



Billing & Statement Processing FOR Accounts Receivable



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Introduction

Automation That Will Improve Your Bottom Line

Every business strives to collect their accounts receivables faster. Our team can help. With outsourced billing & statement processing you can increase your billing efficiency and shorten billing cycles to speed up your cash flow. With zero hardware or software purchases required, you can deliver your invoices to customers the way that they choose. Our system will not only improve invoice tracking and provide transparency, but will cut down on billing and accounting costs.





Quality Assurance: 4 Questions to Ask Your Billing Service Provider

Quality assurance/quality control programs have grown in acceptance and necessity in the last two decades. Quality Assurance (QA) is process focused; Quality Control (QC) is a more product-focused component of Quality Assurance.

Quality Assurance: 4 Questions to Ask Your Billing Service Provider (cont.)

As you would expect, large manufacturing corporations have been the early adopters or leaders in QA/QC, but even small companies have identified the value of a strong QMS, or Quality Management System. Many companies have a robust QMS; you really can't afford not to, considering the high cost of errors in any industry.

Consider automotive manufacturing, where recalls of 53 million vehicles cost \$22 billion in 2016, or healthcare, where medical errors cost some 400,000 people their lives, according to a 2013 study.

Thankfully, errors in bills and invoices aren't life-threatening; still, mistakes made in the way bills are printed, folded or mailed can hurt business. Here are a few examples of the problems that mistakes in your bills can cause.

- Print resolution for an invoice is poor and makes the bill hard to read. It must be reprinted. Billing is delayed.
- An invoice is folded improperly so that a barcode is not visible in the payment envelope window. This will cause problems with the postal service.
- Your transactional partner did not include an insert about a coming rate

increase in the bills it prepared for you. Now, your utility company will have to do another mailing to disseminate this important information missed initially to its customers.

Comprehensive QA/QC ensures a job done right.

A comprehensive QMS protects customers from errors like these and helps ensure that the product created meets customer expectations. Clients want to know that their suppliers will do the job right so when a supplier makes too many errors, a client goes elsewhere.

Before you choose a third-party provider to handle your transactional billing, ask for details about the QA/QC measures it takes. Here are four questions to ask your billing provider about QA/QC:

1. Does the company have a Quality Management System in place?

Odds are good that it does, but the effectiveness of the program will depend on how comprehensive its QA/QC efforts are.

2. Are Standard Operating Procedures in place?

Has the company taken the time to

Quality Assurance: 4 Questions to Ask Your Billing Service Provider (cont.)

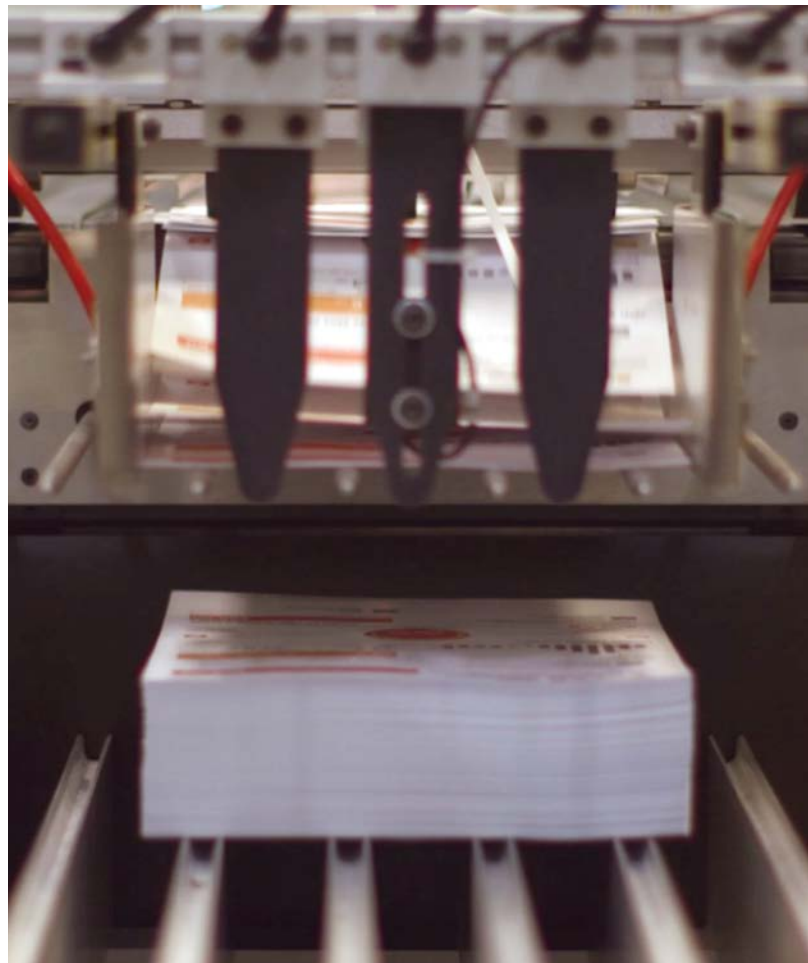
create Standard Operating Procedures (SOPs) for all its processes? To do this, we evaluated all of our processes, from prepress and printing to folding and inserting and then created hundreds of SOPs to guide production and ensure our processes stay consistent and on the most efficient and effective path.

