



# Flooding your Customers with Too Much Paper?

Is there an opportunity to get paid sooner?



# Have you become paper pushers to your customer?

- ERP systems evolved from creating invoices, inventory and purchasing to generating massive amounts of PAPER invoices, statements and signature capture.
- Invoices are created to the same customer for different purchases on the same day
- Bi-monthly invoices & statements in some cases
- Duplicate invoices with summary statements



# With the flood of paper...

- And the company's DSO are extended out to 50+ days....
- Where is the opportunity to make money and collect sooner....
- Your customers might tell you a thing or two...just listen



# Your customers Say:

## Typical \$6 M/year contractor: (survey results)

- Does business with 5-8 different distributors
- receives 500+ pieces of paper per month per distributor
- 20% of received invoices DO NOT match original PO's (89% of respondents reported)
- **Most contractors do not have a system to prioritize payments to distributors. First come- first serve attitude.**



# Customers say:

- “My company places the invoice in a pile to be entered into payables...by hand.”
- “We only give priority to ‘free up’ credit”
- “Paper and more paper and sometimes we get the right product”.
- “We want to import (electronic) invoices, match to PO’s, set some tolerance and pay. Discounts are important for us.”



# Why invoices don't get paid:

MISMATCHED INVOICES	
Percentage of Invoices That Don't Match	Percentage of Respondents
20 percent	89 percent
21 to 30 percent	3 percent
31 percent +	8 percent

**Table 1.** A staggering amount of invoices don't match up.



# Your customer is spend time contesting your invoices

WHY INVOICES DON'T MATCH	
Reasons that Invoices Don't Match Purchase Orders	Percentage of Times Occurring
Price	63 percent
Wrong item shipped	13 percent
Back-ordered item	7 percent
Bad item number or product description	9 percent
Wrong credit terms	8 percent

**Table 2.** Pricing discrepancies seem to cause the most problems with inaccurate invoices.



# Where they spend time:

## THE AMOUNT OF TIME OWNERS THINK THEIR ACCOUNTING DEPARTMENT SPENDS EACH MONTH CONTESTING INVOICES WITH DISTRIBUTORS

Less than two man-hours	66 percent
Three to eight man-hours	28 percent
One to six man-days	6 percent

## THE AMOUNT OF TIME CONTRACTORS' ACCOUNTING DEPARTMENTS SAID THEY SPEND EACH MONTH CONTESTING INVOICES WITH DISTRIBUTORS

Less than eight man-hours	12 percent
One to two man-days	11 percent
Three to 14 man-days	63 percent
15+ man-days	14 Percent

**Tables 3A and 3B.** The owners of electrical contracting businesses and the personnel working in accounting offices have very different ideas on how much time they spend contesting invoices with distributors. Follow-up interviews show that as the man-hours increase above eight man-hours, the quantity of paper in some cases rises to a multiple of 10 times the original purchase orders.



# How do you currently delivery invoices?



Horse & Buggy...US Mail or fax



# Invoice delivery methods in today's market place

20 years ago the fax machine hit the market



# The way your customers want their invoices: (What do they want)

## Survey says:

1. Electronic invoices importable into my accounting package.....pushed to my company
2. Importable file from your secure web posting
3. 24 hour response time to disputes
4. Electronic signature capture (not more faxes)
5. Advance electronic shipment information



# Most Popular Contractor Accounting software

- **QuickBooks (older versions)** represents 65+% of all contractor accounting packages
- **QuickBooks for Construction**
- **QuickBooks Pro**
- MS Money
- Dexter+Chaney
- Maxwell
- And there are others:



# Contractor Accounting Systems that are consolidating

[American Contractor](#)

[Budgetrac](#)

[Builder Information System \(BIS\)](#)

[Cheetah Advanced Technologies](#)

[Computer Ease](#)

[Contractor Anywhere](#)

[CREW](#)

[WinJob by Deneb](#)

[e-Builder](#)

[Dexter + Chaney Forefront](#)

[Explorer Software](#)

[Foundation for Windows](#)

[Hard Dollar Corporation](#)

[JOBPOWER](#)

[Jonas](#)

[Maxwell Management Suite](#)

[Meridian Systems Prolog](#)

[Penta](#)

[Sage Master Builder](#)

[Sage Timberline Office](#)

[Solomon IV](#)

[Toolbox Software](#)

[Viewpoint Software](#)



