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Subject: Is Your Invoicing to Blame for Revenue Leakage?

Revenue leakage plagues businesses of all sizes. It becomes more pervasive the longer it goes undetected. According to this [MGI study](#), 42% of companies experience revenue leakage at a rate of approximately 1-5% of their EBITA. That's a significant chunk of change that falls between the cracks of digital processes and operations.

The thorniest problem of them all? **Invoicing**. If your business processes or delivers payments digitally, chances are this is where your deleterious revenue leak is. Especially if those payment cycles are supported by manual processes.

- Not adequately monitoring the health of your [payment cycle](#) contributes to revenue leakage. There are clear signs of mismanagement, often caused by inefficient processes instead of incapable employees. Lapsed payments, incorrect invoices, or duplicate payments are all symptoms of a poor revenue cycle. In the healthcare industry, which is filled with complex transactions, financial sustainability is influenced by revenue and revenue collection speed. If either is diminished, the financial health of the entire enterprise is at risk.
- [Late payments](#) impact your cash flow and they occur in nearly 60% of businesses. Depending on your company's typical payment window, that could mean suspended cash flow on that invoice for thirty days or more. Several factors contribute to delinquent invoices: the client contests the validity of the charges, duplicate invoices sent, or the client never received it. If this revenue is not circulating regularly through the payment cycle, it may never be collected or recorded.

Regardless of the cause of your revenue retention woes, there are **solutions**.

- Streamline or automate processes that require manual data entry. Clerical errors in the data entry process are a leading cause of erroneous invoices. Mitigate the damage of missing payments by reducing the likelihood of mistakes. By automating revenue-impacted events (invoices, payments, payroll, etc.), it's less likely someone will drop the ball.
- Deploy [advanced analytics](#) to find out where there is missing revenue and why. For instance, there could be a disparity between anticipated revenue and actual revenue. If a client is billed twice for the same pay period, the anticipated revenue and actual revenue for that client are different. Issues like this, especially in service-based companies, are prevalent and the cause of disputed invoices which result in less revenue than expected.

The key to recapturing your revenue is visibility. Deploy monitoring systems for revenue and keep track of its digital movements into and out of your business. Workflow software can be a boon in initiatives like this, allowing you to track your software integrations to stay aware of the way digital payments' systems interact with each other.

If you'd like more insight into how to start the process, reach out to Incyte today.

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