3. Is there sampling/checking done during production?

Some companies check a job at the end of the line. Companies like ours that use the ISO 9001 (International Organization for Standardization) sampling system and draw samples of projects along the way, so that errors can be identified and adjustments can be made as early as possible to ensure the end product is 100% correct. Make sure the supplier you choose does sampling along the production path, not just at the end of the process.

4. Is there team involvement?

Everyone involved in our projects is expected to adhere to the SOPs we've written. We get buy-in from operators and production staff by listening to their concerns and suggestions and taking them into consideration as we write SOPs. We also have our project managers review all projects in process, comparing samples



work order. Project managers know the requirements of each project they oversee and can quickly identify errors or inconsistencies.

Seek a QA/QC program that covers these bases:

One final point is to make sure a Quality Management System follows best practices. We use the industry-recognized

Quality Assurance: 4 Questions to Ask Your Billing Service Provider (cont.)

process improvement methodology, DMAIC, to remind us of how our program should be used to work toward continuous improvement.

Define: Look at a process and document it by preparing an SOP.

Measure: Errors are measured to quantify the effectiveness of the process.

Analyze: Study the metrics of the process to validate any changes that need to be implemented.

Improve: By analyzing the impact of the processes, an SOP can be adjusted for a higher quality result.

Control: By following the previous steps, you greatly increase the opportunity for an expected output and reduce variation throughout production.

Talking about QA/QC success.

Companies that have been successful in their implementation of a Quality Management System will tell you about the positive impacts the system has had on the company. Our program, with its focus on achieving consistency, accuracy, and precision, has reduced error frequency and cost associated with error dramatically since 2014.

At Bluegrass, we have cut the rate of error frequency and cost associated with it dramatically while changing the company culture to a “quality first” mentality at every level. This has a significant benefit for our clients, who know they can rely on us.

If you have questions about Quality Assurance and how it can ensure the success of your transactional billing projects, give us a call.



Build Business with Charts & Graphs On Invoices

There's nothing like a bar chart or a line graph to perk up a presentation. When it comes to invoices, using charts and graphs can help streamline the billing process by providing an easy-to-understand overview of costs and other details. A colorful pie chart that shows a customer how their \$40 utility bill breaks down among service, taxes and fees and fuel is sure to catch their eye.

Build Business with Charts & Graphs on Invoices (cont.)

Charts, graphs, and other visual representations make it easier for our brains to digest data and grasp complex information. They help us see how different factors relate to one another.

They can be used to great effect in utility company bills. An electric utility might use a bar chart to illustrate a customer's residential electric use, month by month, comparing this year to last year. A water company might use a line chart to show how a dry spell causes water use to take a steep climb in the summer months. Generally, visuals can make billing more efficient, reduce errors, improve accuracy, provide better customer service experiences, and increase overall profitability for your business.

