





7 Best Practices for Digital Invoice Processing

Digital invoicing is a gamechanger in the B2B industry, helping businesses process payments faster and comprehensively track their accounts receivable. Unfortunately, it can be difficult to perfect the process and even harder to convince clients to switch.

In this eBook, we address why shifting to a digital invoice process is essential for any B2B organization and go over seven eBilling best practices worth adopting.

Why Use Digital Invoices?

Digital invoice implementation is a win-win scenario for both vendors and clients. A few benefits of adopting the process include:

-  **Reduced costs:** First and foremost, switching to digital invoicing can reduce costs [by up to 81%](#). Additionally, because digital invoicing is so much more precise than manual entry, time and money are saved on service calls to remedy delayed payments.
-    **Fewer disputes:** Manual data entry in invoice processing is a breeding ground for input errors, which lead to disputes and delayed payments. Digital invoicing removes the need to re-enter information, ensuring a high level of accuracy and fewer discrepancies.

✔ **Payment consolidation:** Instead of rifling through a myriad of receipts to figure out what needs to be paid, your customers can cover all charges with a single payment. This also results in far less information the company must validate.

⚙️ **Faster payments:** [With the right tools](#), digital payments can be instantaneous. Plus, the streamlined payment process digital invoicing offers means you can act on payments faster.

7 Best Practices for eBilling

Digital invoicing is overwhelmingly beneficial for businesses and consumers alike. Unfortunately, many organizations are slow to adopt a fully automated and digitized invoicing process. Why? Because it sounds complicated. And why change your current methods if they still work?

In reality, hanging onto outdated procedures measurably limits your ability to grow. To truly access the benefits listed above, it's time to implement a digital invoice solution. Here are seven best practices that can make eBilling highly effective.



1. Create an Invoicing Process

This may seem obvious, but you first need to develop an invoicing process. Many believe every company already has one, but that is not the case.

Scores of companies just send a receipt to their clients and hope the payment arrives. This is not an invoicing process. When it comes to creating a process, there are a lot of different directions one could take. Here is how we recommend getting started:



Define your goals: What problems do you face in your accounts receivable process? What improvements would you like to see? For example, would you like to reduce your invoice-to-payment time? Establish these clear, actionable goals so you can know exactly how you want your invoicing process to improve.




Set a billing schedule: Pick a day of the week where you can spend designated time sending out invoices. Or better yet, automate your billing so it sends on a specified date automatically (more on that later).



Send invoices more often: Consider billing weekly or with every transaction instead of delaying your billing to a single day in the month. This helps you get your money faster and keeps your clients from having to make huge payments all at once.



Measure performance: To ensure your new invoice process is actually doing something, measure performance improvements compared to the goals you set at the beginning. If you're approaching your long-term goals, you're on the right track. If not, more changes are in order, perhaps including other best practices below.

 **Adopt an eBilling ready ERP.** Your ERP should be ready to provide eBilling options out of the box. For example, our [definitive guide to invoicing with Sage Intacct](#) goes over how easy it is to collect payments without paper.

2. Offer Multiple Digital Payment Options

Offering a variety of payment options is often a boon for your customers. Doing so can:

- Produce a higher volume of transactions.
- Increase revenue by [as much as 30%](#).
- Better guarantee your customers' standard payment options are available.
- Improve customer loyalty.
- Increase your chance of being paid on time.

But which payment options should you offer? Ideally, you want to provide payment options that feel familiar to your clientele and result in quick and reliable payments. For most companies, that means:

- Direct bank payments
- Debit and credit card payments
- Automated clearing house (ACH)

While you can accept paper checks and cash, we don't suggest doing so. These payment options can clog your system by forcing you to manually enter the information. Encourage your customers to use the above methods. And if you don't love the fees or slow processing time from the three major non-check options mentioned above, [Paystand can help you out.](#)



3. Automate, Automate, Automate

A massive benefit of digital invoicing is the potential for automation, thus allowing you to spend less time on AR management and more time on other tasks. Consider automating wherever possible in your process. Here are a few automation methods you may consider.



Schedule recurring payments: If you have clients who make regular payments, you shouldn't have to remember to send an invoice. Take advantage of the regular schedule and set up recurring payments, automatically charging the client every month.



Use templates for invoice creation: Invoice templates save a lot of time, helping you effortlessly total the amounts due and produce a customer invoice in seconds. They also ensure your invoices follow a consistent format, so even new hires can create client invoices without incident.



Generate receipts on every order: If you primarily deal in eCommerce, you don't even need to use a template to generate invoices; one can be created out of thin air. With the right platform, you can pull information from the transaction to quickly create and deliver an invoice.



Set up payment alerts: Life moves fast, and clients can easily forget to pay invoices on time without a proper reminder. You can automate an alert system so clients are reminded to pay with plenty of time to spare.



Remove Paper Wherever Possible

A true eBilling process should be nearly paperless. Paper copies require data reentry, which is riddled with error and inefficiency. By removing as much paper from the process as possible, you ensure better data accuracy, improve visibility within your organization, and properly report financial information.



Preserve Accurate and Centralized Customer Data

The more of your clients' contact and payment information you have, the easier it will be to send an accurate invoice. Any error in this information can result in incorrect payment terms or an invoice delivered to the wrong company entirely.

Make sure to gather the following information about your clients:

- Tax rates/exemptions
- Delivery address (email and/or physical)
- Billing address

- Discounts
- Credit limits
- Payment terms
- Business rules

Access controls should be implemented wherever you choose to store this information. This protects your customers' data from being tampered with, be it accidental or deliberate.



6. Brand Your Invoices

Your organization's branding should touch everything you send your customers, especially invoices. This can be as simple as adding a color scheme and your logo to the invoice.

Branding invoices may seem a tad over-the-top to some, but doing so can be quite impactful. Even a simple logo placement can unify your clients' experience with your brand and support your advertising and marketing efforts.

This strategy can also help you build and establish your company's reputation. The larger presence of your logo, even on internal documents, makes your brand more recognizable.



7. Promote Digital Invoice Adoption

While your company and some of your clients may be on board for digital invoices from the start, others may not be. So, you need the right strategy to promote, persuade, and incentivize those stubborn clients into making the switch to digital. Here are a few strategies you can use to successfully promote digital invoice adoption with those clients who are harder to convince.

- **Default adoption:** Simply make digital payments the default option for new and existing clients. This approach can transition multiple customers at once, while reluctant clients can still opt for traditional billing if they can't be persuaded to go digital.
- **Incentivize adoption:** To make adopting digital invoices more appealing, you may incentivize the switch. These incentives could be inherent, such as the environmental benefits of using less paper. Or they could be more monetary, like a gift card or a discount code for your services.
- **Customize adoption:** If you have a high-paying client that may be wary of digitization, you can offer a custom adoption option, letting them pick and choose how they wish to participate in digital adoption.

Ideally, you could employ all three of the above strategies, allowing you to convince as many clients as possible to make the switch.

Learn More about Invoice Digitization

By implementing these best practices into your invoice processing, you can accelerate towards the benefits of a digitized solution, helping you enjoy faster returns and better business relationships.

Want to learn more about improving your digital billing processes?



Check out Paystand's resources

on streamlining your cash cycle and payment processes.