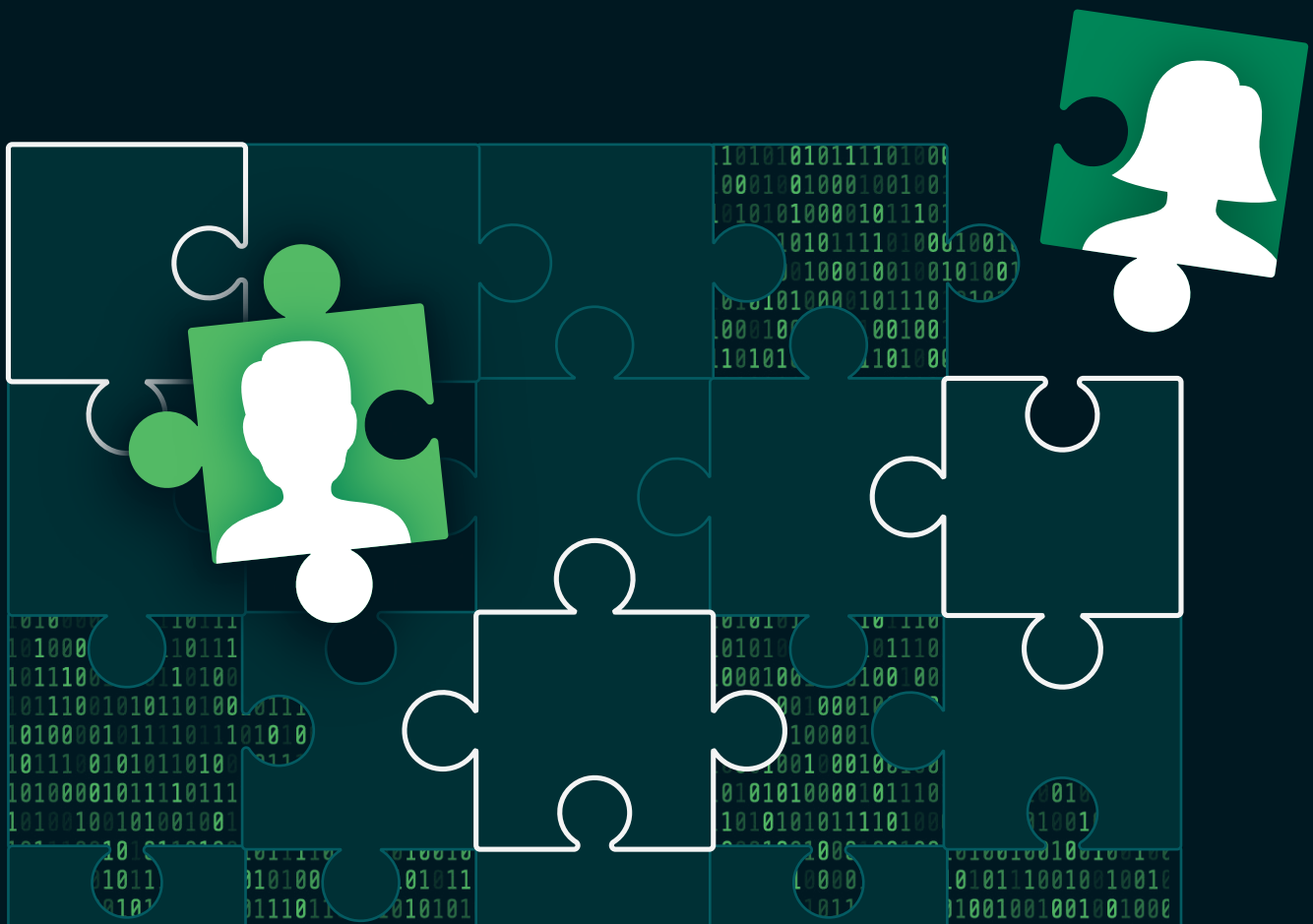




STAFFING INDUSTRY WHITE PAPER

Automating AR for staffing firms

Learn how staffing firms can use VMS integration and character-based matching to provide a world-class billing experience for clients while expediting payment processing.



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The need for simplified cash flow

Companies trust staffing firms to provide them with their most valuable resource — human potential.

Recruiting and placing the right talent in the right roles was once a matchmaker function based on relationships with candidates and hiring managers.

However, there's been a pivotal change in the way the success of staffing firms is measured.

