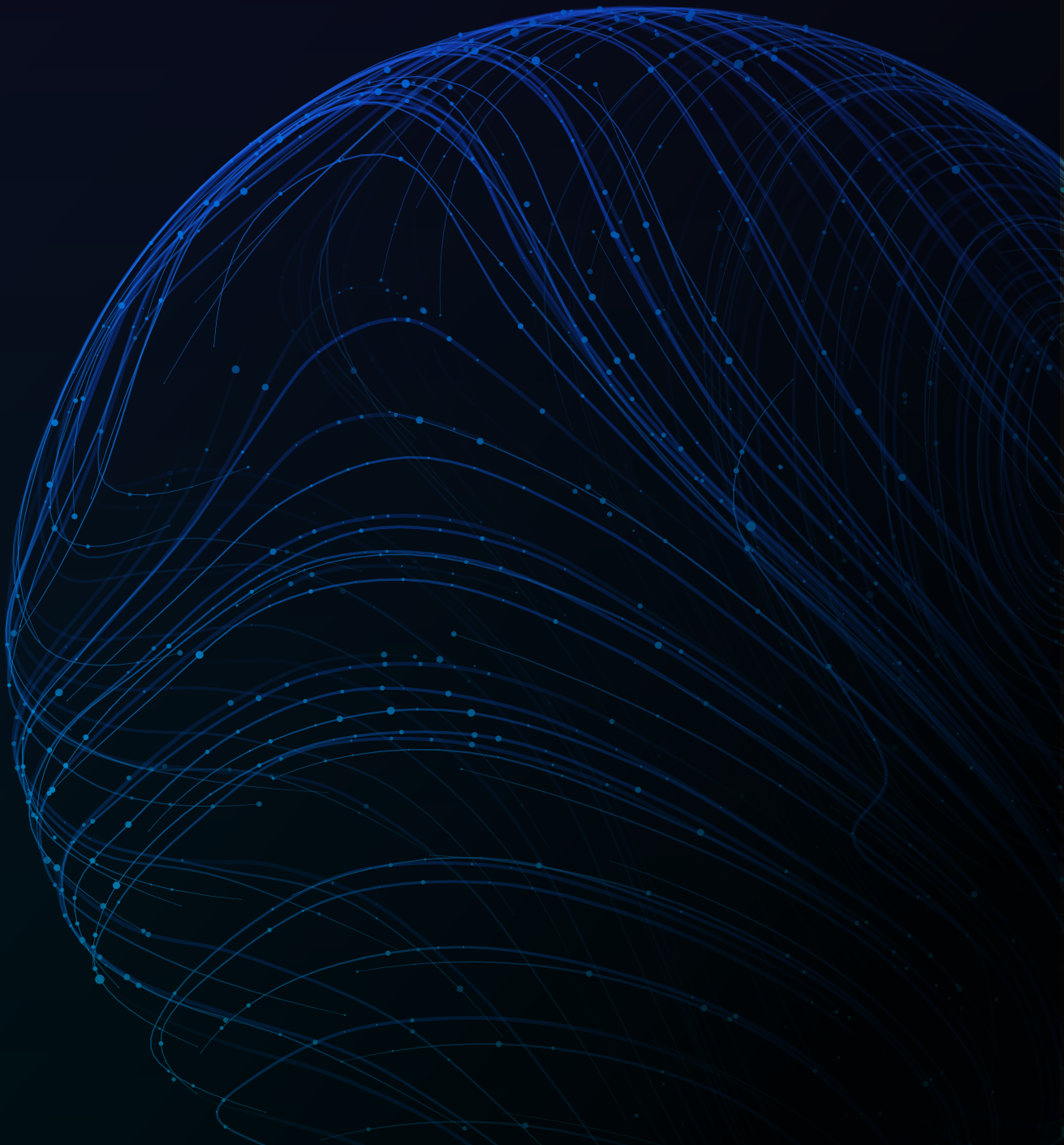


# How to Digitally Transform Finance in 2025



The recent surge in hybrid and remote work has led to a rise in automation and digital payments in finance departments. For some, this was a catalyst to overhaul outdated practices and make efficiency gains. For others, the need to facilitate working from home has led to more digital ways of working.