The advantages of adding charts and graphs to invoices:

- **Graphics make your invoice look more appealing.** Invoices are an important part of any successful company, but there's no denying that they can sometimes be a bit boring. So, sending an invoice that provides additional information, in a manner that is easy to absorb, is a little more appealing. It also conveys that a company believes in sharing information and values good communication.
- **Additionally, the graphic element doesn't always have to be a chart.** For example, a water company could print a water droplet graphic on each bill and print the number of gallons of water the customer had used that month inside the droplet. Any visual representation will add interest.
- **Better communication could equal fewer calls for clarifications.** Utility bills fluctuate. Charts and graphs make it easy for customers to notice the ups and downs. For example, by looking at a chart that shows the average temperature and electric usage for each month, a customer would quickly realize that January's bill has increased significantly because the average temperature that month was 20 degrees lower than December.
- **A graph or chart might alert a customer to a problem.** A water leak can go undetected for some time. So can a slow leak in a toilet. A chart or graph that shows a drastic leap in usage can tip off a homeowner to a problem with their pipes or plumbing. The same goes for other utilities. Changes in use sometimes signal service problems.
- **A chart or graph might nudge a customer to ask a utility for ideas and advice.** A chart or graph that shows a drastic rise in utility use might

Build Business with Charts & Graphs on Invoices (cont.)

convince a customer to sign up for home inspections or other programs that utilities have developed to help customers improve energy efficiency and resource use.

Tips to help you effectively use charts and graphs.

1. Choose the graphic to fit the data.

The type of information being shared drives the choice of graphic. The three graphics most commonly used in utility bills are line graphs, bar charts, and pie charts. Line graphs excel at showing how

something — water use, for example — changes over a period of time. Bar charts illustrate quantity or numeric value. A pie chart presents different parts of a whole. Those are some good recommendations to follow. The last thing you want to do is use a graphic that leads to confusion.

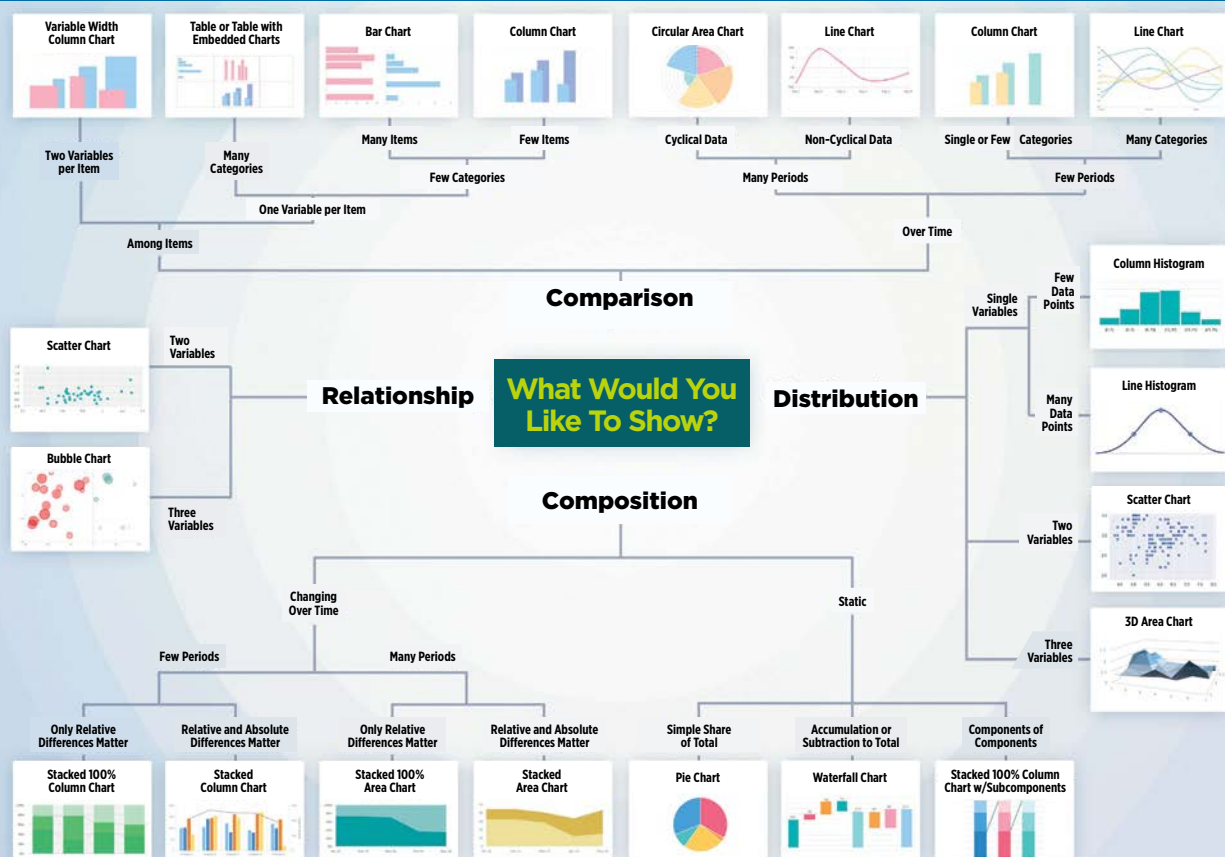
2. Design guidance for charts and graphs.