# With so many contractor systems.... Should I outsource?

- Cut invoicing costs in half according to some
- Bundle mail on any schedule, without increasing labor.
- Improve service levels to their customers.
- Increase electronic delivery. Reduce paper flow.
- Free up staff for more productive chores.
- Offer free duplicate invoices, 24 hours a day, 7 days a week.
- Guarantee electronic connectivity to a contractor's software system,





# Out scouring your invoicing?



THE POWER OF INFORMATION

ELECTRO E-BIZ FORUM 2007



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# Service offerings

- BillTrust:  
[www.billtrust.com](http://www.billtrust.com)
- Invoice Connect :  
[www.invoiceconnect.com](http://www.invoiceconnect.com)
- Custom ERP solutions and others
- Thru Quickbooks services
- Your bank

<b>Billtrust ROI Analysis</b>		<b>Billtrust</b>
6/25/2007		
<b>Annual Mailing Costs - Current</b>		<b>\$105,184</b>
Materials		\$1,237
Postage		\$5,128
Equipment		\$0
Labor		\$2,400
Total Hours	160	
Labor Cost Per Hour	\$15	
Monthly Total		\$8,765
<b>Annual Cost to Outsource with Billtrust</b>		<b>\$71,397</b>
Materials and Processing		\$2,391
Postage		\$4,425
Monthly maintenance		\$75
Bullpenning Savings		(\$466)
E-Adoption Savings		(\$475)
Monthly Total		\$5,950
Total Investment		\$2,250
<b>Annual Savings</b>		<b>\$33,788</b>
<b>Percentage Savings</b>		<b>32.1%</b>
<b>Months to Payback</b>		<b>1.7</b>



# Is electronic invoicing for all of your customers?

- Probably not
- Credit still plays a part in the business relationship
- You need to pick and choose
- This is not something for your sales people to be involved in.
- **You will not have the low price all the time...i.e.** there is a real cost of doing business. Both parties have to recognize that



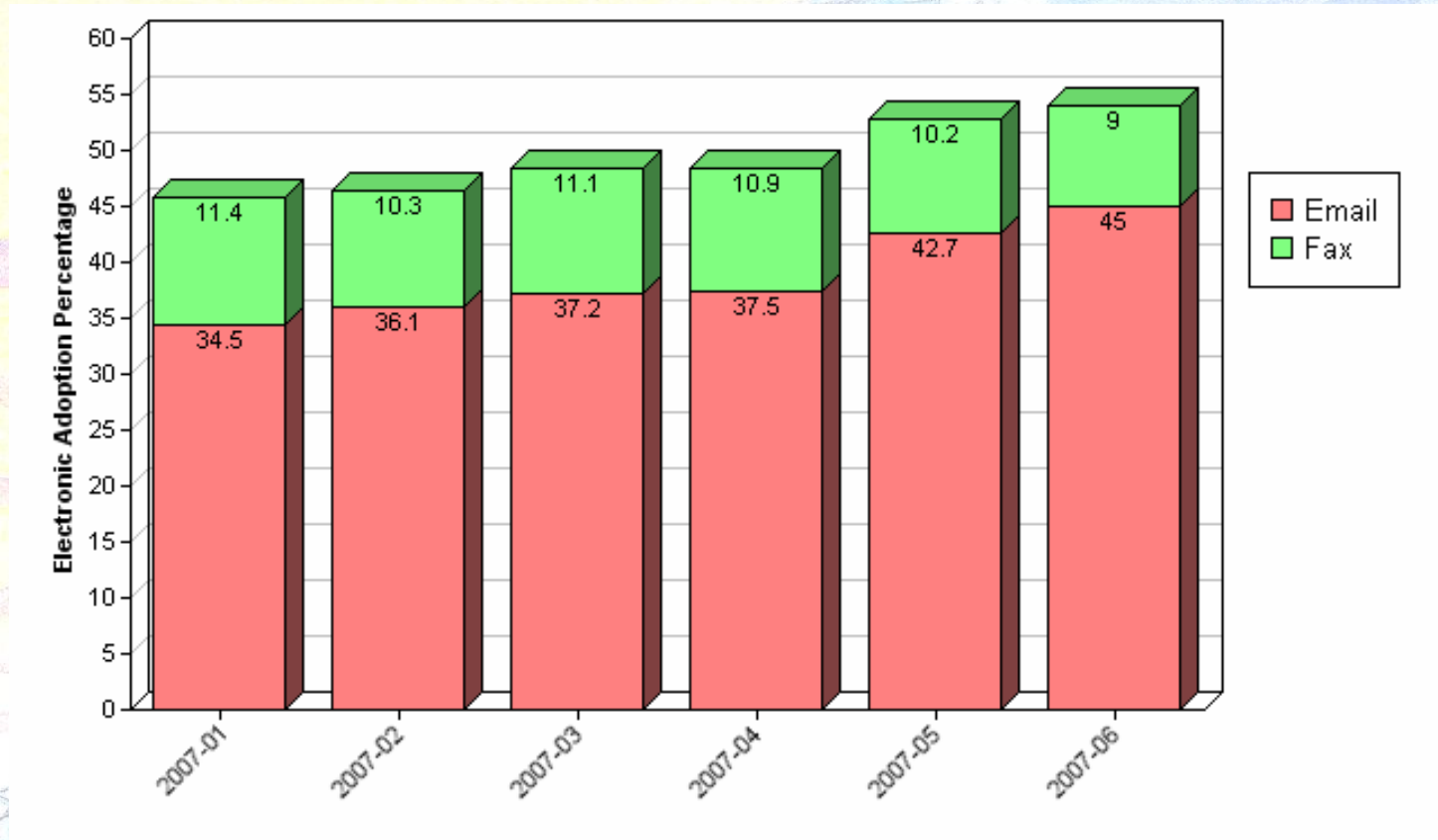
# Distributor report out scouring success

