# DELIVERING PAYMENTS AS A SERVICE AND STREAMLINING ACCOUNTS PAYABLE

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# WELCOME

We all know the headache that accounts payable can cause - the slow processing, matching errors, disappearing invoices, and just the sheer number of invoices that need processing. So you may well have rejected the idea of delivering payments as a service because you're sure it'll be far too time-consuming and complex. But you could be missing out on a valuable source of revenue and the opportunity to strengthen your partnership with your clients. What's more, with the right tools, it can be a really simple process.

# WHY ARE PAYMENTS SO IMPORTANT?

Payments are a critical process within any business, and a clear understanding of outstanding bills is essential for accurate forecasting and cash flow planning. This allows the business to stay on top of financial data and use it to drive their business decisions.

Additionally, getting payments right means minimising time spent on clerical processes so more time can be spent on the important business of moving the business forward.

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# THE PROBLEMS ASSOCIATED WITH ACCOUNTS PAYABLE

But payments have long been a problem for small business owners. Without the right technology, they make huge demands on time. Indeed, a survey from IFOL found that **56%** of respondents spent more than ten hours a week processing payments.

Furthermore, given the sensitivities around bank access, the process of making payments often lands with the founder. As this is the person whose time is the scarcest and most valuable commodity within the business, it's a highly inefficient use of time.

Yet failure to keep on top of accounts payable presents numerous problems for businesses, such as payments going to the wrong people, double payments, invoice fraud and all the potential errors associated with manual data entry. Not to mention that late payments strain a company's relationships with its suppliers.

As the business grows, these problems only compound, as greater volumes and values of bills mount up. At this point, the risks and consequences of making incorrect, duplicate or fraudulent payments can really amplify. Now the problem of payments turns from a simple admin headache into an issue that poses a genuine financial threat to the business.

Consequently, technology enabling the automation of accounts payable is becoming increasingly popular in the business world. In fact, a **recent** survey found that finance leaders rated accounts payable software as their number one automation technology priority.

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# WHY SHOULD YOU OFFER THIS SERVICE?

With the time commitment required and the problems associated with failing to manage accounts payable, there's an evident need for this service. Research from the IOFM backs this up, showing that of businesses manually processing fewer than 20,000 payments a year, only **24%** paid their invoices on time.

As an accountant or bookkeeper, you're in the best position to provide this service to your clients for several reasons:

- You have the necessary knowledge and expertise.
- Clients already trust you with sensitive financial data.
- You're already familiar with your client's operations.
- Well-managed accounts payable streamlines your bookkeeping processes.
- Once you start offering the service, you'll already have the software in place, the knowledge to use it, and the experience to teach your clients how to use it.

By providing this service, you'll free up a substantial amount of your clients' time, allowing them to focus on their most important work of building and moving their business forward. What's more, you'll provide more comprehensive support, be more closely involved in your clients' business, and foster a closer partnership.

And importantly for you, providing accounts payable as a service offers a huge revenue opportunity.

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# THE CHALLENGES OF PROVIDING PAYMENT SERVICES

You might still be thinking that there are just too many problems involved with managing accounts payable for your clients.

These are some of the challenges you may have identified and perhaps have encountered in the past:

- Accessing the client's bank account with all the security issues, multiple security devices, and login details that entails
- Having to input large amounts of data manually
- Chasing payments from different clients
- Getting approvals from different clients
- The potential for error, such as paying into the wrong account or making double payments
- The sheer complexity of dealing with multiple payments for multiple clients



