Paystand

9 Accounts Receivable Processes You Can Supercharge with Sage Intacct and Paystand Right Now

Introduction:

The Number One Issue (and Opportunity) Businesses Overlook

If you're not thinking about improving the accounts receivable process, you're not thinking about the right things. Here's why.

On the one hand, accounts receivable is a massive resource vacuum, sucking up work hours, keeping multiple staff members occupied, and relying on long, complicated, and redundant processes driven by manual data entries. Accounts receivable takes giant amounts of input just to do it adequately (perfection takes much more).

Worst of all, the process repeats itself every month, putting a never-ending demand on the accounting team's shoulders. We think of accounts receivable as a business necessity, which tends to obscure the fact that it's also a significant distraction and huge driver of manual work and overhead.

On the other hand, accounts receivable is the company's revenue engine. Cash flow depends on it. So much so that minor errors and inefficiencies in the accounts receivable process can jeopardize liquidity and leave companies without a financial lifeline when they need it most. Therefore, getting accounts receivable right must be a top priority, which explains why companies pour so many resources into it — the company could stall out (or worse) if they don't.

Accounts receivable automation can improve on two fronts: more efficient at collecting revenue and more effective at it. There are two ways to think about this issue: First, as an opportunity, because improvements to accounts receivable result in fewer resources being wasted and more cash on hand. Second, as an obligation, since cash flow issues can be catastrophic and operational efficiency (or lack thereof) relates directly to competitiveness in many industries. The fact of the matter is this: Companies have many compelling reasons to improve accounts receivable, but they have as many pressures pushing them in the same direction.

That's why you should be thinking about improving accounts receivable — and why we wrote this ebook.

Paystand is on a mission to rebuild the commercial finance system, especially business to business payments, from the ground up. By automating crucial accounts receivable functions, businesses can scale their revenue without their fees and AR tasks scaling along with them.

We want to call attention to an issue that too many companies overlook, ignore, or neglect. But, more than that, we want to highlight real, practical ways that any company can improve accounts receivable and see their fortunes transform.

The Present and Future of Accounts Receivable

The way most companies manage accounts receivable looks much the same today as it did 40 years ago when the first wave of accounting technologies hit the market. A recent survey found that 87% of finance teams still use spreadsheets, either fully or partially, to handle accounts receivable. Tellingly, the same survey showed that 72% of teams are unsatisfied with their current process.

This comes as no surprise, really. Spreadsheets require extensive manual entry to get data in and out, and they are limited to a toolkit that was not built for accounts receivable specifically or financial management generally. It's an imperfect tool at the center of a critical process. And while using spreadsheets and manual entries to run accounts receivable may have been acceptable or adequate at one time, that's quickly starting to change.

With accounts receivable, as with so many other things, the COVID-19 induced pandemic exposed overlooked flaws and sped up the timeline for change. Companies that went into the pandemic feeling like their accounts receivable was robust and resilient soon learned otherwise — the need to switch suddenly to remote work made life hard for companies not already in the cloud. Cash flow constraints and unprecedented uncertainty amplified the need to collect and manage cash as carefully as possible, especially as the pandemic compelled companies to pivot to survive. Finally, the "great resignation" left many accounting teams with holes for which they have struggled to find replacements.

The Silver Lining

Things are not all doom and gloom, however. Paystand and Sage Intacct are uniquely positioned to aid businesses as they move to the cloud and adopt automation.

The pandemic overlapped with a new wave of cloud-based, data-driven, internet-connected technologies with the ability to transform the face of business as we know it. The pandemic prompted an unprecedented wave of tech adoption in accounting, as companies had no choice but to replace essential, human-driven functions with digital alternatives practically overnight in order to survive. Dire circumstances lead to innovation, and digital transformation initiatives are still going strong, with 68% of CFOs reporting plans to spend more on digital transformation in 2022.

All signs suggest we are at a tipping point for the future of digital accounting, where we replace spreadsheets and manual data entries with intelligent, integrated, and automated systems for all facets of financial management, including accounts receivable.

