



TECHNOLOGY EBOOK

Ride the wave of change

Digitizing the order-to-cash cycle is critical to securing the commercial
agility technology companies need to succeed



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The need for digital billing

The rate of innovation in the technology sector is relentless. No one can predict the next change. What technology companies need more than anything is agility – the ability to adapt to whatever the future may bring.

In technology services, the virtualization of the product from physical equipment to software is transforming the commercial model from capital purchase to pay-as-you-go. In technology manufacturing, subscription-based and as-a-service production models are forcing companies to adapt their financial processes to match.

Customer pressure is also driving change. Many customers want to pay by credit card. Technology companies are being forced to take credit card payments to remain competitive, but they're worried about

the transaction fees and are looking for ways to reduce them.

While many IT and software companies have already invested in digital operations, and technology manufacturers have been automating their production lines, all technology companies need to digitize their financial processes.

This eBook explains how companies must evolve their business processes to give them the agility they need to compete – and how digitizing their entire order-to-cash process will be decisive in securing their future success.



It's critical to digitize the entire order-to-cash cycle as an integrated process to unlock cash flow, simplify operations and deliver the best possible customer experience.

Challenges and opportunities

Securing commercial agility

Change is endemic and the rate of innovation only seems to accelerate. Companies can't predict the future – they need to be ready for anything. This means digitizing their products, production and business processes, such as the order-to-

cash cycle. Digitizing the onboarding of new customers, for example, accelerates and de-risks the process with an online, automated process for checking company data and granting credit – giving you the agility to start selling faster.

CHALLENGE: RELENTLESS CHANGE

Moore's Law – computer processing power doubles every 18 months – has translated into other areas, such as network speed and data volumes

Transaction volumes are also increasing. Technology manufacturing handles more B2B payments than any other sector (29%)¹

The frequency of invoicing for high volume tech manufacturers can be a matter of hours²

OPPORTUNITY: COMPETITIVE AGILITY

To compete effectively, technology companies need to invest in financial processes that are as digitized as their products and services

To handle the scale, diversity and volatility of future transaction flows, firms need scalable and automated digital financial processes

Digitizing the order-to-cash cycle will give firms the indispensable ability to thrive on change

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1. Fundbox, 2019
 2. The Boulder Group

Adapting to new business models

Technology is virtualizing. Physical equipment is becoming software. Commercial models are following suit, with capital purchase losing popularity to subscription- and consumption-based contracts. The sector is also adopting

ecosystem operating models, where one company's service is intimately dependent on another's. Yet only 20% of technology manufacturers are 'highly prepared' for these emerging business models.¹

CHALLENGE: SHIFTING BUSINESS MODELS	OPPORTUNITY: ADAPTIVE FINANCIAL PROCESSES
Instead of buying computers, people now just pay for cloud-based computing as they use it	Virtualized technology products and services require digital metering and billing processes
When one company's service is hosted in another company's cloud, usage and billing data must flow seamlessly through the ecosystem	Metering and billing data is digital in origin and must be processed into digital invoices which, in turn, are submitted and paid electronically
Product virtualization in the IT sector will increase the volume, frequency and complexity of invoicing	Software and IT companies must acquire integrated digital financial systems in order to adapt to the new operating model

1. '2019 industrial manufacturing industry outlook.' Deloitte, 2019

Automating evenly across the business

Manufacturers in the technology sector have been busily automating their factories and connecting their supply chains. But many haven't yet applied the same degree of digital automation to their accounting

processes. Automating evenly across the business is essential if firms are to realize the full commercial opportunity that digital manufacturing presents.

CHALLENGE: AUTOMATING EVENLY

Technology manufacturing has automated the supply chain and the assembly line, but has so far neglected the accounts receivable function

Robotic factories and digital supply chains produce massive amounts of data that eventually have to be turned into a bill, so digital invoicing and payment systems are essential

The data in digital invoices is commercially sensitive, so invoicing and payment systems have to be compliant and secure

OPPORTUNITY: ACCOUNTING AUTOMATION

Automation can deliver measurable outcomes, from robotic arms on the production line to robotic process automation in financial processes¹







Financial process automation reduces costs, improves accuracy, satisfies customers and accelerates cash flow into the business

Companies can assure their customers of an unbroken chain of trust by using payment service providers who comply with the same data protection and security regulations

1. '2019 industrial manufacturing industry outlook.' Deloitte, 2019

Digitize the whole order-to-cash cycle

An integrated platform delivers benefits to customers, employees and the business across the order-to-cash lifecycle.