A recent survey found that 98% of CFOs state that they have invested in digitization and automation for their finance functions<sup>1</sup>. Notably, according to a study by PYMNTS, 91% of CFOs cite this process as making their payments process more efficient, while 84% say it helped their working capital management<sup>2</sup>.

Considering the rising need to automate financial functions across industries, what are the main drivers for widespread automation and the key challenges AP and AR teams face? How can businesses better future-proof their finance processes for changes to come?.

## Key Challenges for AP and AR Teams Today

### 1. Hybrid and remote working

While restrictions have been relaxed in many parts of the world, some of the recent changes are here to stay. A recent survey found that about 95% of workers want the option of remote work, with 54% stating that they would prefer to work from home full-time, meaning that remote work is now the new normal<sup>3</sup>.

Working remotely presents a unique set of challenges for AP and AR teams. Those that depended upon manual, paper-driven processes struggled during lockdowns to get tasks done. Late payments<sup>4</sup> often caused problems with vendor relations, and put accountants through long hours and high stress levels<sup>5</sup> as they battled to get it all done.

### 2. Rising customer expectations

Customer expectations are also on the rise. According to Forbes, 94%<sup>6</sup> of customers will leave a company if they experience bad service. This is challenging finance teams to reimagine their services and prioritize customer satisfaction.

Added to that, 90% of B2B<sup>7</sup> buyers say they would switch to a competitor if a supplier's digital options were insufficient. The need to implement digital technology is greater than ever—not only to improve operations, but also to retain customers in an increasingly competitive market.

1. <https://www.mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights/toward-the-long-term-cfo-perspectives-on-the-future-of-finance>

2. <https://www.pymnts.com/news/b2b-payments/2022/62-percent-companies-say-digitizing-accounts-receivable-payable-helped-cut-costs/#:~:text=Ninety%2Done%20percent%20of%20the%20CFOs%20who%20participated,security%2C%20and%2060%20said%20it%20helped%20them>

3. <https://www.uscareerinstitute.edu/blog/50-eye-opening-remote-work-statistics-for-2024>

4. <https://procurementmag.com/articles/the-main-causes-of-late-supplier-payments>

5. <https://www.accountex.co.uk/insight/2024/09/03/accountings-mental-health-emergency-90-report-stress-and-significant-harm-to-wellbeing-after-industry-exodus/#:~:text=That%20report%20said%20more%20than,Central%20on%20the%2017%20September>

6. <https://www.forbes.com/sites/shephyken/2024/03/17/bad-customer-service-could-cost-more-than-37-trillion/#:~:text=In%202024%2C%2064%25%20of%20customers,experience%20that%20meets%20their%20expectations.>

7. <https://www.zendesk.com/blog/customer-service-statistics/>

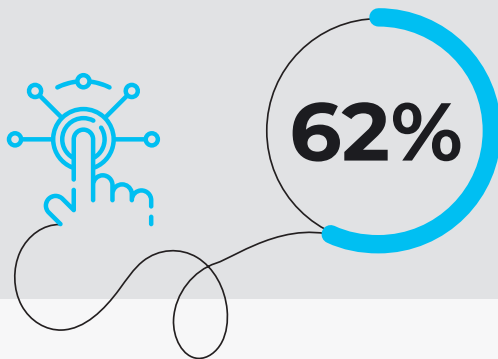
### 3. Fraud and security threats

Criminals used the pandemic as an opportunity to increase fraudulent activity, taking advantage of uncertainty and disruption. Today, finance teams are required to establish stronger controls against fraud. In the last year, the FTC in the United States reported over 330,000 impersonation scams<sup>8</sup> cases in which criminals impersonate trustworthy organizations. This is when clients inadvertently authorize payments to criminals. Fraudulent activities are becoming increasingly difficult to identify and guard against.

