snab

The Ultimate Guide to Automating Accounts Receivable and E-Invoicing

Snab's Guide for Mid-Sized and Large Companies

Billing Overview

Company	Client	Due Date	Remaining Balance	Total

E-Invoice

Services	5.000,00
Subscription	3.000,00
One-Off Consultation	2.000,00

	Sub-Total	10.000,00
	VAT 10%	1.000,00
	Total	11.000,00

Upcoming Collections

Content

Executive Summary

"Accounts receivable automation isn't just about technology—it's about unlocking working capital and empowering finance teams."

In today's business landscape, accounts receivable (AR) remains one of the most manual and fragmented processes in finance. Mid-sized and large companies still rely heavily on PDF or Word-based invoices sent over email, with follow-ups and reconciliation often done manually using Excel spreadsheets.

This approach introduces delays, increases errors, and leads to a reactive, rather than proactive, management of receivables.

Electronic invoicing (e-invoicing) has emerged as the most effective solution to this inefficiency. Governments and companies alike are moving toward structured data formats, real-time transmission, and full traceability of invoicing.

The regulatory environment is accelerating this shift, especially across Europe and Latin America, where e-invoicing is becoming mandatory.

For finance teams, automating AR through electronic invoicing means improved visibility, faster payment cycles, better compliance with tax authorities, and the ability to scale without increasing headcount. This guide outlines the current pain points, regulatory developments, and the path toward automation, offering practical insight for CFOs and Controllers preparing for the next wave of digital transformation.

Why is the accounts receivable process so manual?

One of the key reasons the accounts receivable industry remains highly manual is the fragmented nature of financial systems used by businesses. Many companies rely on legacy ERPs that were built primarily for accounting and general ledger management—not for managing digital communications or structured invoicing.

These systems often lack native support for e-invoicing standards or automated reminder flows. As a result, finance teams are forced to manage invoicing separately, using tools like Excel, PDF generators, and email clients to issue, track, and follow up on invoices. Reminders are sent manually, disputes are handled over the phone, and late payments require personal outreach, which is time-consuming and inconsistent. Without real-time visibility or automation, teams spend hours every week on repetitive tasks that could be streamlined with modern AR platforms.