Filling permanent, temporary and contract positions has become a highly commoditized service. Many staffing leaders now recognize that the firms that stand out from the rest deliver the largest volume of candidates and a state-of-the-art client experience.

Part of that client experience involves billing. Many global enterprises have increasingly implemented vendor management systems (VMS). This has contributed to a seismic shift in the staffing industry.



Reckoning with VMS

Vendor Management Software (VMS) portals have changed the game for staffing companies. Originally designed to automate the governance of staffing suppliers, they have evolved into talent portals for managing a flexible workforce.

VMS portals are being widely adopted to manage and automate the entire recruitment cycle including processes like onboarding, training and development, timesheets, document management, payments, and much more.

It's understandable why businesses are turning to VMS portals. Managing large-scale recruiting in-house is a huge task. By automating processes and tasks, these portals are delivering significant cost savings.

However, the situation is less favorable for staffing companies. They are facing new obstacles as they strive to meet these demands:



Staffing firms are increasingly encountering the demand to **extract remittance data from these portals**. This process is further complicated by the fact that various companies use different portals, each with its own requirements.



The most frequent touchpoints between staffing firms and their larger clients are based on **weekly billing cycles**, and in many cases, that communication is less than ideal.



Rather than using account numbers, clients that use VMS are paying by the employee and using week-ending dates, resulting in a **highly manual and time-consuming reconciliation process** for staffing firms.



These repetitive tasks are prone to **human error** and prevent FTEs from working on high-value projects.

Given these circumstances, it's evident that the process of getting paid through cash application has become excessively manual and very time-consuming. This has resulted in reduced efficiency for full-time employees, lower match rates, and increased errors.

Although staffing firms have embraced machine learning (ML) and artificial intelligence (AI) tools to optimize the firm-to-candidate client lifecycle within VMS portals, they have not been leveraging similar solutions to streamline the revenue process. And when inefficient processes hold up payments, it's cash that's not flowing.

Enterprise customers have long enjoyed the benefits that VMS engagements bring. Yet smaller and mid-market companies, who don't have access to or have implemented VMS solutions, also present the same, unique obstacles to efficient accounts receivable (AR):

- **Mid-market businesses expect to pay invoices with various AP processes — from paper checks to accounts payable portals.**
- **There are many AP platforms, each with its own requirements for presenting invoices.**
- **Many small businesses use online accounting solutions to pay their bills, while others pay by check.**

Challenges and opportunities for staffing firms

Accounting departments within staffing firms are under pressure to accomplish more with limited manpower. To remain agile, they must adopt automation and other digital transformation tools. Furthermore, they must aid their companies in growing and sustaining robust cash flow.

CHALLENGE

Large businesses using VMS

THE RISE OF VMS

Client companies, especially large ones, are increasingly using one of many vendor management systems (VMS).

INVOICE DATA ENTRY

VMS portals are essentially AP portals, and more clients require staffing firms to enter invoice data into them, requiring a lot of manual work.

MATCHING PAYMENTS WITH REMITTANCES

Payments affiliated with web portal remittance require log-ins and are prone to disputes and short pays.

MANUAL CASH APPLICATION

The cash application process is highly manual and time-consuming.