### 4. Inaccuracies in financial planning and forecasting

Teams are also struggling with planning and forecasting, as predictability went out of the window since the start of the pandemic. There is a newfound need to “plan for uncertainty,” all while most teams find it difficult to find time for even the most important everyday tasks.

An incredible 37% of senior finance and accounting professionals<sup>9</sup> say they lack confidence in their financial data. Data is championed as a key differentiator for companies, helping inform prudent business decisions. However, without the right technology to analyze and organize it, it's not going to provide value.



**Given the current climate, it comes as little surprise that CFOs are taking action.**

In total, 62% of CFOs state that digitization has helped them cut costs, as opposed to just automation for its own sake<sup>10</sup>. This means they are not only looking to improve existing ways of working, but to establish completely new approaches and processes.

8. <https://www.ftc.gov/business-guidance/blog/2024/04/new-ftc-data-spotlight-offers-illuminating-insights-impersonation-scams>

9. <https://www.forbes.com/councils/forbesfinancecouncil/2024/11/25/cfos-how-to-prioritize-data-quality-for-business-growth/>

10. <https://www.pymnts.com/news/b2b-payments/2022/62-percent-companies-say-digitizing-accounts-receivable-payable-helped-cut-costs/>

# The Transformation of Finance (Opportunities - Automation)

Let's explore how finance functions are transforming themselves through digitization.

Automation is bringing huge opportunities to AP departments, helping them to address current issues and future-proof their company against the changes to come. One of the biggest issues for accounting teams is the amount of time spent on manual processes. AP automation can reduce these by 83%, making errors less likely. Problems such as duplicate invoices are eliminated, and employees are freed up to focus on high-value tasks rather than monotonous data entry.

It also secures your company's finances with multi-level approval, which can be set based on budget, department, entity, etc. Tedious approval follow-ups are a thing of the past when documents are signed off through web and mobile and a digital audit trail is created. A robust approval matrix is critical in preventing fraud and abuse in any organization. Multi-level online approval channels create accountability, thereby enforcing practices such as verification of vendors and detection of suspicious invoices.

Automated software also integrates with your main financial system using two-way sync technology. This capability replaces manual import and export of data with automatic reconciliation to prevent manual errors—saving your team more time for other tasks. It ensures automatic reconciliation, and verification of which invoices have been paid.

There are equally impressive benefits when AR is automated. Using automation, teams can accelerate collections by up to 34%. This is achieved through automating all follow-up emails, and providing personalization capabilities that enable teams to tailor their collections message based on the specific customer they are chasing. This helps to better engage their clients and makes payment much more likely.

Automation makes AR teams three times as productive. This is partly the result of centralizing the team on a single platform, making collaborations easier. It also takes care of data entry tasks such as reporting, and helps eliminate errors by removing people from processes they do not need to be involved in. This allows them to focus on value-added tasks that drive further efficiency gains.

Last but not least, AR automation can drastically improve customer experience. Cloud-based customer portals enable your clients to access account details and settle invoices at their own convenience through multiple digital payment channels. This creates a win-win situation for everyone: you get paid faster, while your customers get to enjoy an effortless payment experience. All of this benefits your business' financial health and the company's reputation for the long haul.



**Below are some of the benefits firms expect to realize when they invest in digital:**

- 87% expect faster processing speed of invoices and payments.
- 79% expect improved team efficiency.
- 75% expect a better customer experience.
- 72% expect to save on operational costs
- 62% expect to realize an improvement in days sales outstanding or “debtor days”

## A Future-Focused AP Team

Future-focused AP teams don’t want to get stuck on routine processes—they want to focus their time on more dynamic tasks. Automation can help them do just that in the following ways:

- Flags duplicate invoices and payments
- Uses AI-powered data capture to extract invoice details such as unit costs, descriptions and quantities
- Approves invoices and payments in the cloud
- Provides a 360-degree AP automation experience; purchase orders, invoices, payments and expenses are all streamlined on a central platform that integrates seamlessly with your main financial system.

