

**ULTIMATE  
INVOICING  
GUIDE:**

# **Tips for Shortening Your Billing & Collections Cycle**

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# An Introduction

For professional service firms, optimizing operations is essential to running an efficient business. One of the most meaningful aspects of internal workflows these firms can optimize is the way payments are collected and more importantly, collected on time. In fact, it's so important that a U.S. Bank study revealed that up to 82% of businesses who found themselves struggling and failing cited cash flow as the reason.

Professional service firms rely on invoicing as a way to collect timely payments from clients, so how can you make this process easier and more accurate? This E-Book was designed to help solve common pain payments to do just that. Keep reading to learn more about how your billing and collections cycle can be shortened and easier on everyone.





## Identifying Common Payment Processing Pain Points

Getting paid on time is critical to professional service firms when it comes to managing their cash flow. However, oftentimes, the reason why payments are delayed is a direct result of internal processes, rather than the fault of a client. Do you identify with any of the following pain points?

### 1 **Manual billing:**

Spending time manually building invoices from time and expense data entered in Excel.

### 2 **Reviewing invoices:**

Sending project managers an email attachment of the invoice to review.

### 3 **Manually emailing:**

Sending emails to every client and going back and forth on payment instructions.

### 4 **The waiting game:**

Waiting on checks to arrive in the mail and extended deadlines that cause revenue forecasting to go off track.

### 5 **Sending out reminders:**

Being responsible for organizing and alerting clients about due or past-due invoices.

### 6 **Waiting for checks:**

Going into the office to collect the checks and then having to deposit them at the bank.

### 7 **Data entry:**

Having to tediously enter and balance payments separately in your accounting system.





## Alleviating Common Payment Processing Pain Points

If you're still dealing with any of those pesky pain points throughout your internal payment processes, it might be time to turn to an integrated invoicing and payment solution to get you back on track. By using time and billing software like BigTime, you'll be able to eliminate those pain points by:

### 1 **Invoice templates & streamlined approvals:**

Automating the creation of invoices with custom invoice templates that pulls in time and expenses automatically.

### 2 **Smooth communication with PMs:**

Requesting and notifying PMs of an invoice needing approval without ever having to leave your billing software.

### 3 **Quick & easy payments:**

Sending invoices out to clients directly from your billing software with a link attached for quick and easy payments.

### 4 **Get paid faster:**

Encouraging clients to take immediate action with a "pay now" button on the invoice and options for ACH or credit card.

### 5 **Payment transparency:**

Directing your clients to a secure portal that houses all outstanding invoices and gives them the option to pay multiple at once using a default payment method.

### 6 **Automatic deposits:**

Accepting payments online that automatically deposit into your bank and free up time for other tasks.

### 7 **Minimize errors:**

Transferring the data directly and reconciling payments by integrating your payment processing and accounting solution, minimizing room for error.

# Integrating Invoicing, Payments, and Accounting Systems: Why Do It?

If you think of all the different systems you use as players, shouldn't they all be playing on the same team? When you integrate the tools you use for accounting, invoicing, and processing payments, the billing and collection cycle is shortened, thus resulting in getting paid faster. This idea of integrating systems is called "streamlined invoicing".

## 5 Benefits of Streamlining Your Invoicing

### **1 More time to focus on important revenue-generating tasks**

When you automate your invoicing process and invest in a more robust solution, you save time that's otherwise spent on generating and reconciling invoices. That translates into more time focused on your clients and less time on operational tasks.

### **2 Improve invoicing speed and accuracy**

By using an automated approach to invoicing, your business can effectively reduce human error. Use automation where you can! When you invest in software that helps you automate the calculation of hours, billing rate, and expenses, your need for manual entry is eliminated. Using software that allows you to auto-fill customer data and improve invoice accuracy helps you offer the best service to your customers and reduce any unnecessary support queues.

You can also streamline invoicing by using software that syncs seamlessly into your accounting platform. The key is to eliminate the need for manual reconciliation and data entry to further improve your operational efficiency.

### **3 Easily resolve client invoice complaints**

When customers have questions about invoices, it's important to have the ability to easily track and verify invoice details in real-time. With software like BigTime, you can effectively track and troubleshoot invoicing errors on-the-go and create an overall better experience for your clients.

### **4 Save time and money**

Investing in the right invoicing software upfront allows you to save time on the backend. You can significantly improve operational efficiency by utilizing custom invoice templates. By going digital with your billing processes, you can easily track all your invoices and keep a pulse check on your business all from one platform.

### **5 Get paid faster**

Automating your invoicing systems not only allows you to get paid, but also enables you to get paid faster. By using tools and software to streamline your invoicing process, you can email invoices as soon as the service is completed. In fact, delivering invoices at the time of service has been shown to get service providers paid two days earlier on average. Sending invoices via email and including a "pay now" button has also been shown to increase the chances of getting paid on the same day.