- Interviews from across the US

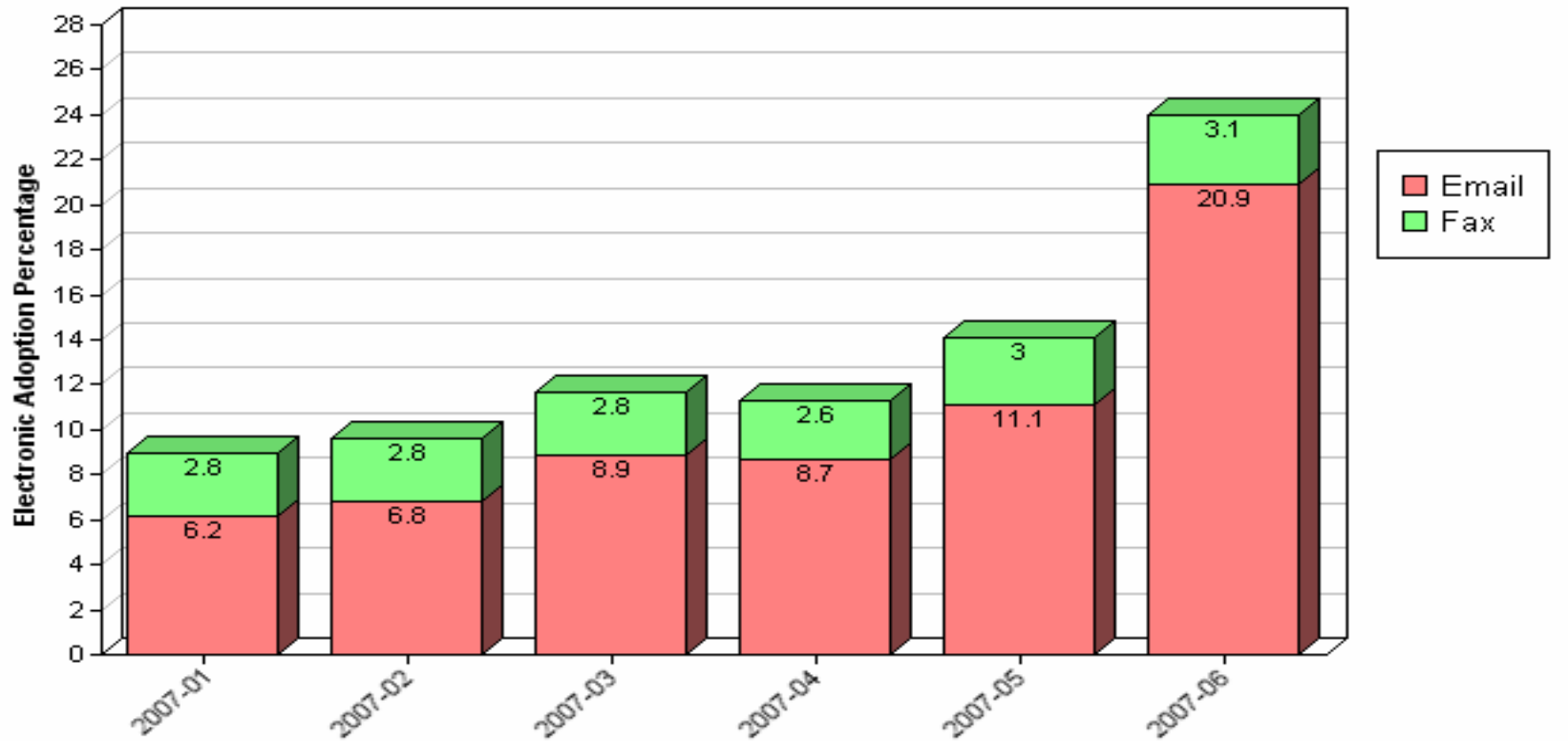


# Out scouring success stories:

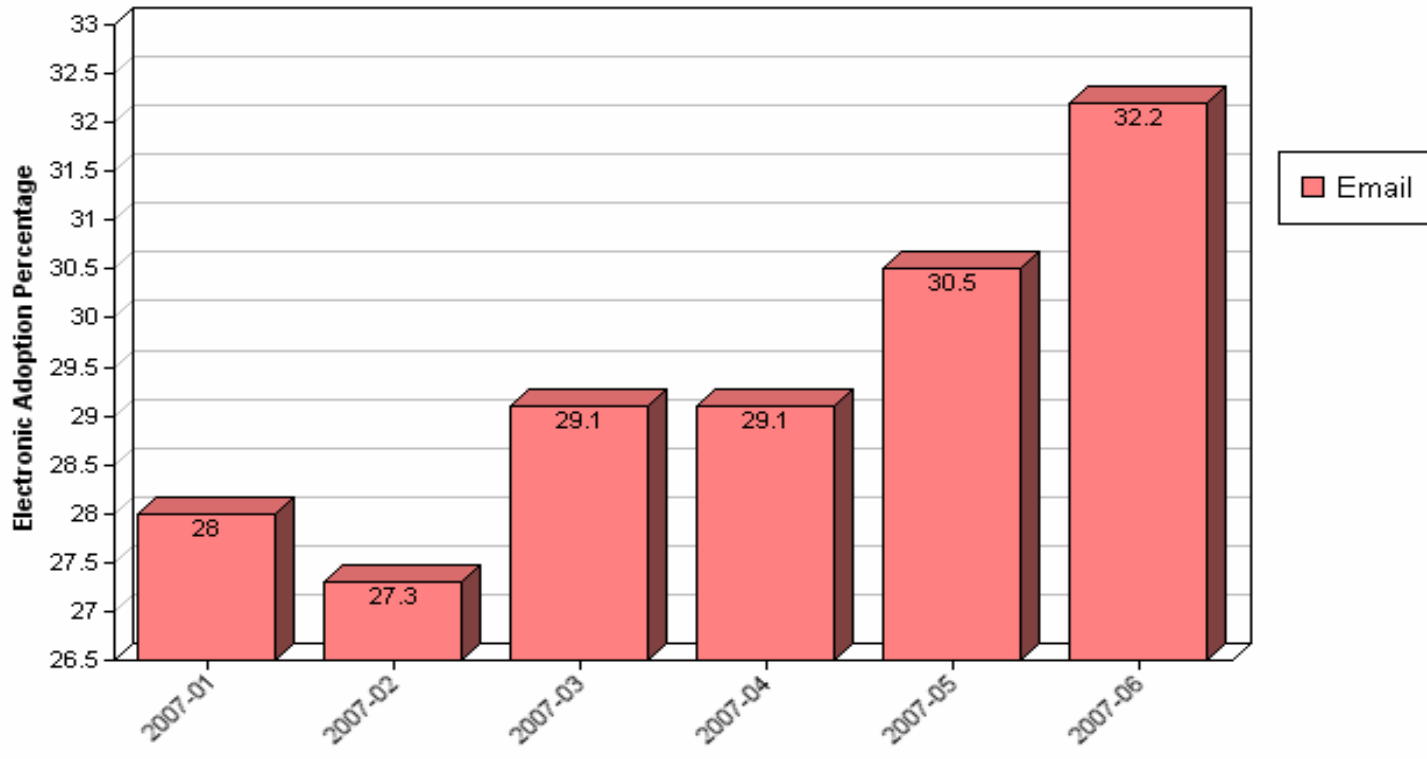
Washington Area Distributor



# Success stories continued



# Distributor success stories continued

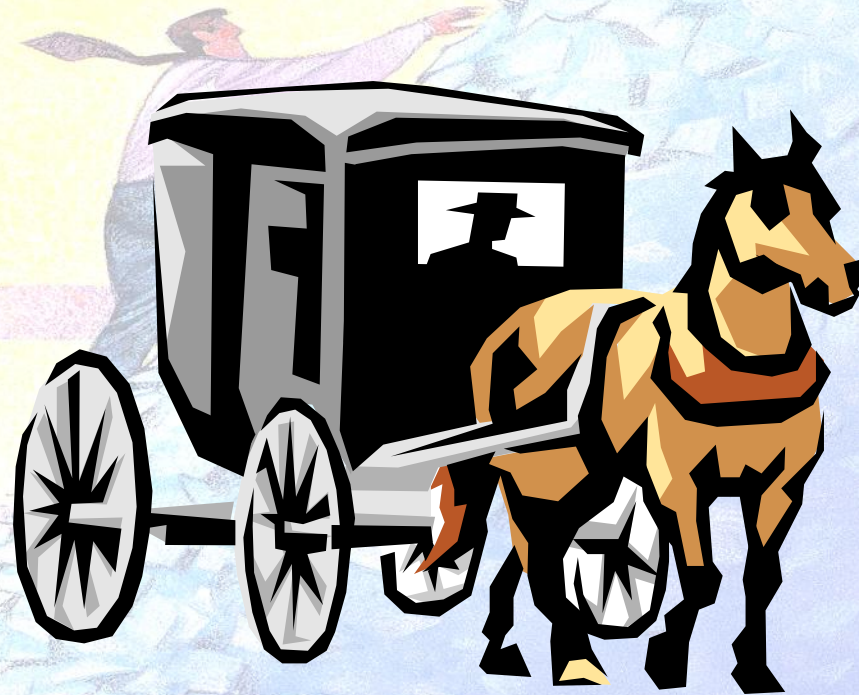


