How investing in digital transformation and automation can benefit your startups

Many startup leaders keep important tasks within their business as manual processes they sign off to ensure they are done to their standard – but could digitising instead actually help a business grow?

Temps de lecture : minute

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Many key processes within businesses were once all done manually, with digitisation gradually rolling out to the point that many new startups see this as the norm for every task. For others, digital transformation is a significant area of investment to bring operations up to speed – and investing in a *trusted partner* to fulfil this can be the much-needed leap to give business a boost.

Some processes that business owners are often keen to switch from manual to digital are cash application, collection workflows and account receivable. Automation platforms like *Quadient* can resolve all of these issues from one interface, meaning startups only have one point of contact to oversee multiple essential jobs.

Cash application

So, how valuable is digital transformation in these areas? Startups can expedite the cash application process while automating their entire accounts receivable by using platforms like Quadient’s AR automation, which is made with B2B finance teams in mind.

Enterprise resource planning (ERP) is integral to every startup. ERP is a type of software system that helps business owners run their entire operation and supports automation and processes in areas such as finance, HR and procurement.

Quadient's *cash application software* means businesses can allocate cash back to their ERP automatically whether remittance data is included or not. This creates increased accuracy, higher productivity and reduces the risk of manual errors.

This avoidance of manual errors is another big bonus of investing in digitisation. The software uses AI-powered optical character recognition technology to take important invoice information from email attachments without the need for any manual intervention. Machine learning then matches and allocates cash to the ERP – all without the need for human invention.

Collections workflows

Accounts receivable (AR) are the funds that customers owe a business for products or services that have been invoiced for.

Startups can enhance their collection workflows by integrating AR collections workflow and debt collection software within their existing business accounting software – there's no need for the labour-intensive replacement of a whole system.

Quadient's AR automation streamlines the entire *accounts receivable collections* process from initial reminders to escalated actions, removing much of the manual processes usually involved. This isn't a task that any business enjoys, so the automation element takes away the mental load of this work, too.

By investing in automation for debt management, it streamlines business processes and increases efficiency, helping employees to prioritise and manage debts more effectively. This leads to improved recovery rates and a healthier financial ecosystem for sustained business growth – a key goal of every startup.

Automating follow ups and reminders also ensures consistent and timely communication with debtors so they understand what is expected of them and what the next steps will be.

Automating accounts receivable

Cash flow is the backbone of startups and the efficient management of this is crucial. Manually chasing owed payments can be a hugely time consuming process for employees – as well as being a frustrating task, it also takes staff away from doing more valuable work.

Automating the entire *accounts receivable* process at a business means collecting cash as fast as possible. Quadient AR automates the order-to-cash cycle, delivering an easy experience from credit to collections to cash application – and this ultimately accelerates cash flow.

The automated systems streamline invoice generation, payment reminders and reconciliation which, again, reduce human error and time inefficiencies.

Quadient AR also provides credit risk management software – this analyses customer payment histories and predicts potential defaults, helping the decision-making process for business leaders. It also sets credit limits based on real-time data.

It’s also important for optimising cash flow and strengthening customer relationships through efficient credit management practices.

By identifying and addressing late payments, AR automation minimises bad debt exposure, which is especially important for startups looking to protect their financial stability. Quadient AR's system assesses historical buyer behaviour, which allows collectors to identify at-risk customers.

This information can be combined with credit agency data for users to build credit scorecards and manage credit risk – and gauge the risk for startups.

The value of digital transformation

Moving away from manual processes for the most important tasks that keep a business in operation can feel overwhelming and even scary as a startup founder – especially when it comes to processes linked with finances.

Finding a trusted and reliable partner to outsource such tasks takes the burden away from employees, and this can be beneficial in two key ways – by taking the onus away from employees, allowing them to work on projects that have more value-add within a business; and boosting efficiency for the speed tasks are completed and reducing the risk of error.

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