ACCOUNTING FIRM GUIDE

How accounting firms can monetize AP services

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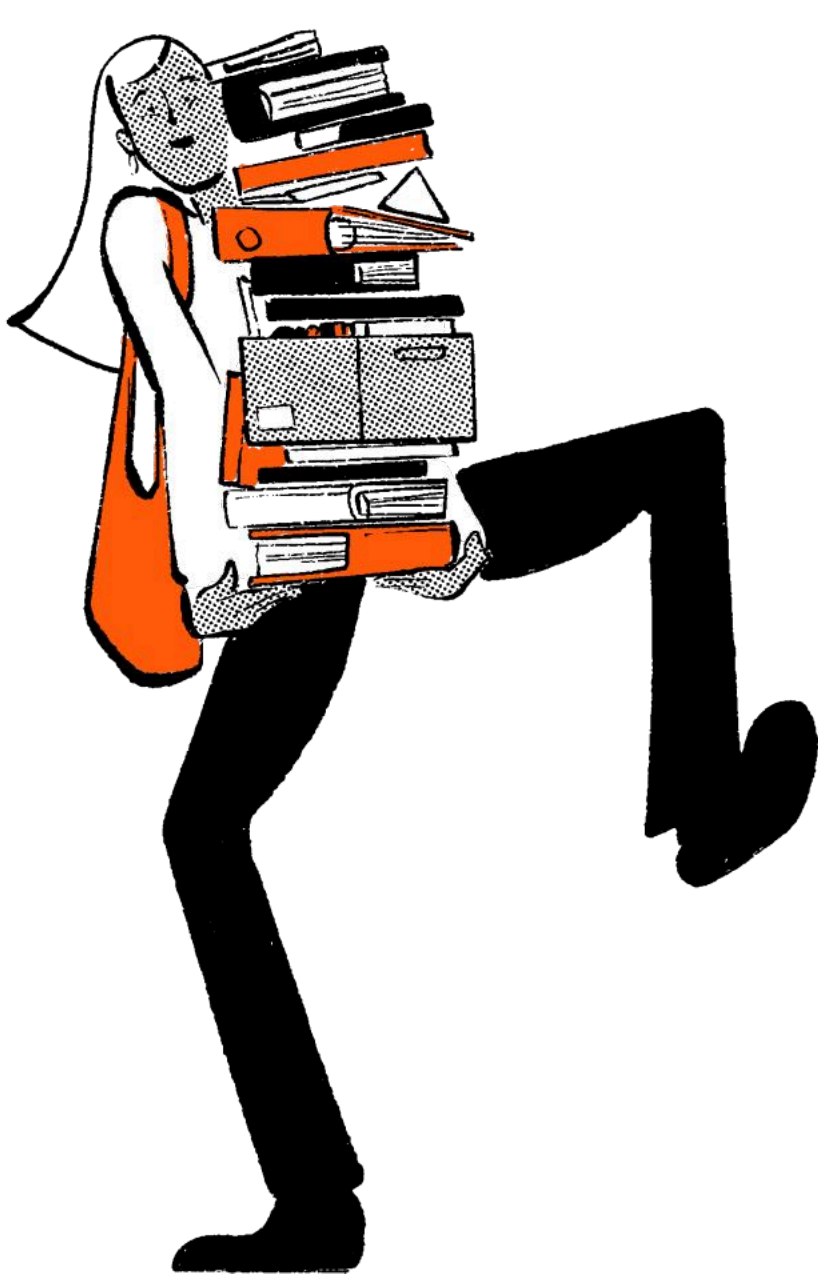


Introduction

89%

of accounting professionals say that automation in financial operations makes their firm more profitable and efficient.

AP 101

Are you interested in learning more about AP? Here are three resources that can help.

How AP works:
The Ultimate AP/AR FAQ for Accounting Firms

AP information for your clients:
AP Overview for Clients

AP in action:
How BILL helped Jitasa achieve a 20% gross margin gain within the AP process

Helping clients pay bills can help your accounting firm attract new business and make money.

Launching successful services requires planning and training to maximize profitability. Accounts payable is an ideal candidate to boost revenue, and when paired with automation, can serve as a critical component of high-value client advisory services (CAS).