Change is undeniably in the air, and that has important implications for companies large and small. The early adopters, those who embrace technology now or soon, will gain the means to outperform their competition and differentiate themselves in the market. Late adopters, on the other hand, will struggle with increasingly underwhelming and inappropriate accounting functions for longer and have to scramble to catch up to more forward-thinking competitors later on.

Paystand's Sage Intacct integration can help you get ahead of the curve, offering the only zero-fee B2B payments option for Sage Intacct and leveraging the newest technology to create a self-driving cash cycle. What's more, the learning curve is nonexistent — it only takes about 15-30 minutes to introduce and train employees to use the integration, and we walk you through every step of the process.

The future of accounting has arrived. There's no question about it. Now, it's a race to see which companies will adapt first by, among other things, improving accounts receivable. Automation can help companies do much more with much less, and it will play a major role in tomorrow's accounting. That being said, the decision to put any process on autopilot, especially one as important as accounts receivable, can't be made lightly.

The Pros and Cons of Accounts Receivable Automation

Automation is nothing new to accountants; Excel automates lots of things, for example. The difference between today's accounting automation and what came before is the maturity of the technology. The automation of the past, while helpful, was quite limited. In stark contrast, today's automation technology operates with incredible levels of intelligence, automation, and self-driving process execution.
It can complete a high-volume of work almost

instantaneously, handle vast data sets, perform complex analytics, complete thousands of calculations without error, and enable complicated processes to run themselves. Automation used to be merely a tool, but now it's an imperative game-changer for accounting.

The pros of accounts receivable automation are significant, and important to understand in full. But the cons are equally important to know when considering when and how to move forward with improving your accounts receivable. With that in mind, here's a rundown of both:

Pros

- *Lower Costs* – From relying on fewer staff members to avoiding credit card fees, automation can lower the overall cost of accounts receivable by large margins. Related to that, it can keep the cost in check as accounts receivable workloads scale upwards in response to company growth.

- *Faster Payments* – Automation can expedite how quickly customers receive invoices and how soon they pay them to lower the day's sales outstanding (DSO) metric by 62%. Faster payments provide a financial cushion that helps to prevent countless cash flow issues.

- *Time Savings* – Accounts receivable related reconciliation takes hours of careful work done at least once a month. Automation can take over many of the most time- and labor-intensive aspects, complete them in minutes, and free staff up to focus their time and skills elsewhere.

- ***Enhanced Support*** – Paying should be as easy as possible for customers, and automation helps by getting them accurate, timely invoices and streamlining the payment process. Plus, employees can use the time savings mentioned above to focus more on support.

- ***Smaller Risk*** – Invoicing errors can have huge financial consequences, and even when they don't, they make accounts receivable slow, inefficient, and costly. However, with automation feeding data into documents, the risk of typos, data-entry errors, and other human mistakes drops to almost zero.

Cons

- ***Learning Curve*** – Every new technology comes with a learning curve. Some forms of automated accounting are more complicated than others to pick up, use fully, or adapt to meet changing requirements.

- ***Change Management*** – Doing things differently pushes people outside their comfort zones, both inside and outside the accounting department. That doesn't mean automating accounts receivable will be met with resistance, but the process can encounter unexpected obstacles (see the previous point) without proper change management.

- ***Software Selection*** – The market for automated accounting software is crowded. An overabundance of options makes the software selection process lengthy, complicated, and at risk of ending in the wrong choice.

> The easiest way to start automating accounts receivable and reaping the benefits outlined above is by choosing the right accounting technology to get started with automation. For many, Sage Intacct is the best choice by far.

Introducing Sage Intacct

Sage Intacct is the only financial management platform to earn the endorsement of the American Institute of Certified Public Accountants (AICPA). That's a testament to the strength of Sage Intacct as a tool for high-level accounting and a problem-solver for accounting departments.

Sage Intacct's features are extensive, impressive, and equipped to handle every part of accounting and finance for mature, mid-market, and growing companies. As a result, many users upgrade to Sage Intacct after outgrowing introductory or basic solutions like QuickBooks. All users, however, trust Sage Intacct with accounting because it expands, improves, and innovates what they can do all at the same time.