OPPORTUNITY

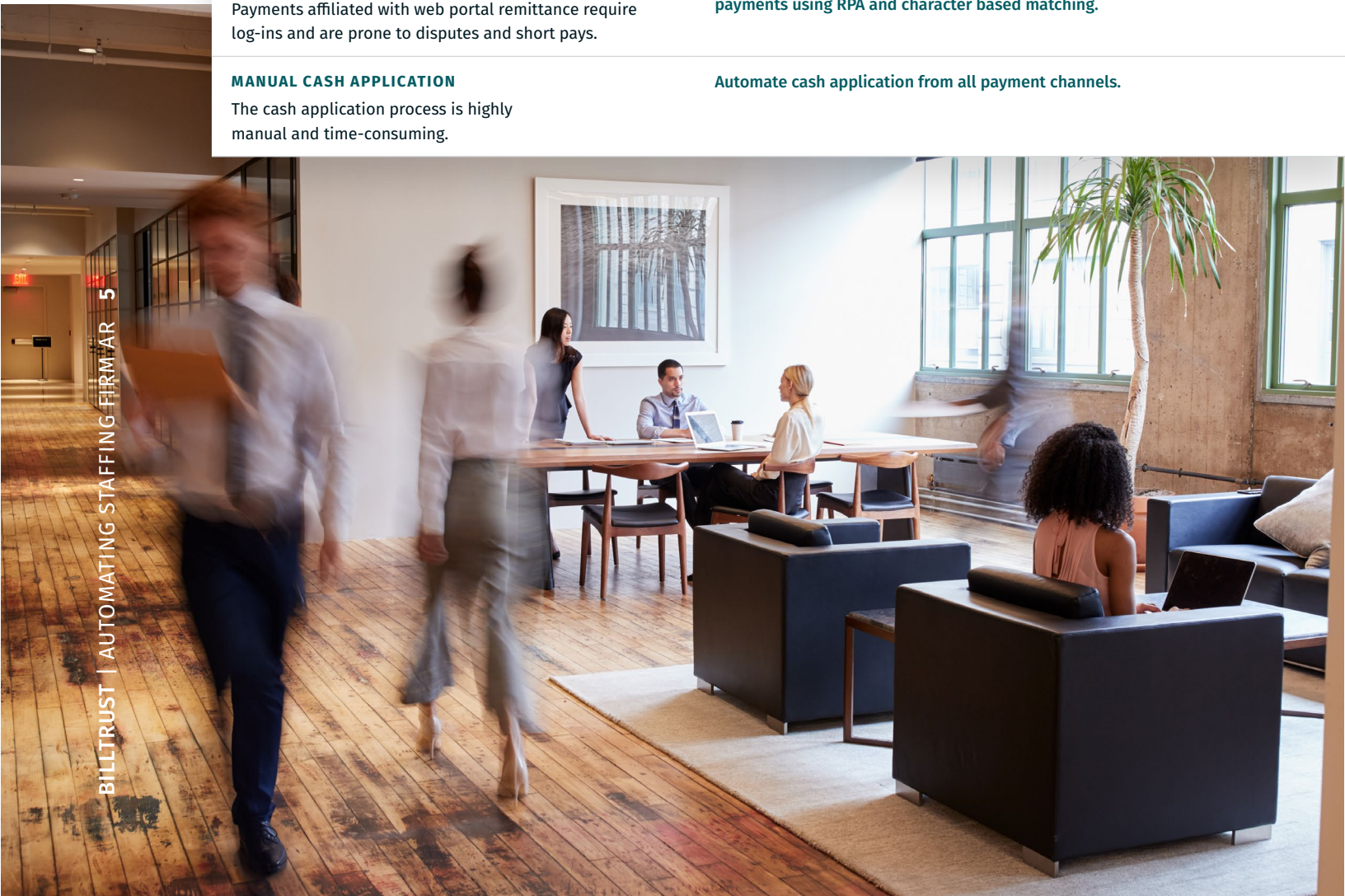
Deploy machine learning

Machine learning across your entire process, including tailoring cash application for your specific VMS.

Leverage Robotic Process Automation (RPA) to automate the delivery of your ERP data into various VMS portals.

Automatically scrape web remittances and match payments using RPA and character based matching.

Automate cash application from all payment channels.