How can you monetize AP? This guide will provide pointers, including how to:

1. Make AP services scalable
2. Price services
3. Train your team
4. Onboard clients

01

Steps to scalability

Scalability is key to building recurring revenue and mastering business growth. Properly scaling your firm means that AP service delivery can meet growing client demand—without adding considerable headcount or compromising quality.

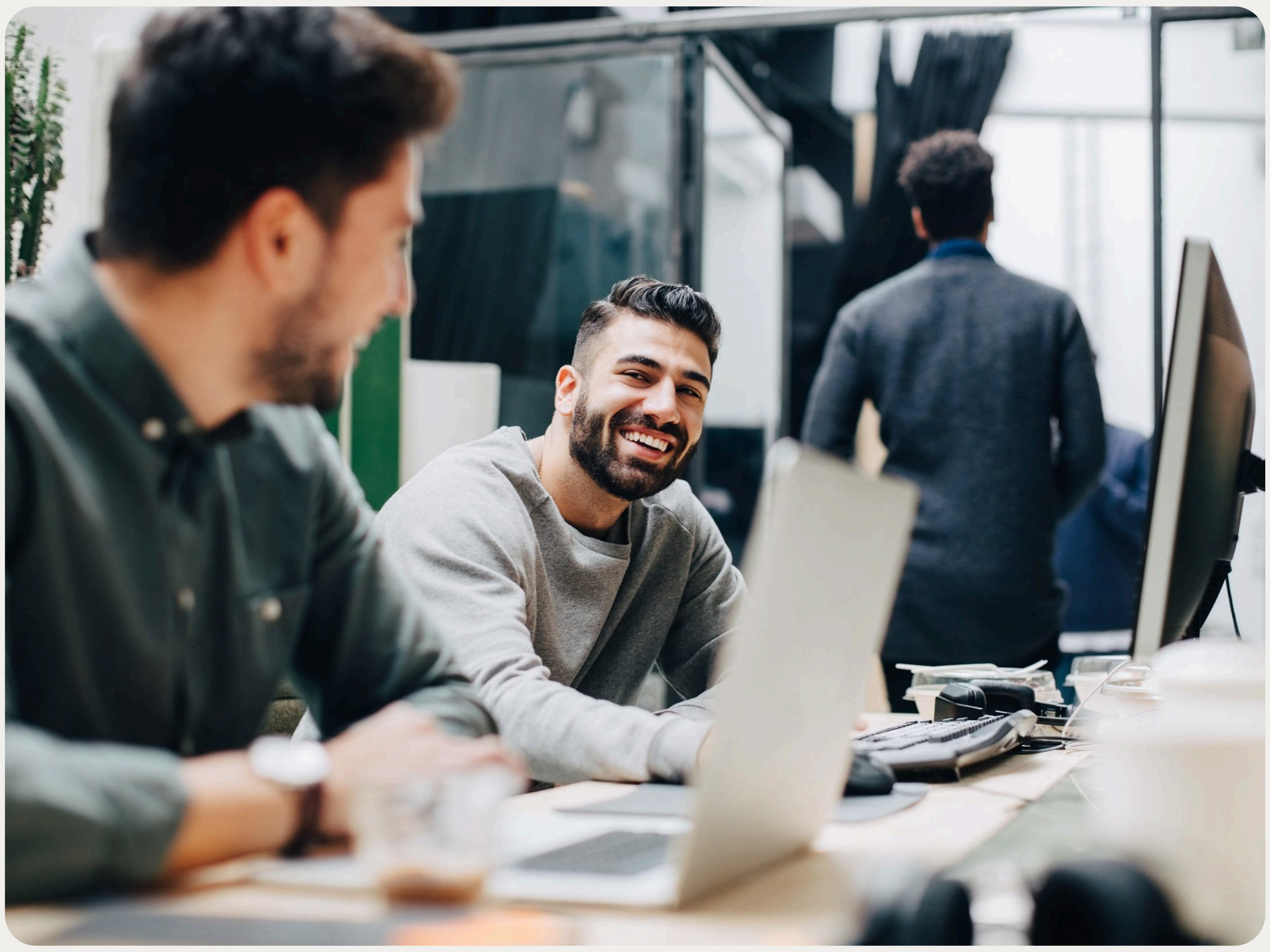
To help ensure scalability that supports healthy business growth, here's a handy checklist. Each item on the list is supported with suggested reading to further help you strategize as you launch AP services.