Accounts receivable is a prime example. Sage Intacct automates the vast majority of the accounts receivable process while giving accountants clear visibility and control of what's happening, turning accounts receivable into a process that runs independently and improves across the board. Not just drastically different, it's also vastly better by every performance metric.

It bears repeating that Sage Intacct is a complete financial management solution capable of many things besides accounts receivable, and that's where its greatest strength comes from. By bringing everything together under one umbrella, Sage Intacct can automatically find, integrate,

organize, calculate, and distribute data that people used to handle manually. And by turning financial (and much operational) data into something that accountants can use to their advantage instead of something they spend all their time managing, Sage Intacct takes accounting to new heights of efficiency, accuracy, insight, and evolution. Accounts receivable will never look the same again.

## Better Together: 9 Things Sage Intacct and Paystand Can Automate

Invoice Creation and Distribution

Companies that process fewer than 20,000 invoices each month spend on average $15.97 for each one. This speaks to the fact that invoice creation is a time and labor-intensive process requiring full-time teams to keep up with, and it gets even more expensive if that team makes an error. When orders transfer from sales to accounting, a lot can go wrong with the hand-off. And since this is an early, important, and ongoing touch-point between a company and the customer, invoicing is also crucial for building and sustaining relationships. It needs to go right and takes a lot of work — so it's an ideal process to automate.

Sage Intacct automates invoicing from beginning to end. Thanks to extensive integrations with leading CRMs and business platforms, Sage Intacct can ingest sales data without someone having to re-enter it manually.

That data then gets fed into invoice templates that accountants have customized to look and function however each customer relationship requires.

Upon automatic creation of orders and invoices invoices in Sage Intacct, Paystand embeds payment links in your invoices, sales orders, and customer statements and distributes them electronically through email.
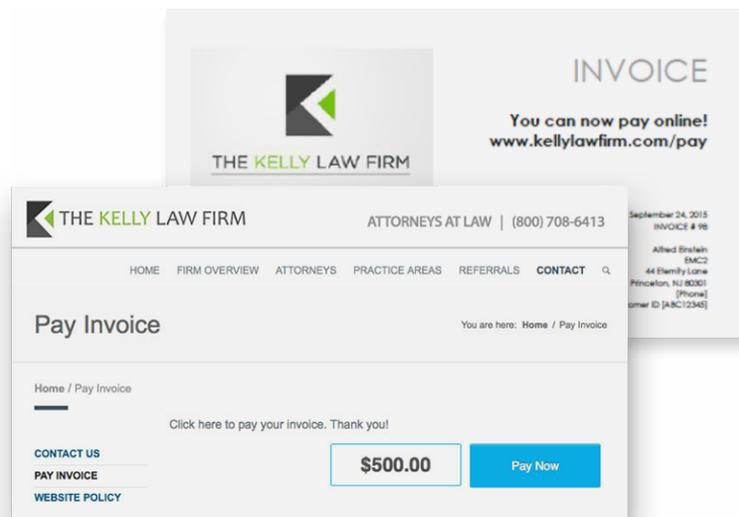
Paystand further improves the customer experience by enabling:

- Payments acceptance in your invoices, website, billing systems, and mobile applications.