Good design principles are key to the effectiveness of a chart or graph. Here are a few tips for better graphics:

- **Stick to a color palette.**

It is important to stick to a specific color palette to create consistency in the

Guided Visualization for Charts & Graphs



Build Business with Charts & Graphs on Invoices (cont.)

visuals, making them easier to read and understand. It also allows customers to quickly identify key information and spot trends or patterns more easily. You don't want to use colors that are on opposite sides of the color wheel because the contrast can be distracting.

- **Red means hot, blue means cold.**

This is where the contrasting color advice goes out the window. Color can communicate a mood or feeling. Warm colors like orange and red remind us of the sun and indicate warmth while cool colors, like blue, relay a feeling of coolness and calm. Another time colors are used to communicate differentiation is when discussing politics as it is widely known that red represents the republican party and blue represents the democratic party.

- **Typeface and size impact readability.**

The written descriptions or labels on a chart tell us what the bars or lines represent. Descriptions that are short and printed in easy-to-read typefaces help make the chart or graph easy to understand. Readers will appreciate a type size that is large enough to be easily read. Horizontal labels are also a plus so that people don't have to turn their heads to read them.

- **Solid lines are easier to follow.**

Dotted lines are sometimes used in graphs, but they can be hard to follow.

Solid lines in different colors are easier to distinguish.

- **Simplicity rules in graphics too.**

Graphs and charts sometimes try to communicate too much. For example, a pie chart that's divided into a dozen pieces or a line chart with 8 or 9 different lines is hard to visually engage. Some experts recommend keeping a pie chart to 6 or fewer pieces and a line graph to four or fewer lines. Instead of packing a lot of different information into one graphic, many utilities present a series of different graphics to relay different information. For example, a line chart showing energy use for this year compared to last or a pie chart showing the breakdown of what percentage of a home's energy is being used by lighting, appliances, computers, and heating/cooling.

If you'd like to know more about how to make your utility bills more engaging and informative by adding charts, graphs, and other visual representations, give us a call. We handle the design, printing, and mailing of utility bills for dozens of utility companies. We always look for ways to help these clients improve outcomes – to speed up customer payments, increase rates of payment and improve communication – through invoices that are more visually appealing and interesting as well as easier to understand.



6 Ways to Encourage Online Bill Payment

Online bill payment has taken hold, with more than half of payments now paid online via the biller, a bank or a third-party website. That's impressive, but it does leave room to grow your online bill payment, even after we toss out the 10 percent of Americans who still don't use the internet.

6 Ways to Encourage Online Bill Payment (cont.)

One study says online payment saves over \$3.50 per bill.

Businesses gain significant financial advantages by nudging more customers to online payment. I knew there was money to be saved but have to admit I was shocked by the results of a recent study that compared the cost of processing 500 bills paid by check to 500 bills paid online. When all the expenses – paper, printing, envelopes, mailing, employee time, banking fees – were tallied for printed bills, the grand total came to around \$2,000 a month. Cost for the 500 bills paid online? A paltry \$140. So, based on those results, for every 500 customers that shift away from paper checks, you could save over \$20,000 a year.

Even if the amount is half that in your business's case, it is a significant sum, and it makes encouraging more customers to use online bill payment a smart business move. Here are some motivating messages to share with them – through social media, advertising and other marketing.

1. Share the savings online payment brings: Offer a reward

If your business stands to save significant money when more customers pay online, share a bit of the savings by offering a reward to those who

make the shift. Offer a discount, a gift, a chance to win a prize. We're all motivated by incentives.

2. Point out how epayment cuts clutter

Clutter has become a very bad word. We all have too much stuff, and that includes paper bills and records. Epayment puts a dent in piles of paper around the house, and for many, that is a big plus.

3. Point out improved accessibility to bills

A lot of your customers are on the road. Maybe they are retirees, off to see farflung family or busy entrepreneurs, on the road, selling their product. Online payment fits mobile lifestyles.

