quadient
accounts receivable
by YayPay

The Finance Leader's Guide: Automating AP and AR

EXECUTIVE SUMMARY

In today's fast-paced business environment, clinging to manual Accounts Payable (AP) and Accounts Receivable (AR) processes is like navigating with an outdated map — inefficient, error-prone, and ultimately detrimental to your bottom line. Automation is no longer a question of "why," but "what's next?"

Outdated financial systems weren't built to scale, leaving many businesses struggling with inefficiencies, limited visibility, and unnecessary costs. While automation is no longer a luxury but a fundamental requirement for business operations, many growing businesses still face challenges with rigid systems that can't keep up. Those who continue relying on ineffective legacy solutions risk bottlenecks that slow decision-making, disrupt cash flow, and hinder growth.

Quadient goes beyond basic automation, offering a future-ready platform built for growing businesses that need scalability, adaptability, and global compatibility.

"Now more than ever, CFOs must go beyond high-level summaries and make key, real-time decisions. But 46 percent of finance leaders lack full visibility into their company's financial performance."

46%

THE ANCHOR HOLDING YOU BACK

Like a heavy anchor dragging behind a ship, rigid AP and AR systems severely hinder an organization's speed and maneuverability. Instead of reducing friction, these outdated systems force businesses to adapt their processes to the system's limitations, causing inefficiencies and poor visibility.

Outdated automation systems are the real anchor for today's businesses. Even companies with some level of automation often struggle with tools that lack scalability, adaptability, or advanced functionality. These limitations hinder growth, reduce efficiency, and prevent finance teams from making proactive decisions.

The right automation solution removes these barriers. It provides the flexibility, insights, and integrations needed to keep pace with evolving business demands and ensures that finance teams can operate with confidence.

UNDERSTANDING AP AND AR AUTOMATION

Automation has become the next stage of financial agility, going beyond efficiency to empower strategic decision-making. For finance leaders, it transforms their role from managing operations to driving growth, providing tools to optimize cash flow, improve forecasting, and align with business goals.

While automation adoption has grown, mid-sized businesses still face challenges in fully integrating their financial systems. Just 5 percent of mid-size firms have completely automated all systems. Many businesses even find themselves stuck with rigid, outdated tools that hinder growth and adaptability.

Modern automation solutions must bridge this gap by offering scalability, flexibility, and simplicity. The next competitive advantage lies in tools that don't just automate processes but enable businesses to scale confidently and stay ahead of market demands.

THE HIGH PRICE OF OUTDATED AUTOMATION

From inefficiencies and poor visibility to hidden costs and slow growth, outdated automation systems can be just as detrimental as manual processes. Here's a breakdown – by job title – of why sticking with a solution that no longer fits your needs is problematic.

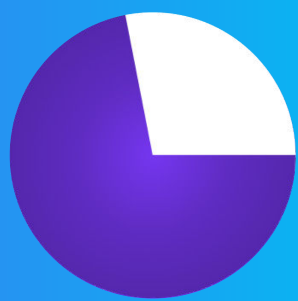
For CFOs:

1. **Limited visibility**: Outdated systems lack centralized, real-time insights into cash flow and payment processes. CFOs are forced to rely on fragmented data, making it difficult to track incoming and outgoing payments and optimize working capital. In fact, 9 in 10 finance leaders admit to making decisions based on inaccurate or incomplete data, highlighting the urgent need for modern automation solutions that provide reliable, real-time financial insights.

2. **Inefficiencies as the business scales**: As organizations grow, outdated systems fail to keep up with the increased volume and complexity of financial operations, leading to slower processes and reduced productivity.

3. **Difficulty forecasting**: Without accurate, real-time data, CFOs struggle to predict cash flow, delaying strategic planning and initiatives that are critical for driving profitability.

Nearly two-thirds of CFOs report that profitable growth is among their top business priorities. But the key to this growth is cash management. Without a clear handle on cash flow, even the most promising growth strategies falter.



When it comes to their technology investment strategies, for example, more than two out of five finance executives (44%) report they are focusing more on achieving new efficiencies. In addition, nearly 70% are currently making or using digital technology investments to pursue finance automation.

44%

For Finance Directors and Controllers:

1. **Limited visibility of invoices:** Without modern automation, Finance Directors and Controllers often struggle to track invoice status and identify bottlenecks in cash flow. This creates delays in reconciling accounts and closing the books.
2. **Manual reconciliations:** Outdated systems require time-intensive manual work to balance accounts, increasing the risk of errors and prolonging reporting cycles.
3. **Unreliable cash position forecasting:** Fragmented or incomplete data makes it difficult to produce accurate cash position forecasts, hindering the ability to plan effectively and allocate resources.