STAGE	WHY DIGITIZE?	OPERATIONAL EFFICIENCY
Credit 	Putting credit applications online gets you off to a good start: <ul style="list-style-type: none"> — Improve risk management decisions — Reduce friction between sales and finance — Help things work better down the line 	<ul style="list-style-type: none"> — Process credit applications and references automatically — Credit data stays accessible for later stages — Real-time portfolio monitoring and alerts — Combine third-party data with industry and peer information
Order 	Offering a web store lets customers order online if they want to: <ul style="list-style-type: none"> — Speed up purchasing — Improve customer experience — Get data right from the start 	<ul style="list-style-type: none"> — Build your own web store — Add your branding — Link data across the lifecycle
Invoicing 	Automated invoicing cuts out time-consuming, error-prone manual work: <ul style="list-style-type: none"> — More accurate invoices — Fewer queries and disputes — Faster payments — Easier reconciliation 	Offer your customers every invoicing format, through a single unique supplier: <ul style="list-style-type: none"> — Print and mail — Email or fax — Electronic invoice presentment and payment (EIPP) — Deliver invoices straight into accounts payable portals
Payments 	Allow your customers to pay by whatever means they like: <ul style="list-style-type: none"> — Offer credit card payment without prohibitive costs — Match payment methods to customer preferences — Reduce effort and labor through automation — Ensure secure and compliant payments — Offer an online payments portal 	<ul style="list-style-type: none"> — Reduce interchange fees for credit card payments — Take credit card payments from Visa, American Express and other major brands easily and at affordable rates — Capture virtual card numbers and apply the cash automatically — Integrate with ERP systems — Run campaigns to encourage your customers to adopt electronic payment methods
Cash Application 	Digitizing cash application improves a business's liquidity: <ul style="list-style-type: none"> — Improve the accuracy and speed of reconciliation — Get access to cash more quickly — Eliminate bank lockbox and data entry fees 	Speed up the cash application process by: <ul style="list-style-type: none"> — Cutting data entry and keying costs — Assisting with matching — Investigating and researching exceptions — Posting to your ERP
Collections 	Replacing spreadsheets with a digital collections solution helps you: <ul style="list-style-type: none"> — Prioritize more effectively — Improve success rates — Reduce manual effort through automation 	<ul style="list-style-type: none"> — Automate contact management — Prioritize accounts strategically and increase account coverage — Reduce the average age of debt — Provide a consistent customer experience

Dual Electronics

Technology manufacturer uses peer network to accelerate customer approvals

The challenge

Struggling with a disjointed, manual process for approving new customer applications for credit, Dual Electronics had to trawl through numerous different sources for firmographic information, credit scores and trade references. This was delaying new revenue and irritating new customers.

The solution

Dual Electronics chose Billtrust Credit because it offered live credit data from a network of industry peers. The network of credit data partners provides real-time

insights on, not just large businesses, but also smaller ones where information is often less readily available. The service de-risks and accelerates the process of taking on a new customer and granting credit.

The results

Dual Electronics now obtains 91% of the firmographic information they need through Billtrust. Many of companies applying for credit with them are already customers of the peer-to-peer network. Billtrust was able to quickly provide Dual Electronics with reliable, up-to-date peer references on them, which accelerates their customer on-boarding process.

“In our industry, it’s always important to look for new ways to innovate and evolve old processes. That’s exactly what we found with Billtrust Credit, and we couldn’t be happier!”

**PAUL SETTEDUCATI
DIRECTOR OF CREDIT
DUAL ELECTRONICS**



23%

peer-to-peer overlap achieved

91%

firmographic coverage achieved

High-quality
trade references

accessible within the network

Recommendations

1. Technology service providers and manufacturers should leverage the digital financial systems necessary to support their digital business strategy.
2. Their financial processes need to be digitized in order to give these companies the agility they need to adapt to an unpredictable and fast-changing environment.
3. Their digital financial systems must be able to handle the volume and variety of transactions which emerging subscription- and consumption-based commercial models produce.
4. Digital financial systems must be integrated across the supply chain so they can capture input data from one party in an ecosystem and turn it into an invoice for another.
5. They must also have the data protection and security features necessary to assure all parties of end-to-end compliance and security.
6. Service providers, manufacturers and distributors in the technology sector should look for a payments services partner who understands, not just accounting processes, but the technology sector as well.

The Billtrust Credit service meets the firmographic requirements for 91% of their customer base, and a further 23% of customers are covered by references from trusted industry peers.



Learn more

If you'd like to learn more about how Billtrust could help boost your competitiveness by digitizing your order-to-cash cycle, please [get in touch](#) with one of our technology sector specialists or learn more at billtrust.com.

ABOUT BILLTRUST

Billtrust is a leading provider of cloud-based software and integrated payment processing solutions that simplify and automate B2B commerce. Accounts receivable is broken and relies on conventional processes that are outdated, inefficient, manual and largely paper based. Billtrust is at the forefront of the digital transformation of AR, providing mission-critical solutions that span credit decisioning and monitoring, online ordering, invoice delivery, payments and remittance capture, invoicing, cash application and collections.



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