4. Show how epayment helps the environment

Fewer mailed bills means less stress on Mother Earth. By using one of the environmental calculators that's readily available, you can calculate how much your business's online bill pay is already benefiting the environment and promote these savings to your customers. One utility tallied how many trees, tons of paper and gallons of water were saved. They have also tracked how much greenhouse gas and solid waste was avoided. The numbers – for

6 Ways to Encourage Online Bill Payment (cont.)

Having trouble viewing this email? [View in your browser >](#)



Jamie Hutchinson's Account
Account: 123456789-123-010-1

For the billing period – 06/01/06–06/13/16

Hello, Jamie.
It looks like you have *no balance due!*
You will not be receiving a paper bill for any current charges.



Your Insurance Summary



YOUR PLAN

BCBS of California PPO

YOUR POLICY:

*****9569

YOUR POLICY RENEWS:

01/12/2017

YOUR DEDUCTIBLE LIMIT:

\$1,250

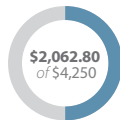
Annual Deductibles

You have paid out-of-pocket so far:
(from 1/1/16 to today.)



Copay Maximum

You have paid out-of-pocket so far:
(from 1/1/16 to today.)



Your annual deductible has been met.

Any out-of-pocket expenses are now covered, and you will only be responsible for any co-pays.

[View Your Account](#)



Go Paperless

Register to receive all of your bills electronically.

[Sign Up Now](#)

Three Rivers Health Network
Fort Pitt Boulevard
Pittsburgh, PA 15222



example, almost 6,000 trees saved – were quite impressive.

5. Point out the time and money saved through online bill pay

Your customers' time is valuable too. The average consumer spends from 2-4 minutes writing a check and preparing a bill to mail. A year's worth of stamps for 8 monthly bills is around \$50. Paying a bill online usually takes less than a minute. Automated payments can be set up, a big relief for those of us who are perpetually unorganized.

6. Emphasize improved security and safety on epayment

Information can be lifted from a paper bill at many points along its mail trail. If your company uses the latest in security measures – and keeps upgrading and improving them – you can ensure customers that using your epayment system is more secure and safer than getting a paper bill.



9 Ways to Improve Your Billing Process

Businesses know that getting their monthly bills in the mail to customers is just one part of the invoicing process.

Of course, the good news is that most customers pay on time. The National Foundation for Credit Counseling says that in typical times, about a quarter of people are late paying their bills and about 10 percent have to go to collections. Of course, that can fluctuate, as employment goes up and down and other economic challenges face our customers.

From one end of the billing process to the other though, there are some ways to make changes that might boost those payment percentages up a bit, regardless of the economic situation.

9 Ways to Improve Your Billing Process (cont.)

Here are 9 ways to improve your billing process:

1. Start with an easy-to-understand invoice

An invoice isn't an Hermes purse, but its design is still important.

Chances are, you've gotten a bill in the mail that wasn't easy to read or understand. Those confusing invoices might get put aside for the moment, to be deciphered later. Then they get forgotten or get lost among other mail. An invoice that is clear, uncluttered and easy to understand is more likely to get paid instead of put off.

Poor design can include fonts that are hard to read or type that's too small. Information might not be organized in a way that makes sense or there might be too much information for our eyes to absorb. Maybe someone got the bright idea that using red ink would get everyone's attention. Perhaps a fold or perforation landed in a bad spot so that an important piece of information like an account number is hard to read or literally gets torn in half. The best invoices supply the information a customer needs to know in a logical, easy to read format. The most important information—the amount due and date

due – are at the top and set off in a brighter color or larger type.

2. Test your invoice design to identify problems

Testing an invoice with some of your customers can be a good way to identify problems you might not notice. Lots of companies do focus groups to evaluate their products and services. Valuable feedback and ideas can come from asking customers of different backgrounds and ages to review your invoices and make comments.

3. Use specific payment due dates

Being vague opens the door to late payments. Everyone, including your customers, needs a deadline, a signpost. Experts warn against hard to pin down “dates” like “Due 30 days from receipt.” “Due on receipt” can seem a little abrupt – what if your customer doesn't get paid until next week? A specific date is clear and concrete – just be sure it is a date that's several days past when their bill will be arriving in their mail. A lot of companies allow a 10-day window. That also gives customers a little breathing room in case they are away from home.