Delivery decisions

As with any service, there are different levels of accounting firm and client considerations that will shape delivery. For example, will your firm handle most of the process AP but leave final bill payment approval to clients? Whether the process is owned by the firm, the client, or both, this decision lays the foundation for what resources you'll need now and as demand increases.

Suggested Reading

Bill pay participatory models



“When we implemented BILL back in 2018, we basically drew a line in the sand and said we're not going to support our clients on any other platform. We can provide a much better service to them with BILL.”

Brock Burgess, Managing Director of Client Services, Jitasa

Establish standards

It’s important to test, establish, and document processes and procedures like workflows and expectations. This includes establishing best practices for clients—such as technology used, onboarding, and training. These standards allow the service to be replicated consistently—no matter who delivers it. For example, adopt one AP technology to roll out to clients rather than learning multiple AP systems. This helps streamline your workloads and waste less time when onboarding new accountants.

Suggested Reading

AP Approval Workflows - Best Practices Guide

AP Payment Methods

Efficiency checks

Efficiency allows you to maximize the output of internal team resources without overburdening them. Along with establishing standards and processes, simple steps to support efficiency include adopting AP automation and integration with general ledgers and other accounting technologies. This helps minimize manual data entry (and the errors that come with it) and outdated information, all while ensuring payments histories and other valuable AP information is at their fingertips.

70%

less time spent on bookkeeping with BILL.

"Using BILL has reduced bookkeeping time by 70%. We can get checks and ACH payments processed online. We have an audit trail and good internal controls for our bookkeeping staff and our clients. It has been a win-win for our time management and our clients bills getting paid on time and properly documented."

Audrey George, CEO, ANC Accounting

Suggested Reading

How does automation simplify your accounts payable?

Suggested Reading

5 benefits of automation for businesses

Client convenience

Your AP services should significantly reduce or eliminate manual work for clients. The goal is to make AP a streamlined, automated process—reducing workflow friction wherever possible. For example, when AP is automated, it means inconveniences such as writing and mailing physical checks can be eliminated, as well as double data entry. Instead, clients can handle payments on the go from their mobile phones and tablets.

For the purposes of scaling, it also offers clients the ability to self-serve. They can login to the AP system to review and approve payments, access payment history, and see audit trails. This provides more transparency while decreasing the time burden on staff.

Set goals and measure

Set goals for AP services support and profitability. Measuring results will help you determine if you need to reevaluate how you support and deliver services moving forward. For example, how quickly do you want your services to grow? What percentage of revenue do you want AP services to contribute within a specific time frame?

You can also focus goals on AP in particular for your firm and its clients. For example, popular AP KPIs include average time spent on manual data entry, average time to approve or pay a bill, and average cost to pay a bill.

Suggested Reading

Setting accounts payable goals: SMART goals for AP

Suggested Reading

15 key benefits of accounts payable automation

Tech performance

Thoroughly evaluate top-performing AP solutions that can accelerate services and long-term growth goals.

To ensure the solution supports scalability, ask these key questions:

Does it offer a single console to manage clients?

Does it offer clients multiple ways to pay, including ACH, virtual cards, credit cards, and international payments? This is imperative for scaling, giving you multiple options to pay vendors and support a positive cash flow for clients.

Does the AP technology provider have a trusted and well-established network of vendors already accepting payments? This makes onboarding vendors simpler.

Does the system provide helpful AI capabilities such as the ability to identify duplicate invoices or use historical data to predict future bills?

Does the solution integrate with other useful apps? This is imperative to operate a streamlined tech stack.

Does the technology provider offer certifications and training opportunities to help onboard your team and clients?

02

"When you price based on value, you put your clients at the center of the process and you are better positioned to fulfill their wants, not just their basic accounting needs."

Jason Blumer, CPA, Partner at Blumer & Associates

Pricing

While there are multiple pricing models to support AP services, there are three common practices. Consider each (or a possible mix) to identify the best fit for your practice.

1 **Hourly**

In this model, firms set an hourly rate and charge clients based on time spent to complete the work.