For AP and AR Managers:

1. **Excessive manual tasks:** Even with basic automation in place, AP and AR Managers still spend significant time on repetitive tasks like reconciling payments to invoices, managing exceptions, and chasing approvals. While rudimentary automation may streamline some workflows, it often falls short of eliminating manual effort entirely. Advanced automation optimizes these processes further — minimizing hands-on work, reducing errors, and freeing up teams to focus on more strategic finance initiatives.
2. **Limited visibility:** Outdated systems make it challenging to track the status of payments or receivables, leaving AP and AR Managers struggling to manage cash flow efficiently.
3. **Disjointed processes:** Manual workflows often result in errors, duplicate work, and slow approvals, which hurt vendor and customer relationships.

FROM TEDIOUS TASKS TO STRATEGIC GROWTH

Businesses that replace outdated AP and AR systems with modern automation solutions experience a number of transformative benefits that lead to improved efficiency and measurable cost savings. These include:

Improved Visibility and Decision-Making

Because automation provides real-time, centralized access to financial data, finance teams can leverage advanced analytics to identify trends, accurately forecast cash flow, and make informed decisions. AI assistance goes a step further by detecting payment patterns in AR, predicting late payments, and optimizing payment schedules on the AP side to improve cash flow management. With these intelligent capabilities, finance leaders can proactively address risks, reduce delays, and ensure healthier working capital.

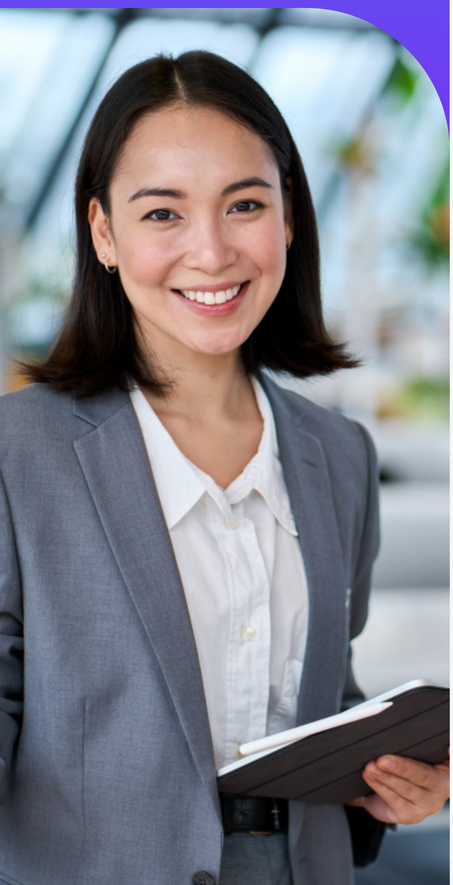
Plus, integrated dashboards and 360-degree visibility support proactive management of working capital and ensure alignment with strategic goals.

Improved Visibility and Decision-Making

Instead of manually inputting information from each invoice, the system automatically extracts relevant data such as header information, line items, and vendor details — vastly reducing the time spent on these tasks. Advanced automation platforms can minimize bottlenecks and improve process accuracy across teams. For example, Quadient's AP automation platform can **eliminate 83 percent of data entry**. This not only saves time but also minimizes errors that are common in manual data entry.

Mid-size firms reporting improved vendor satisfaction following full AP automation

74%



Enhanced Stakeholder Satisfaction

Real-time access to data allows stakeholders to track the status of invoices, payments, and other financial transactions. This transparency builds trust and improves collaboration between finance teams, vendors, and customers.

When invoice processing and payment cycles are automated, suppliers are paid promptly. This reduces delays and strengthens relationships with vendors, who appreciate the reliability of timely payments. Satisfied suppliers are more likely to offer better terms and maintain strong partnerships, contributing to a smoother supply chain.

Quantifiable Cost Savings and ROI

For Accounts Receivable, automation can significantly reduce DSO, the number of days it takes for a business to receive payment for goods or services. Businesses that use Quadient's AR Automation, for example, **experience a 34 percent reduction in DSO**.

Automation solutions also deliver measurable ROI by streamlining workflows, reducing delays, and a cash flow improvements. Need evidence? The savings from reduced processing costs, error correction, and faster payments, along with increased productivity of finance teams, contribute to a **403 percent ROI** over three years for businesses that use Quadient's AP and AR automation. Additionally, automation frees finance teams to focus on high-value activities, leading to a higher Return on Time Invested (ROTI).

