How to Grow Your MSP Business in 2021 with an Automated Billing Solution

Why Modern MSPs Are Choosing Automated Billing Solutions

According to a study by Smartsheet, over 40% of workers surveyed admit that they spend at least a quarter of their time on repetitive tasks. This is a lot of wasted time and money for tasks that can be easily automated, freeing up capital and time for your employees to spend on more important things. An automated billing system will significantly reduce the time you spend on billing, saving you a lot of money on your initial investment.

What is an automated billing system?

First, let's address a few important key points: automated billing is not just processing invoices; it's also collecting payments, dunning (ensuring incoming payments are paid), minimising errors, and maximising what you can charge for.

Let's take a look at a few of the tangible benefits of an automated billing system, including how an automated billing system is a vast improvement on the manual approach.

Improved focus

Invoicing can be the bane of your existence, especially when we're dealing with them in high numbers. Everyone likes to see the money rolling in, however the process of sending out invoices can be needlessly tedious.

Automated billing allows your team to focus on other areas of your business, increasing productivity and ultimately meaning more for your company's bottom line. Platforms like Emersion will aggregate all usage, subscription and pro-rata charges onto your customer's invoices, and can even automatically dispatch them for you.

Faster processes

Automated billing systems are faster than manual billing systems, meaning there is less lag time in getting invoices paid. That means you will have faster access to your cash. It's really that simple.

Fewer errors

Fortunately, Emersion's automated billing doesn't just make your billing process faster and easier—it also makes it more accurate. The cost of human error is twofold, since you need to employ auditing as well as pay again to have that work redone.

Freshbooks estimates that the average invoice costs around $15 USD to process, but they concede that it can range between $12 to $30. For larger companies, with complicated accounts receivables processes, this can reach as high as $40. You'd better be sending out some hefty invoices to justify those kinds of costs.

If mistakes are made on an invoice which, let's face it, tends to happen from time-to-time in high-volume organisations, then Freshbooks estimates the cost of fixing these mistakes can be over $50 USD.

Other sources provide similar figures. SAP Concur states that an average invoice will cost $12.9 to process, while The AP Network, via Beanworks, puts the number again at around $15. The bottom line is that manually-created invoices are expensive.

Less churn

We're not talking about butter here. Automated billing increases customer retention due to how easy it makes transacting. After all, would you want to have an ongoing relationship with a company that struggles to send or receive invoices? With an automated billing system, you'll never have to inflict the pain of slow or inaccurate payments on anyone ever again.

Better data

Emersion's automated billing system can process more customers, allowing you to easily target current and potential customers. This is possible because your internal systems can talk to each other; plus, your team can work from multiple systems with the confidence and knowledge that the data they are relying on will be accurate.

Scalable for up to millions of customers

While automated billing works great even for small businesses, its true potential is unlocked when it's scaled to the millions.

Emersion's automated billing system addresses this concern, maximising your company's return on investment with every new customer you acquire.

How these benefits improve the profitability of your MSP business

But it's not just scalability and efficiency that stand to benefit, since bill processing takes up a lot of human capital, which means your company can stand to gain massively by diverting your employees to more important matters. Having more money and more free time for upskilling will lead to a meteoric increase in human capital, compounding your company's profits dramatically.

Using an automated usage calculator also means you can charge like a raging bull. All usage for every service sold is a automatically accounted for, leading to billing techniques that have laser-like precision.

Going paperless is also a massive benefit to both your bottom line and the environment. According to various studies, your company can save a massive 50–75% when digitising your documents and going paperless. Moreover, it makes your information easier to find, since there's no need to go through paper-based filing systems or dredge up historical archives.

Finally, there is the added benefit of service management, which, among other things, gives you the ability to switch off services if they haven't been paid for (and switch them back on when they have been paid for).

Criteria for selecting the right automated billing system for your business

Research industry-specific billing software

A good place to start is by researching your industry for billing software that is dedicated to your industry. While it might be that generalised software is sufficient for your needs, it doesn't hurt to do your homework.

Naturally, we'd argue that Emersion ticks all the boxes and is the way to go, but you can also book a personalised online demo before making a decision.

Ensure integration with existing accounting software

You could have the best billing solution in the world, but you are in big trouble if it doesn't integrate with your existing software packages.

Emersion has native integrations to a number of Enterprise software packages, including ConnectWise, Xero and Salesforce, and can also be integrated to other platforms via an API.

We also have a number of reports that can be used to pull data into exactly the format that is needed for many enterprise accounting software platforms like MYOB, Quickbooks and many more.

Does it have online customer management functionality?

Your billing processes need to be seamless to create a great customer experience. Most customers expect an online customer portal to view and manage their account details, including invoices.