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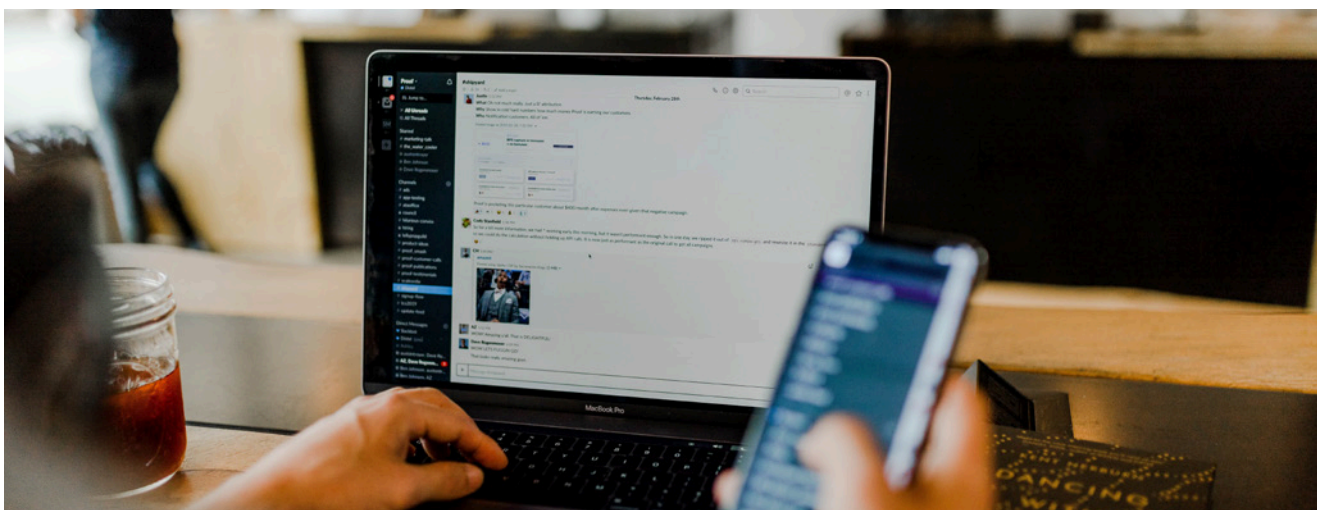
# HOW CAN YOU OVERCOME THESE CHALLENGES?

The development of accounting software, and business software of all types is racing forward at an unprecedented and astonishing speed. The global accounts payable automation market alone is expected to grow at a **CAGR of 12.5%** from 2022 to 2030.

But the problem with some of the existing solutions for accounts payable is that they cover only part of the process. Furthermore, many use a digital wallet system, which needs topping up with funds at regular intervals.

Many business owners have found that this just adds a layer of complexity, which doesn't necessarily simplify the process of accounts payable as much as they would like. And when an accountant or bookkeeper manages the payments, they still have to chase clients to top up the wallet, which is both inefficient and time-consuming.

However, Apron's innovative proprietary payment platform provides the perfect answer to these problems.



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# HOW CAN APRON HELP?

When Apron's founder Bogdan Uzbekov worked for the fintech companies Revolut and Square, he noticed that business payment systems were lagging behind. He began to think deeply about how he might go about developing a better tool to manage payments.

After talking to many business owners, Bogdan eventually found a restaurant owner who was willing to give him access to his bank and Xero accounts and to manage his payment runs. So Bogdan did this for a couple of months, learning all the pain points of the process, such as the multiple manual entries and the constant back and forth between the business, bank, software and supplier.

He concluded that his software should be able to function without a digital wallet, should work from end to end of the payments process, and should be as simple as possible. So Apron was developed with these top priorities in mind.

Some of the functions and capabilities provided by Apron, which resolve the problems outlined above, include:

- The ability to sort invoices, get approvals, track changes, and make payments all in one place
- Managing all your clients, teams, roles and workflows in one central hub
- Batch-pay invoices for multiple clients and let them authorise payments from their bank account.
- There's no wallet that needs topping up.
- Payments are automatically and instantly reconciled in your accounting app
- OCR technology captures details from invoice paperwork and automatically enters them into the system

