



Invoicing Payments Analytics

with Days to Pay Index



The power of analytics in invoicing

With the emergence of AI, excitement around data has never been higher. Leveraging the data your company has from its customers to generate insights and drive faster business decisions is the challenge.

The power of analytics in the invoicing cycle is indisputable. Without it, you wouldn't know if invoicing processes are running smoothly or slowly, let alone dig deeper into what the root causes are for delayed payments. You wouldn't be able to pinpoint any problems, solve them and accelerate your cash flow. Without great analytics you wouldn't have the tools at your disposal to improve things.

However, you might not still have the time and patience to go through manual methods for analyzing your payment data. Downloading reports and putting them in spreadsheets is time-consuming and inefficient. You'd rather have actionable KPIs at a glance - and visualizations where you can drill further without leaving the tool you're working in.

In this short guide, you'll discover what good invoicing KPIs are and what a modern, actionable invoicing dashboard looks like. We also introduce you to our newest feature, the Days to Pays Index. It's a first-of-its-kind benchmarking KPI that allows your company to compare your speed of payment to your peers, and take necessary actions to accelerate it where possible.

Harnessing the potential of data and analytics and the effects it has on the efficiency, accuracy and overall financial decision-making, can transform your order-to-cash processes, giving you a competitive advantage and moving your accounts receivable (AR) forward.

- ✓ 83% of CEOs want their organization to be more data-driven¹
- ✓ Finance and accounting departments are considered the most data-driven within organizations²
- ✓ 68% of Chief Data Officers say improving the way they use data and analytics is their top priority³
- ✓ 92% of organizations achieved measurable value from data and analytics investments in 2023⁴
- ✓ 76% of businesses report up to a 76% reduction in DSO when deploying digital payments⁵

What you'll learn

- ① Your business needs powerful analytics
- ② Data defines AR efficiency
- ③ Top invoicing KPIs for your business
- ④ Analytics should work for every role
- ⑤ What does an invoicing analytics dashboard look like?
- ⑥ Hello, Days to Pay Index: Your gateway to better payments

Why does your business need powerful analytics?

Modern analytics matter for businesses that operate in the modern world. They come with a lot of benefits.



Improved decision-making

Make better decisions by providing you with a better understanding of the past, present, and future. This can lead to more informed and strategic decisions that are more likely to be successful.



Increased agility

Help your business be more agile and responsive to change. With near real-time insights into current trends and patterns, analytics can enable you to anticipate changes and make necessary adjustments quickly.



Enhanced risk management

Identify potential risks and develop strategies to mitigate them by analyzing historical data and trends.



Improved customer satisfaction

With a better understanding of customer needs and preferences, you can improve products and services that are more likely to meet the needs of customers.

Data defines AR efficiency

Data serves as a dedicated support for finance teams in their quest to strengthen their AR processes.

AR teams can benefit from data by:

- 1 Using it to identify stopgaps in AR processes
- 2 Leveraging that analysis to direct internal focus and resolve issues
- 3 Implementing automated processes that save time and money, increase revenue, and support a better customer experience
- 4 Maintaining ongoing evaluations of AR processes to realign as the business grows

Top invoicing KPIs for your business

Total Payment Amount

The total volume of payments received

Touchless

The percentage of digital payments in the total volume of payments received

of Payments

The total number of payments received

of Paid Documents

The number of documents that payments were applied to

Average Days to Payment

How long does it take to get your invoices paid?

Average Days to Pay Index

An industry benchmark - Days to Pay

Analytics should work for every role

Finance teams are composed of different roles and functions. For AR specialists - experts in collections, credit, payments or invoicing - who work day in and out with AR solutions and necessitate a distinct approach, precision is paramount in their universe. The imperative revolves around actionable insights, quickening the pace of collections, and optimizing invoicing for example. In their world, analytics is transactional.

For those who inhabit the realm of the CFO, analytics take on a different hue. Their purview is expansive – they need a panoramic view encompassing industry dynamics, macroeconomic influences, and comparative performance. Their concerns are nestled in KPIs that mirror the financial pulse of the organization.