- Enable AutoPay for customers with authorized funds on file

- Set up Recurring Payments for customers who have regularly payment terms

- Use Scheduled Payments to set up monthly, annual or even custom schedules

- Smart Financial Automation to append key invoice data to your payments

- Powerful workflows to speed-up tracking and simplify reporting.
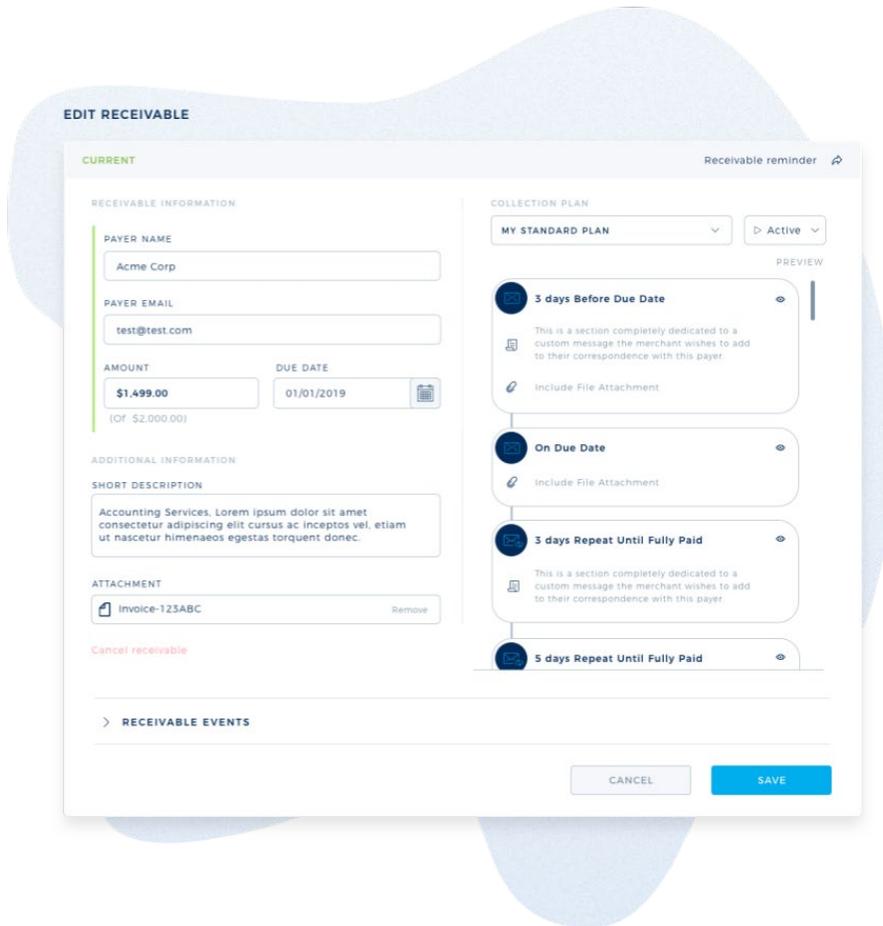
Accountants can monitor the invoicing process at any step and require approvals wherever required, but otherwise, Sage Intacct and Paystand automate the invoicing while accountants remain hands-off and focused on something else.

Customer Payments Experience

Paystand orovide an easy, intuitive payment portal that enables one-click payments for your customers with flexible payment options and self-service capabilities.

- Accept direct bank-to-bank payments (eCheck Processing), ACH, or credit / debit cards

- Turn on or off payment options based on customizable criteria

- Reduce fraud and chargebacks with secure, real-time fund verification
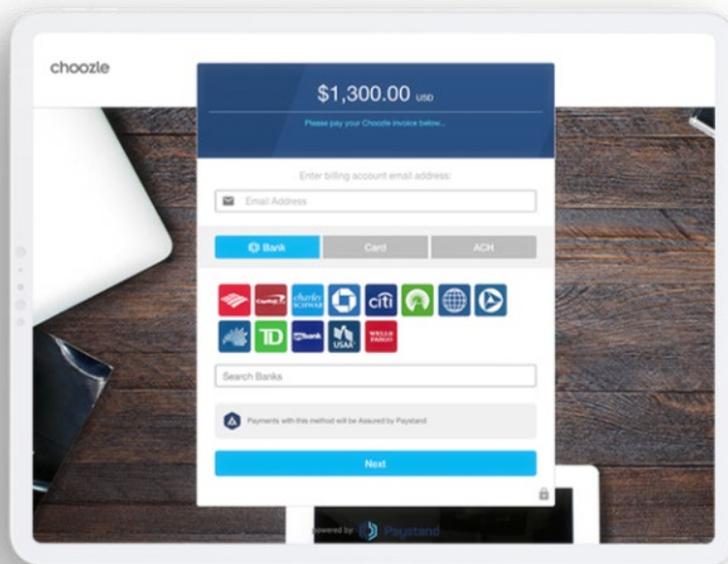
Payment Verification

Paystand gives instantly your customers access to online receipts, payment history, and a secure audit trail of all paid invoices.

