CPA Practice Advisor

Businesses across all industries work with multiple partners, vendors and suppliers to support the need to serve customers. One-third of the businesses in the United States, Canada, Mexico and Brazil report that 20 percent of their client invoices value is more than 90 days overdue, according to the Payment Practices Barometer Americas.[1]

Late payments have a negative knock-on effect on partners and their operations, making it imperative for companies to address these issues in order to better manage their relationships and deploy solutions which can ensure that invoices are

Siloed financial systems used for different business-critical functions currently hold many businesses back, leaving them unable to have an all-inclusive overview of profits and expenditures. In order to get an accurate image of money coming in and out of the business, financial data needs to be stored in one place, using a single interface which can feed insights to drive optimal business performance.

Using a fully integrated and modular architecture to consolidate, track, monitor, and audit this information, removes often hefty challenges such as keeping track of the money. Aggregating all financial data from multiple streams onto one screen provides meaningful and compelling insights when it comes to decision-making, which is increasingly necessary as more and more data becomes a regular part of business practices.

Next generation automation tools are streamlining workflow processes to take away the headache of finance executives having to trawl through spreadsheets when monitoring and processing financial data. Automating manual processes increases the speed of the finance function – in one business case it has processed 94% of client invoices within 2/3 days. By speeding up the process, suppliers are paid on time which encourages positive relations.

Updating and restricting business-critical processes is key to minimizing the occurrence of overdue payments. Inaccuracy and miscalculation delay payments and can result in inaccurate costs, as well as fines. When it comes to the number crunching process, human intervention is inherently flawed and can result in pricey consequences. For example, $1.1 trillion was wiped off the Wall Street stock market because the letter "B", representing billion was inserted in a sell order instead of the letter "M" (million).

The financial management process is incredibly data driven, which means a lot of

making, allowing for more investment in the future of the company.

Having the right mix of technology, internal controls and skills will help businesses to revamp their finance management processes, which is increasingly necessary to plan for future success in today's data-driven economy.

[1] https://group.atradius.com/publications/payment-practices-barometer-americas-2015.html

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