A Better, More Efficient Way to Manage Cash Flow

Learn How Leading CFOs Are Saving Time and Money with Cloud Automation

March 2012
What keeps CFOs awake at night? Sure, tight credit markets and the general health of the economy have everyone on edge. But beyond that, it’s a host of everyday concerns that keep financial leaders tossing and turning into the small hours. As a wise business owner once said, a company can get through repeated stretches of running into the red but it can only run out of cash once. Indeed, cash and its flow is the lifeblood of every business.

Sadly, millions of companies lack true visibility into the cash management process. Why? Because they are mired in paper-based, labor-intensive processes that are hobbled by inefficient workflows, poor data quality, and high costs. The result is overspending. How? Because the cash they thought would be there wasn’t, poor vendor management, customer oversights, not being paid or paying late, and the risk of fraud stemming from financial mismanagement. Put all these issues together and they will derail a company’s success and cause insomnia for any CFO.

So how does an executive watch the pulse of their company and sustain fiscal health? In this paper, financial executives from a variety of top performing industries will discuss systems they have implemented, like Bill.com, that help them efficiently manage the daily pulse of their company to sustain healthy cash flow.

Specifically, this paper will cover:

- Cloud automation for finance departments
- Accounts Receivable systems that help you get paid faster
- Automating the Accounts Payable process to cut workloads and costs
- Making healthy business decisions based on intelligent cash flow data
- Collaborating with customers, partners and colleagues
- Detecting and protecting against fraud
- Content management and elimination of paperwork
- Integrating banks, accounting and business operations
- Controlling your company’s cash flow

What is Bill.com? It is a cloud-based cash flow command and control system that manages accounts payables and accounts receivables for businesses of all sizes. It is a virtual back office that manages all financial data digitally, allowing for collaboration across people, documents and systems. It enables CFOs to work in partnership with customers and colleagues in real time, access and manage data securely from any web browser, and protect against fraud and security threats. With Bill.com, companies can save time and money by automating back office processes and gaining a complete picture of available cash flow – anywhere, anytime. In other words, everything you need for a good night’s rest.

Efficiency in the Cloud

The role of CFO has become more strategic and finance departments are investigating new ways to drive growth for the company. One of the leading initiatives for any company is cloud computing. In fact, a new survey by Dimensional Research of 541 U.S. finance executives found that for companies leveraging the cloud, 92 percent saw improved business results due to these activities.

Early benefits from the cloud led Massachusetts Burger Enterprises, a Five Guys Burgers and Fries franchisee, to make an operating mandate that everything must move to the cloud. Company executives are constantly on the road, visiting vendors or scouting new store locations, and they need to access information and run transactions no matter where they are.

Just ask CFO Peter Biro, who is always on the go. The last thing he wanted was a financial management system that would keep him chained to the office. He needed a system that would allow him to work effectively from anywhere – even at his child’s swim meet.

That’s exactly where he was one Friday afternoon when he received an urgent phone call. His company’s newest Five Guys restaurant was not going to open on time because a payment to a vendor for some equipment had mysteriously gone AWOL. From his phone, Biro was able to access Bill.com, quickly locate the information confirming that the bill had been paid, and forward it on to the vendor. He was able to open the location on time and get to revenue faster. He was even able to watch his child cross the finish line. That’s how accessible, fast and actionable Bill.com’s system is.

By putting their financials in the cloud, CFOs like Biro are finding it easier to manage money. They are becoming more efficient and digitizing processes that were once paper-based, time-consuming, and error-prone, thus saving time and money. Better still, they are able to pay vendors with a single click, review complete account history in one place, and synchronize all that data with QuickBooks and other major accounting packages.

With Bill.com, companies are able to scale more quickly and cost effectively. Massachusetts Burger Enterprises went from five restaurants to nine without hiring additional finance headcount, and are continuing to expand. They estimate they have saved thousands of hours a year managing their stores.

“We didn’t just move to the cloud because it is new and cool,” says Biro. “The only way cloud technology makes sense is if it enables you to do things that you couldn’t do before. There is no doubt that Bill.com is delivering a better experience for our company.”
Win-Win Invoicing

Nothing makes CFOs happier than getting paid faster. They understand that the most pressing issue of the day is not just getting new customers, but also getting paid by the ones they already have. After all, more than half of all businesses fail in the first five years, according to the Small Business Association, and one of the biggest reasons is that they don’t manage their receivables.