- Increase visibility for your customers' payments in one transparent dashboard

- Review payments, obtain digital or print receipts, and review transaction details

- Give your customers the ability to manage their payments in a simple, convenient way.

AR and Payments Operations Management

Business continuity is critical. With the Paystand Collections Suite you can manage accounting operations and collect payments remotely, from anywhere your teams are.

- Virtual Terminal let you enter customer payment information on their behalf

- Use Fund on File for authorized customer payments

- Give your team a robust platform to manage receivables in one place
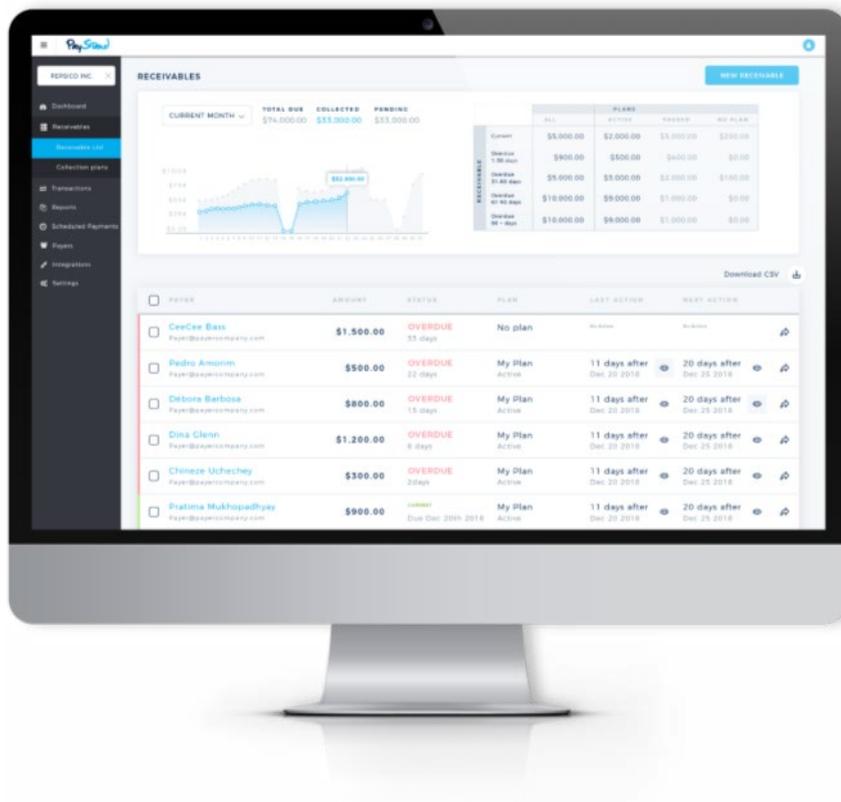
Recurring Invoices

Charging customers on a recurring basis helps companies generate more revenue overall and better forecast their earnings. But with a recurring revenue model comes the need for recurring invoices, which takes all the challenges of regular invoicing and multiplies them. Generating recurring invoices creates a lot of new work for the accounts receivable team. And that work must go well because invoicing issues are a sure-fire way to lose otherwise loyal customers. So it makes perfect sense to automate this process instead of putting it into human hands.

With minimal input from accountants, Sage Intacct can start creating and sending recurring invoices on a massive scale and with perfect consistency. Not only does that make it easier to get started with recurring revenue, but it also ensures efficient, predictable revenue collection and engaged customers. Whether recurring invoices represent some, most, or all of the monthly bills, Sage Intacct runs that process on its own.

Dunning and Collection Notices

Following up with customers about overdue invoices takes close tracking and a strategic, proactive approach designed to secure delinquent payments as often as possible. The average company writes off a small percentage of all receivables as bad debt, but the dunning and collection process can push that figure up or down significantly. The problem is that keeping up with dunning and collection notices takes a

significant, ongoing effort to track each account closely. Paystand can automatically send notifications to late payers according to templates and schedules created by the accounts receivable team. Not only do the notices get sent out consistently and reliably, but they also abide by best practices and proven strategies for collecting more revenue. As with so many other aspects of accounts receivable, automating the creation and distribution of collection and dunning notices improves performance while saving ample time and resources.

