



Big Red Cloud

The Benefits of Online Invoicing

For start ups and small businesses



What Is Online Invoicing?

Online invoicing allows you to raise and send invoices via email without having to print off and mail physical copies to your suppliers.

You can raise invoices from within your online accounting software that will be tracked throughout your accounts records. Add the necessary line items and the relevant VAT rate to complete your invoice. When you're ready you can email your invoice directly to your client and get paid quicker than using traditional mail.

There are a number of benefits to using online invoicing rather than the traditional method of sending a physical copy:

- 1. Get paid faster**
- 2. Save time & money**
- 3. Better invoice tracking**

With this guide Big Red Cloud will cover what benefits your business could gain from using online invoicing.



Get Paid Faster

Cash flow is the lifeblood of any business. Everyone knows that a sale isn't a sale until you invoice your client. However posting physical invoices causes a delay in how quickly you get paid. The time that your invoice spends in the post is lost time.

The earliest that your client is going to pay you is when they receive their invoice. Even then if they tend to delay their payments or let them pass the payment term it is important to start the process as quickly as possible.

Remember: you could be liable for VAT charged on invoices even if you haven't received payment yet depending on your VAT scheme.

With online invoicing there is no lost time. As soon as you have an invoice raised you can email it directly to your customer's inbox. This cuts down on the time an invoice spends in the post and on any lost time if you decide to wait for a batch of invoices before you post them all. This will help improve your business cash flow straight away.

There are a number of other things you can do to help you get paid faster:

- 1. Address invoice to the person paying**
- 2. Set appropriate payment term**
- 3. Send reminder half way through and at the end of payment term**

Online accounting & invoicing software can help improve your cash flow by ensuring your client gets their invoice quicker

Save Time and Money

Have you ever wondered how much money preparing and sending invoices costs your business? The answer may surprise you. The cost of printing and, envelopes and postage all add up over time, especially if you produce recurring invoices. With our online accounting package you can send as many invoices as you want as part of your overall subscription, cutting down on these costs.

There is also a cost to your time in sending invoices manually. You have to prepare your invoice, print it off and post it. When you're busy this could lead to delays in getting your invoices sent out which in turn leads to delays in receiving your revenue. Online invoicing allows you to prepare your invoice while you take care of your accounts records and send it to your client with the click of a button, making running your business efficient and easy.

Sending **25** invoices per week could cost you **€816** on average per annum

The Cost of Sending an Invoice



Stamps

Each stamp on your invoices costs at least 60c



Envelopes

Every envelope you send will cost you approximately 4c



Ink

Each page you print in black ink only will cost around 2c



Average Cost

The average cost of sending an invoice via post comes to 64c

Better Invoice Tracking

Keeping track of what invoices are paid when you send them out manually can mean checking your bank and cross checking what amounts coming in match with your invoices.

With an online accounting and invoicing software you will be able to get critical, in depth reports from your records on what invoices are paid and not paid as well as what the amount of money owed to you.

Rather than having to manually assign and keep track of invoice numbers whenever you make a new sale, your software will automatically take care of this and the relevant VAT rates. This makes getting your deserved revenue easier and minimizes the chance of any mistakes occurring that will impact your cash flow.

It is of paramount importance that you keep track of your business' invoices. Not only for the sake of securing revenue but also for completing VAT returns.

VAT returns for most businesses are due every 2 months. As stated earlier, you may or may not be liable to pay VAT charged on invoices that haven't been paid yet under the standard VAT scheme. The cash accounting VAT scheme allows you to only be eligible to pay VAT when you have received your revenue.

In either case, your invoices are the records you will likely consult when preparing your returns, so make sure that you're able to track your different transactions quickly and easily.

Get critical reporting information on your business with an online accounting & invoicing package.