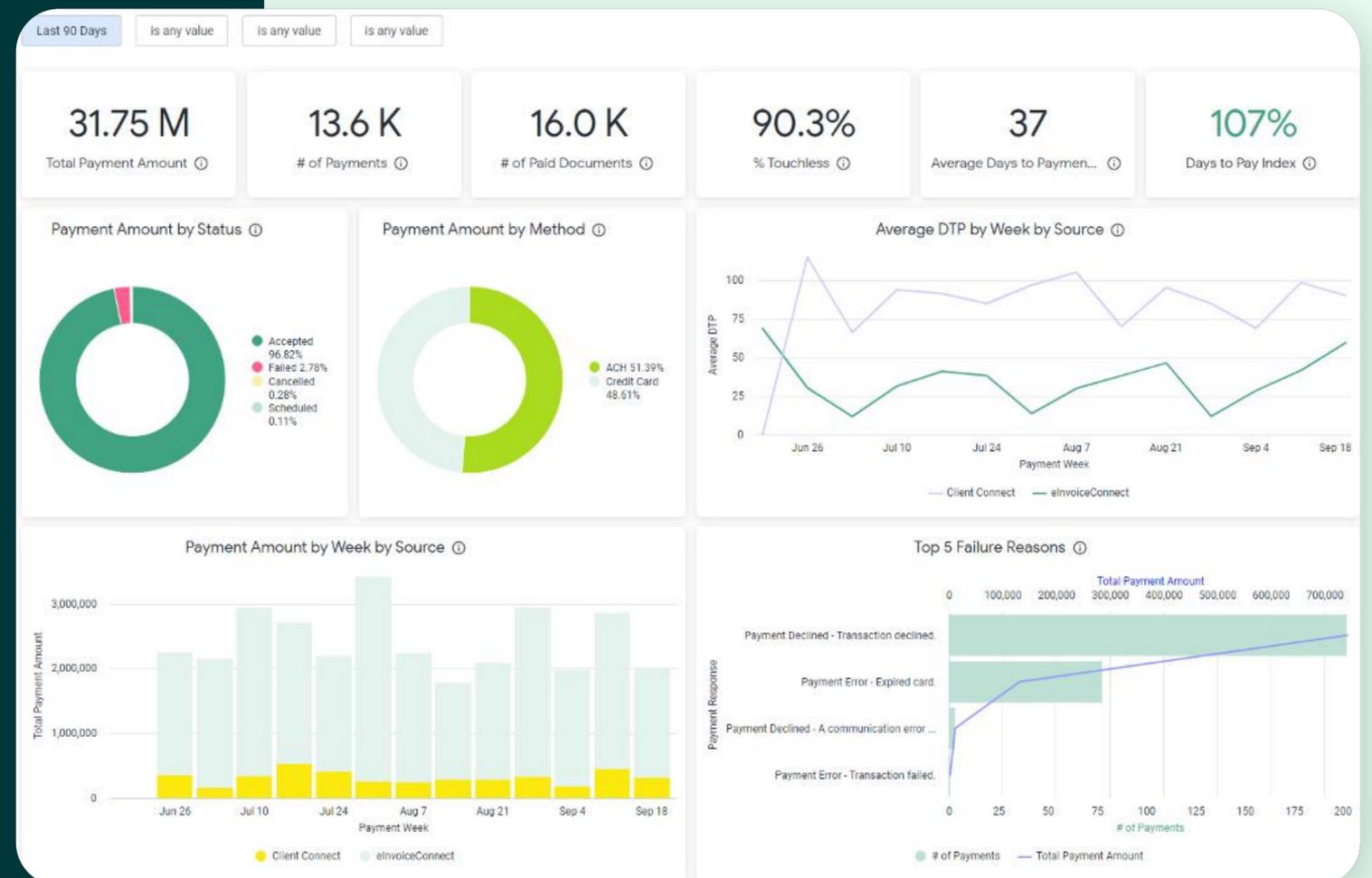
	Specialist	Supervisor	Decision-Maker
Possible Roles	Customer Rep, Cash, App Specialist, Collector, Treasurer	AR Manager, Credit Manager, Cash App Manager	CFO, VP of Finance, AR Director
Level	Personal	Team	Company
Focus	Looks for transactional reporting and basic analytics	On the look-out for competitive intelligence, wants to make analytical queries	Prescriptive insights, Generative AI driven cognitive workflows
Time investment	Works daily in the product	Moderate time spent	Barely spends time in the product
Influence	Less	Moderate	Most
Product	Product specific	Product specific	Cross-product
Desired outcomes	Minimize manual tasks	Gain team efficiencies	Seek insights to influence decisions

What does an invoicing and payments analytics dashboard look like?

