtual card will:

- ✓ Permit straight-through processing
- ✓ Improve controls and accuracy
- ✓ Significantly reduce processing costs
- ✓ Free up staff to focus on business-critical initiatives

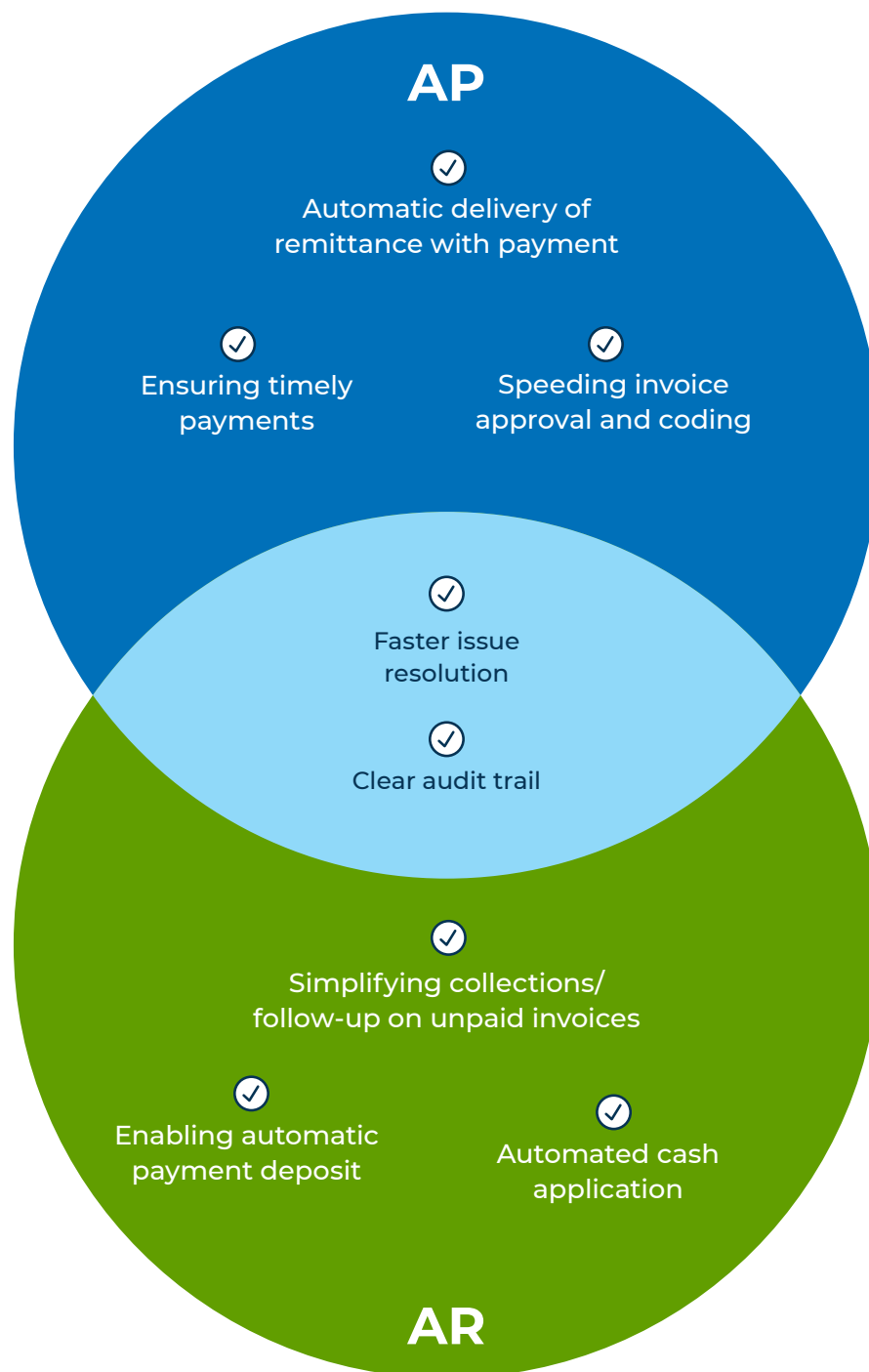




Common Solution #2

Automated Processes

As paper-based documents and payment types are exchanged for digital formats, it becomes easier to put automated workflows in place for greater efficiency and productivity. Automation can be leveraged at many points in the invoicing and payment processes.





Common Solution #3

ERP & System Integration

Automation is critical for both AP and AR, but it is only possible when automation solutions integrate with your company's existing ERP or accounting system.



With AP and AR solutions integrated into your ERP, you can ensure that:

- Processes and businesses rules are aligned with your central system of record
- Staff do not need to leave their working screens to complete their tasks
- Invoice and payment processing is done entirely within the ERP
- Manual, semi-automated, and fragmented processes are eliminated
- Data is readily accessible for all aspects of invoices and payments
- Integrated validation is available for online general ledger coding
- Reconciliation, reporting and auditing can be completed swiftly and accurately

95%

of businesses saw process improvements after successful implementation and integration of their ERP

(Panorama Consulting Group)



Common Solution #4

Improved Data & Analytics

Automated workflows enable easier access to critical data regarding the status of invoices and payments and associated impact on cash flow.

Robust reporting and easy access to data is valuable at multiple levels of the organization, especially near the end of months, quarters, and calendar or fiscal years. Paper-based processes simply do not enable the same ease of access, requiring re-keying of information, which in turn introduces time and opportunity for error.

80%

of CFOs need better access to real-time payment data.

(Bottomline CFO Survey)





Common Solution #5

Self-Service Systems

Easy access to mobile and cloud-based systems means easier connectivity between vendors and payers.

Self-service systems enhance the speed and convenience of invoices and payment processing, while at the same time reducing inbound phone calls. The increased visibility these portals and mobile applications offer can increase trust, as well.

Only 9%

of finance departments consider themselves fully integrated.

(Institute of Financial Operations and Leadership, 2023)





AP and AR

Finding Common Ground and Shared Solutions

Despite initial appearances, there is no chasm separating AP and AR teams. Instead, these functional groups share challenges and can work together to solve them, improving business outcomes for everyone involved.

Increasing digital payments like ACH and virtual card will:

Digitizing and automating processes across AP and AR brings benefits for the entire enterprise:

- ✓ Cost savings
- ✓ Improved cash flow
- ✓ Resource optimization
- ✓ Reduced risk
- ✓ Increased visibility
- ✓ Improved business relationships

68%

of CFOs are invested in digital transformation.

(PWC, 2022)



Want to achieve these improved outcomes?

Get Started

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