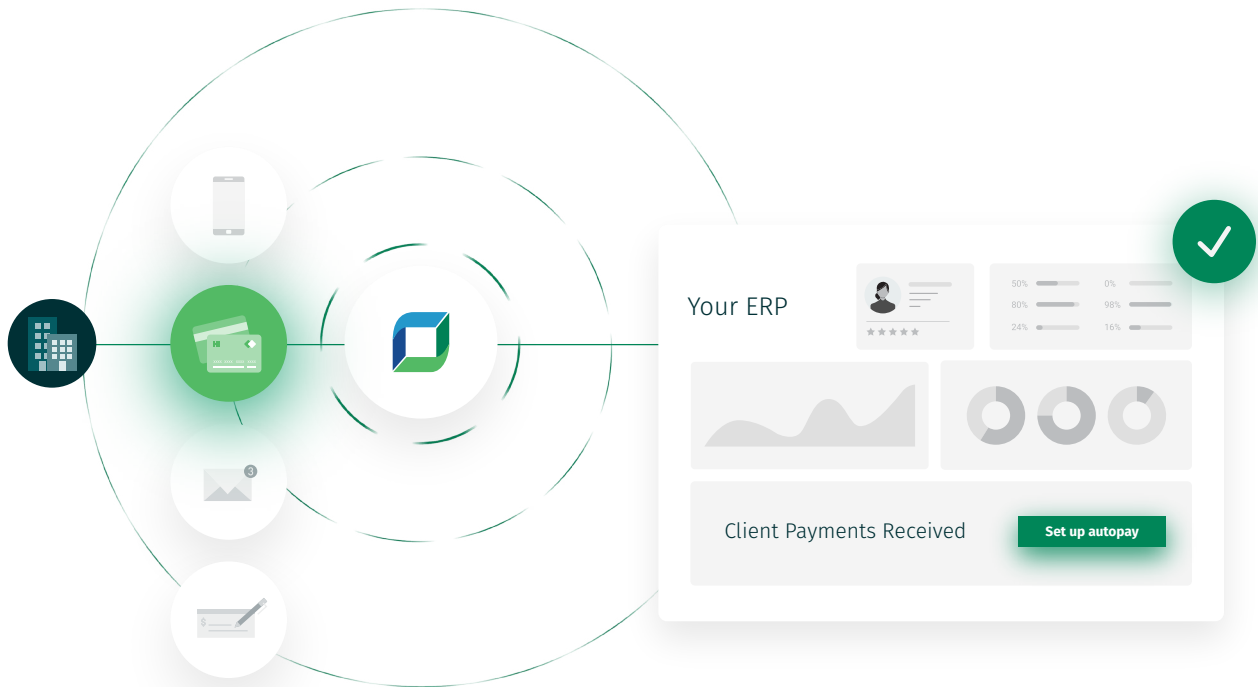


CHALLENGE Clients using various AP methods	OPPORTUNITY Automate AR
PAPER CHECKS A lot of customers in the United States still opt to pay through checks sent via mail to a bank lockbox.	Providing a self-serve portal encourages clients to move away from slow and costly payments by check.
COSTLY CREDIT CARD PAYMENTS Clients are increasingly requesting to make payments through credit cards, while the usage of virtual cards is also on the upswing.	Leveraging technology to enforce smart credit card policies protect staffing firm margins.
MANUAL CREDIT CARD PAYMENTS Staffing companies manually retrieve card numbers and remittance from emails and VMS portals and hand key them into a terminal.	Electronic payments with full remittance are captured and processed by Billtrust. Suppliers can continue to deliver a great experience for their buyers, while ensuring their preferences are honored with every payment.
REMITTANCE DATA Payments made electronically can have incomplete, decoupled or missing remittance data.	Capture remittance files when a payment is made by automating cash application from all AP channels.

CHALLENGE Money held up in outstanding invoices	OPPORTUNITY Automation-driven collections software
LACK OF VISIBILITY Teams don't have visibility into who is contacting customers, how frequently, and the latest status on each account.	Dedicated collections software centralizes all communication and customer profiles with notes and full histories.
NO CLEAR PRIORITIZATION STRATEGY Accounts are prioritized by necessity, such as the most delinquent ones.	Target customers who need outreach most with customized procedures, so collectors have a daily prioritized workload.
NO WAY TO CONNECT COLLECTIONS WITH CASH FORECASTING Collections teams are increasingly being asked to provide information to help guide cash forecasting—but they don't have insight into customers' payment behavior over time.	Make sure customers' payment behavior is registered. AI can use this data to accurately predict payment probability and forecast cash flow.
DISPUTE RESOLUTION There may be multiple parties involved in the payment process which makes it difficult to identify the source of a payment dispute and to resolve it quickly.	Consider the possibility to log and track disputes, and escalate when necessary, keeping all parties involved.

Automate the entire AR process

AR automation can address the specific needs of staffing firms in accounts receivable such as payment processing, cash application and collections.



Payments

WHY AUTOMATE?

Encourage your clients to pay with whatever method they prefer:

- ✓ Make it easy for clients to make payments when they receive the invoice
- ✓ Accept credit card payment without prohibitive costs
- ✓ Ensure secure and compliant payments
- ✓ Enable fast, touchless payments from third-party accounts payable (AP) providers.

OPERATIONAL EFFICIENCY

Reduce friction between clients and your AR department by:

- ✓ Decreasing interchange fees for credit card payments
- ✓ Providing an online payment portal
- ✓ Capturing credit card numbers and applying the cash automatically
- ✓ Integrating seamlessly with ERP systems
- ✓ Promoting your automated system to clients



Remittance			AR Data		
#78787	\$3,090		#78787	\$3,090	
#555	\$8,484		#555	\$8,484	
	\$15,000		#84848	\$15,000	
#4343	\$740		#4343	\$755	

Cash Application

WHY AUTOMATE?