The lack of standardization across ERPs and billing systems only reinforces this inefficiency, creating silos that hinder scalability and accuracy.
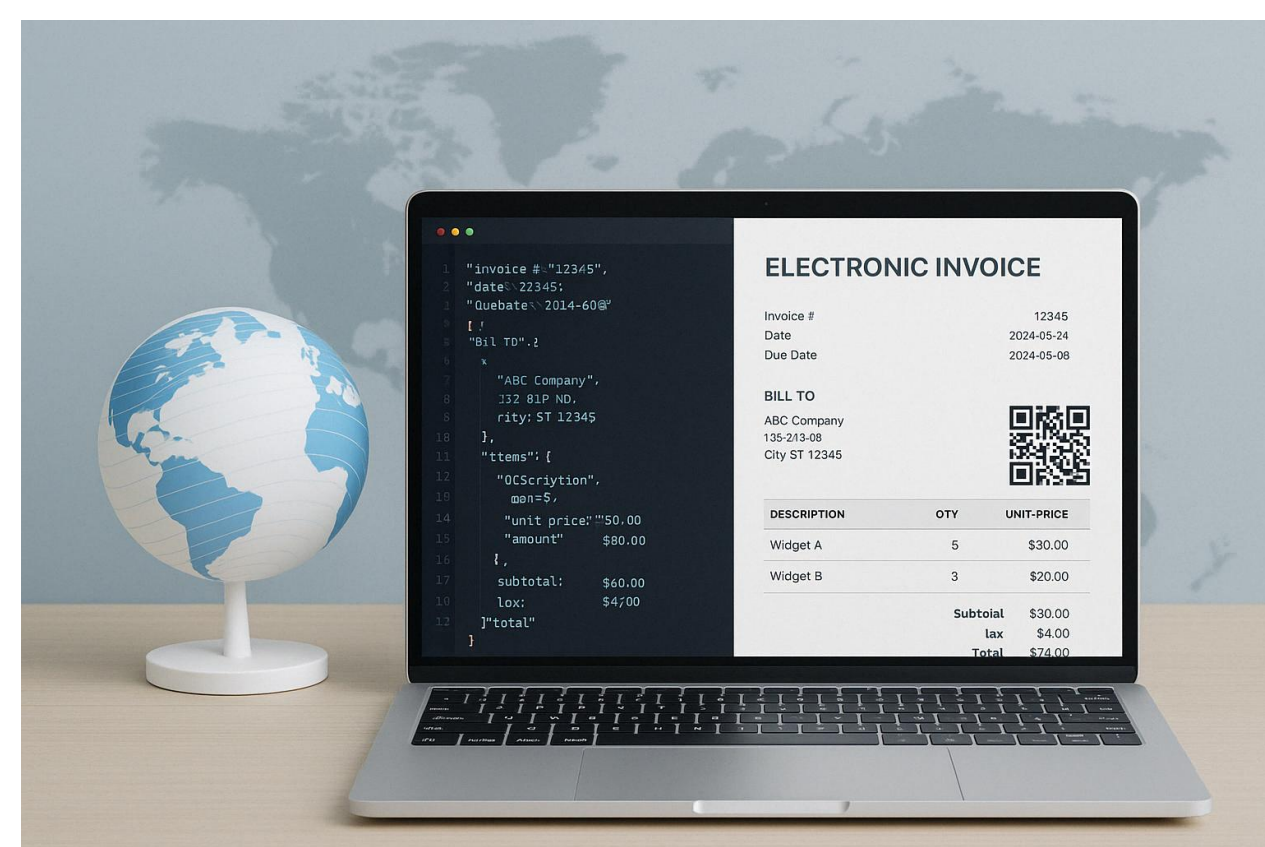
Introduction:
The Manual State of Accounts
Receivable Today

Despite technological advancements across the finance function, many companies still handle accounts receivable as if it were 2005. Invoices are generated manually in Word or exported from ERP systems into PDF, sent by email, and tracked in spreadsheets. There's often no integration between invoicing systems and collections processes, creating silos and delays.

This manual process is prone to errors— such as incorrect data, duplicate invoices, and missed payment terms.

Moreover, there's little to no visibility over whether an invoice has been received, opened, or disputed. Chasing payments becomes an administrative burden, especially without automated reminders, dunning flows, or real-time payment status.

What is the consequence of manual AR processes?

The result is a slow, inefficient process with a high Days Sales Outstanding (DSO) and increased risk of bad debt. Companies lose valuable working capital, and finance teams are bogged down with repetitive low-value tasks.

The cost of not automating AR is ultimately felt in cash flow and operational strain.

