bill

SCALING UP

Financial automation strategies for growth

Introduction

As businesses transition from startup to growth stage, the complexity of their financial operations also grows. What were once manageable tasks can quickly become daunting challenges as revenue streams multiply, expenses escalate, and operational needs increase. Inefficiencies in these areas can quickly slow company growth, divert precious resources, and hinder strategic decision-making.

The traditional, manual methods of financial management are often inefficient when businesses scale and can delay growth by diverting valuable time and resources from core business operations. The ability to accurately track income, expenses, and cash flow become even more important for making informed decisions, securing investments, and ensuring the company's long-term sustainability.

Financial automation is a powerful tool to enable businesses to scale effectively. By streamlining processes such as invoicing, payments, and expense tracking, companies can significantly improve efficiency and accuracy. Financial automation also empowers companies to make data-driven decisions and scale with confidence. With a solid financial base, businesses can confidently allocate resources, identify new opportunities, and manage risks effectively, ultimately positioning themselves for long-term success.

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Why financial automation is necessary for scalability

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Identifying automation needs

When companies scale, manual processes in accounts payable (AP) and expense management become increasingly laborious. Not only do they consume valuable time and resources, but there is also the risk of human error, leading to inaccuracies, delays, and potential financial losses. Financial automation offers an essential solution to these challenges. By automating repetitive, time-consuming tasks, businesses can significantly improve efficiency and accuracy.

What AP automation can do

1

Expedite invoice processing

2

Reduce payment errors

3

Optimize cash flow

4

Provide visibility into spending

5

Enforce spending policies

6

Simplify reporting

When freed from mundane tasks, finance professionals can dedicate more time to financial analysis, forecasting, and strategic planning.

This enables them to provide valuable insights to support decision-making and focus on initiatives that drive growth.

Automation not only makes finance jobs easier—it also makes it easier to recruit and keep talent.

Ultimately, financial automation is not just a tool for improving efficiency; it's strategically necessary for businesses seeking to scale successfully.

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# Evaluating your financial operations

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Evaluating your financial operations

For a growing company, managing cash flow, especially with increasing expenses and investments, becomes even more challenging. Building a solid financial foundation, including establishing a strong business credit profile, is crucial for securing necessary funding and supporting growth initiatives. By thoroughly evaluating your financial operations, you can identify opportunities to improve efficiency, reduce costs, and optimize your business for growth.

For example, are you still using manual, paper-based systems that are time-consuming, error-prone, and block scalability? Inefficient workflows, error-prone data entry, and slow payment cycles can also negatively impact cash flow and your company's overall financial health. Keep in mind that as your business expands, the importance of accurate financial data is extremely important. Outdated systems and a lack of standardized procedures can lead to data inconsistencies and delay key decision-making.

Furthermore, as your business grows, the need for skilled financial talent also grows. Investing in employee training and development is key to ensure your finance team has the knowledge and skills to manage increasingly complex financial responsibilities. By equipping your team with the right tools and training, you can build a strong financial foundation to support your company's growth objectives.
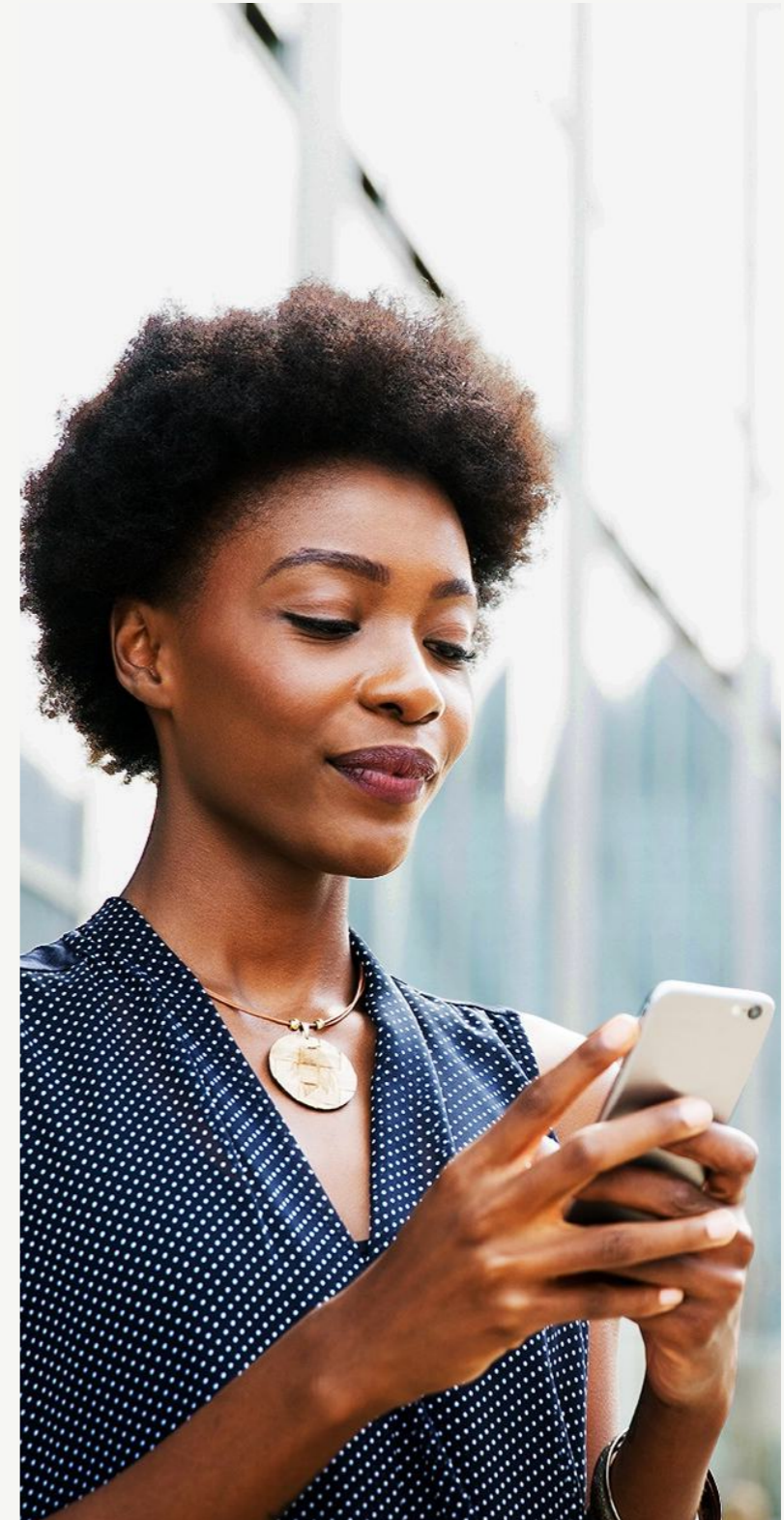
Building business credit