This is a familiar and easy-to-calculate system, as it has been the traditional way to bill clients for centuries. However, it prioritizes time over efficiency, which can add up to higher fees and unhappy clients. Firms that prioritize scaling and efficiency often explore other pricing models.

2 **Flat rates and fixed fees**

Whether based on a single project (flat-rate) or a scope of services (fixed fees), these pricing models involve charging a set price for all clients.

They incentivize working efficiently, provide predictable bills for clients, and make it easy to quote for new business. On the flip side, estimation errors can reduce profit, one-size-fits-all doesn’t always address a client’s specific needs, and variations can complicate delivery and, again, decrease profit.

3 **Value pricing**

This model prices AP services based on the client’s perceived value, meaning it reflects the value of the results rather than time spent. It usually offers a regular, recurring price for repeated services, but prices are not consistent across clients.

Value pricing runs best when the client experience and efficiency are aligned and accommodates a level of service focused more heavily on advisory..

No matter the model you select, be sure to strategically determine your pricing structure based on location, client needs, and other critical factors such as automation of workflow. Some firms create a hybrid of the models above to support their unique needs.

Suggested Reading

Bill pay participatory models

03

Training

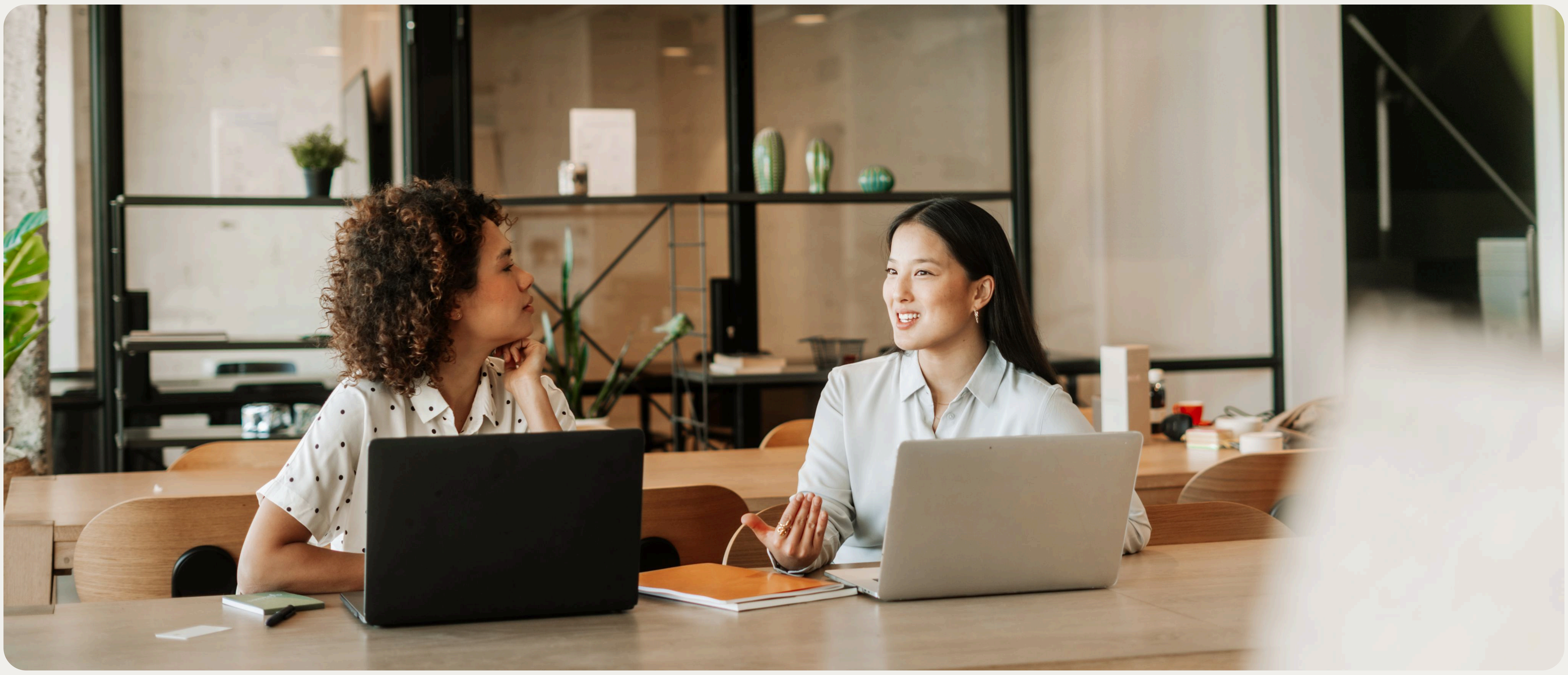
Fundamentally, the success of AP services hinges on preparation and training.