Many business decisions are made by accounts receivable (AR) teams every day - one is getting clients to make the switch to digital and online payments. But how do you know the digital adoption rate of your customers is improving? And if your customers are already paying online, what's their average days to pay performance? What customers are paying late? And is it a one-off or do you see a clear trend towards slower payments?

What's sure is that clear visibility into online payments data isn't possible without analytics. At Billtrust we believe data and analytics should empower you to optimize decision-making. So we've built, in our Billtrust Invoicing solution, a modern analytics dashboard that allows you to see the most relevant KPIs at a glance, quickly identify trends in online payments of invoices and make decisions with confidence.

Using the dashboard's modern interface, actionable insights, effortless drill-down capabilities, export, download, and alert options are at your fingertips - eliminating the need for manual data manipulation. This self-service approach is particularly valuable when dealing with large datasets.



Payment insights at a glance:



Relevant KPIs. See the most important online payments KPIs at a glance such as the Average Days to Payment (DTP), Days to Pay Index and the percentage of touchless.



Deeper insights. Apply advanced filters to isolate salient data points such as payment date, payment status, payment type and payment source.



Visualize trends. Identify emerging trends over time. Check payment behavior and drill down into Days to Payment (DTP) and Payment Channels by week and by source.



Competitive benchmarking. Highlight days to pay opportunities with our newest Days to Pay Index.



Detailed buyer behavior. Drill down into the payment behavior of your biggest customers.

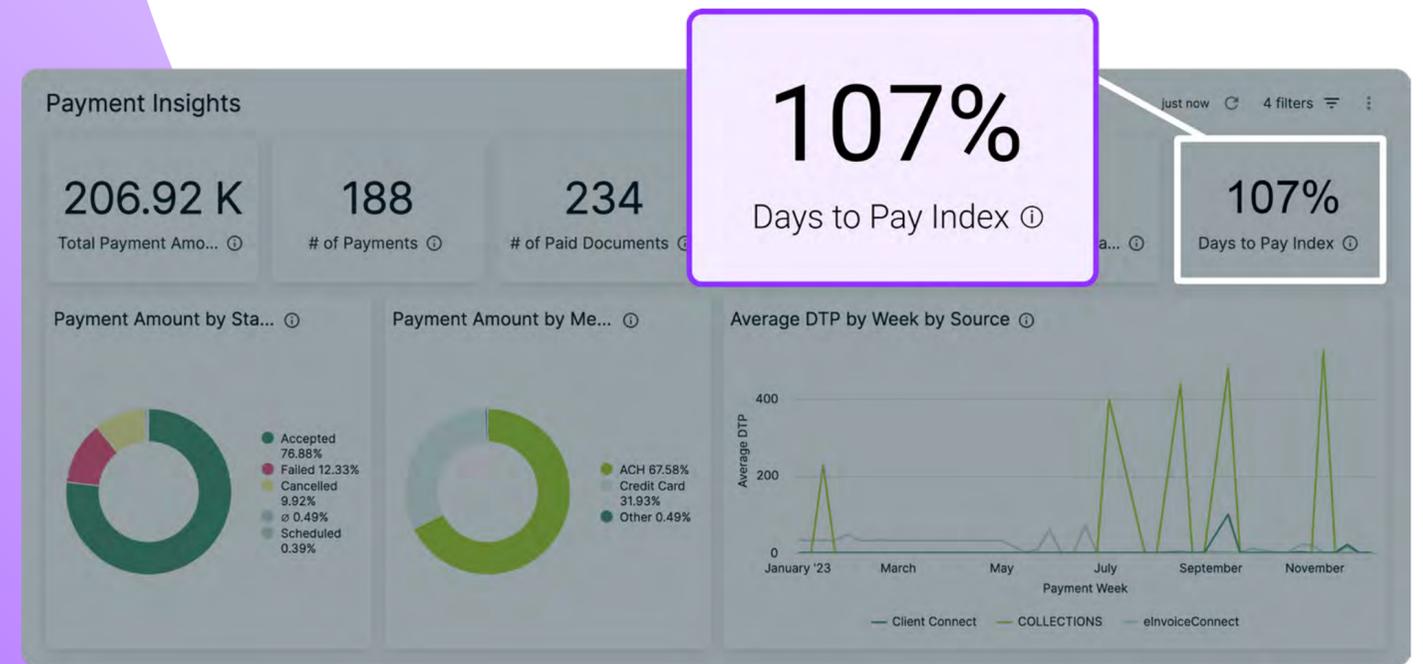


Non-payment reasons. Check the top failure reasons for non-payment.



