

How **SMBs** Can Lower their Cost of Doing Business



Reducing Back-Office Costs Starts with Automating Disbursements

The threat of financial insolvency is real for SMBs that can't reduce their cash outflows fast enough or don't have large credit lines to draw down.

One way that SMBs can free up cash is by eliminating waste in their back-office processes. A business cannot operate without functions such as accounts payable and accounts receivable.

But that doesn't mean they have to be costly or inefficient.

Paying suppliers is fundamental to every business. But doing so doesn't have to be so costly.

Every business wants to do more with less these days. This is especially true for small and mid-sized businesses (SMBs). Market and economic volatility have resulted in higher Day's Sales Outstanding (DSO), growing bad debt, increasing numbers of rejected credit apps, and more customer disputes.

All this is putting the squeeze on cash.

By automating the way that SMBs pay suppliers and individuals, for instance, SMBs can free up cash by reducing overhead, enhancing visibility into payments flows, earn cash-back rebates on card spend, and share in revenues from third parties through supply chain financing. With automation, SMBs also can gain greater control over the timing of payments, improving their working capital.

The financial benefits of automating disbursements to suppliers and individuals add up fast. They can even help provide an SMB with the cash it needs to invest in growth-generating activities such as increasing sales and marketing, launching new products, and expanding into global markets.



Reducing Disbursement Costs

Traditional approaches to paying suppliers and individuals costs SMBs lots of money.

When an invoice is ready to be paid, most SMBs then print a check and the remittance details, track down the necessary approvals, prepare an envelope, stuff the check and remittance details into the envelope, and drop the envelope into the mail. Payables staff then must field the inevitable telephone calls and e-mails from payees about the status of their payment and chase down details to respond them. Cleared checks must be manually reconciled against data in the SMB's accounting system.

Making matters worse, it's not uncommon for checks to become lost in the mail or misplaced, meaning payables staff must contact their bank to stop payment on the check and restart the process.

No wonder that CFOs and other finance leaders believe that paying suppliers is the most labor- and time-intensive and finance and administration function – topping even tax and reporting.



22%

of the typical
accounts payable
practitioner's
day is spent on
activities that should
be automated or
eliminated.

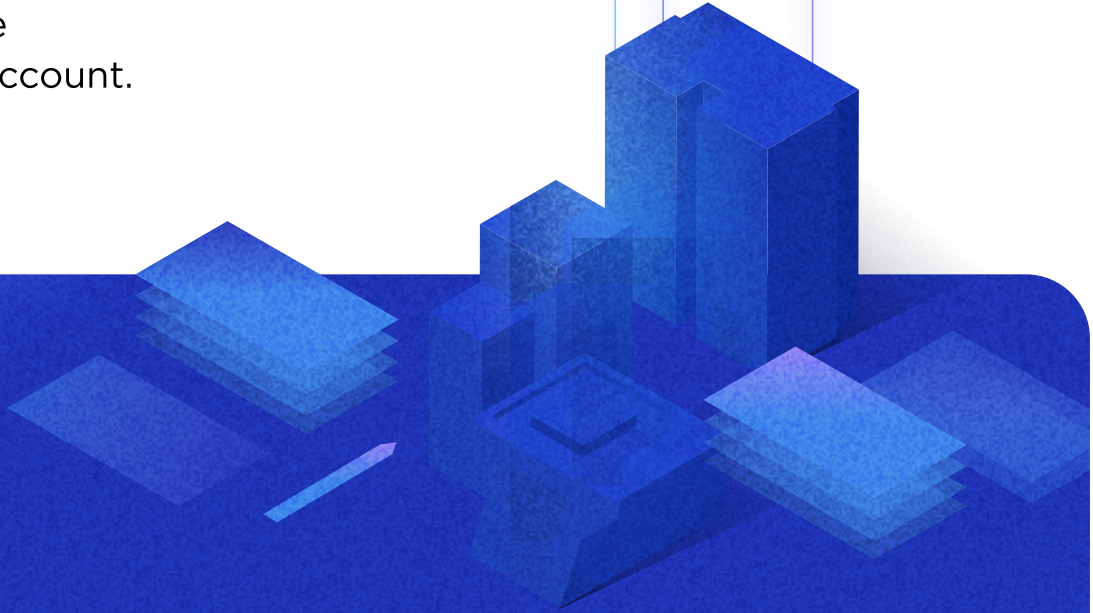
But these same CFOs and finance leaders also believe that accounts payable is the F&A function that would benefit most from automation. That's why more SMBs are automating their disbursements.