Luckily, AP technology providers offer online training resources and support to get firms up and running quickly. If you work with a reputable vendor, chances are that your team members have worked in the system before, further accelerating mastery.

Training typically covers the basics of operation and key system features and functions. It often includes resources to accelerate training, such as this AP FAQ for accounting firms.

> “Before BILL, when we were working manually, the max a junior accountant could handle was probably about 5 clients comfortably. Now, they can each manage between 7 and 9 clients.”

Jennifer Klos, Supervisor Staff Accountant,
Accounts Payable, Creative Planning Business Services



To up-level training efforts also consider:

1 **Certifications**

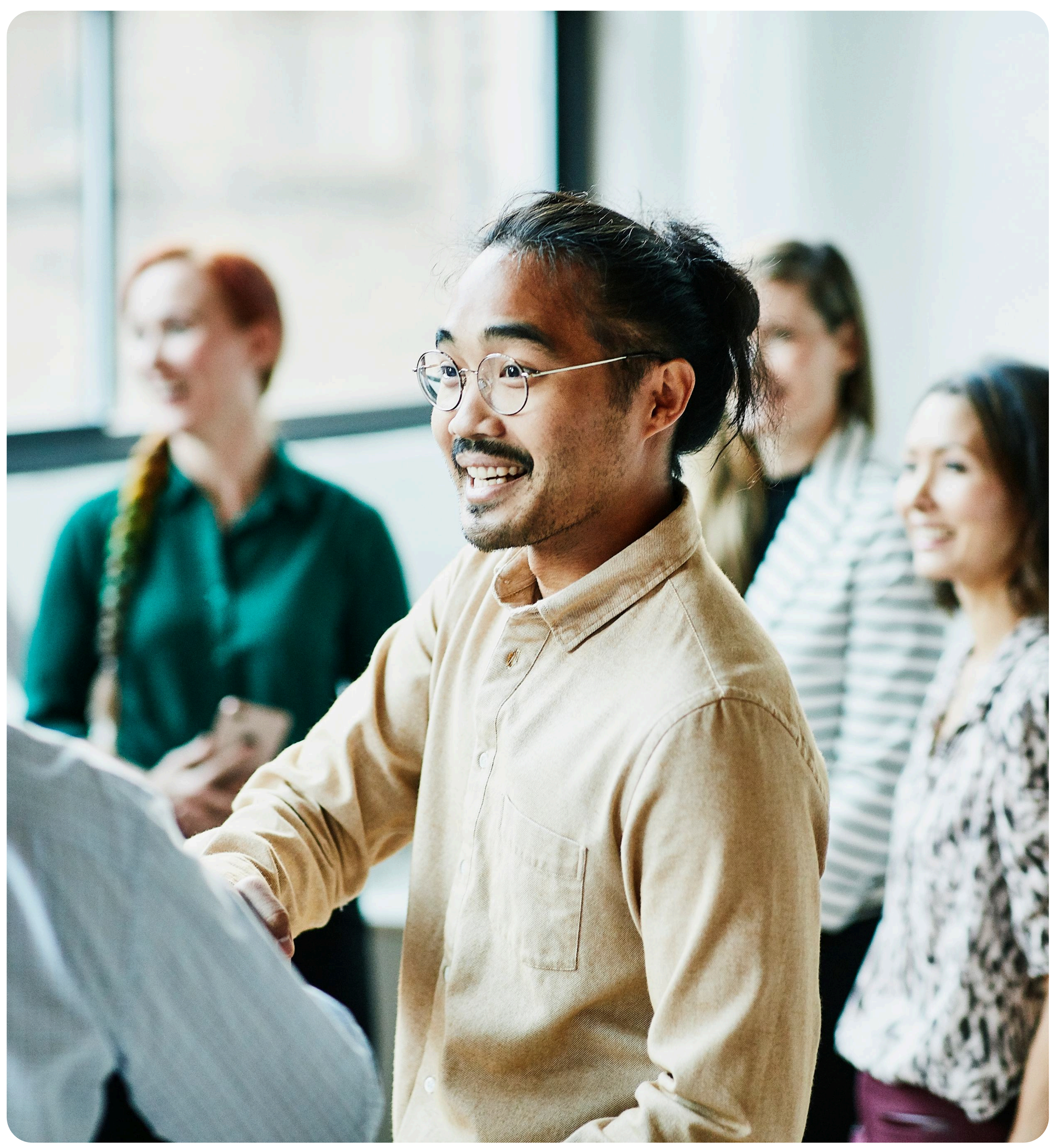
Offer staff the ability to earn certifications and CPE credits for learning the AP system. This increases an employee's overall knowledge, reducing the need for technology support. Some firms incentivize staff members to get certified. You can also market your advanced expertise via certification badges on your website and across social media.