One of the greatest benefits of moving receivables to a cloud-based solution like Bill.com is that accounts are always up-to-date and well organized. With invoicing in the cloud, CFOs can create personalized invoices, send them electronically, easily track payment status and store any related documentation for easy accessibility. That means invoices won’t fall through the cracks – and they’ll get paid faster, too. On average, customers using Bill.com for receivables are getting paid 2 to 3 times faster than with traditional paper systems.

Diana Murray is the director of business development at ASAP Accounting and Payroll Service, an accounting firm in Colorado with more than 400 small business clients. She says getting paid faster is critical for her small and mid-sized business customers who rely on a steady flow of cash. One such client is an up-and-coming video production company that needed a solution to more efficiently manage its invoices. Murray introduced the video production company to Bill.com, and it has made a world of difference. The company can invoice customers online, keep track of payments, and gently nudge them if they fall behind.

Its customers, too, love the new system because they can log on and manage their invoices. Better still, they can see all the proposals and contracts associated with those invoices. This is important because it allows them to better map all charges back to the original contract. If the customer has any questions or concerns about the invoice or a service performed, they can send a note directly to the video production company. Essentially, the Bill.com platform is enabling a conversation to take place – one that is fully tracked and audited so everyone is on the same page at all times.

“It really is a win-win,” says Murray. “Our client is happy because their invoicing is more organized, which means they are typically getting paid more promptly. Their customers are happier because they feel like they can better manage their accounts. And happy customers mean repeat customers.”

Improving the AP Flow for a Wine Business

All organizations are continually looking for ways to improve business processes and increase efficiency. The accounts payable department is one of the best places to start. Bill.com customers are discovering that by automating their AP process, they can cut the workload by more than half and slash costs by 50 to 70 percent, a savings that can add up to tens of thousands of dollars. More importantly, they can reinvest that energy and money into what really matters: serving and satisfying their customers.

Soutirage, a Napa Valley wine merchant and concierge service for serious wine collectors, prides itself on being at the cutting edge of the wine business. It employs state-of-the-art warehouse-management and wine-tracking systems, yet when Soutirage CFO Neev Nissenson joined the company in early 2011, it was still paying bills the old-fashioned way—printing checks, stuffing them in envelopes, affixing stamps, and mailing them out.

“It was taking a disproportional amount of time that could have been spent in a much more productive way,” says Nissenson.

The process wasn’t only time consuming, it was error-prone and costly. Bills were occasionally misplaced and due dates missed, resulting in late payment penalties charged by vendors. And payments were not always made in the most efficient manner. Some invoices were paid too early, others too late, and this regularly wreaked havoc on Soutirage’s cash flow.

“I wanted to streamline the entire AP process,” says Nissenson. “I wanted to start making payments just in time and at the same time cut down on time spent stuffing envelopes.” A quick search led him to Bill.com and he decided to give the service a try. It has been a fruitful partnership ever since.

With Bill.com, invoices from hundreds of vendors, including utilities, equipment suppliers and professional services providers, can be quickly entered into the system and digitized. When a payment is due, Nissenson gets an automated reminder and simply clicks a button to send the funds. He can also schedule future payments, ensuring that cash flow is maximized and payments are never missed.

“Having Bill.com to plan payments and do it just in time, so nothing falls through the cracks, well, that is huge in terms of saving time and giving me one less thing that I have to worry about,” he says.

Making Healthy Business Decisions Based on Intelligent Cash Flow Data

CFOs and financial executives are extremely busy. They don’t have time to wade through a sea of data. In order to make informed decisions, they need quick and easy access to up-to-date, accurate information on the overall performance of the business. For a growing number of financial leaders, Bill.com serves as an executive dashboard that provides real-time insight into the business and enables
them to better understand where they are – and where they need to go.

In today’s business world, you need an intelligent cash flow management system that can more accurately predict what will happen and when; a system that will give you an aerial view of your business, so you can clearly see obstacles ahead. Bill.com offers deeper insight into your cash flows and allows you to discern looming cash shortages before they happen.

That was certainly the case for Alan Braynin, CEO of AYA Healthcare, a leading healthcare staffing agency that services more than 1,400 healthcare facilities. “Bill.com gives me an aerial view of what is happening with my business,” he says. Before AYA started using Bill.com, it was impossible for Braynin to review every bill. He didn’t have the time to go through stacks of paper-based invoices. Plus, bills were typically routed to a handful of different managers for approval; so trying to track down each manager was not a good use of his time.

Now, he simply logs onto Bill.com and can instantly see every single bill. With just a few clicks, he can approve dozens of bills and even drill down if he wants more detail about a particular invoice. For instance, he recently noticed a few cell phone bills that were on auto-pay. The only problem was that no one was actually using the phones.