Automating cash application improves the bottom line for a staffing firm:

- ✓ Improve the accuracy and increase the speed of reconciliation
- ✓ Access cash more quickly
- ✓ Eliminate bank lockbox and data entry fees
- ✓ Keep client credit lines flowing

OPERATIONAL EFFICIENCY

Speed up the cash application process by:

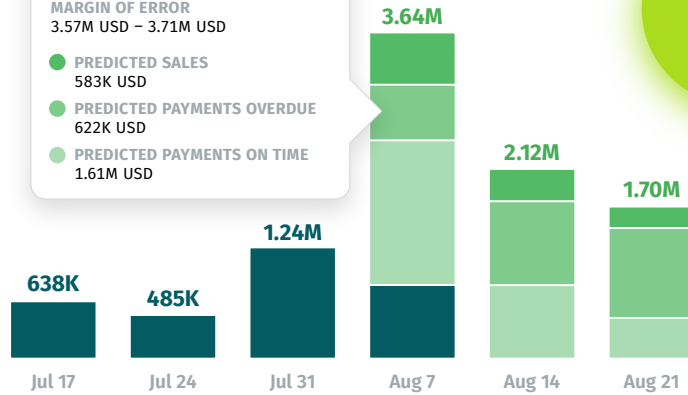
- ✓ Cutting data entry and keying costs
- ✓ Assisting with matching
- ✓ Investigating and researching exceptions
- ✓ Posting to your ERP

Payment evolution and cash forecast

● PAID ● CASH FORECAST

TOTAL
3.64M USD
MARGIN OF ERROR
3.57M USD – 3.71M USD

- PREDICTED SALES
583K USD
- PREDICTED PAYMENTS OVERDUE
622K USD
- PREDICTED PAYMENTS ON TIME
1.61M USD



Collections

WHY AUTOMATE?

With automated collections you uncomplicate the collections workflow by:

- ✓ Creating templates that automatically guide collections activities to different sets of customers.
- ✓ Automatically sending reminder emails to customers before payments are due to decrease delinquency.
- ✓ Increasing visibility and transparency into every customer.
- ✓ Optimizing collection efforts focusing them on the most pertinent tasks.

OPERATIONAL EFFICIENCY

Put your perfect collections solution to work by:

- ✓ Starting each collector's day with a prioritized worksheet that includes a list of actions tailored to their portfolio.
- ✓ Foreseeing payment problems, and generating a plan and getting step-by-step advice to resolve them.
- ✓ Addressing specific customer needs and easily applying templates to new customers.

10 tips to kick-start your journey

- 1** Staffing firms need to focus on streamlining the back end of the order-to-cash process with an eye on increasing cash flow and improving the client experience.
- 2** By using a technology solution that accommodates all types of clients and their invoicing and payment needs, staffing firms can optimize the invoice-to-cash process.
- 3** Optimizing also means letting your workforce do their jobs as efficiently as possible, no matter where they work from. Managers should be able to reprioritize workflows based on their team's productivity.
- 4** The delivery of invoices based on ERP data into client accounting, AP software and VMS platforms should be automated. Customize the invoice set-up for every customer.
- 5** RPA, AI and Machine Learning should be leveraged to automate the scraping of web remittances and matching payments, or to present collectors with a prioritized worklist to start the day.
- 6** The intake and processing of virtual credit card payments should be automated to ensure Level II/III interchange rates in a secure environment.
- 7** Staffing firms should try to understand their company's payment trends. What is the payment behavior of clients and how does this impact the DSO?
- 8** Cash application should be automated across all payment channels.
- 9** Staffing companies that cater to mid-sized customers can ensure prompt payment by offering invoices in multiple formats that align with their clients' accounting and AP software. Any errors in invoicing can lead to significant delays in receiving payment.
- 10** Staffing firms should offer small business clients auto-pay, early-pay discounts or other incentives to encourage them to move away from paying by check.





It's time to embrace modern AR that makes getting paid radically simpler.

Our mission? To provide staffing companies with modern accounts receivable solutions that make getting paid radically simpler. Our experts will review your current process and help you develop a set of best practices to get the most out of our solution. Just [reach out to our sales team](#), and let's start talking.