Revenue Recognition

Accounts receivable and revenue recognition are closely linked. They are both essential parts of the revenue cycle and a cumbersome process driven by manual entries. Revenue recognition takes its fair share of staff, time, and specialized skills. Making things harder, however, is the fact that revenue recognition standards are changing (e.g., ASC 606). Compliance and sound financial judgment depend on keeping up with revenue recognition requirements, but needing to drastically change and adapt at the same time complicates the effort. Automation helps on both fronts.

The technology behind Sage Intacct will automatically reallocate expenses and revenue and configure expense amortization to align with revenue recognition terms set by the user. As a result, it can quickly adapt to contract changes. Sage Intacct can also handle dual treatments — simultaneously recognizing revenue according to ASC 606 and ASC 605 — highlighting the differences

and expediting the transition. In Sage Intacct, revenue recognition involves little more than setting up the schedule when the engagement begins. The software takes care of everything else.

Cash Application and Bank Reconciliation

Imagine never having to open an envelope and match payments to invoices again. How much time could your team save? With Paystand's automated reconciliation, payments are immediately applied against invoices with no human intervention.

- Apply payments automatically to invoices with immediate reconciliation

- Settle and record transactions directly in your ERP system

- Save valuable time by freeing your team to focus on strategic projects
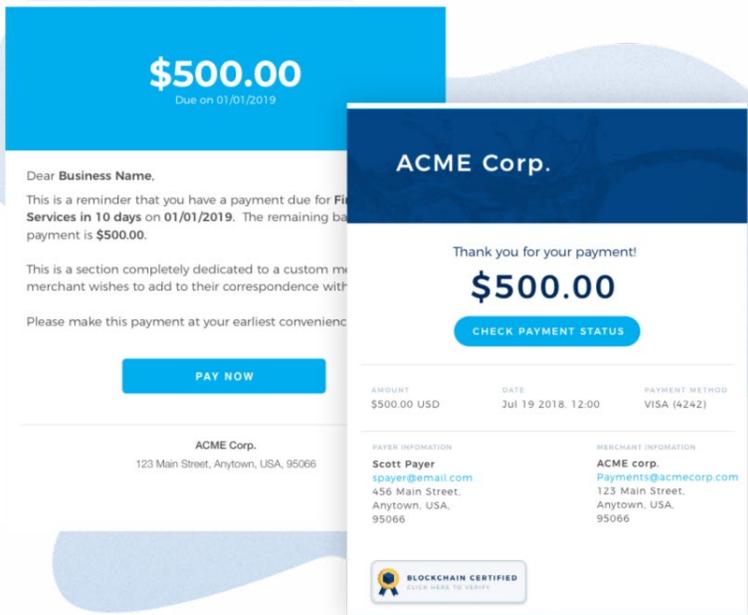
AR Reporting

Accounts receivable reporting is vital for getting top-down visibility into this process, which is necessary to see red flags, track trends, and manage revenue collection at a high level. Unfortunately, creating reports often means collecting data from various sources into a spreadsheet, working hard to make the numbers match up, then distributing reports to various stakeholders. And despite all that effort, the numbers in the reports may soon be irrelevant, prompting another reporting cycle. Consequently, many companies operate with an inaccurate understanding of accounts receivable and wait longer to collect less revenue. For all the reasons that reporting is challenging for people, it's easy for automation.

Since Sage Intacct sits at the center of the accounts receivable process, creating outgoing invoices and tracking incoming revenues, it has a complete picture of that process. Therefore, creating accounts receivable reports is as simple as defining what metrics they should include and what format they should follow. Sage Intacct eliminates the need for IT assistance or a lengthy data collection effort. Instead, reports are available on-demand to anyone with permission. Teams can even create dashboards that track key metrics in real-time. A more transparent process makes it possible to adjust and improve accounts receivable as necessary while giving decision-makers much better insights into present and future revenue.