# More Tips for Getting Paid Faster

In addition to automating and streamlining your invoicing with integrated payment technology, there are many other helpful practices you can implement to get paid faster.



**TIP #1****Build an engagement letter**

No matter how long-term the client, it's important to put together an engagement letter that is signed by the client. The purpose of the letter is to set clear expectations and open communication for the scope of the project and fee structure, which can prevent many problems down the line. Outline the services included in the initial fee, and how the client will be billed if other services are required.

**TIP #2****Send smaller invoices**

Don't overwhelm your clients with a big amount upfront (this is most relevant for bigger projects). When possible, decide on a retainer or deposit and allow the client to pay you in smaller chunks. This will result in your clients paying you right away as opposed to delaying the payment. Another effective way of getting paid faster could be to set a condition that if the billed amount is not paid in full, the next service will not be rendered.

**TIP #3****Make it easier for your clients with more payment options**

Paying by checks is a headache, for both you and your clients. Instead of checks, choose an integrated payment solution that allows your clients to pay by ACH or credit card by clicking a link directly on their invoice. By eliminating all the extra steps of preparing a payment, there's no reason to not pay on time. In fact, users of our payment processing feature, BigTime Wallet, see most invoices paid within 24 hours.

**TIP #4****Structure your invoices to the client**

Keep a record of how the client prefers to be invoiced: which fee structure are you using for the engagement, who should receive the invoice, and what information the invoice should include (e.g. a purchase number or a contact number). Then, build a custom invoice template for the client in your billing software, that you can then reuse to prevent any surprises down the line.

**TIP #5****Send your invoices immediately**

The sooner you invoice, the sooner you'll get paid, so make it your firm's priority to send an invoice promptly. No matter how busy your company gets, send an invoice when your client's project is complete.

**TIP #6****Communicate consistently with your clients**

Maintain a healthy and open line of communication with your clients and do frequent check-ins. This allows you to keep tabs on your clients and have the status of their invoices be top of mind for them. Building relationships with your clients is the key to not only operating a healthy business but is also key in motivating clients to pay quickly without feeling burdened.

**TIP #7****Use an accounts receivable policy**

It's easier to collect payment when you already have an established policy for receivables. Make it an important part of your contract, and guarantee that your client knows exactly what the policy entails. Having an A/R policy also allows you to create a schedule for regularly collecting outstanding payments.

**TIP #8****Always contact clients when their payments are outstanding**

Never worry about whether you're contacting your clients too soon, or too frequently about an unpaid invoice. If you've held up your firm's side of the contract, but your client hasn't upheld theirs, then it's in the best interest of your business to follow up with them.

**TIP #9****Set a preferred payment method**

To encourage clients to follow your digital footsteps and use a faster electronic payment method, be clear in your preference. Communicate the benefits of eliminating checks, especially for remote work when having checks physically signed is a more difficult task.

**TIP #10****Keep reporting fluid between finance and project managers**

Housing your project management and financial data in the same professional services automation platform will keep your finance and project management teams aligned. Instead of relying on the teams to gather data and share files, real-time reporting that combines project budgets and actuals can be shared through the cloud. Fewer corrections will be needed in the invoicing process, and these teams can work in sync to send the invoice out, all within the same platform.

**TIP #11****Implement a cloud-based invoicing software**

Constructing invoices manually in Excel and mailing them out is extremely time-consuming. Make the switch to invoicing software like BigTime, and send your invoices digitally so they end up directly in your clients' email inbox. With this software, you'll also have the ability to increase the frequency of outgoing invoices to keep payments consistently coming in.

According to a Due.com analysis of over 250,000 invoices sent in the past year, here are some of the most common learnings:

How likely are you to get paid...	If you...
3x	Add company logo on invoice
8x	Add a due date
1.5x	Add terms on your invoice
90 days (not paid within)	Only 18% of those invoices get paid
2x	Have more than 4 people on the invoice

## Your Clients Also Benefit From Easier Payments

The little things make the biggest difference when it comes to creating a better experience for your clients. Made for you and developed to be an ideal client portal, BigTime Wallet has a ton of well-thought-out details that help keep payments and projects running smoothly for all involved.

With streamlined invoicing, your clients can:



### See the full picture

Clients are able to easily view all paid as well as all outstanding invoices. Having access to their full invoice history not only keeps them on track with payments but also contributes to this idea of transparency and aids in having a healthy open line of communication between you and your clients.