Establishing strong business credit is essential for accessing financing, securing favorable terms with vendors, and fostering overall business growth. After all, your business credit score signals to economic partners if its safe (and lucrative) to do business with you.

But how do you build business credit as your company scales? Follow these foundational steps and strategies to help your credit will grow with you.

Foundational steps

Legal structure and identification
Form a legal business entity, like an LLC, and obtain an Employer Identification Number (EIN) to separate your personal and business finances, creating a foundation for building business credit.

Licenses and permits
Ensure your business complies with all necessary local, state, and federal regulations by obtaining required licenses and permits.

Dedicated banking
Open a separate business bank account to maintain clear financial records and establish a credit history under your business name.

Credit building strategies

Vendor relationships
Develop strong relationships with suppliers and vendors by paying invoices consistently.

Industry networking
Connect with businesses in your industry to establish credit references and expand your network and potential for partnerships.

Credit reporting
Register for a DUNS number to create a business credit profile and monitor your credit score.

Business credit
Improve your credit score by paying business credit cards and credit line balances early or on time.

Identifying
automation needs

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Identifying automation needs

To maximize the benefits of financial automation, identify the areas in your financial operations that can be improved. Core accounting processes that are repetitive, time-consuming, and error-prone are prime areas for automation. Accounts payable and receivable can be streamlined through automated invoice processing, payment approvals, and reconciliation, which help improve cash flow and reduce errors. Expense management is another area that can benefit from automation. Automating expense tracking, reporting, and approvals can simplify the entire process and provide visibility into employee spending.

Payroll automation is essential for ensuring accurate and timely payments while maintaining compliance with tax regulations. By automating payroll tasks, businesses can reduce the risk of errors, improve employee satisfaction, and free up HR resources.

Finally, budgeting and forecasting can also be enhanced with automation. By leveraging data-driven insights and predictive analytics, businesses can make more informed financial decisions and improve planning accuracy.

Customer case study

Cal Wadsworth Construction scaled rapidly in two years, expanding from 5 to 18 employees and boosting annual revenue from $9–$15 million. With their business success depending so much on accuracy and timeliness, Cal Wadsworth needed an expense management solution like BILL Spend & Expense that offered real-time visibility and automation.

"BILL has helped us grow. We're a small company. I'm just one guy doing HR, marketing, helping on projects. Finance and accounting is just part of my job. BILL Spend & Expense has freed up my time to focus more on strategic decisions and growing the business. Thanks to BILL, I can get out in the field and spend more time on employee retention, team-building, culture, and goal-setting. And less time counting beans in the corner."

Chris Wadsworth, Operations Manager, Cal Wadsworth Construction

Successfully integrating AI and automation in finance

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Successfully integrating AI and automation in finance

The market offers a range of financial automation tools, each catering to specific business needs. From robust enterprise resource planning (ERP) systems to specialized solutions for accounts payable, expense management, and forecasting, businesses can select tools that align with their growth objectives.