Automating disbursements to suppliers and individuals with an embedded payment solution significantly reduces the amount of time, labor, and money that SMBs spend on accounts payable.

SMBs that automate with an embedded payment solution can see all pending, in-process, and completed disbursements from the familiar screens of their legacy accounting software. Users can instantly make or schedule single or multiple payments using any payment method (e.g., Automated Clearing House, Real-Time Payment, Mastercard Send, virtual card, cross-border payment) or payment rail, including real-time. Payments can be initiated from any originating bank account.

Settled payments are automatically reconciled in real time, eliminating the need to re-key data into a spreadsheet. And historical payment information is available to user with a few mouse clicks.

Paying suppliers with virtual card even provides an SMB with cash-back rebate opportunities.



Paying with a paper check costs 30 times as much as an electronic payment. And paper checks are responsible for 10 times as much fraud losses as electronic payment methods.

Accelerating Disbursements

Business moves faster these days.

But that's not the case when SMBs rely on paper checks to pay suppliers and individuals.

It can take between 7 to 10 days to print, approve, and mail a paper check.

Slow payment cycles contribute to late payment penalties, more telephone calls and e-mails from suppliers and individuals about the status of payments, missed early payment discounts, difficulty forecasting cash flow, a longer financial close, and potential supply chain disruption.

With an embedded payment solution, payments move at the speed of business.

It only takes a few mouse clicks to initiate payments. Payments can be deposited within moments in some cases. And the ability to schedule payments ensures that nothing slips through the cracks.

Pre-configured digital workflow templates enable SMBs in industries such as freight to effortlessly manage their disbursements.

Authorized users can initiate payments from anywhere, including their mobile devices. The status of every in-process and completed payment is instantly available. Because the payment solution is embedded in an SMB's accounting software, payment data is constantly updated, ensuring decision-makers always have the timeliest insights.

Streamlining Payments

Paying suppliers and individuals with paper checks waste employee time. Eighty-four percent of the typical accounts payable practitioner's day is spent on manual, repetitive tasks such as tracking down approvals. Even the average accounts payable manager spends more time each day on monotonous transaction processing than on training and the other managerial tasks they were hired to perform.

SMBs that embed a payment solution into their legacy accounting software can save time and money and pay suppliers and individuals faster. Compared to paper checks, electronic payments are easier to initiate, manage, and audit. Instead of guessing when a paper check will arrive through the mail, SMBs can track the status of electronic payments in real time.

There is no chance of electronic payments becoming lost or misplaced or being intercepted for nefarious purposes. Once a payment is initiated, payors can be sure they will be deposited in the recipient's bank accounts as scheduled. Payees are notified when payments are deposited, and payors can see when a payment is completed.

Embedded payment solutions eliminate the manual steps required to pay suppliers and individuals. Payments can be instantly made or scheduled with just a few mouse clicks.

Embedded payment solutions track payments so SMBs don't have to.



Improving Financial Control

Embedded payment solutions improve transparency and tighten financial controls.

Best-in-class embedded payment solutions come with a bank-grade security infrastructure. Access controls are configured by the system administrator. And all actions taken in the system are logged.

What's more, SMBs don't have to worry about checks falling into the wrong hands.