Getting Started: Four Implementation Best Practices

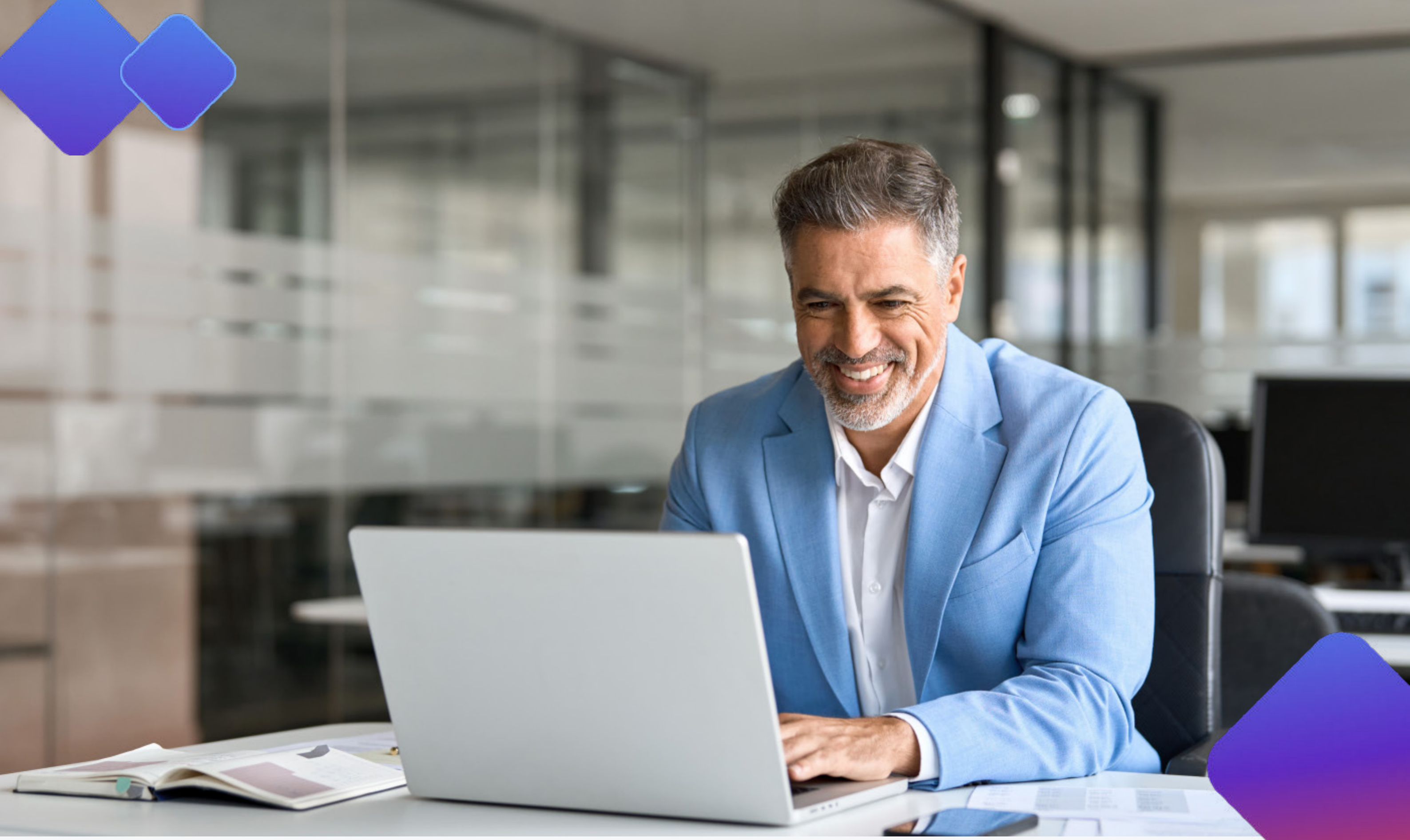
Embarking on a finance automation journey doesn't have to be complicated. Whether you're replacing outdated tools or optimizing current processes, following these best practices ensures a smooth transition:

1. Lay the Foundation

- **Evaluate current processes**: Begin by thoroughly assessing your existing AP and AR workflows, focusing on gaps and inefficiencies in your current system. Look for pain points like limited visibility, manual data entry, and fragmented workflows. A financial automation maturity assessment tool can provide valuable insights.
- **Build stakeholder support**: Gain buy-in from stakeholders by quantifying the opportunity costs of sticking with legacy systems. Demonstrate how modern automation can improve cash flow, streamline processes, help with decision-making, and enhance vendor and customer satisfaction. Highlighting these benefits helps create momentum for change.

2. Select the Right Solution

- **Focus on scalability and flexibility**: Choose a solution that can grow with your business and adapt to your evolving needs, such as multi-entity management, multi-currency support, or global compliance. Scalability ensures your system handles increasing transaction volumes as your company expands.
- **Ensure seamless integration**: Select a platform that integrates smoothly with your existing systems, such as ERP software or payment gateways. Avoiding data silos is critical for maintaining accurate cash flow visibility and efficient workflows.
- **Future-proof your investment**: Look for solutions that embrace emerging technologies, such as AI for cash flow forecasting, machine learning for fraud detection, and blockchain for secure payments. These features ensure your system remains competitive over time.