“I was able to click on the bills and get the details. I could see that the phones once belonged to former employees and that there was no longer any usage on them,” says Braynin. He immediately canceled those phone plans, saving the company hundreds of dollars each month. “Having this kind of information at my fingertips is very powerful,” he says.

For AYA Healthcare, Bill.com is their executive dashboard for their finance operations. Before the department was becoming overwhelmed and now they operate in a very organized fashion. They were able to reduce their workload in Accounts Payables by 30 hours a week, enabling them to scale AP without having to add any more staff.

A Clear View in a Sea of Bills

Clearly, saving time and money is high on every CFO’s list. In an increasingly connected world, another big priority is the ability to seamlessly collaborate with customers, partners and colleagues. But for fast-growing companies, collaboration is often easier said than done.

That was the case for Camelback Hotel Corp., which owns and operates seven hotel franchises in Arizona, including a Best Western, a Ramada, a Super 8 and a Wyndham. Each hotel has hundreds of vendors, from the local hardware store to landscapers to pool cleaners. Managers at each Camelback property were responsible for processing the invoices and forwarding them to CFO Dan Campbell at the corporate headquarters in Phoenix for review.

But getting everyone on the same page when it came to particular invoices and transactions was a serious problem. Every day, Campbell was inundated not only with new invoices but also an endless stream of phone calls from his hotel managers wanting to know if such-and-such bill had been paid yet.

For example, if the Ramada’s plumber was wondering about his payment, he would call the hotel manager. Then the hotel manager would call Campbell, and Campbell would have to search through QuickBooks or run to the file cabinet to check the status of the bill. What’s worse, the paper invoices lacked any real context, such as notes and comments related to a particular vendor or transaction.

“It was a constant hassle,” he says. “Our hotels could not see what was going on with these bills, even though they were responsible for them.”

He knew there had to be a better way – but he hadn’t found it yet. Then, one day in 2010, he received an email from QuickBooks spotlighting some of the company’s partners. Bill.com was featured and Campbell decided to give the service a try. His job has been easier ever since.

Now, when his hotel managers get an invoice, they fax it to Bill.com, where it can be coded for payment and entered in to the system. If a vendor calls with a question regarding an invoice, the manager can access Bill.com and see if it has been paid or when it is scheduled to be paid, and look at any notes made by approvers. A manager can transmit out copies of cleared checks if there is ever a dispute with a vendor.

“This is so cool from an operational standpoint because it puts control of accessing that bill at the hotel rather than at the corporate office,” says Campbell. “We’re not getting flooded with phone calls anymore and I’m not running to my file cabinet every five minutes. Now, everything exists within Bill.com and that makes my life much nicer.”

A Greater Sense of Security

Nothing concerns CFOs more than losing money due to fraud or mismanagement. According to the 2010 Certified Fraud Examiners report, on average companies typically lose 5 percent of annual revenue to fraud. Fraudsters engage in things like check tampering, secret over-payments, and skimming money to help themselves to an extra piece of the company pie. And it can take months – a median of 18 months according to the study – to detect fraud.

Despite the growing risks, Campbell at Camelback has never felt safer. He says an automated system like Bill.com
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says Alan Chang, Mozilla’s controller. “If I suspect someone, I don’t have to tip them off by asking them a bunch of questions or making them pull a bunch of invoices. With Bill.com I can look at anything at anytime and immediately see exactly what is going on. That is very comforting.”

What’s also comforting is that Bill.com makes sending and receiving payments easier and more secure. Small and mid-sized businesses are at greater risk of fraud because they often have sensitive financial data lying around the office. A single company check, for instance, has everything a fraudster needs to access a company’s money and commit a crime.

With Bill.com, bills come to your inbox, not your mailbox, and sensitive data is securely organized in digital file cabinets. Moreover, instead of writing checks, you can make ACH ePayments that transfer money bank-to-bank and eliminate check manipulation. In fact, checks issued via Bill.com completely eliminate fraud. When you pay a vendor using Bill.com and do away with paper checks entirely, you protect your business or firm bank account information, eliminate risk of lost, stolen or manipulated checks. Your bank account number and routing information are completely secure and hidden from all payees and anyone who might intercept the mail. By receiving payments electronically you prevent trips to the bank and protect against checks being improperly deposited. Bill.com makes it easy for you to pay anyone and get paid electronically.

Additionally, for key items in Bill.com such as bills, vendor information, payments, invoices and customer data, every change made to that item is recorded in the audit trail. Administrators can see who made the edits to an item, when they were made and exactly what the changes were.

