Paystand

The Controller's Guide to B2B Payments Optimization

How to Transform Accounts Receivable (A/R) into a Strategic Stakeholder

Contents

What we'll be covering

Paystand

CHAPTER 1

Introduction

Controllers, do you ever feel stuck at the intersection of your company's strategic financial goals and day-to-day tactical operations? If so, you're not alone.

A 2018 Deloitte Touche report titled "Stepping Outside the Box: Elevating the Role of the Controller" reports that participating controllers spend 70% of their time on tactical blocking-and-tackling and just 30% on proactive strategy. Those same respondents would prefer a more equitable 50/50 split between tactical and strategic work.

Overseeing the manual effort related to processing paper checks, tracking down late payments, and keying in credit card numbers takes up a ton of time (and headspace). When it comes to moving the business forward, controllers have one hand tied behind their backs. That's pretty contradictory - especially considering what's happening in other parts of the business.

70%

OF THEIR TIME ON TACTICAL BLOCKING-AND-TACKLING

Sales teams use customer relationship management (CRM) platforms to drive higher close rates. Marketing takes advantage of automation to increase campaign success. And the finance function probably has access to enterprise resource planning (ERP) tools that shore up time - just not as it relates to collecting payments.

What if controllers could shift their focus from managing disparate, manual A/R processes to forecasting how the A/R function might save the company 10 percent

Paystand.com
800.708.6413
Sales@Paystand.com

of $100 million? That would be a pretty powerful change - a metamorphosis for both the business as a whole and the accounts receivable (A/R) function within the company. It starts with a simple concept: the flow of payments into the business.

This guide will demonstrate how evolving your company's payment strategy through truly digitized payments can transform the accounts receivable (A/R) function from a head-down, tactical operation to a strategic business partner with a vision for change.

CHAPTER 2

Cost structures for digital payments have been radically overhauled.

Nearly all businesses would love to take advantage of the speed and convenience of digital payments. But until recently, the options available haven't provided a commensurate ROI.

While elegant payment solutions have emerged for consumers, digital solutions for commercial payments offer only incremental changes to an archaic infrastructure. Check payments can take place online in the form of eChecks and ACH transfers. The same goes for credit card processing and wire transfers. The medium has changed, but the method stays the same.

Per-transaction fee structures haven't changed much either, making these offline-to-online payment methods cost-prohibitive for many B2B companies. A three percent transaction fee off of a $100,000 manufacturing order is just too expensive, pushing many would-be adopters back to paper checks - which appear to be "free" but have their own associated costs.

Don't get us wrong: there are ways to achieve incremental gains using the existing payments infrastructure. ACH transfers and eChecks come with fixed fees that are substantially lower than credit card rates. And like everything else, credit card processing fees can be negotiated down.

But beyond those small wins, there's massive change happening that will transform the payments space forever. We're talking about a digital payments network that is radically different than your run-of-the-mill payment processors. It's a billing and payment network where moving money is completely free. Instead of the usual per-transaction fees, subscription access buys you unlimited payments at no extra charge.

Built on the foundation of blockchain, Paystand provides a digital payments network that is entirely frictionless: a no-risk payment network with multiple payment avenues. Consider for a moment how this revolutionized payment solution could impact your business.

Let's say a company has $10 million in annual revenue and processes 30 percent of that revenue via credit card and the rest with paper checks. That's $90,000 in annual credit card transaction fees at a minimum! With legacy payment methods, the business could convert those credit card payments to ACH transfers at a fixed fee of $.50/transfer. They'd still save a huge chunk of change.

$90,000

IN ANNUAL CREDIT CARD TRANSACTION FEES

Taking it a step further, that same company adopts Paystand's digital payments network instead. There's one fixed subscription fee to use the platform. Beyond that, the company can offer their customers the choice of paying that $10 million in annual revenue in any available format. Customers have the freedom to choose the optimal digital payment method regardless of any associated fees.

WHAT WOULD THAT MEAN FOR YOUR BUSINESS?

LOWER COSTS

Swapping out the standard per-transaction fees for a fixed subscription fee reduces spend from the get-go.