In Quadient AP’s State of AP report<sup>11</sup>, a study conducted with 600 finance professionals based in North America, it became clear how they benefited from automation:

- 77% of finance professionals reported improved vendor relationships
- 76% have increased productivity and mentioned less overtime in accounting
- 83% indicated AP automation as the top investment priority

11. State of Accounts Payable Today, Quadient AP, December 2021.

# Payments Bring a Competitive Edge

Payments are clearly much more than a business necessity in today's world. When digitized, they provide your organization with a competitive advantage.

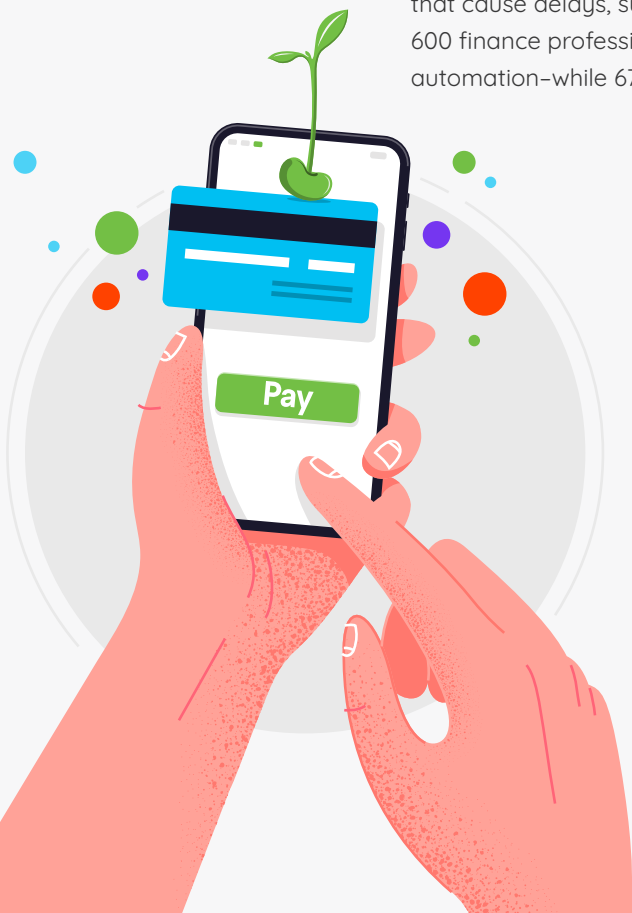
Firstly, they provide third party payment liability when every transaction is insured with a payment guarantee or warranty. While banks might not assume liability for fraud, some automated solutions will indemnify 100% of vendor payments.

Another benefit is that outsourcing vendor data management saves you time spent on updating bank and vendor information. The third party is in charge of collecting, updating, and securing sensitive vendor payment data, so they can help to shoulder the brunt of the risks and labor involved.

Automated systems will also flag any duplicates, reducing time spent tracking them down manually.

There are a range of payment options offered, including ACH/EFT, virtual credit cards<sup>12</sup>, and e-checks<sup>13</sup>, all of which can be used to process money more quickly. Digital payments help increase a company's visibility into its liquidity, as they are easy to track and manage. This provides the basis for better risk management and more efficient use of working capital.

Furthermore, the entire workflow stays in the cloud so you can skip processes that cause delays, such as signing checks and stuffing envelopes. A survey with 600 finance professionals found that 74% reported fewer late payments with automation—while 67% reported zero late payments.



