

Accounts Payable Automation Emerges as Key Strategy for Construction Firms Looking to Reduce Days Sales Outstanding

Amidst delayed payments in US construction, IBN Technologies offers AP automation solutions to slash delays, boost cash flow, and enhance industry efficiency.

MIAMI, FLORIDA, USA, February 6, 2024 /EINPresswire.com/ -- The construction industry in the US continues to grapple with slow payment cycles that disrupt cash flow and strain relationships between contractors, subcontractors, and suppliers. A recent PYMNTS study found that on average, construction firms wait 94 days to receive payment for work completed and invoices submitted. These delayed payments negatively impact all players in the construction value chain.



Accounts Payable Automation for Construction

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Complex transactions and document-heavy processes in construction lead to delayed payments.

Automating manual tasks overcomes this challenge by streamlining workflows and expediting payment cycles.”

*Ajay Mehta, CEO and Founder,
IBN Technologies*

Contractors are forced to take on additional debt to cover costs until payments are received. This strains their cash flow and limits their ability to pay suppliers and vendors promptly. Subcontractors and suppliers also face delays in receiving payment for materials and services provided. Project timelines can be stalled if contractors do not have the working capital to continue work. The resulting cash flow disruptions create inefficiencies that increase costs across the industry.

“The construction sector deals with complex, multi-party transactions and document-heavy processes that often contribute to delayed supplier payments,” said Ajay Mehta,

CEO of IBN Technologies. “Automating manual tasks can help address this challenge by

streamlining workflows and expediting payment cycles."

IBN Technologies offers intelligent process automation services designed to do just that. Their end-to-end [accounts payable automation solutions](#) leverage the latest technologies to digitally transform how construction firms manage payables. By automating repetitive tasks like data entry, verification, and payment submission, IBN says their services can potentially reduce firms' average days sales outstanding.



The services aim to streamline [accounts payables processes](#) through intelligent capture, data extraction, workflow management, and electronic payment capabilities. It automates manual processes like document classification, data entry from invoices, and approval workflows. This frees up the working capital that is typically tied up in outstanding invoices. By minimizing manual touchpoints and errors, payment cycles can potentially be reduced dramatically.

"While the industry's payment cycles may not transform overnight, automated solutions can help move the needle even in just a few days," noted Mehta. "Every day earlier a firm can pay its suppliers translates to better cash flow and stronger relationships up and down the value chain."

Automation also provides increased visibility into payment statuses. Integration capabilities allow seamless data flow between the IBN Technologies and most construction ERP systems, further streamlining processes. The benefits of reduced DSO, lower operational costs, improved decision-making, and stronger partnerships could help boost competitiveness across the industry.

IBN Technologies' [end-to-end AP automation services](#) leverage the latest technologies to digitally transform how construction firms manage payables. By streamlining manual, paper-based processes that currently slow the industry's payment cycles, solutions like IBNs could play a key role in driving much-needed efficiency and working capital improvements across the construction value chain.

Source URL - <https://www.ibntech.com/pressrelease/construction-payment-cycles/>

*Read More on the PYMNTS Study quoted above: <https://www.pymnts.com/news/b2b-payments/2023/construction-firms-wait-94-days-average-get-paid/>

About IBN Technologies

IBN Technologies LLC is an outsourcing specialist company with clients in the United States, the United Kingdom, the Middle East, and India. The quality of IBN Tech procedures is guaranteed by ISO 9001:2015, 27001:2022 as well as a CMMI-5 certification. In its more than 24 years of existence, IBN has become a leading IT, KPO, and BPO outsourcing specialized company in the Finance & Accounting, CPAs, Hedge Fund & Other Alternative Investment business, Banking, Travel, Human Resource & Retail Industry sectors.

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