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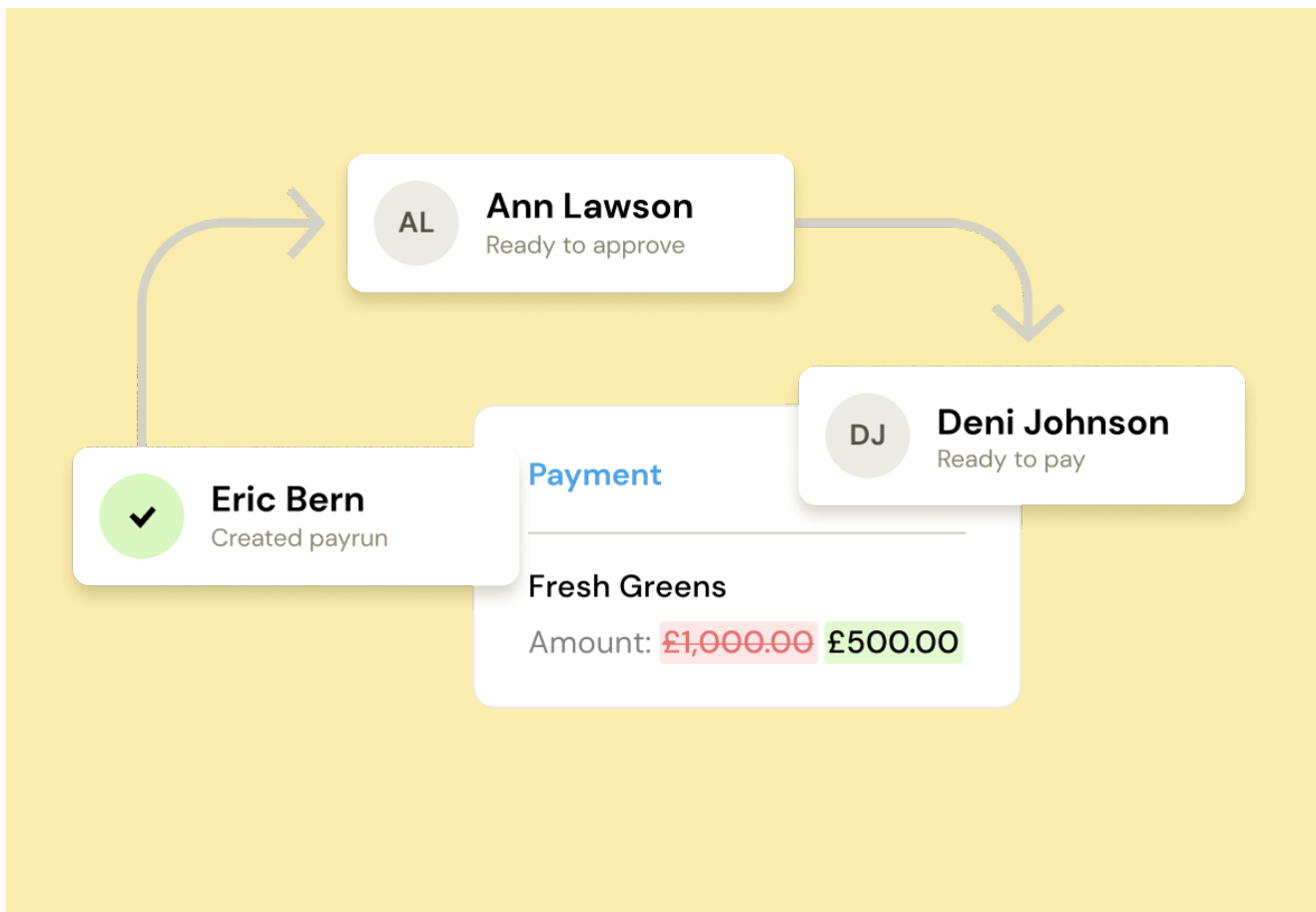
- Confirmation of Payee technology alerts you if account details don't match and ensures payment goes into the correct account.
- Direct debit markups mean you don't mistakenly pay people twice
- **Payroll** is easily processed by extracting a file from the payroll software and uploading it into Apron
- **Global** payments are simple - Apron supports over 30 currencies and delivers to over 150 countries
- Apron lets you pay suppliers with a **credit card**

So let's take a look at two very different accountancy practices and how they use Apron to deliver payments as a service to their clients. Both practices mainly use Xero for bookkeeping and Dext for OCR.

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# ONSIDE ACCOUNTING

Martin Brennan is the founder of Onside Accounting, an accountancy practice of 22 people which has been trading for about two and a half years. The vast majority of their clients are London-based technology startups that are growing rapidly but aren't yet big enough to have in-house financing.

Most of their clients require bookkeeping, payroll, VAT, and year accounts, and about one in five need help with payments.

An ongoing concern for Martin concerning delivering accounts payable as a service, was the handling of multiple login devices, passwords and the risk of fraud. In fact, worries about security issues were his main driver initially for adopting Apron, even more than efficiency gains. But once he started using Apron, he was really impressed by how simple it was to use.

