

# 5 GOOD REASONS FOR AR OUTSOURCING THAT YOU NEED TO CONSIDER



# **5 Good Reasons for AR Outsourcing that You Need to Consider**

**While some recent signs point to a booming economy, many businesses have not changed much, and efforts to trim employees continue. Doing business by outsourcing low-priority business processes to focus more on more mission-critical activities such as marketing, research, and product development.**

# Continue...

**According to Forbes, Accounts Receivable (AR) was one of the first business processes to be outsourced, and one that dominated outsourced activities. There are good reasons in this case. Primarily, the process of AR outsourcing is one of the more serious risks to human resources, and as it turns out, on net income.**

**The benefits of AR outsourcing Developing your company's AR Outsourcing strategy is a smart move to save both time and money for any business, but especially for startups and small businesses. Here are the benefits you can experience by outsourcing the services that your 5 accounts can receive.**

# **5 Good Reasons for AR Outsourcing**

- 1. Priorities stated earlier**
- 2. Large efficiency**
- 3. Saving Money on Labor Costs**
- 4. Saving Money From Quick Storage**
- 5. Screening your customers**

# 1. Priorities stated earlier

**Businesses need to grow to survive, and growth requires a strong focus on customer service, marketing, research and development. Handling AR at home is time-consuming and takes key employees away from these important development activities with timely bad debt collection. Also, given the challenging nature of debt recovery, keeping it at home lowers the morale of the employee. Outsourcing allows AR employees to focus on growth, contribute to prosperous businesses, and improve morale.**

## **2. Large efficiency**

**Companies outsourcing AR have degrees of finance and accounting skills that are generally lacking in-house staff. As such, they can achieve greater efficiency and perform your AR activities with better accuracy and timeliness.**

# 3. Saving Money on Labor Costs

**Companies historically reduce invoice costs, cut paper and postage costs, and have no wages. Studies show that sending invoice costs companies an average of \$ 9.38 – up to 90% of the labor cost. Assuming that an outside company can take the invoice at a cost of \$ 9.38, outsourcing work not only saves money but also guarantees that the work will be done quickly and properly.**

## **4. Saving Money From Quick Storage**

**The more time it takes to collect on outstanding accounts, the less money your business will be able to recover. For example, studies have shown that you can deposit 73 cents per dollar on a 90-day deferred account. When those accounts are deferred for 6 months, you will deposit about 50 cents on the dollar. A year later, the paper on which your accounts are printed is barely worth it. Working with a company that can automate AR to ensure fast and consistent communication with customers and the ability to quickly close books in your accounts will save you money.**



# 5. Screening your customers

**Companies for which AR is the main focus are able to establish clear credit policies and verify your client's credit, which is not the most likely for you. This way, they can tell you which customers have a strong credit history and so you can pay sooner, again saving you money in the long run.**

# Final thoughts

**Businesses that are reluctant to try to get outsourcing accounts often have their reluctance to maintain control over in-house processes, believing that they are not able to effectively manage an outsider. Thus, it is necessary to choose the best collection agency for your business. However, the bad debt collection agencies will take the time to understand your business model and adapt the collection approach to your industries. Before jumping into an outsourced A / R company, work a little harder to find a partner with a customer-service mindset and a desire to suit your industry. With relationships like this, outsourcing accounts receivable can be the easiest way to save time and money and focus on your important priorities.**

To know more about our service or get a  
quote, visit us now!

**USA** : 101 California Street  
Suite 2710 , San Francisco,  
CA 94111

**Phone** : 415 6516478

**India** : Kalkaji ,  
New Delhi  
PIN – 110019

**Phone** : +919810010294  
0129-4040294

**Singapore** : 403 Bedok North Avenue 3  
11-239, Rainbow Ville  
460403

**Phone** : 6531595194



# Please visit our website and social media account:



<https://debtnirvana.com>



<https://www.instagram.com/debtnirvana/>



<https://www.facebook.com/DebtNirvana/>



<https://in.linkedin.com/company/debt-nirvana>



<https://twitter.com/DebtNirvana>