When evaluating which solutions are right for your company, consider essential features like scalability, security, integration capabilities, and data-driven reporting. Scalability ensures the tool can accommodate your business's growth, while robust security protects sensitive financial data. Seamless integration with existing systems is crucial for efficient data flow and reducing manual intervention while effective internal controls are essential to maintain financial integrity. Data protection is essential for financial automation. Select tools that comply with data protection regulations and offer robust security features with frequent updates to protect your sensitive financial information.

When selecting automation tools, it's important to do a cost-benefit analysis. Evaluate the initial investment, ongoing costs, and expected ROI. Consider factors like licensing fees and implementation costs, along with potential benefits such as time savings, cost reduction, improved accuracy, and risk mitigation.

A comprehensive cost-benefit analysis will help justify the initial investment in the tool and help allocate resources effectively.

Implementing financial automation

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Implementing financial automation

To effectively implement financial automation in your growing business, start by developing a comprehensive implementation plan. This plan should clearly outline your goals, objectives, and desired outcomes such as improved efficiency, reduced errors, and better data accuracy.

Once you have established your goals, create a detailed timeline that outlines key milestones and deadlines for implementation. Factors to consider include:

System selection and procurement
Research, taking various demos, and identifying appropriate tools.

Data migration and integration
Transferring data from your existing systems and ensuring compatibility.

Testing and quality assurance
Testing the automation software to identify and address any issues.

User training and adoption
Providing training and support as your team adopts the new technology.

To effectively implement financial automation in your growing business, start by developing a comprehensive implementation plan. This plan should clearly outline your goals, objectives, and desired outcomes—such as improved efficiency, reduced errors, and better data accuracy.

By thoroughly evaluating your financial operations, you can identify opportunities to improve efficiency, reduce costs, and optimize your business for growth. Establishing strong business credit is essential for accessing financing, securing favorable terms with vendors, and fostering overall business growth.

Once you have established your goals, create a detailed timeline that outlines key milestones and deadlines for implementation.

Consider factors such as:

System selection and procurement
Researching, taking various demos, and identifying appropriate tools.

Data migration and integration
Transferring data from your existing systems and ensuring compatibility.

Testing and quality assurance
Thoroughly testing the automation system to identify and address any issues.

User training and adoption
Providing comprehensive training and support to your finance team as they adopt the new technology.

To ensure a smooth transition, it's crucial to integrate automation tools seamlessly with your existing financial systems. This may involve using APIs, data mapping to establish rules for data transfer, and optimizing your current workflows to eliminate bottlenecks and improve efficiency.

Training your team is another aspect of a successful implementation. Develop a comprehensive training program that covers the new automation tools and their functionalities. Then, provide ongoing support and education to ensure your team effectively uses the technology to maximize its benefits.

Customer case study

As a self-funded beauty brand startup, Red Aspen's employees had no concept of a company budget and didn't feel empowered to spend. But the company had outgrown this conservative mindset and needed to spend to fuel their marketing strategy.

They implemented BILL Spend & Expense to help them control costs and spend wisely.

"BILL Spend & Expense is life-saving. It gave us the structure and the controls to allow good spending. The whole process changed from a permission-based structure to 'I have a budget and I can spend it on what will move the business forward.' It has streamlined and changed our workflow for the better and it fits our culture; it's a service that I would pay for, but the fact that it's free is just icing on the cake."

Matthew Kuzio, CFO, Red Aspen

Average time in minutes that it takes to submit an expense report

Here's how long companies spend submitting expense reports, based on a 2024 survey consisting of 5,000+ BILL customers.

Before BILL

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After BILL

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Measuring success

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Measuring success

To measure the effectiveness of your financial automation implementation, monitor key performance indicators. These metrics can provide valuable insights into the benefits and identify areas for improvement.

By monitoring efficiency, accuracy, cost savings, ROI, and user satisfaction, you can gain a comprehensive understanding of how financial automation is impacting your business.

Use the solution's data analytic tools to collect and review data on a regular basis to gain deeper insights, identify areas for improvement and make informed decisions.

Financial automation should be a dynamic process that evolves as your business grows. Regularly review and update your financial automation strategies to ensure they remain aligned with your changing business needs.

This may involve expanding automation to new processes, upgrading technology, and adjusting metrics to align with your company's growth.

Conclusion

As businesses scale, effective financial management becomes increasingly crucial. The complexity of financial operations can quickly overwhelm manual processes, hindering growth and strategic decision-making.

Financial automation offers a powerful solution, enabling businesses to streamline processes, enhance accuracy, and make data-driven decisions. By investing in financial automation, companies can build a strong financial foundation, scale with confidence, and position themselves for long-term success.

About BILL

BILL is a leading financial operations platform for small and midsize businesses (SMBs). As a champion of SMBs, we are automating the future of finance so businesses can thrive. Our integrated platform helps businesses to more efficiently control their payables, receivables and spend and expense management. Hundreds of thousands of businesses rely on BILL's proprietary member network of millions to pay and get paid faster. Headquartered in San Jose, California, BILL is a trusted partner of leading U.S. financial institutions, accounting firms, and accounting software providers. For more information, visit bill.com.

See how BILL can help you scale up

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