Every instance of Emersion comes with online end-user portals where customers can view and manage their account details, make payments, view past invoices and much more. Not only do these portals improve customer experience, but they'll also reduce calls and emails into your team.
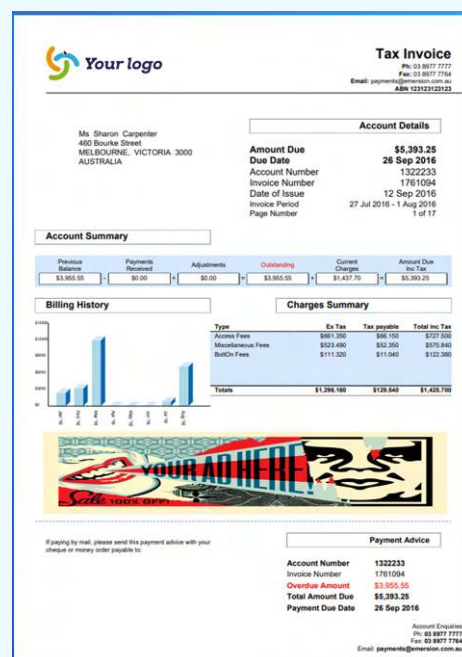
Automated Invoicing

If you or your team have had to spend hours manually updating addresses, prices, or really anything tedious on a large scale, this is where automated billing truly shines. With an automated billing system, your customer's details are always kept up to date.

Also, you'll want to minimise data entry wherever possible, and it makes sense to ensure that the billing platform you choose is capable of handling the products and services you sell. For instance, Emersion can handle specialised usage services including Voice, Data and Energy, and will automatically aggregate every service sold onto your customers invoices.

Invoice customization is a very useful element of automated billing, as it cuts down untold hours of labor as well as cutting down on the potential for mistakes. For instance, it's very easy to forget to manually update the due date on an invoice. If your company has, say, Net 30 payment terms for your clients, you can automatically make the due date for payment 30 days after each invoice is sent out.

There are other things to consider, though, including cash flow, timely invoices, and the shortening of payment cycles. These three points are inextricably linked, so be sure that all three of these aspects are carefully tended to.

Review transactions regularly

Manually auditing things can be a pain. It is not an exaggeration to say that undisciplined companies have lost millions of dollars by simply not efficiently or effectively reviewing their transaction records. An automated billing system all but eliminates the potentially calamitous consequences of lost income.

Tips for using an automated billing system

Choosing the right automated billing system

In the previous section, we looked at narrowing down your choice to an industry-specific billing system or a generic automated billing system.

When considering different billing platforms, it's important to understand:

- If it will play nicely with your existing software packages

- How much manual work is required. Many 'automated billing and finance' platforms have automatic invoice generation, but they only allow for the same details on every invoice, and they require you to manually approve and send each invoice monthly.

- What the invoices look like. You want your invoices to be easy to understand and clearly lay out exactly what a customer is being charged for, and how they can make a payment.

- What payment methods are available. The more payment methods you have available, the faster you'll get paid (PayPal even mentions it as their second tip for getting paid faster). In addition to this, many commonly used and out-of-the-box payment providers like Stripe or Paypal have much higher fees than other merchants, but they are ideal for quick transactions and are not hindered by international restrictions. Being able to use multiple payment merchants will save most businesses thousands of dollars every year.

- If they support recurring and usage billing. Telco services, internet plans, energy plans and, indeed, many of the products and services sold in the future will require some degree of usage calculation. If you plan on selling these services, the average run-of-the-mill billing platform won't be able to handle them, and you'll find your team spending hours every week manually calculating usage and transferring it onto invoices or agreements. Alternatively, you'll be forced to charge a flat fee and potentially lose hundreds or thousands of dollars in potential revenue on every service sold.

- If they help with collections. Automated notifications can help to improve cash flow and minimise payment timeframes.

Allow time for data migration

We know that a good transition is a smooth transition, and Emersion uses parallel bill testing to simultaneously compare and contrast your old system with the new, automated system. Emersion won't fully migrate you until it's proven to be 100% accurate! We've done thousands of data migrations, so we know the steps that need to be put in place to ensure a buttery smooth transition right from the start.

We strive to transform what can be an agonising process into a pain-free solution. This is because the team behind Emersion understands the billing process and how it can be optimised. By working with our team, we'll identify inefficiencies while we seek out improvements to your day-to-day processes.

Consider adjusting payment terms

A big part of this transition phase is ensuring your customers are keeping up with the change. Customers will now be able to make payments more rapidly due to the decreasing payment window, increasing cash flow in the process.

Explore payment method options

Automated billing opens up a sea of payment options that you might not have otherwise considered. Emersion gives customers new and creative ways to get you paid (and with lower fees than major providers).

Customer surveys are a great way of collecting data on preferred payment methods, but there are plenty of studies out there that show trends for payment types; moreover, Emersion's payment flexibility has led to an increase of sales for our customers (as well as a general increase in customer satisfaction).

Now is the time to revolutionise your billing process

Whether you're planning on doing a minor tweak of your billing system or if you're doing a massive upgrade from pen and paper, an automated billing system will give your company a tremendous opportunity for unprecedented accuracy, convenience, cost savings, and long-term growth. The world of automated business systems awaits you!

Book a <u>personalised demo</u> with an Emersion product expert today!