Further, Paystand provides additional reporting value by providing rich data for predicting cash flow with rich data. With smart, real-time analytics your team has full visibility into receivables and cash flow so you have a complete picture of your capital health.

• Predict future cash flow streams and segment payer data

• Access detailed reports for transactions, payers, aging, and receivables

• Download payer, payment, transfer, and deposit data
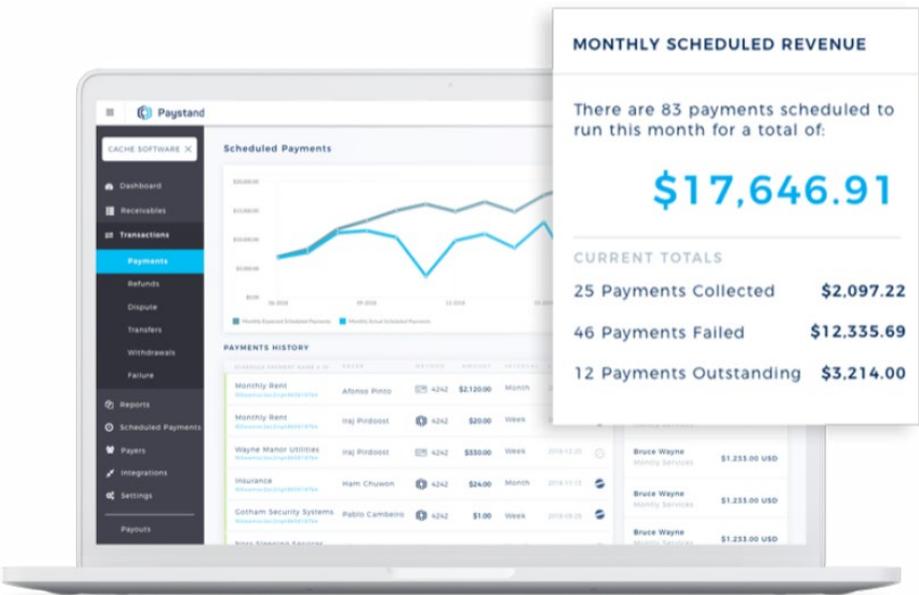
Taking the Next Steps in AR Automation

Sage Intacct users shortened their DSO by two days, increased cash flow by $100,000, and saved dozens of hours of work each month. Less measurable but more impactful, they gained new, in-depth insights into their accounts receivable process and plenty of time to use those insights productively, thanks to automation. It's the best way to run accounts receivable. More than that, though, automating this process upgrades the entire accounting function and makes companies more agile and informed than before — just one change to upgrade the whole organization.

The next step is to get a closer look at Sage Intacct. Explore what it can do for accounts receivable (and everything else), compare it to your current accounting software, and get a feel for the automation. Be sure to also explore the rich ecosystem around Sage Intacct, which includes integrations that can further automate and upgrade accounts receivable.

As this ebook concludes, ask yourself: **How effective is your accounts receivable process, and how sustainable is the software behind it?** Change is coming. There's a strong argument for acting now and taking advantage of automation immediately. Fortunately, our Sage Intacct integration makes this a breeze.

Paystand provides a B2B payments network on top of Sage Intacct that automates invoice generation and

collection, allows zero-fee payments for cards, ACH, eCheck, and bank payments, and reconciles payments directly into Sage Intacct as they occur to reduce the burden at month-end close.

Anything that goes through Sage Intacct will instantly appear in the Paystand dashboard and vice versa. There's no need to open your bank account and manually compare transactions. Time-consuming, manual reconciliation is now a thing of the past. As soon as a payment is made, Paystand's software will automatically import all of the details and information into your Sage Intacct dashboard, and you can rest easy knowing every step of your cash cycle is being managed quickly, efficiently, and accurately.

Meet the only zero-fee B2B payments option for Sage Intacct Accounts Receivable

Book your demo *with Paystand today and learn how you can finally eliminate transaction fees, leverage automated billing and reconciliation, and achieve a self-driving cash cycle to accelerate your revenue.*