Export. Directly download online payments data (CSV, PNG, PDF) or schedule for email delivery.

Hello, Days to Pay Index: Your gateway to better payments



What is it?

Days to Pay Index is for Billtrust customers who want to have a better understanding of how their Days to Payment performance compares to their industry's benchmark Days to Payment.

The Days to Pay Index leverages a Billtrust algorithm to calculate your business' efficiency in collecting payment relative to the industry you're in.

How is it calculated?

A percentage ratio is calculated by comparing the industry benchmark Days to Payment (DTP) with your Average Days to Payment.

With the Average Days to Payment metric Billtrust customers know how long on average it's taking customers to pay them. For each invoice paid we take the difference between the bill date and the payment date. This is then averaged for all payments you received.

Where to find it?

The Days to Pay Index KPI is available as a tile on the Billtrust Invoicing Analytics dashboard*.

What companies are in my benchmark?

The Days to Pay Index benchmark is populated with companies in your industry that exist in the Billtrust directory. The groupings are proprietary but one of the primary inputs is Industry and Sub-Industry association.

To address data security and privacy issues, we've made sure the aggregate data is completely anonymized while providing valuable insight into relative performance.

1

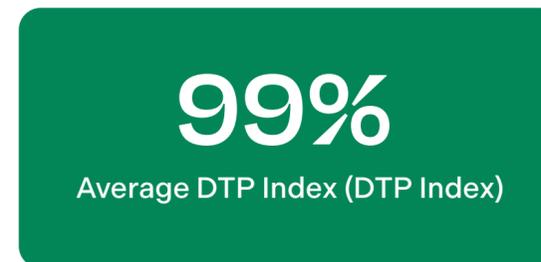
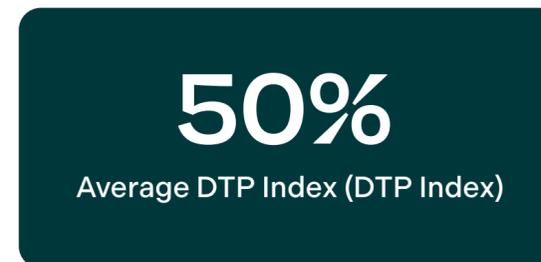


Understanding your payment performance

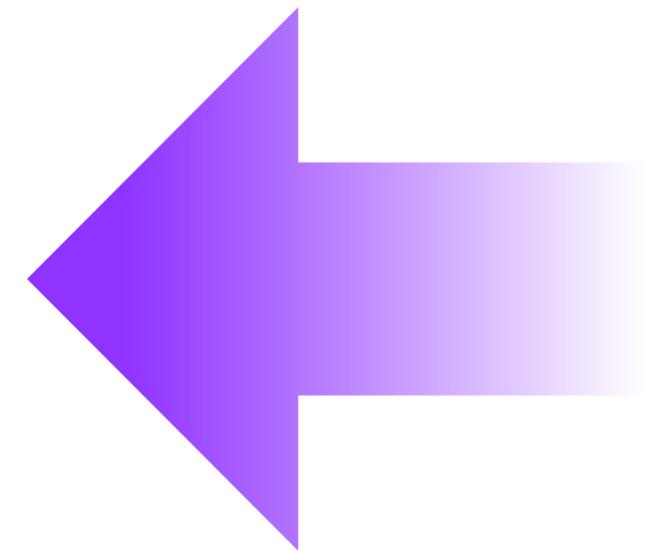
An index of 100% indicates that you are getting paid in the same timeframe as your industry benchmark. An index below 100% means you're getting paid slower than your peers; an index above 100% means a stronger performance and you are being paid faster than comparable companies. The higher the index, the faster you are being paid relative to your benchmark.