INCREASED FLEXIBILITY

The ability to offer customers a variety of payment forms shows that your business values the customer relationship.

GREATER VISIBILITY

With one centralized location for all payments, your A/R command control just got a lot easier to track.

HIGHER CUSTOMER SATISFACTION

Customers are happier to do business with you when interactions are easier - especially as it relates to payments.

FASTER PAYMENTS

Powered by blockchain, payment times drop from days to hours.

Paystand.com
800.708.6413
Sales@Paystand.com

CHAPTER 3

Payments automation opens the door to massive time savings.

It's clear that evaluating both legacy online payments and a digital payments network like Paystand against available options will provide opportunities to reduce costs. There's also another key benefit: time savings.

However, adding new tools or processes to the already complex undertaking that is A/R may seem like it would do quite the opposite. If A/R staff are already spending all their available hours keying in invoice details, tracking down overdue invoices, and manually processing credit card payments, it will be difficult to carve out time for a transition.

That's one more tool A/R staff has to learn to use, or even multiple tools if more than one legacy payment method is coming into the mix. Then there's the issue of connecting with existing systems like an ERP. That's quite a lot of disruption for the part of the business dedicated to bringing in cash.

Fortunately, there are ways to launch digital payments and bypass those headaches completely. A centralized payment network like Paystand can offer all digital payment methods in one location. Customers can then enter payment details online that are verified by banking sources, removing the error-prone process of manual keying. Best-in-class platforms like Paystand also maintain robust connections to widely-used ERPs, reducing the need to login to another tool entirely.

To ease the uncertainty finance teams may choose to ramp up in batches, offering digital payments to a subset of customers while continuing their existing process with the majority. As they prove success in small chunks, the rollout can continue until they've transitioned the entire customer base.

Once it's done, that means no more manual keying of payments. Error rates go way down. Reconciliation happens automatically. The A/R team can spend more time making proactive recommendations on how to improve key metrics. Because really, is your team's time better spent doing data entry, or figuring out how to reduce the number of late payments by 20 percent?

Paystand.com
800.708.6413
Sales@Paystand.com

CHAPTER 4

The customer experience benefits greatly from digital payments.

The customer experience covers any touchpoint where customers interact with the company. Whether that's talking to an employee, using the website, or engaging on social media, it all impacts the customer's perception of the brand.

With lots of disparate, manual processes, your A/R staff ends up functioning as an extension of the customer service team. They take phone calls to process payments, address billing errors, and follow-up on late payments. Many of these interactions could be a lot easier if there was no human intervention required.

Rather than having to make a point to call during business hours, customers can make payments online, access payment history, and file disputes at any time. Awkward conversations where A/R staff repeatedly request payment can be avoided by setting up automatic payments or early payment incentives upfront.

A digital payment network provides that convenience factor, showing customers that your company prioritizes their time and preferences. It allows the business to be proactive about more effective payment options, thus erasing the need for late- and missed-payment interactions that have the potential to negatively impact customer perception. And superior platforms like Paystand provide a customizable customer interface to consistently portray your brand across all channels.

Paystand.com
800.708.6413
Sales@Paystand.com

CHAPTER 5

Digital payments heavily influence the Financial health of the business.

Truly digitized payments have the potential to transform the A/R function as we know it. By allowing businesses to optimize (and reduce) transaction fees, drastically cutting the amount of time spent on manual tasks, and contributing to a positive customer experience, controllers and A/R staff free up time to offer solutions to the business's key financial challenges.

Paystand is a next-generation B2B payment network that supports growing businesses in their quest to simplify accounts receivable through digitization. Contact us to learn how Paystand's customizable solutions can help your finance organization today.

Ready to get started?

To find out more about how Paystand can help your business contact our sales team at sales@Paystand.com

Our Offices

HQ | SCOTTS VALLEY

1800 Green Hills Road
Suite 110
Scotts Valley, CA 95066

GAUDALAJARA

Av. Miguel Hidalgo y Costilla 1995,
Arcos Vallarta,
44600 Guadalajara, Jal.

Mission

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.

Paystand