3. Plan the Rollout

- **Phased implementation:** To minimize disruption, start with a pilot program in a low-risk department or workflow. Use the pilot to refine processes and identify any challenges before rolling the system out company-wide.

- **Leverage expertise:** Partner with a provider that offers hands-on expertise throughout implementation. Providers like Quadient help address rollout hurdles, streamline workflows, and engage stakeholders to mitigate resistance to change.

4. Prioritize Scalability and Future-Readiness

- **Configurable workflows:** Choose tools that let you adjust workflows as your business grows or regulatory requirements change. This flexibility ensures your system remains aligned with your needs.

- **Stay ahead of what's next:** Select solutions that integrate with real-time payment systems, predictive analytics tools, and dashboards for comprehensive cash flow visibility. These features prepare your team for future challenges.

- **Monitor and optimize:** After implementation, continuously evaluate your system's performance using metrics such as error rates, processing times, and user satisfaction. Use these insights to optimize workflows and improve automation outcomes.

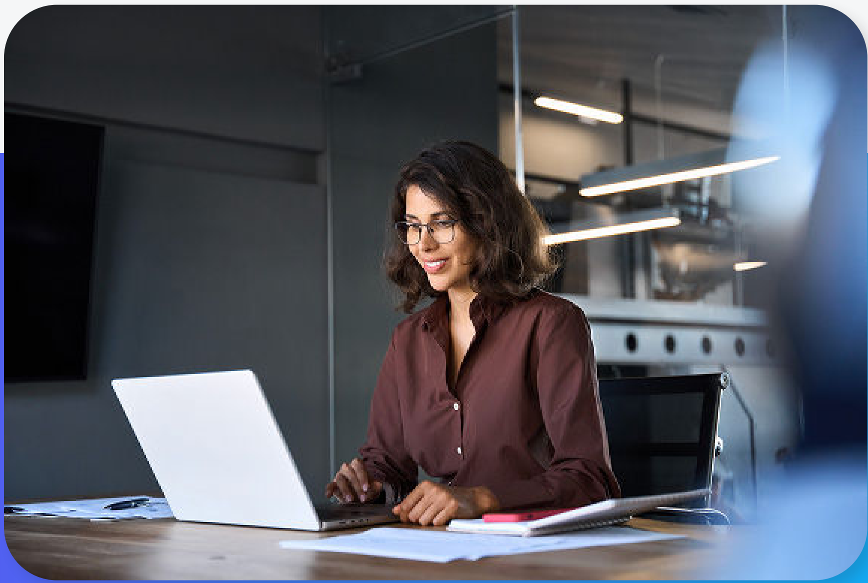
CASE STUDY: MISSION CONSTRUCTION

The challenge: Mission Construction's manual AP processes were inefficient and time-consuming, causing delays in approvals, duplicate payments, and strained vendor relationships. These inefficiencies impacted their ability to complete projects on time.

The solution: Mission Construction implemented Quadient AP, seamlessly integrating with their existing QuickBooks system. Automation provided full visibility, streamlined invoice processing, and allowed vendors to send invoices directly to an email inbox for automatic queueing.

The results:

- Process 30 invoices in less than 5 minutes,
- Easily identify and avoid approval bottlenecks,
- Catch and eliminate duplicate payments,
- Pivot to support value-added tasks, such as payroll and onboarding,
- Solve communication challenges with vendors.



KEY TAKEAWAYS:

INCREASE AUTOMATION AND PREPARE FOR GROWTH

Transforming your financial processes with automation doesn't have to be overwhelming. By taking thoughtful, actionable steps, you can unlock efficiencies, reduce errors, and drive future-focused growth:

- **Evaluate your needs:** Identify pain points like bottlenecks, inefficiencies, and limited visibility in your current AP and AR workflows.
- **Select a scalable solution:** Look for automation tools that integrate seamlessly with your existing systems and adapt as your business grows.
- **Plan a phased rollout:** Start small with a pilot program to minimize disruption, refine workflows, and set the stage for a smooth transition.

Quadient's vision for financial operations goes beyond efficiency — it empowers businesses to grow with confidence by providing the tools to optimize cash flow, strengthen financial relationships, and stay ahead of business demands.

SEE HOW IT WORKS

Ready to move beyond outdated systems and transform your financial operations? Quadient offers scalable automation solutions for both Accounts Payable and Accounts Receivable, tailored to support growing businesses.

Explore how much you can save with Quadient's AP and AR ROI calculators:

AP ROI Calculator   AR ROI Calculator