

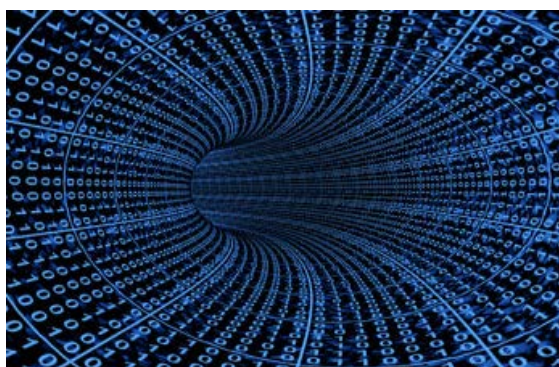




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# eAdoption Series, Part I: The Perks of Electronics

 JULY 31, 2014  **ANNIK STAHL**



In the financial services industry, talk about how to go completely electronic and convince your customers to join you is on the minds of everyone. Of course,

eAdoption is just that: a process of *adoption*. While not quite in its early stages, it often seems that it's taking a long time to really hit its stride.

This sort of makes sense because on one hand, when you look at the information and statistics surrounding the benefits of electronic billing and payments, it does seem like a no-brainer. But when you look at the pain points involved with eAdoption, it also becomes apparent that there are definite barriers and roadblocks on the way to achieving it.

This week, let's take a look at why electronic billing and payments are so fortuitous. Next week I'll get into why

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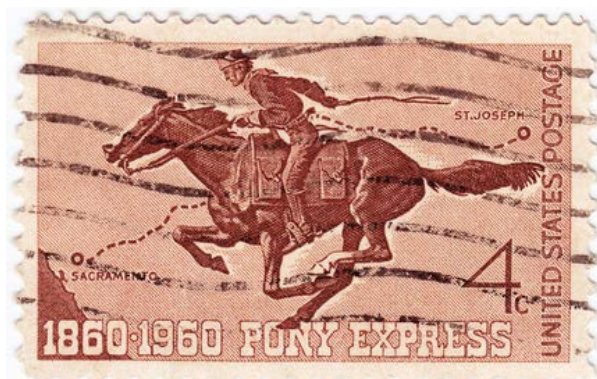
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companies and their customers are taking so long to completely adopt that method. Finally, for my August 14<sup>th</sup> blog post, let's figure out what you, as a credit manager, a CEO, a business owner, or anyone involved in the order-to-cash process, can do to help eAdoption along.

## What's so great about billing electronically?

Consider a [Billtrust](#) blog post entitled [Right on Time? – Surviving the USPS Financial Crisis](#), where marketing writer Wyatt Riggs maps out the painful downward spiral of the United States Postal Service:

“As we hurtle towards the end of 2013, the United States Postal Service has suffered over \$41 billion dollars of net losses in the past six years, prompting aggressive spending cuts which include a wave of workforce reductions, mail facility closings, and the elimination of 21,000 delivery routes.”



Ouch. This fact alone provides the impetus to at least *explore* electronic options for billing and receivables. But let's dig a little deeper.

The data and industry standards all clear when it comes to billing:

- 75 percent: How much most businesses save on billing by switching their customers from paper to online.

- \$310 million: The estimated cost of recently increased postage fees to businesses still using traditional mailing methods.
- 60+ percent: The percentage of Americans who would prefer their bills and statements to be delivered either exclusively through electronic channels or a mix of physical and electronic channels.
- 28 percent: The percent by which first-class mail has declined in volume over the past six years in response to rising costs and eAdoption rates.

(Read Billtrust's CEO Flint Lane discuss how [eBilling can save businesses time and money.](#))

## What's so great about paying electronically?

When we talk about receivables, the issues are not dissimilar:

- Labor costs and mistakes associated with converting paper remittance data to electronic data are eliminated.
- In the [2013 Association for Finance Professionals Survey](#), 47 percent of AFP members said that they believe U.S. businesses might be missing out on international trade due to their relatively high use of checks.
- In the same survey, in addition to cost savings as a top benefit, improved cash forecasting (46 percent), fraud



control (39 percent) and more efficient reconciliation (37 percent) were also named as key reasons for making the switch.

As you can see, the benefits of going electronic are clear and well-defined. So why is it so difficult to go completely electronic with your billing and accounts receivable, let alone persuade your customers that it's the most cost-effective way to go about it?

Next week I'll get into this but for now, if you have some ideas, please let me know in the comments section below.

*"Electronics is clearly the winner of the day."* — John Ford, Irish-American film director

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