PAYLINK

BUILDING THE CASE FOR TAKING B2B PAYMENTS DIGITAL



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Building the Case for **Taking B2B Payments Digital**

One year into a post-Covid economy, it's clear that uncertainties are forcing many corporate finance teams to undertake belt-tightening, like avoiding new hires, reviewing payment terms and automating labor-intensive processes, like those common to AP and AR.

A 2023 survey found that two-thirds of AP work environments are hybrid or fully remote, and that many expected this trend to continue indefinitely. Automated processes thus become even more important, as there may be no one to physically collect invoices and checks and route them to the appropriate executives for approvals and signatures.

It's not just AP shops, either. AR shops and other business operations have been equally impacted. Another 2023 survey, this one by the Pew Research Center, found 14% of employed Americans over the age of 18 work full-time from home, compared to just 7% before the pandemic, and 41% are working in a hybrid way, a jump from 35% in 2022.

Against this backdrop many companies are looking to do more with less by leveraging automated tools that can streamline processes like payables and receivables

This is where digital payments can make a significant impact. Here's why:

1. There is a common misconception that checks are free. The reality is that the all-in cost of issuing a check is about $10, and includes labor, the cost of check stock and postage, bank fees, and all the manual hand-offs, from check approvals to handling exceptions. On the receiving side, the cost of accepting a check runs about $4, and when checks bounce, costs skyrocket.

2. Processing times for digital payments are significantly compressed, especially when compared to checks. And because digital payments can be automated, the entire payment process can be streamlined, reducing the need for manual intervention and minimizing potential errors.

3. Electronic payments eliminate hours, if not days, of staff time otherwise wasted on data entry and follow ups, and provide hard-dollar savings in terms of processing and error resolution costs.

4. Digital B2B payments are more secure, due to the fact that they employ robust encryption and authentication processes. Plus, digital payment platforms feature advanced fraud detection mechanisms that can identify and prevent unauthorized transactions.

5. Digital payment solutions can easily be scaled to accommodate growing businesses.

6. Faster, more reliable payments lead to better relationships with suppliers and customers, and potentially better terms and discounts.



Bottom **Line:**

If you're looking for efficiencies, cost savings, faster payments, security and the chance to improve business relationships, it's time to get serious about moving your company's B2B payables and receivables activities into the digital world.

Interested in learning more about how digital B2B payments can help your company drive efficiencies and bottom line savings? Schedule a free consultation today with PayLink.

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