The entire payment process is digitized, standardized, and controlled. Disbursements are automatically reconciled, and payment history is recorded, so administrators can keep tabs on things in real time. Auditors can even see the line-item data for each invoice that is paid.

Digitizing payments also speeds up the audit process.

All helps ensure that fraudsters can't get their hands on an SMB's hard-earned money.

Embedded payment solutions mitigate the risk associated with making payments.



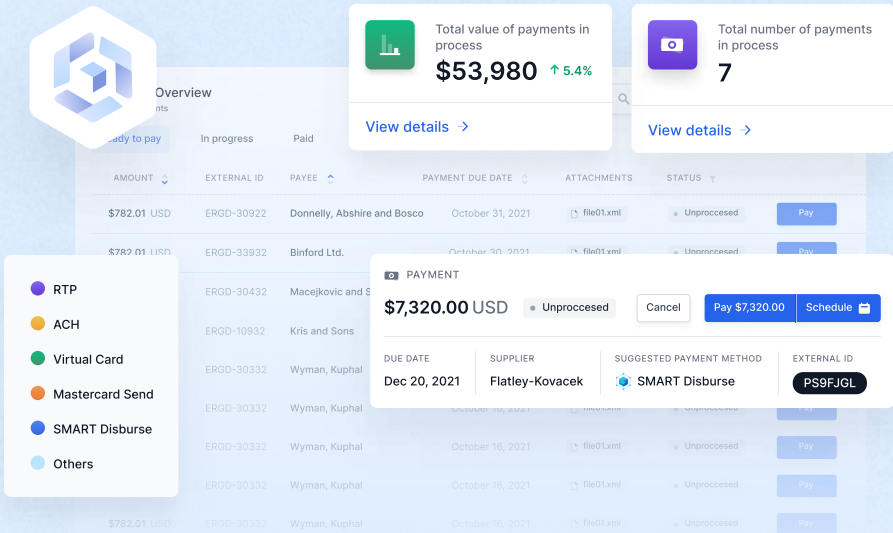
Getting a Clear Picture

Financial visibility means more in turbulent times.

When SMBs can see their payments in their entirety, they find more ways to optimize their cash. With embedded payment solutions, it only takes a few clicks to see all pending, in-process, and completed payments. Decision-makers also can see who the business is paying. From there, decision-makers can determine whether this is the best use of the business' money.

An **embedded payment solution** puts smart insights at a CFO's fingertips.

[Discover SMART Hub](#)



Grow Your Business

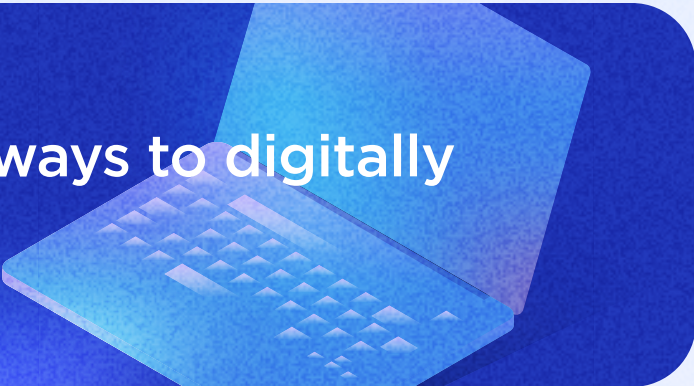
Every business needs cash to grow.

Automating disbursements with an embedded payment solution helps SMBs free up cash by reducing overhead, streamlining processes, improving productivity, mitigating risk, and enhancing visibility.

Embedded payment solutions also help an SMB efficiently scale without the need for additional staff. Digital payment processes require significantly fewer manual steps than paper checks.

With an automated disbursements process, SMBs will have more cash to grow their business.

Every SMB should be looking for ways to digitally transform their back office.





Let's Get Started

Visit us online at www.transcard.com to learn more about our embedded payment solution.



Let Transcard show you how our embedded payment solution can help your business grow.

sales@transcard.com