you're getting paid slower



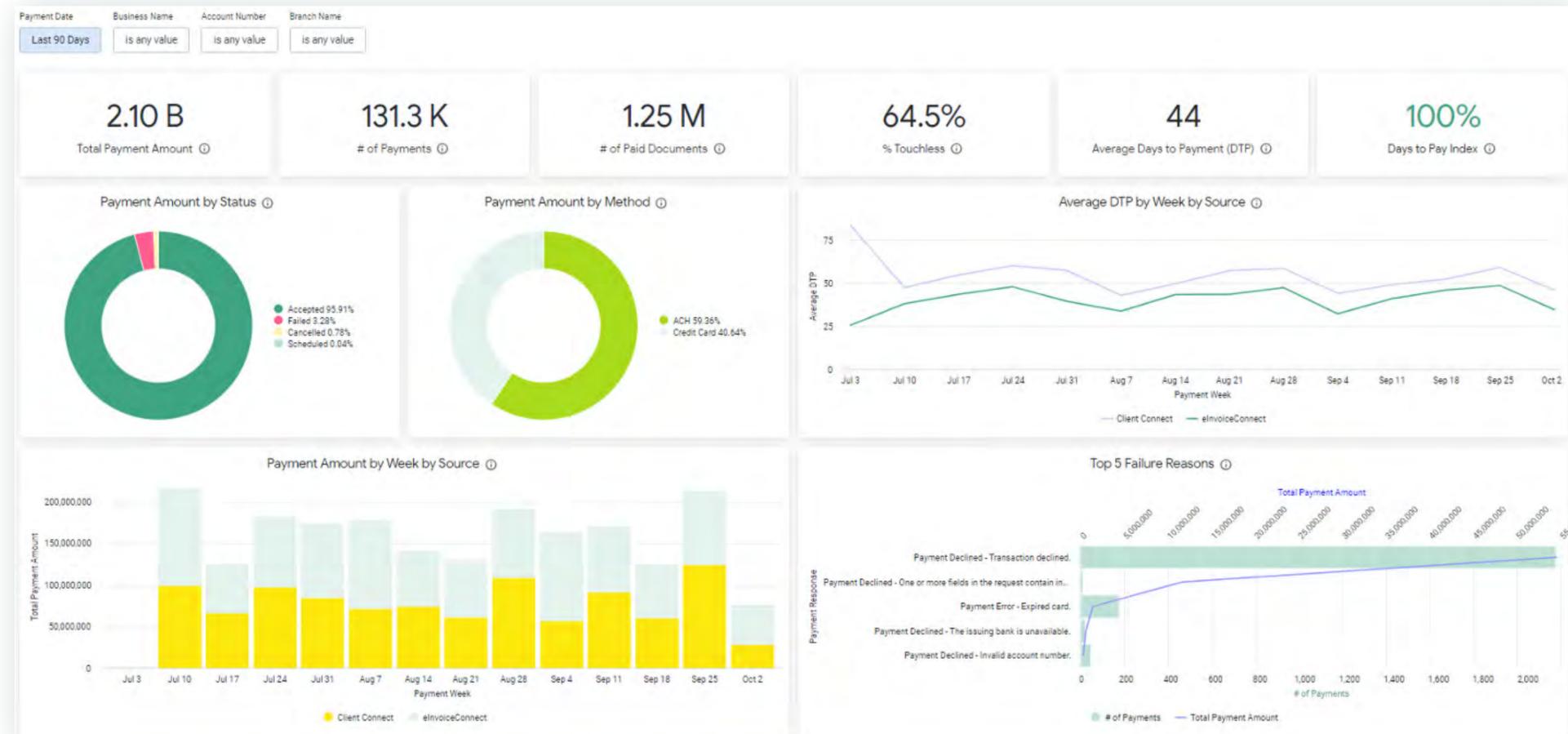
you're getting paid faster



2



Diving into more details with your Days to Pay Index



How much would my DTP have to improve or decline to be at 100% Index? It's a logical question when you see the Days to Pay Index for the first time. Before we can answer that question you need to identify the gap between you and the industry benchmark.

You can access more details on your Days to Pay Index, by right clicking on the KPI tile. You can then view both your DPT and the Benchmark DTP side by side, to determine the variance. If you are not in payment parity, you can identify what would need to happen to achieve a 100% index and better the benchmark.