12. <https://www.quadient.com/en/blog/what-virtual-credit-card-how-get-one>

13. <https://www.quadient.com/en/blog/so-many-payment-options-how-do-you-choose-best-one>

## Where We Are Headed

If we have learned anything from recent times, it is that rapid transformation will continue in the finance industry for the foreseeable future.

Far from a passing fad, remote working is here to stay. The percentage of employees working remotely increased from 20% to 28% in 2023<sup>14</sup>. At a time when many are looking to cut costs, this is a viable way to make savings. To accommodate a remote or hybrid workforce, businesses need tools and processes that can be easily accessed without compromising security or diminishing productivity.

Many organizations are increasingly using artificial intelligence (AI) and robotic process automation (RPA). Deloitte recommends RPA<sup>15</sup> as a faster and more cost-effective way of improving efficiency through automated processes. Although widespread use of AI is more of a long-term vision rather than the current norm, many companies have already started implementing it to stay ahead of the curve.

According to Gartner, the rate of AI adoption is rapidly increasing. In 2024, 58% of companies report using the technology, a 21% increase from the previous year<sup>16</sup>.

The payments sector will also be highly influenced by automation. The compound annual growth rate of virtual credit cards is expected to rise 19.3% by 2030<sup>17</sup>. They can earn your organization cash-back rebates and can be fully integrated with your accounting system. The key benefits of virtual cards are that they can be used as anti-fraud measures. In the next few years, expect to see payments moving directly between organizations without any intermediaries such as banks. This will significantly speed up the transfer of funds and help companies avoid processing fees.



# 28%

**of the global workforce now works remotely.**

14. <https://www.statista.com/topics/6565/work-from-home-and-remote-work/#topicOverview>

15. <https://www.deloitte.com/rmt/en/services/consulting/perspectives/robotic-process-automation-explained.html>

16. [https://www.gartner.com/en/newsroom/press-releases/2024-09-11-gartner-survey-shows-58-percent-of-finance-functions-use-ai-in-2024#:~:text=Finance%20Functions%20Have%20Largely%20Closed,implementation%20\(see%20Figure%201\)](https://www.gartner.com/en/newsroom/press-releases/2024-09-11-gartner-survey-shows-58-percent-of-finance-functions-use-ai-in-2024#:~:text=Finance%20Functions%20Have%20Largely%20Closed,implementation%20(see%20Figure%201))

17. <https://www.grandviewresearch.com/industry-analysis/virtual-cards-market-report#:~:text=The%20global%20virtual%20cards%20market,in%20addition%20to%20contactless%20payment>

# From Struggles to Success: The Proven Value of AR and AP Automation

Here are a few companies that have successfully implemented automation in their AR and AP processes along with digital payments.

## The benefits of automated AP include:

- Access to critical AP documents from anywhere
- Ability to make remote payments
- Option to set-up multi-level approvals, which can be accessed via web or mobile

## The benefits of automated AR include:

- Any time, anywhere access to real-time data
- Automated communications with a complete history for visibility
- Digital payment options
- Enhanced collaboration capabilities
- Self-service option for customers





CorneaGen is a global healthcare company. They were struggling with a slow, manual dunning process, one in which their customers were receiving invoices that were often never followed up on. Their reporting was also disorganized, as their collectors were managing portfolios in several different ways that made it difficult to determine the actual state of a customer account. Too many debts were being written off as invoices and were not being effectively tracked.

CorneaGen's AR suffered from a lack of customer-centric capabilities, which meant that customers couldn't access their account details and pay whenever they wanted. This severely impacted efficiency and customer experience, especially for those in a remote working environment.

Quadient AR automated and customized collections, helping CorneaGen better engage with their customers and accelerate collection efforts. This drove a significant reduction in days sales outstanding (DSO) or "debtor days", driving them down from an average of 78 to 38, a 50% decrease. This means they are getting cash into their business much faster.

Write-offs decreased by 70% due to improved portfolio management. The AR team is now working from a centralized platform that presents data on intuitive, actionable dashboards. Key information is highlighted and acted on, ensuring nothing falls through the cracks.