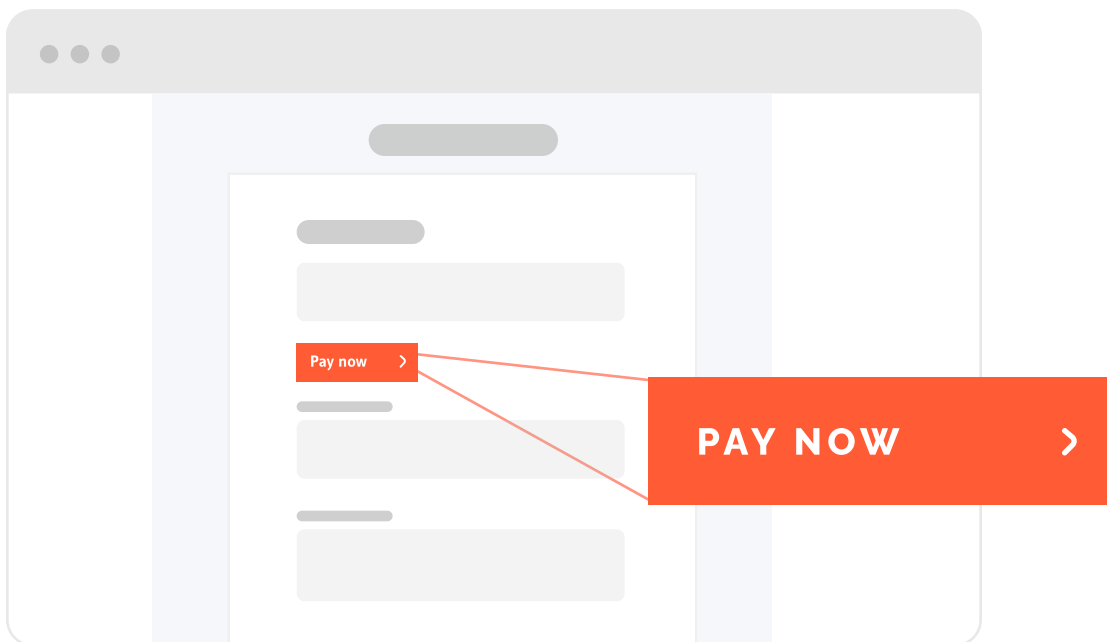
### Make payments on-the-go

We know your clients are busy. BigTime Wallet allows clients to pay their invoices online — anytime and anywhere. By attaching the auto-generated secure payment link in your invoice email, your client can choose to “Pay Invoice” and complete the payment with their saved preferred method directly from their smartphone or computer.



## ✓ **Pay with one click**

Clients can choose and save a preferred payment method so when it comes time to pay, it's a one-and-done job. Clients can also choose to make multiple payments at once. Because we all like getting paid faster, right? Also, not making your clients re-enter payment information every time they need to pay just makes for happier people.



## ✓ **Avoid invoice errors**

Having to make changes to an invoice after your client has already received it, or worse, already paid it can just be plain awkward and make your company look unprofessional and cause distrust. With BigTime Wallet, you have the ability to set up approvals for each invoice so your clients receive properly vetted and error-free invoices.

# It's one thing to talk about easier payments.

Hear from real BigTime customers who  
have implemented this advice into their  
own operations.





*"The big attraction for us with BigTime was the integration - with Salesforce, QuickBooks and the ability to tie it all together so you didn't have disconnects between the system that was tracking the time and the system that was generating the invoices."*



**Evan Terry**

*VP of Operations, Cprime*



*"The reconciliation between project financials in QBO is much better. Invoicing out of BigTime and then directly posting it to QuickBooks allows for zero human error to be introduced."*



**Scott Schriber**

*Director of Operations,  
iFish Group*



*"Because [BigTime Wallet] is so highly customizable, it makes it a no brainer to use it for billing your clients."*



**Ren Uriarte**

*Finance Director, PLATT  
Architecture*



*"Creating invoices and adding a link for payment directly in BigTime has made our accounting process much easier and more refined. We've been able to cut out several steps and speed up the time it takes to send an invoice and request payment, giving me the flexibility to focus on other work."*



**Rebecca Cayen**

*Operations Manager &  
Associate Geologist, Coastal  
Geological Services*

# About BigTime

BigTime Software, Inc. is dedicated to developing practice management tools that help growing professional services firms track, manage and invoice their time. Its award-winning industry-specific solutions are designed to speak the language of consultants of all stripes, from accounting, engineering, and architecture to IT services.

## Thousands of customers rely on BigTime

To see why thousands of customers rely on BigTime's cloud-based tools to more easily manage their businesses and effectively plan for tomorrow, visit [bigtime.net](http://bigtime.net) and book a demo with one of our team members.

**REQUEST DEMO >**