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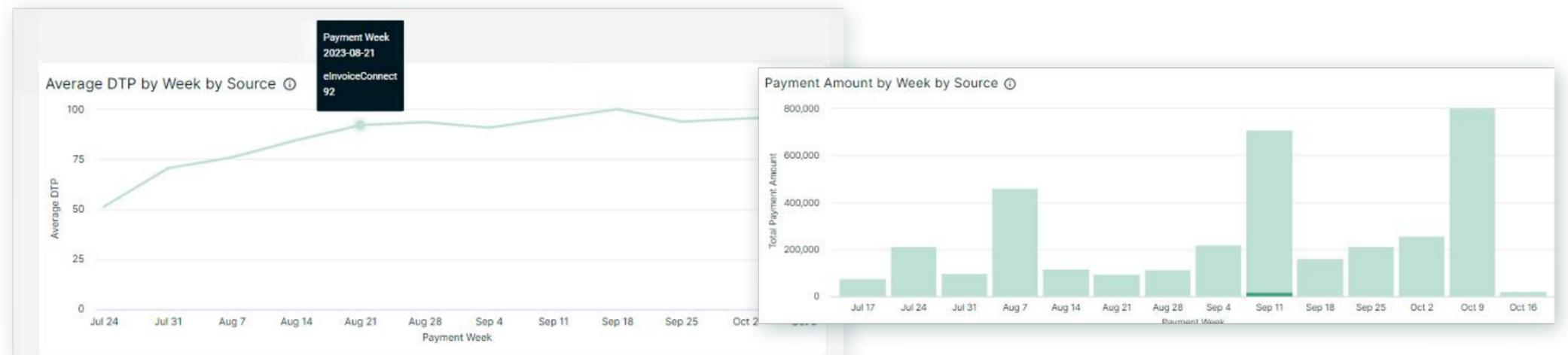


Paying attention to your customers' payment behavior

You'll also be able to drill into the individual customers when right clicking on the Average Days to Payment (DTP) tile. This KPI is situated next to the Days to Pay Index on the dashboard. This allows you to view your largest customers, their payment volume and DTP and sort to identify which customer is a risk or opportunity.

You can rank your customers by Days to Payment and the relative influence they have on the overall Days to Payment. Let's say your DTP is 39 then you'll look for customers who have a DTP above 39. If you have identified the customers that are negatively impacting your index, you can isolate these accounts, and get a better understanding.

You want to find out exactly who they are, how much volume they have, their payment history and how their DTP number changed over time. Maybe your customer is constantly paying late? Or maybe they have started paying slower, indicating a temporary payment problem - although they had a great payment history with your company in the past? If a customer paid their invoice within 60 days 6 weeks ago, why are they now paying in a 120 day cadence?



How to get customer specific payment behavior and trends?

- 1 Limit your **Payment Insights for an account** - by input of an account number, business name or branch name.
- 2 Through time series visualizations you can identify **the volume of payments** by source.
- 3 Likewise, with the **Average DTP** visualization you can see whether the account has been slipping or improving on Days to Payment relative to their historical performance.
- 4 Additional **filtering on payment type** can help you see trends over time for every type of payment.
- 5 The dashboard will default to a rolling lookback window of 90 days. Users can adjust date filters to **view aggregated and time series visualizations** across an 18 month date range to identify meaningful payment trends and anomalies.

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Improving your Days to Payment

Armed with these insights, you can take action and proactively address drift from your cash flow. Remember, ideally you'd want your Days to Pay Index at 100% or better.

Set up a communication flow

You can start communicating with that customer and try to improve their payments. Ask the payer why they are suddenly paying slower than in the past? Is there something that needs to be changed, a process hiccup?

Set up adoption campaigns

Changing buyer behavior takes dedicated resources, time, and work. Billtrust helps you set up campaigns to drive lagging customers to online payments.

Re-evaluate payment terms

Long term it gives you the opportunity to re-evaluate the payment terms with these slow-paying customers.



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What might the future bring?

The Day to Pay Index is a first iteration concept. But we want you to have even more insights and tools to drive your cash flow and business.

- ✓ Future iterations will give more prescriptive guidance on which customers are having the biggest impact on the Days to Pay calculation.
- ✓ When you have detected anomalies or found out about what's going on with the payments of certain customers, we can generate an AI driven communication flow.
- ✓ If you are part of a dealer network, you'll probably be curious about your score against your peers as well.



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Learn more

Visit billtrust.com or [contact our sales team](#).

ABOUT BILLTRUST

Finance leaders turn to Billtrust to control costs, accelerate cash flow, and improve customer satisfaction. As a B2B order-to-cash software and digital payments market leader, we help the world's leading brands get paid faster while transitioning from expensive paper invoicing and check acceptance to efficient electronic billing and payments. With over 2,600 global customers and more than \$1 trillion invoice dollars processed, Billtrust delivers business value through deep industry expertise and a culture relentlessly focused on meaningful customer outcomes.

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