Taming Mozilla’s Paperwork Challenge

CFOs know that process automation is the key to growing the business and making sure financial transactions run smoothly. It’s not just the AP and AR processes that can break down. In the case of Mozilla, developer of the popular Firefox web browser, the approval process for expense reports was especially troublesome.

Employees would fill out their reports and submit them to accounting. Accounting would review the reports and then pass them back to both the employee and the employee’s manager for approval. Why? “Because we want the employee to double-check the expense report for accuracy and then we want the manager to give the final approval,” says Alan Chang, Mozilla’s controller.

The workflow itself made sense. What didn’t make sense though was that it all happened manually. There was far too much paper being pushed around, especially as fast-growing Mozilla continued to add more and more employees. Savvy financial executives like Chang understand that workflows need to manage the review, matching, and approval processes, all the time, every time.

“A lot of times, we would hand back the reports and people would just forget about them or they’d get buried under a pile of other papers,” says Chang. “It could take days or weeks to get approvals. We really needed to automate this function because it was much too labor intensive.”

Then Mozilla discovered Bill.com. Now employees simply email a copy of their expense reports directly to Mozilla’s Bill.com account, where the information is entered into the system and the accounting department accesses Bill.com to review these reports. From there, accounting routes the reports back to employees and their managers for approval. Bill.com automatically sends out email alerts, so employees and managers know the reports are waiting for their sign-off.

“Having everything in electronic format is much better than dealing with hard copies that can get lost or forgotten,” says Chang. “We have better visibility into the approval process, so we know where we stand at each stage. Bill.com gives me a great sense of control and confidence. I know that fewer things are falling through the cracks or getting stuck in drawers.”

A Smooth Blend with Any Accounting System

CFOs are increasingly bombarded with information. They want better data to make decisions, and they want easier, quicker access to that data. That’s why integration between financial systems is critical. Bill.com is a simple yet powerful system that integrates seamlessly with existing accounting systems – without the need for complicated and expensive software implementations.

In fact, Bill.com integrates with most major accounting packages – including QuickBooks, Sage, Intacct, and NetSuite – so all your data is accurate and synchronized, and all your existing financial processes and reports carry on as usual.

In the case of Soutirage, Bill.com synchronized with the wine company’s NetSuite accounting software, which means there is no double entry and no need to move back and forth between systems. The integration, notes CFO Nissenson, is as smooth as, well, a fine wine. “It’s really cool that the two systems are so tightly linked,” he says. “I can be in NetSuite and see the scanned invoices in Bill.com.”
That means Nissenson doesn’t have to go over to his file cabinet every time he has a question about an invoice. “The bill is directly in front of my eyes on our NetSuite system,” he explains. “With a single click I can see all the relevant data associated with that bill, like when it was paid, when the check cleared and which account it went to. I get all this information at my fingertips.”

Recently Nissenson got a notice from the company’s healthcare provider informing him that Soutirage hadn’t paid its premium. It took only a brief moment to discover that, in fact, the premium had been paid and that the check had cleared. He relayed that information to the healthcare provider and the issue was resolved in a matter of minutes.

“With the old way of doing things, that could have taken an hour or more to clear up,” says Nissenson. “I would’ve had to go through our filing cabinet for the invoice and maybe even taken a trip to our local bank to search through records. Having all the information in one spot was a huge time saver.”

Organized and In Control

Financial executives need to be in control at all times. They cannot afford to have a myopic view of the business. At a moment’s notice, they need to know what the business is doing and where it is going. Bill.com gives them that kind of control.

Camelback, which has more than $20 million in gross revenue, is paying out $5 million in invoices each year through Bill.com. Now that all seven hotels are on the Bill.com system, CFO Dan Campbell can get a quick snapshot of how each hotel is doing anytime.

He can see what bills are due at each property and where its checking account balance stands. And he or his assistant controller can schedule payments based on the current cash flow situation, so they never get caught short. And never lose sleep worrying about where things stand in the accounting department.

“Honestly,” Campbell says, “switching to Bill.com is one of the great triumphs of my career.”

Bill.com is a Cash Flow Command and Control™ System that manages accounts payables and receivables for businesses of all sizes. Offering online bill pay, custom invoicing services, unlimited document storage, collaboration tools, and mobile access, Bill.com’s services easily sync to users’ accounting software programs and online bank accounts to better control company financials. Bill.com guards against errors and employs enterprise-class fraud protections that current methods cannot match. More than 100,000 users are now paying millions of bills worth billions of dollars using Bill.com.