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 6 ways payments
can supercharge your
real estate business

Paymode-X[®]

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 Bottomline

If you're in real estate (which is likely, given that you're reading this), you've probably had to deal with payment systems best described as "character-building."

Built on a foundation of paper checks and plodding, manual processes, real estate payments have been a reliable source of headaches, financial cost and fraud risk for decades.

They've become a costly operational quagmire for real estate businesses, not to mention a hotbed of fraud risk and liability. That's a dangerous situation for a business that relies on good vendor relationships for continued growth.

Now for the good news:

The era of manual, paper-based payment processes in real estate is over.

Finally, real estate professionals are able to catch up with the rest of the world and benefit from automated, digital payments. But for companies that act first, transforming your payments isn't just a game of catch up, but a competitive edge. With payments and vendor relations at the center of real estate growth, the companies that revolutionize their payments first will soar.

We're going to dive into why payments are a springboard for real estate, before looking at six ways payments can supercharge your business growth.



The payment springboard

Real estate was shaken to its foundations in 2020, with buildings emptied, growth and maintenance put on hold, staff going remote and systems being dispersed.

All that change was disruptive and worrying, but it also wound up being informative. It revealed some pretty serious weaknesses in the payments ecosystem, but exposed some exciting new opportunities for growth.

These major changes proved that digitization is critical for the continuity, security, and stability of payments in real estate. With remote work now an entrenched part of everyone's operations, digitizing is really non-negotiable.

Major global disruption taught us that agility is as important to success as cash flow. Now it's clear that digitalization is to agility what location is to property value: a fundamental component.

Many opportunities exposed by the pandemic were changes already underway that the disruption made critical. Take the gap between consumer and business payments. You can send your friend \$20 instantly via your phone, but in the office it can take two weeks to process a check. You know this is wrong.

But we know real estate companies face a unique set of challenges. You have to deal with a real mix of payment scenarios, from weekly maintenance and staff costs to annual building fees. It's a sprawling, living network of moving money, much of it based on paper. We feel your pain. The rest of the world is whipping by at the speed of digital, and real estate companies are still dealing with checks comprising a whopping 65-75% of their payments.

But here's the thing: This delayed transformation of payments is industry-wide, so there's an opportunity to blow your competition out the water with the value created by automating and digitizing payments.

These aren't just mild improvements, they're major business accelerators that transform the way you execute, manage, and think about payments. And it's not as complicated as you might think.

Here are 6 ways that automating and digitizing payments supercharges your real estate business. Let's dive in.

An Efficiency Revolution

As we've mentioned, real estate payments are notoriously bogged down in manual processes and paperwork.

The traditional model involves at least 12 steps for making a payment, which you're probably painfully aware of. What you might not know is you can slash that process down to as few as three (!) steps, greatly increasing speed of payment and efficiency of your accounts payable department.

This is the beauty of automation. It simplifies, consolidates and improves existing systems by untangling the complexity of disbursement accounts and leveraging the power of your existing ERP systems.

This reduces man hours used on monotonous tasks like invoicing, manual filing, reconciling payments and cutting checks. That allows you to better allocate staff and resources for projects that grow your business.

Digitization eliminates paper processes that are risky, error prone, slow, resource-heavy and expensive. By doing away with paper and its associated human error, you increase accuracy across AP dramatically, and accuracy in turn creates efficiency. In fact, 3/4ths of our customers reduce their processing time by at least 25%.

The result is happier vendors getting paid on time and more conveniently. You can start to incentivize efficiency on their end by setting cascading payment terms based on digital channels or quicker turnaround, for example.

Plus, being able to manage all payment types on one platform is convenient, saves time and brings all of your relevant payment data together. That means no more chasing down card, ACH, or check transaction information across a host of disparate systems.

Ultimately, payment transformation improves your AP team's ability to work remotely, which not only increases value for your whole team, but future proofs the department against any other unforeseen disruptions. When or if your team is all back together in the office, they'll enjoy new avenues of productivity and teamwork.

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Minimizing Risk of Fraud

People tend to have an uncanny ability to adapt to their circumstances. We can get used to nearly *anything*.

Look at the handful of people who live in Ambler, Alaska, one of the coldest places in the United States. For a more business-focused example, look at the accepted risk of fraud exposure in real estate. We get it, you inherited the system you've got, but you now have an opportunity to make things better.

If fraud isn't your number one priority in 2021, it should be. According to our research, fraud has seen an 87% increase this year. Business email compromise cases jumped by 200% from April to May in 2020, and 80% of banks say authorization fraud will be their biggest threat in the near future.

Fraud is increasing across every part of every business, and few areas are more vulnerable than AP departments working with outdated systems while still adjusting to dispersed workflows.

Eliminating paper processes immediately reduces your risk, improves accountability and makes tracking payments and processes much easier. A connected, transformed payment system links you to an authenticated vendor network for added efficiency with security.

But onboarding is a hassle, right? Well, at Bottomline, we've cracked it. You kind of have to when you have a network of 550,000+ businesses. We take care of the outreach and onboarding for you, so if your preferred vendor isn't already on our network, we have a standardized and secure way to fix that. What it means is that we can go from contract to payment in less than 100 days.

Automation is critical, but that doesn't mean just anything can happen unchecked. Smart tech stops suspicious-looking payments before they happen and our measured mix of expertise and technology lets you put the brakes on attempts. Reducing fraud doesn't just prevent catastrophic

loss of capital, it makes you a far more secure and trustworthy partner for vendors, clients and investors, which boosts business and your reputation.

