



Payables Automation

# What's Hiding in Your B2B Payment Data?

B2B Payment Data Guide

In order to track, monitor, and strategically manage capital and customer information, today's CFOs require high-level insight into every aspect of their payables cycle, and they need it to be immediate and accurate.

## INNOVATION AS POLICY

Best-in-class organizations are **75 percent more likely** to have the support of an executive for accounts payable improvement initiatives like invoice imaging and workflow automation. Those who have already automated invoice processing get increased visibility into data when they also manage 100 percent of disbursements electronically, in the form of an integrated solution. Integrated payables means to automate not just invoice receipt, approval, and processing, but the full procurement workflow, including electronic payments. However, before executive-level decision makers can delve into the wealth of information within their B2B payment data, they need to be able to access all of that data in one usable, reliable format. A cloud-based solution that can accommodate existing data and integrate all new data provides that foundation.

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### The most effective payments processes will be open, scalable, and flexible.

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“The number and variety of electronic payment options available for businesses are beginning to grow in sophistication, giving companies the chance to take charge of cash flow control at unprecedented levels,” notes Matt Clark, President and COO of Corcentric.

While transitioning to electronic payments and card options may seem like the best option at the surface, executives also have to consider how their suppliers would prefer to be paid. The goal is to identify digital payment solutions that handle 100 percent of disbursements and can distribute payments through vCard, ACH, or check.

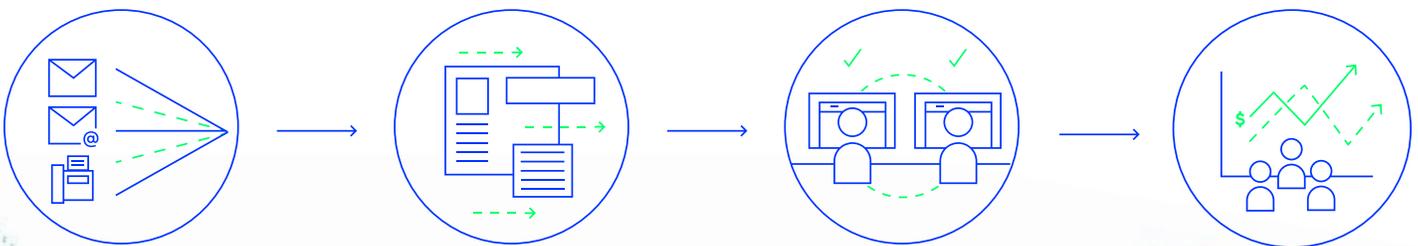
A best-in-class provider will also work to increase penetration rates so that there is true integration with the

accounts payable solution. The most effective payments processes will be open, scalable, and flexible.

Once a streamlined process is in place, capturing and interpreting B2B intelligence can lead to increasing working capital. Key data points to look for are days inventory outstanding (DIO), days sales outstanding (DSO), and days payable outstanding (DPO).

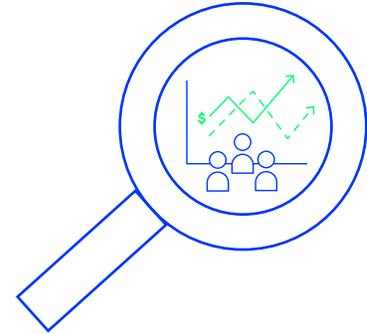
“Constantly monitoring DIO, DSO, and DPO individually will give a business good insight into where improvements can be made that will help increase working capital,” explains Matt Clark.

***“There is also a metric called Cash Conversion Cycle (CCC) that combines all three metrics (DIO, DSO, and DPO) into one metric that expresses the length of time, in days, that it takes a company to convert resource inputs to cash flows. CCC can be calculated as follows:  $CCC = DIO + DSO - DPO$ .”***



## UNCOVERING THE DATA

Today's integrated B2B payment solutions can accommodate the business goals of the organization by enabling them to process invoices in a timely manner and disburse payments more quickly, resulting in control of cash flow and better relations with suppliers. Perhaps most importantly, a cloud-based payment process can provide transparency into a business's revenue and security through the data that is collected. By automating the full life cycle of a transaction, including the elusive payments portion, organizations can have greater visibility into spend and dramatically reduce costs.



**Regardless of company size, most finance teams spend nearly half their time (49%) on transaction processing, according to APQC**

### The intelligence hiding inside B2B payment data:

- B2B payment data reveals an organization's revenue and security by tracking both invoices and purchase orders through every step of the process. An automated, streamlined approach means costs are reduced, cash flow is emphasized, payments are easy and accurate, and ROI is immediate, with an average of about 30 percent net savings in the first year, assuming 10,000 invoices processed per month.
- Dashboards provide real-time access to information in a centralized, intuitive interface that creates reports in one usable format.
- When the solution is configured to measure regulatory compliance, businesses can identify areas where inefficiencies and lack of clarity are lowering productivity and draining resources unnecessarily.
- A comprehensive view of each transaction, from purchase order to payment, enables agility in decision making. The frictionless process that's possible enables faster decisions, leading to faster growth.
- Payment data offers added safety measures for employees by capturing expense activities during travel. Data trails also give employers insight to expense management for increased fiscal security.
- Visibility into financial information empowers staff to ensure compliance and audit preparedness, a crucial metric at a time of changing regulations.
- Understanding suppliers' preferred payment methods creates more loyal relationships with buyers and suppliers. Information about suppliers who still use paper checks can assist in onboarding to electronic payment methods.
- Insight to changes in DPO (days payable outstanding) leads to greater understanding of customer positions and fosters stronger relationships.
- The system-level controls of an end-to-end payables automation solution help to identify and address structural inefficiencies. The result is decreased risk from security breaches, compliance failures, and potential fraud.
- Supply chain financing can be used to both reduce DSO on the accounts receivable side of the house, as well as increase DPO on the AP side of the house. In conjunction with information from B2B payments, optimizing supply chain financing strategies can yield \$3 million to \$5 million of income and \$250 million of cash for every \$1 billion of targetable spend.

## Pillars of B2B Payments Innovation

01

Speed is necessary  
when processing  
payments today

02

Outdated processes  
stand in the way

03

C-level executives  
should take a more  
proactive role

04

Payment flexibility  
means: virtual cards,  
checks, or ACH

05

Visibility into supplier payments means  
executives can design a more detailed  
cash management strategy

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### About Corcentric

Corcentric is a leading provider of procurement and finance solutions that transform how companies purchase, pay, and get paid. Corcentric's procurement, accounts payable, and accounts receivable solutions empower companies to spend smarter, optimize cash flow, and drive profitability. Since 1996, more than 6,000 customers from the middle market to the Fortune 1000 have used Corcentric to unlock new potential within their enterprise.

To learn more call (800) 608-0809 or visit [corcentric.com](https://corcentric.com).