"Excel remains the unexpected king of invoicing—but it's time to pass the crown."
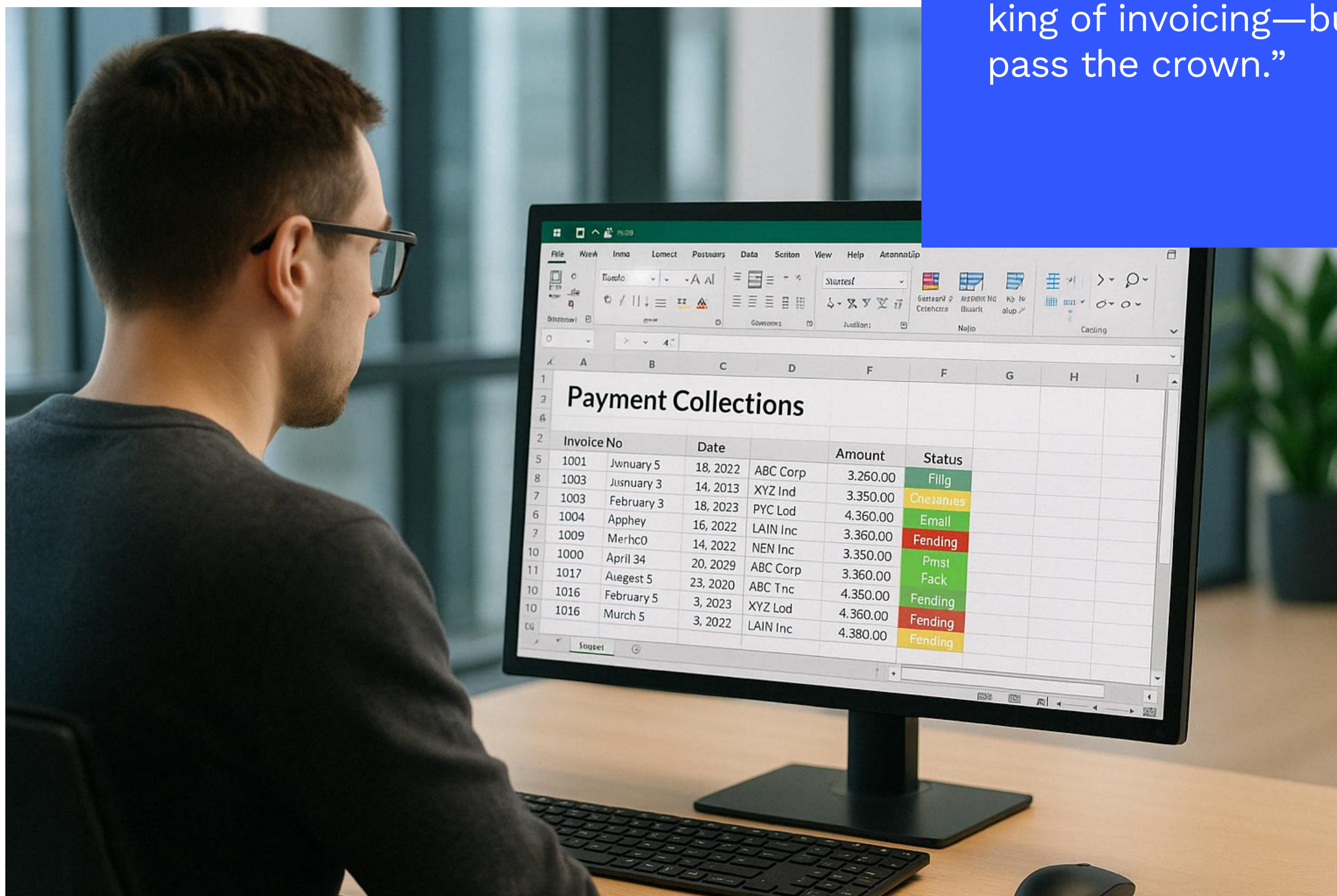
From PDFs to XML: Why E-Invoicing is the Future

Electronic invoicing represents a fundamental shift from sending documents to exchanging structured data.

Formats like UBL, Facturae, and PEPPOL BIS enable machines to read and validate invoices without manual intervention.

These formats include standardized fields for sender, recipient, item details, tax calculations, and even legal signatures.

For businesses, adopting e-invoicing unlocks significant efficiencies. Invoices can be automatically validated by both sender and recipient systems, ensuring compliance and accuracy before they are even booked. This allows for faster processing, automatic matching with purchase orders, and better tracking of invoice lifecycles.

The shift also enables real-time or near-real-time reporting to tax authorities, reducing audit risk.

Standardization also reduces integration costs with partners, clients, and government portals.

As interoperability grows across countries, businesses can future-proof their billing processes by investing in compliant, scalable e-invoicing infrastructure.

• E-Invoicing Definition

Electronic invoicing (e-invoicing) is the digital exchange of invoice information between a supplier and a buyer in a structured, standardized format.