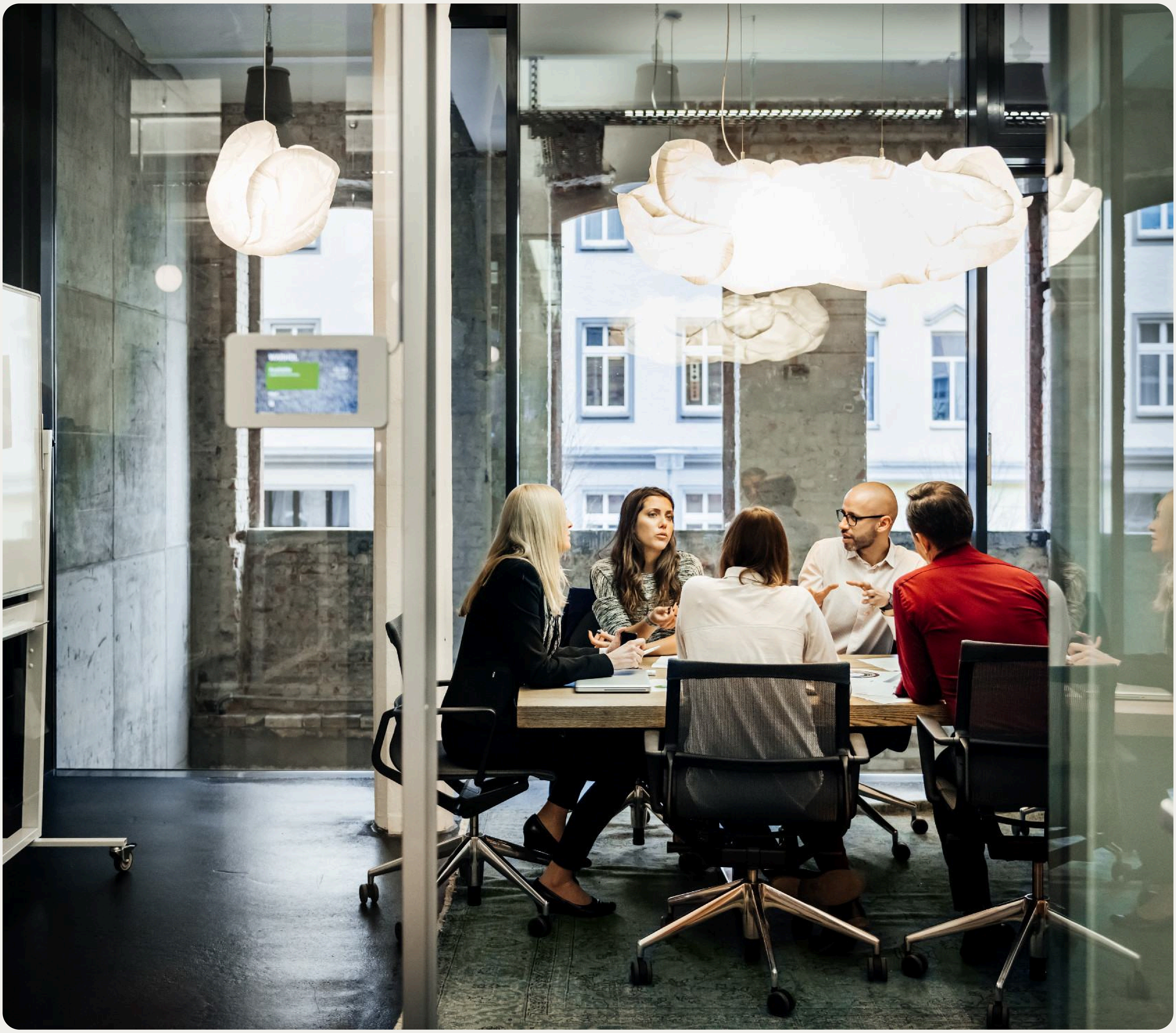
2 **Account manager support**

Work with your AP provider's account manager who can walk you through how other firms have successfully trained staff.

3 **Additional content**

Get your hands on useful guides and training materials to help support team onboarding.





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Onboarding clients

Onboarding is a vital step for impressing clients with your firm's expertise and efficiency. To support this effort, here are a few ideas to help implement a structured and stellar onboarding experience.

1 **Standardize onboarding processes**

Create and train your team on the firm's standardized onboarding process so everyone is providing the same exemplary service during onboarding. An alternative approach is to identify an onboarding champion or team to ensure that every client receives the best experience, every time.

2 **White-glove onboarding service**

Offer clients a white-glove onboarding service, which will include basic training on the AP solution. Your AP technology provider will have resources to help with this process such as overall best practices, templates, and client onboarding checklists.

3 **Ask for feedback**

Ask new clients for feedback on your onboarding process to support ongoing improvements

4 **Poll employees**

Frequently poll employees about the onboarding process and what areas need improvements.

5 **Evaluate challenges**

Evaluate the onboarding process at least once a year to identify issues and then explore how to address the challenges.

Be sure to lean into your technology provider's account manager for added helpful documentation and advice on onboarding. Some helpful guides and checklists from BILL include:

- Information sheets to help familiarize clients with the software
- Onboarding checklist for new clients
- Tips on how to roll AP out to more clients
- AP interactive demo for clients that walk them through the product

05

Monetizing beyond AP

AP is the perfect starter service to help transition clients to higher-value advisory services. By providing clients with deeper value such as time savings, efficiency gains, and a better understanding of cash flow, it sets the stage for further collaboration.