Seven of the largest banks in America trust our payment solution for their business customers, and if we're able to pass the big bank regulatory tests, we're ready for your challenges.

87%
Increase in payment fraud this year

200%
Increase in compromised business emails

Generating Financial Opportunity

Automation creates more efficiency and reduces toil which lowers the operating cost of the AP department.

And digitization greatly reduces the real cash cost of each payment, as you're likely spending \$5-to-\$9 in fees for every check you cut today. We're talking serious savings, as some of our customers have seen a \$500,000 reduction in payment fees.

But it's more than just reduced cost - transforming the AP department can actually drive revenue. That should make your CFO sit up and take notice.

On top of greater speed and efficiency, you'll be able to take advantage of early payment discounts and cashback rebates - while all but eliminating

late payment fees. One of our customers was able to capture \$130,000 annually in early payment discounts, which we know will be music to your ears.

In fact, more than half of our customers have captured 50%+ more early payment discounts since using Paymode-X, with half of our customers also seeing a 50%+ decrease in late payments.

Getting a bit curious? [Our handy calculator](#) can help you figure out how much you'll save and what your rebate potential might be.



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Better Insights

In the best of times, there's a startlingly high degree of uncertainty in the AP department. Clear sight is obscured by a blizzard of paperwork, difficult-to-track processes and disparate data.

It's almost impossible to get a handle on what's happening, let alone what you should be doing to help the business grow. In the current climate, that uncertainty is compounded by a dispersed workforce.

It's hardly surprising that almost 50% of financial controllers say that improving visibility is their top priority. Visibility makes you smarter, helps you to make better decisions, and gives you the information you need to streamline your processes.

With better insights, you're able to optimize your business's cashflow to make better purchase and payment decisions, and to understand quickly and easily where spend is going at both a high level and down to the nitty gritty details.

You can gauge partner relationships by having a clear picture of overdue invoices, improve relationships by eliminating late payments, and you can use insights to build and maintain relationships by prioritizing payments for preferred suppliers.

Ultimately, you can provide the business with better information so the executive teams can make smarter strategic decisions. In this way, accounts payable starts to directly drive and influence business growth.

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Strengthening Relationships with Vendors

Vendor relationships are the foundation of real estate.

Income, asset value, business growth and customer satisfaction are tied up in continued maintenance and management, and that requires a vast network of vendors all doing different but equally important jobs.

This complex but crucial network of vendors can be a real barrier to transformation. For an IT team that's under pressure, overworked, and short staffed, onboarding an extensive list of vendors onto a digitized payment system is not a strategic priority. Frankly, it shouldn't be, as your IT department should be focused on growth.

The solution is a payment partner that does the vendor onboarding for you without undoing the hard work you've put into building good relationships. We've onboarded over 550,000 businesses onto our network and we've learned how to achieve easy, painless, quick vendor adoption without strong-arming or annoying your vendors.

The benefits of joining a secure, fast payment network speak for themselves, so we just make sure your vendors are aware of all those benefits.

We explain that they can get paid faster with reduced liability and more predictability. Then there are the benefits for the accounts receivable departments, like rich remittance data, better insights, real time payment updates and electronic invoicing.

This all makes for stronger, reliable, more mutually beneficial relationships between you and your vendors. Our customers know that, as 58% of them say they've improved vendor relationships directly as a result of using Paymode-X. And better vendor relationships fuel your growth: when your preferred suppliers are getting paid faster, you can negotiate better payment terms, look for discounts and create deals.

58%
Of our customers say they've improved vendor relationships directly as a result of using Paymode-X.

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Better Growth

In real estate, growth can happen brick-by-brick or in leaps and bounds, and payments need to facilitate—and be ready for—both. A transformed AP department provides a solid base growth that compounds value, not inefficiencies.

Interactive growth over time is empowered by better operations and new processes created by transformed payments. There are end-to-end benefits, and every bit of growth generated by better payments helps drive growth elsewhere in the business.

The massive and sudden growth created by mergers and acquisitions is also improved with a transformed AP department. When hundreds of bank accounts get added to outdated, manual AP systems, it can slow down the process and thus hinder growth.

Having automated processes in place puts AP and the business on the path to sustainable growth.



Conclusion

How to actually *get there*

Digital transformation of payments isn't a one-size-fits-all process or outcome—even though the results actually are pretty typical. So we work with you to make sure the implementation fits your specific needs.

So how do you take payments from a tangled web of manual processes, and take your business from drowning in paperwork and errors to a growth-driving business center of your real estate company? With a partner who has deep domain knowledge, decades of experience in payments and cloud-based tech that's ready and easy to deploy. We already have a substantial portion of your vendors on our network.

We make payment reinvention simple, methodical and effective for real estate businesses like yours. If you're as ready to make the big, important changes as we think you'll be after reading this, we're ready to help.

For a more detailed look at how Paymode-X helps re-invent payments end-to-end, check out:



To see how your company can benefit, explore our personalized ROI Calculator

ROI CALCULATOR



Learn how Paymode-X can help you improve AP performance

LEARN MORE

Paymode-X[®]

Business payments transformation is a powerful thing.

Find out why we're the trusted payment solution for seven of the largest banks in America.

Have questions about Paymode-X?
Let us know how we can help.

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