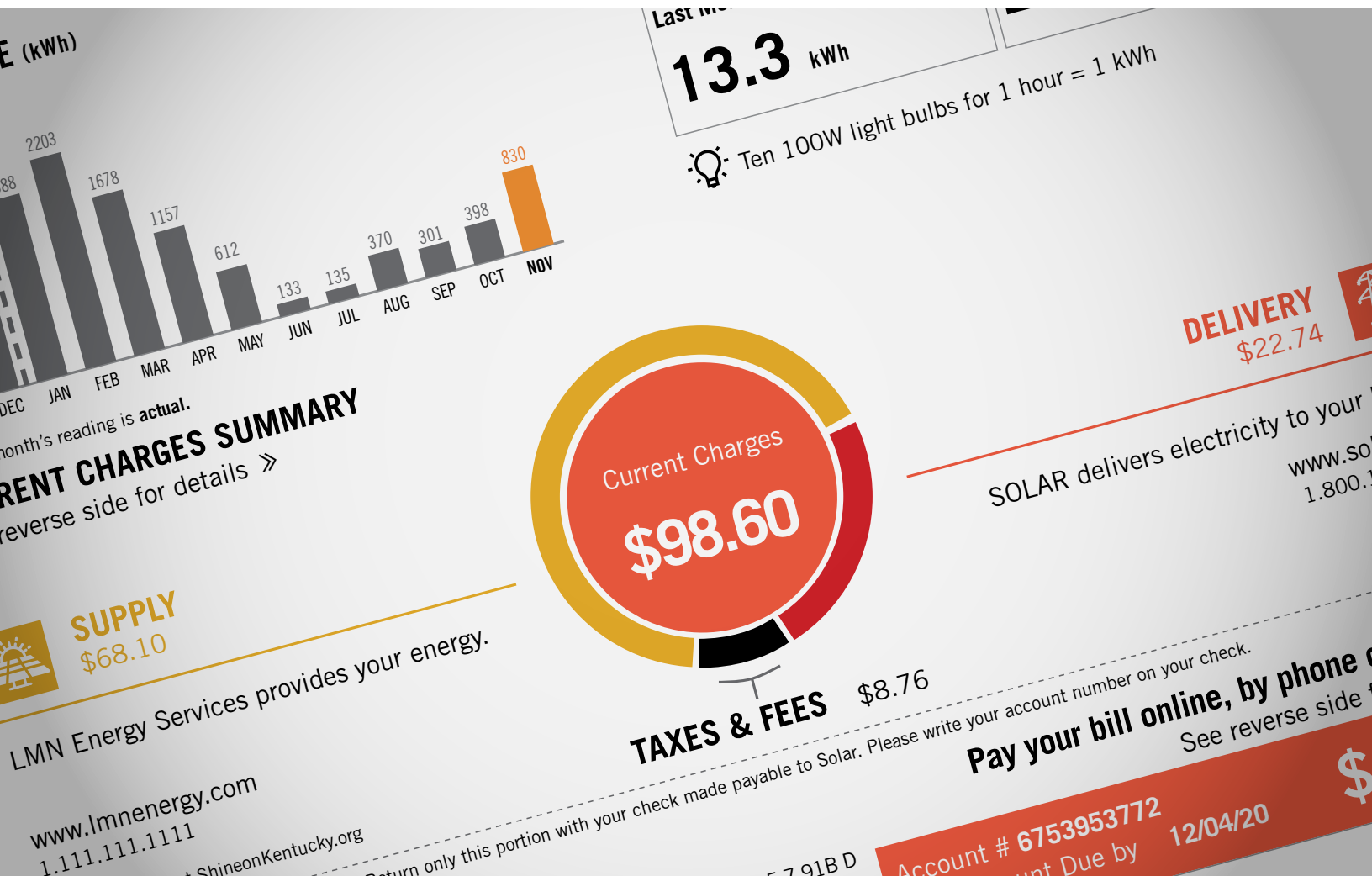
9 Ways to Improve Your Billing Process (cont.)

4. Write clear calls to action (CTAs)

Every time we reach out to a client or customer, whether it is via an invoice, an email, a letter, a phone call—we hope to get them to do something—buy our product, donate money to our nonprofit, come eat at our restaurant. The action we hope they'll take when they get our bill is to pay it, of course.

That's why the amount due is written in red or in a larger font and the date due is clearly spelled out.