Unlike traditional invoices sent as PDFs or on paper, e-invoices are generated, transmitted, received, and processed automatically by software systems—often using formats like XML or UBL. This allows for real-time validation, seamless integration with accounting systems, and often direct communication with tax authorities, ensuring accuracy, traceability, and compliance.

E-invoicing eliminates manual data entry, reduces errors, accelerates payment cycles, and supports automated reconciliation, making it a cornerstone of modern financial operations.

> "E-invoicing replaces documents with data—and delays with instant validation."
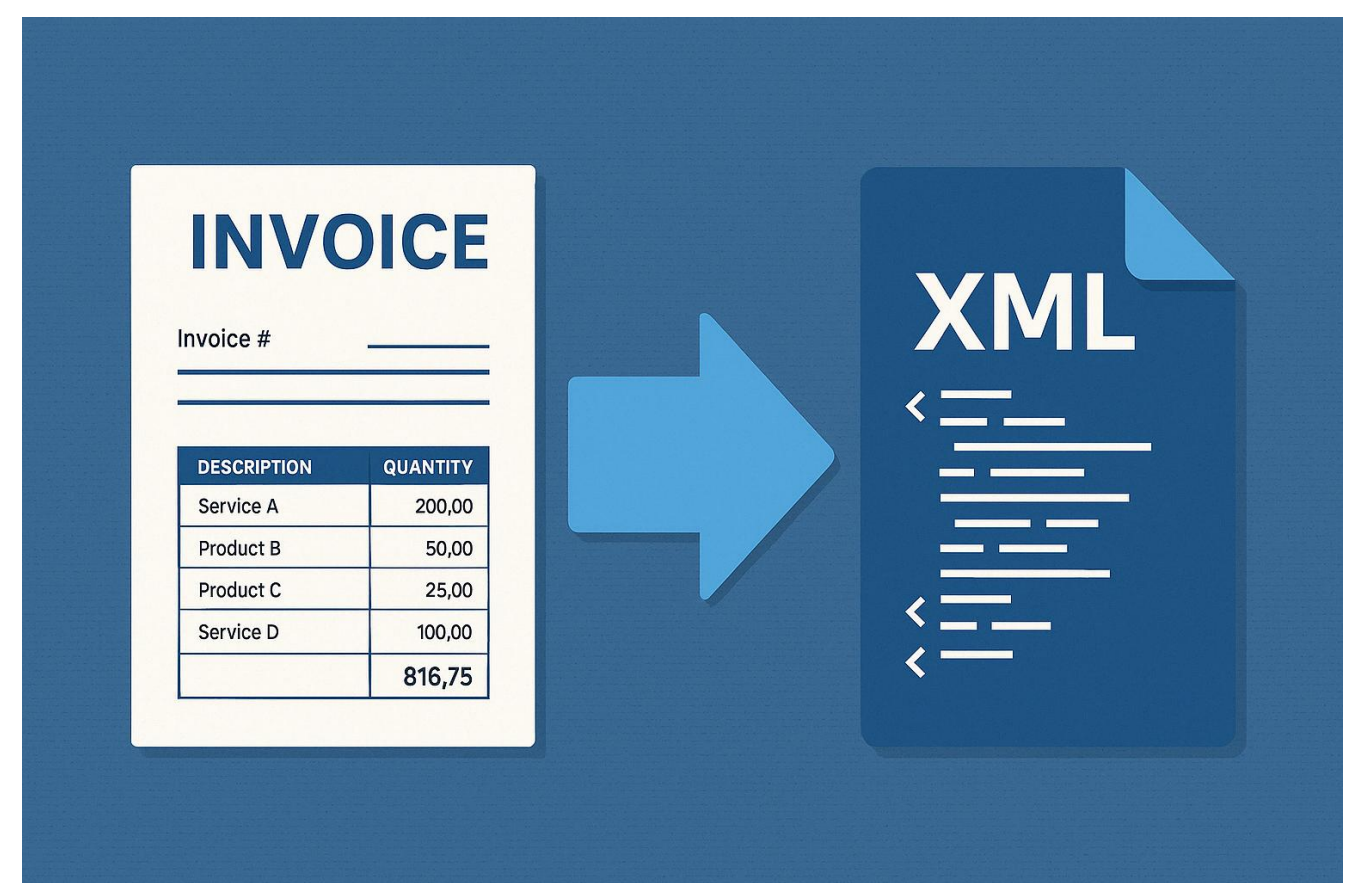
Global Regulation Overview

