



WHITE PAPER

The Manufacturers' Guide to Streamlining A/P and A/R

A Challenging New World for Manufacturers

After two consecutive years of decline, the Manufacturing sector in Europe rebounded with 8% growth in 2021, according to Eurostat data. Although the industry is enjoying a gradual recovery from the effects of COVID, it is emerging into a challenging competitive scenario.

Purchasing habits changed dramatically during lockdown and there was a surge towards eCommerce. As a result, today's B2B buyers are even more aware of the huge gap between the payment choices they are offered as consumers versus the restrictions and friction they experience in their B2B roles.

The cost-of-living crisis is driving up material costs while supply chains are being disrupted. At the same time, the industry is moving toward a direct-to-customer sales model, transforming buyer-seller relationships and accelerating the need to grow and scale efficiently.

That's a lot to grapple with. Fortunately, manufacturers who are willing to embrace technology and innovate their back-end processes can respond to these challenges and even create competitive advantage.



Where Manufacturers Can Invest for Maximum Impact

Economic challenges and buyer expectations of payment convenience make it more important than ever for manufacturers to think carefully about impactful investments:



What processes and technologies help you stand out from the crowd and perform at maximum efficiency?



Which processes are tying up working capital and delaying the sales process?

The challenge of addressing outdated and inefficient processes can be overwhelming — but digital transformation of antiquated payment experiences can make a big difference.

Outdated payment technology is also likely to mean inefficient sales and accounts receivable (A/R) processes, due to the cumbersome manual processes that are typically resource heavy.

These antiquated payment processes also deprive businesses of critical customer data and insights. Without customer data, it's impossible for manufacturers to predict buyer needs and trends that can be critical for production planning and product development. Without these data-driven insights, manufacturers are likely to constrain their business growth and scalability.



The global 3D printing market was valued at \$13.84 billion in 2021 and is predicted to grow rapidly, at a CAGR of 20.8% from 2022 to 2030 to reach a value of \$76.17 billion.

Payment Complexity Impacts Your A/R and Your Clients A/P

Inefficient payment processes create an unstable environment for both sellers' A/R teams and buyers' A/P teams. Without the modern purchasing solutions, their daily tasks are unnecessarily complicated — and the fallout impacts the rest of the business.

63% of salespeople's time is focused on activities other than selling

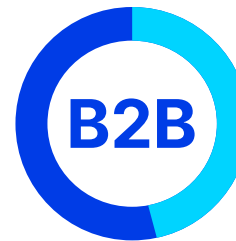


Old A/R Tech Creates Problems for Sales to Solve

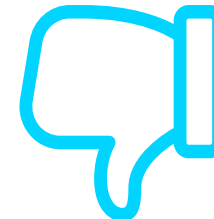
When relying on out-of-date technology and payment processes, A/R teams often struggle to keep up with the needs of buyers. Unable to rectify invoice inaccuracies and handle buyer requests themselves, A/R must look to the sales team for support. As a result, **63% of salespeople's** time is focused on activities other than selling. Which means, 37% of sales time is spent bringing in new business.

If your internal processes do not support both A/R and sales functions, your customer experience and your bottom line feels the impact.

Outdated systems and processes will hinder your A/R team in determining things like credit risk. This can delay the onboarding process by days, so the initial customer experience is one of frustration and the perception that your business is unresponsiveness.



Almost half of all B2B buyers say that it takes at least 2-3 days for a new vendor to onboard them before they can begin making online purchases for their company.



While delayed onboarding certainly wastes time, technology limitations also lead to trapped capital and ultimately, dissatisfied customers.

With more time available, your sales team can serve a longer list of prospects and focus on reaching sales goals — rather than untangling invoice issues.

Optimize Payments, Align with Clients' A/P and Become Easier to Do Business With

The digital checkout experience is dated, and buyers expect manufacturers to offer more payment options that are in step with their own digital transformation.

Nearly half of all B2B buyers have not completed a purchase for their company because their preferred payment method wasn't an option.

Outdated and error-prone manual processes also leave buyers' A/P teams dissatisfied. They often have specific data formats to which incoming invoices must adhere. Without the ability to accommodate such stipulations, the buyer is likely to feel the manufacturer is inflexible and look for others who are more aligned with their business processes.

Manufacturers looking to grow their international client base can also make their products more appealing by helping to reduce foreign remittance costs for their clients.

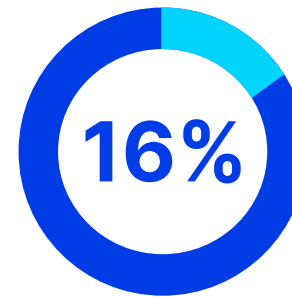
Modern processes should include a remittance service that offers global payments with low fees, encouraging rather than deterring international business.

“Accommodate complex customer billing needs including decentralised or centralised credit lines and billing hierarchies.”

A/P Inefficiencies Are All Too Common

47%

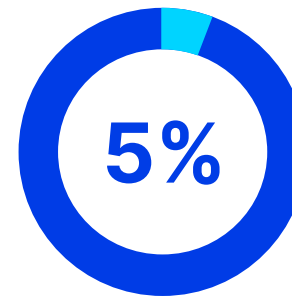
of companies pay one in 10
invoices late



admit one-fifth of their payments are
never on time

1 in 12

companies do not monitor payment
processes at all



of businesses assert they always
pay on time

Case study snapshot:

Real-time Credit Powers B2B Growth for Global Technology Manufacturer

A global hard drive manufacturer consolidated its fragmented eCommerce activities into a single channel for both B2B and consumer sales. Customer feedback indicated stronger demand for buying direct from B2B buyers than was anticipated.

To unlock this additional revenue, the manufacturer would need to offer:

- **Payment on terms for its B2B customers**
- **Competitive volume pricing**
- **Multimillion dollar lines of credit for corporate clients**

Implementing a trade credit program on this scale internally would require a huge investment of time and money. The credit risk exposure alone was too great for the company to justify.

For their customers, orders can be placed without using valuable cash flow. The complex needs of their A/P departments can be accommodated as well as three-way invoice matching for efficient reconciliation.

The solution:

Trade credit and A/R / A/P efficiency

The TreviPay invoicing and trade credit solution enabled the manufacturer to:

- **Offer buyers credit limits of \$20+ million while leaving risk assessment and underwriting to TreviPay**
- **Brand the TreviPay solution as its own, creating continuity and a seamless customer experience. B2B customers in 15 countries can now apply for trade credit, which is underwritten by TreviPay.**
- **Outsource all A/R processes to TreviPay, eliminating the need for the manufacturer to dedicate internal resources to issuing invoicing, chasing payments or managing collections.**



What TreviPay Can Offer Your Manufacturing Business

Modern Payment Options

- Instant onboarding and payment convenience on terms across all channels encourages repeat purchases and grow loyalty.
- One-click ordering makes purchasing simple for your clients.
- Purchase controls and dynamic pricing negotiated for each customer.
- API integrations seamlessly work with a range of POS, ERP and other business systems.

Easy A/P Processes

- Fully brand the TreviPay solution and invoices for a seamless customer experience.
- Add purchasing controls for role-based access empower your team members.
- Easy integration into legacy A/P systems for quick implementation

Outsourced A/R Solutions

- Extend multi-million lines of credit to your clients without your business taking on any risk
- TreviPay takes care of everything from issuing invoices to chasing payments and Collections Payments
- Instant account setup upon credit approval and easy integration into ERP, CRM or other business systems.



Ready to Modernize Your Payments Experience?

Contact our sales team or request a demo today

TreviPay.com