There are other “calls to action” we might want to include in the billing process. Sometimes customers face temporary hardships that leave them strapped for cash, but they might not feel comfortable calling to let your company know that. A kindly worded call to action could encourage them to do just that: “If you are having a hard time paying your bill, please call us. We can work with you on some payment options.” A lot of utility companies have emergency fund programs. A call to action could move a customer



9 Ways to Improve Your Billing Process (cont.)

to investigate. “If you are having financial difficulties, please let us know. Our emergency fund can be used to help qualified customers get through challenging times.”

There’s also value in Calls to Action that remind customers of faster, easier ways to pay. A CTA might point out the speed and efficiency of pay by phone, automatic bank draft or online portals.

5. Follow-up with reminders and late notices

Every business knows that sending one bill isn’t the end of the billing process. That’s why companies set up a system of reminders – often by email, but by regular mail as well – to nudge customers regarding payment. It also signals to customers that a company takes its accounts receivables seriously and pays attention to payments due. Customers who have opted in – who have given you permission to email them – can get email reminders.

6. Design a process that fits your business

Your invoice process won’t look like your neighboring businesses. It might include multiple reminders before payment due dates and multiple late notices as needed. Some companies

send a friendly reminder email a week before the due date and a brief email reminder that includes a link to the invoice or the amount due and how to pay immediately – phone, online, bank draft, etc. on the due date. A friendly late notice might be sent by mail or email at the two-week mark. “We know life happens. If you’ve already put your payment in the mail, ignore this message. But if not, please send your payment today. If you’ve misplaced your bill, call us today and we’ll send another. Companies might opt to send follow up letters or emails at several other points – 30, 60 and 120 days – before moving into collection mode.

7. Motivate customers with late payment charges

Tacking on a penalty for late payments often spurs people to pay on time. A 5 percent fee is common, but it hits home harder when people see how much their bill will go up.

8. Offer multiple payment options

For most people, bill paying is a hodgepodge of payment methods. We might pay our insurance bill via a secure online system; have our water bill set up for automatic bank draft and pay our telephone bill by text. Some bills might still get paid by a check through the mail.

9 Ways to Improve Your Billing Process (cont.)

The more payment options you offer, the better the odds bills will be paid. Often too, with online options, people pay the minute they get the notice.

9. Make online portals easy to use

Successful online retailers see the value of online portals that are simple and swift. People don't give up and abandon their shopping carts – they complete purchases. It's a good model for online payment portals as well. When a complicated payment system frustrates customers, they will abandon it. In choosing an online payment portal, look for one that is streamlined, explains error messages, requests only essential information, demonstrates that it is a

secure site, shows users their progress and success through visual indicators and sends confirmations and receipts immediately by email.

Would you like to talk about how to design your invoice to get more of your customers to pay on time? Would you like to talk about adding payment options to better fit your customers' financial habits and lifestyles. Do you need to set up a payment portal? We can handle every aspect of your transactional billing process, from designing and printing your bills, to setting up a secure online payment system to getting your bills in the mail on time each month. Give us a call.





What to Look For When Outsourcing Your Billing

Outsourcing your billing to a third party to handle your accounts receivable mail? Follow these three risk management steps to make sure your clients' data is safe and secure in someone else's hands.

What to Look For When Outsourcing Your Billing (cont.)

Security breaches make us all uneasy.

Are you concerned about the security of your client's data? You aren't alone. Highly publicized security breaches like those suffered by Target, Adobe and Facebook make all of us uneasy about the vulnerability of confidential information that our clients and customers share with us.

As a business owner, you have a responsibility to protect your customer's personal information, not only when that information is in your hands, but when you share that information with a third-party company, such as those you contract to handle your monthly billings or invoices. That's why when you must carefully evaluate a third-party vendor before outsourcing your billing.

It's not nearly as daunting as it sounds. Taking these three steps will significantly lower the chances of a data breach when outsourcing your accounts receivable mailings.

Step 1: Create a team of security advisers

Security solutions and services are a necessity in today's world. They must not only be implemented but continuously evaluated for effectiveness to ensure

that they remain an integral part of your organization. Ensuring that your third-party accounts receivable vendor is up to speed in terms of data security is not a job for one person. Create a team that will evaluate potential vendors to find one that best suits your needs. Make sure your IT manager and chief financial officer are on the team.