To learn more about monetizing services beyond AP —such as client advisory services (CAS), spend management, and insights and forecasting—dig into the following added resources:

CAS

The CPA.com and AICPA PCPS CAS Benchmark Survey found that AP is a top-five in-demand service for firms offering CAS. By offering AP services, you have the data to help clients understand the how, when, and why of monthly spend, ensuring they have a clear picture of cash flow.

Spend and expense management

Spend management and expense management help you control budgets, allocate resources, and track spend across an organization.

With spend management, budget-based charge cards and technology let you and your client review and control spending in real time. It opens the door to new services beyond spend and expense management such as creating expense policies, strategic budgeting and forecasting, and improving cash flow.

Insights and forecasting

Help clients make informed, timely decisions without having to build financial models.

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Your AP Monetization Starter Kit

The following resources can help you jump start the AP monetization process.

The Ultimate AP FAQ
Answers common AP questions your team may have.

Bill pay participatory models
Outlines ways to structure your AP services.

Accounts Payable Approval Workflows
Offers best practices to build strong approval workflows for clients

Accounts Payable Payment Methods
Provides best practices to identify ideal payment options for clients, based on their needs

AP KPIs
Lists common ways to measure AP success

Setting accounts payable goals: SMART goals for AP
Includes goals for AP so that firms and their clients can optimize business performance

Onboarding checklist for new clients
Outlines steps to get clients onto new AP technology quickly

AP interactive demo for clients
Walks clients through the automated AP process

How to market AP
Highlights tips on marketing AP services

Ready to monetize AP?

Join the thousands of accounting firms that partner with BILL to maximize operational efficiency and accelerate growth for AP, AR, spend, and expense.

Schedule a demo today or reach out to your BILL account manager to learn more.

[Request Demo]