# The question is...Does your company want an opportunity to be paid sooner?

- This is a business relationship
- You will be offering to help your customer do business with you smoother
- Is this going to be a long term relationship?
- Keep sales out of it
- Knocking down barriers to get paid
- This can be a win-win for everyone



# If you want to continue to mail and fax invoices.....



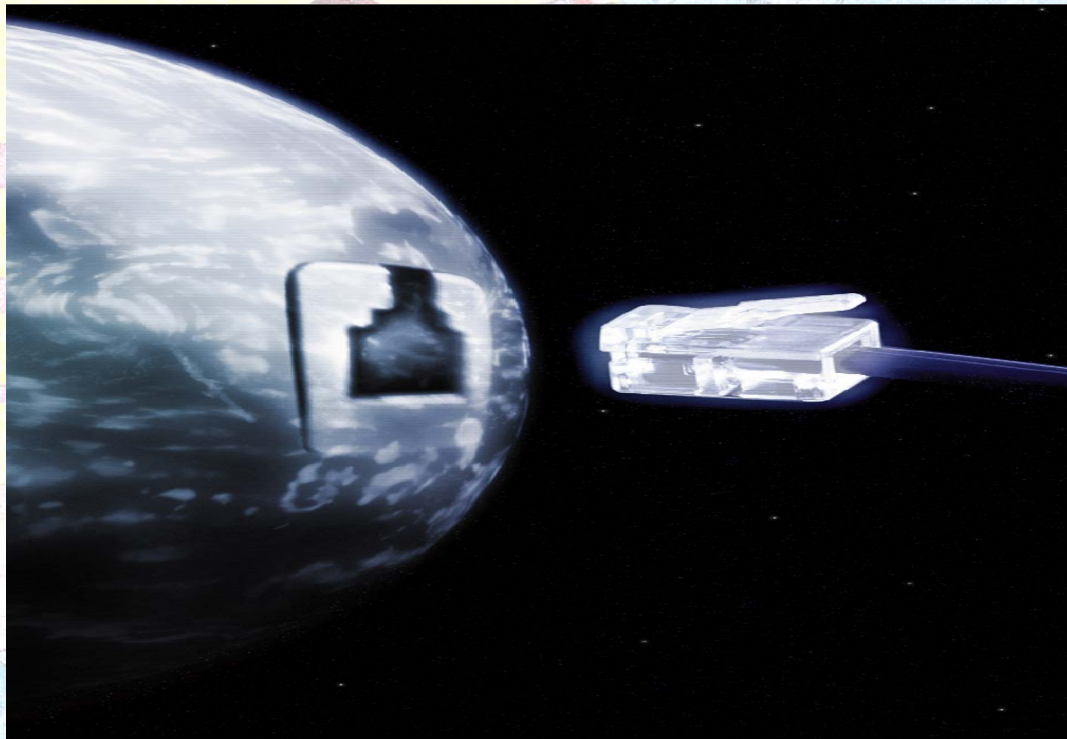
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**Or you can get  
connected**





# Remember it is about the money

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