Step 2: Take a tour

Are you based in or near the same city as your accounts receivable vendor? If so, have as many members of your team as possible tour their facility. Before your visit, talk to your team about what to watch for, including:

Building access. Companies that are truly concerned about the security of their client's records will limit access to their buildings and use cameras and video surveillance systems. Doors will be accessible only by key card or code and visitors will have to identify themselves and have business with the company to be given access. Visitors will be accompanied by a staff member at all times.

A second layer of security. Companies that are on their toes will have a secured area for their data that can be accessed only by the employees who work in that area. Typically these areas have no

What to Look For When Outsourcing Your Billing (cont.)

external walls and are in the heart of a building, for added security.

Professionalism. When you're looking for a company to partner with, it's important to get an idea of their professionalism and work ethic. Meeting the staff in person will give you the opportunity to ask probing questions and get a more candid sense of their experience and qualifications. You can also get a feel for how they interact with each other and their clients.

Screening and hiring. It is always a good idea for companies to perform background checks on potential employees. This is especially important for positions that involve handling sensitive data. A criminal history check can help to identify any red flags, and a credit check can provide insights into an applicant's level of responsibility. Personal and professional references should also be checked in order to get a well-rounded picture of the applicant. By taking these precautions, companies can help to ensure that they are hiring responsible and trustworthy employees.

Step 3: Ask four critical questions about data security.

Whether your team meets your vendor in person or via Zoom, ask these questions:

Do you have a written Data Security Plan that we can review? Data security encompasses every aspect including physical safety concerning hardware and storage devices as well administrative measures such as policies & procedures which you put in place to protect your data with good old-fashioned common-sense precautions.

A data security plan also spells out steps to be taken if data security is breached.

A company that has not taken the time to write its data security plan is not serious about protecting your company's information. A company's data security plan should not be a static document. It must be revised frequently as technology and security change. Ask how often they review the data security plan. This might also be a good time to ask if the company has had any data security breaches in the past.

How do you educate your employees about the importance of data security?

As a business owner, you are responsible for ensuring the safety and security of your company's data. One of the most important ways to do this is to train your employees on data security. How are employees educated about the importance of following procedures to protect data?

What to Look For When Outsourcing Your Billing (cont.)

Are workers allowed to download mobile applications on their work computers and devices? Mobile technology opens the door to many breaches. Do employees use strong passwords and do they understand the threats posed by phishing emails and downloading business data on their personal computing devices? There are many ways to ensure the safety of data, but it starts with the employees. If they are not properly trained on how to handle sensitive information, it could lead to a data breach.

Do you have a data storage policy?

A data storage policy governs how data is managed and controlled. It determines how data is collected and stored, what is kept for future use or for reference, when and how records are disposed of, and how records are organized so they can be accessed. Is there documentation of which data must be kept and what data can be deleted and stored for a certain amount of time? More data stored over a period of time increases security risk. When you discuss data storage, you must stipulate the requirements that your company will have for its data.



What to Look For When Outsourcing Your Billing (cont.)



Does your company use encryption?

Encrypting data protects your information from criminals, competitors, hackers, and accidents. When your data is encrypted, the information is scrambled and turned into a code that can only be deciphered when it is unlocked with a special key. The key is only given to those who should have access to the information. Encryption is an easy, effective way to protect data. So safe that even the U.S. government uses encryption. If a third-party accounts receivable vendor isn't up to speed in this area, this is a red flag.

Protection takes planning

Your customers are the future of your business. Protect them and their confidential information by being proactive about safeguarding their data when outsourcing your billing. Remember Winston Churchill's advice: *"Those who fail to plan, plan to fail."*



About

Bluegrass partners with businesses to:

- Deliver a more efficient way of processing bills, statements and invoices creating more cash flow.
- Provide modern statement processing techniques to reduce costs while getting you paid faster.
- Cut costs internally, free up time, and increase productivity in other areas of your business.
- Settle accounts more accurately, improve customer communication and satisfaction.

With almost 50 years in business, Bluegrass has the experience and expertise to take your business to the next level.

Our Commitment

As the needs of businesses have evolved, Bluegrass has adopted new technologies and solutions. We continue to meet our clients' growing needs by adding crucial services, from the physical processing of mail to highly interactive campaigns.

Let's Work Together.

TO LEARN MORE, VISIT:

WEAREBLUEGRASS.COM

OR CALL:

800.928.6245

FEBRUARY 2023