The practice does have some legacy clients for whom they're still doing the payments directly and have access to their bank accounts. But the plan is to transition all clients to Apron and completely remove themselves as administrators or users of all client bank accounts.

Onside Accounting doesn't openly market accounts payable services - it's just discussed and included as an option when signing clients up for services. On the initial call to discuss which services the client might need, Martin asks who manages their payments and if it's a struggle for them. If they say it's easy or they've got someone doing it for them, at that point it doesn't require any further discussion. However if they describe a very convoluted accounts payable process, he recommends Apron as an upgrade.

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He normally highlights the main benefit of the service by pointing out that founders, CEOs, and business owners should be spending time adding value to their business, rather than spending chunks of time on repetitive administrative tasks.  He explains how the practice can take that on for them, in a pain-free and secure way.

Charges for accounts payable services are set according to how many payments their clients need, and how often they need them. Pricing is built into their proposal software and is set on a simple linear basis - so if a client wants one payment a month it's one price, and if they want two payments a month, it's double the price.



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# THE NUMBER NINJA

Emma James is owner of The Number Ninja, a virtual accountancy practice of two, which started trading seven years ago. They have around 50 clients who are primarily small businesses offering services and products such as online coaching, courses or digital products. They tend to have a turnover of under 50k and don't have many suppliers to pay. Most are staffing their business with freelancers.

Number Ninja provides book-keeping services for many of their clients, and since adopting Apron, they carry out payments for a significant percentage of them.

The vast majority of their clients are aged between 30 and 45 and manage their entire business on their phone. So the practice aims to facilitate this by making things as simple and straightforward as possible. Emma says Apron's ease of use makes it ideal for their clients.

Emma knows first-hand how time-consuming payment runs can be. Earlier in her career, she worked in a fast-growing startup and had the responsibility for all payments. Their software required everything to be entered manually, and their weekly pay runs easily took half a day or longer. Payments had to be approved by the line manager, the director and then the founder, adding more time and yet another layer of complexity.

She also remembers the problems of providing an accounts payable service to one client before the practice started using Apron. The software they were using at the time worked on a wallet system, which required topping up at intervals. The client needed constant reminders to top up her wallet and was often late in doing so, making the process clunky and time-consuming.

Emma says although using the wallet-based software was preferable to accessing her client's bank account, it was far from streamlined. So before

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discovering Apron, she didn't want to roll the accounts payable service out to other clients.

She finds that many of their clients aren't sure whether they'll need accounts payable services at first. So besides mentioning it at an early stage, it's something they may revisit later. For example, if she sees that they're paying freelancers at random times throughout the month, she'll suggest the practice take over.

The Number Ninja's clients tend to work with the same volumes of payments each month, so pricing is kept simple by charging a flat fee.

Emma recommends Apron to her clients, even if the practice isn't delivering the service. She thinks it's a really useful tool, whether you're doing one, two or multiple payments a month.



The Number
Ninja
thenumberninja.co.uk

# HOW TO DELIVER PAYMENTS AS A SERVICE USING APRON

**Apron** streamlines the process of accounts payable, so a service that might once have seemed too complex and time-consuming, now couldn't be simpler. Whether you're providing the service, or your clients use Apron themselves, the software radically simplifies payments and payroll.

You can charge according to what works best for your clients. For instance, if your clients have widely varying needs in terms of frequency and volume of payments, you may want to vary pricing accordingly. But if like Emma, your clients tend to have similar requirements, you may decide to keep it simple and charge a flat fee. Pricing can be built into your proposal software.

Clients may not be aware that there are great software solutions like Apron for accounts payable, so discuss this with them when signing them up. You could revisit the idea later too, if you notice they're struggling.

If your clients don't want you to take over their accounts payable, it's still worth recommending Apron. They'll be more likely to keep on top of their payments, which makes your job of bookkeeping easier in the long run.

Apron is ideal for small to medium-sized businesses of 1 to 100 employees.

It's worth noting that Apron offers a partner programme where you earn discounts that scale with the number of clients you add, and there's no subscription fee for you.

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# APRON MAKES IT EASY

So if you've been under the impression that providing accounts payable services to your clients is just too complex, perhaps it's time to think again.

Apron simplifies and streamlines the whole process, and managing your clients' payments couldn't be easier.

If you want to find out how Apron can help you and your clients manage accounts payable, start a **free trial** today.



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