Quadient's AR cloud-based portal enables customers to access their accounts and make payments at any time, from anywhere. Not only has this improved the AR team's experience—as their time is no longer spent responding to customer emails or speaking to them over the phone—it has also transformed the customer experience, providing a streamlined service that encourages them to pay faster and maintain a better relationship with CorneaGen.

Jaime Beadnell, Billing and Collections Manager at CorneaGen, said:

***"Quadient AR has been a game changer for CorneaGen. When the global crisis struck, we faced significant collections challenges. Quadient AR enabled us to not only address these challenges, but also introduce more effective ways of managing AR, which has led to remarkable cash flow improvements and an enhanced customer experience."***



**GoTo**, a global software organization, had difficulty managing remote relationships with customers. They had seen a 26% increase in electronic invoicing since the start of the pandemic, and did not receive any customer support from their existing AR provider to help navigate this change.

With Quadient AR, GoTo got automated and customizable collections to manage the increase with no new employees required. Quadient's AR customer portal simplified the transition to remote working. Although the team's workload increased and customer relationships had to be managed virtually, GoTo was able to use the portal to keep its team and customers aligned to ensure disputes were resolved, payments were collected, and customers were looked after at a very challenging time.

Quadient's AR team made themselves available to GoTo to help them get maximum value out of the platform, onboarding them to key features which helped them manage new challenges posed by COVID-19.

Peter Roller, Director of Credit & Collections at GoTo, said:

***"The true competitive edge that Quadient AR has is the relationship they create with their clients. My team feels heard, feels appreciated, and we are active partners with Quadient AR. This results in success for both of us."***



**AIR** is an organization for institutional researchers on college universities and campuses.

The organization was experiencing some major challenges within their AP department. The team was storing documents inside physical boxes and this was causing significant issues in a number of areas.

The invoice to payment processing was a week-long process, and payments were handled manually. On a typical day, an AP clerk would enter the invoices and forward them to the director for review. After approval, checks would be printed and given to the CFO for signature. Then the checks were scanned, put in envelopes, and mailed. The other issue was that documents often got lost between the back and forth with coworkers, so recovering them became a challenge during events like audit season.

That's where Quadient AP Automation came in. The software moved the AP cycle into the cloud and replaced paper with digital automation.

As a result of using Quadient AP, the organization has been able to fast-track their AP process. They now spend only 2-3% of their day on payments-related tasks, and more than 50% of their vendors have moved to electronic payment methods such as ACH. Time spent filing has also been saved. The annual tradition of hauling three or four boxes per year over to a storeroom has finally come to an end.

Their Director of Finance, Charles McCumber, said

***“Going to Quadient AP made things a million times easier. People can send documents around within the system, and reject them and kick them back if needed. It’s very manageable for the small accounting team that we have. People seem less daunted by a list of items on their desks.”***





In another case, a golf club called [Minikahda Club](#), based in Minnesota, was experiencing interruptions in completing routine AP tasks. Everything was done manually, requiring hours of data entry—and led to the need for huge stacks of paperwork and filing cabinets that were hard to keep track of. On top of that, 15 people were approving invoices every month, causing major delays and making it difficult to catch duplicates. A big issue was that all financial documents with sensitive information were on paper and stored in a physical facility

It was critical for Minikahda Club's AP team to take back some control over their financial processes, including tackling issues such as duplicate invoices. With Quadient's AP Automation, the golf club was able to spot \$10,000 in overpayments including credits and duplicate payments. Managers can now use the web and mobile app to approve documents online.

Their AP controller, Randy Zats, said:

***"The key word is control. Once we close, we know that we've got everything, there isn't something hidden in a desk drawer or something that's going to come back in a week. It has pushed accountability back to the managers because everyone is watching their budgets and their metrics."***



For more information, visit [www.quadient.com/ap-automation](http://www.quadient.com/ap-automation)



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