Around the world, governments are realizing the benefits of mandatory e-invoicing—not only for compliance and tax enforcement, but also for reducing the administrative burden on businesses. In Europe, the VAT in the Digital Age (ViDA) initiative is pushing all EU countries toward mandatory B2B e-invoicing by 2028, with some countries implementing it much sooner.

Latin America has led the way in this domain. Countries like Brazil and Mexico pioneered mandatory e-invoicing frameworks over a decade ago, resulting in higher tax collection rates and better oversight of economic activity. These systems require real-time submission of invoice data to the tax authority before the invoice is even sent to the buyer.

In the US, the situation is more fragmented. There is no federal mandate for e-invoicing, but several initiatives are emerging—particularly around government procurement and the adoption of Peppol standards by public institutions. As international trade grows and compliance pressures increase, more US businesses are looking at structured e-invoicing as a way to future-proof their AR processes.

"Regulators are setting the pace. The question is: will your company be ready?"

Spain: A Deep Dive into E-Invoicing Regulation

- **Ley Crea y Crece**: Mandatory B2B e-invoicing (rollout from 2025)

- **VeriFactu**: Real-time reporting of invoices to the tax agency (AEAT)

- **Ticket BAI** (Basque Country): Specific invoicing control system

- **Facturae** for public sector invoicing

Spain is at the forefront of e-invoicing transformation in Europe. With the Ley Crea y Crece, electronic invoicing will become mandatory for all B2B transactions starting in 2026 for larger companies, and gradually for SMEs. This law aims to reduce late payments, improve transparency, and boost the digitization of Spanish businesses.

VeriFactu is a parallel initiative focused on real-time invoice reporting. Businesses using this system must send invoice data directly to the Spanish Tax Agency (AEAT) at the time of issuance, ensuring immediate oversight and reducing fraud. This is expected to become more common across regions and sectors.

The Basque Country has its own model called Ticket BAI, which requires companies to use certified invoicing software that transmits data to the local tax authorities.

For invoicing the public sector, the Facturae format and FACe platform are already mandatory. This multifaceted regulatory framework demands a flexible, robust e-invoicing system that can adapt to various formats and transmission protocols.

Save Over 50% in accounts receivable
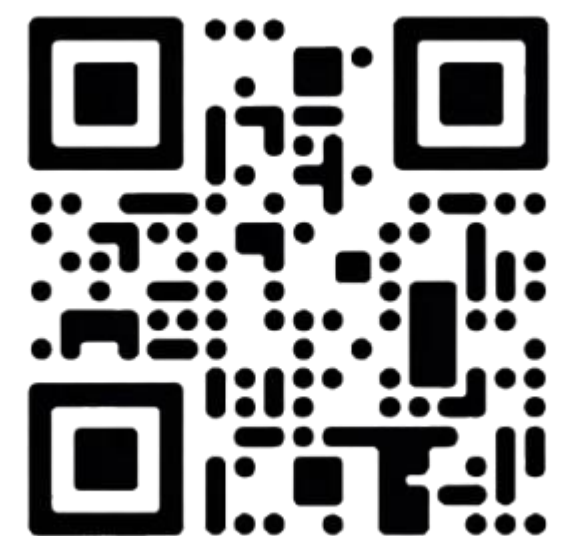
"Spain is turning invoicing into real-time compliance—and companies must adapt or fall behind."

European E-Invoicing Implementation Overview

Across Europe, the implementation of electronic invoicing is moving quickly—and each country is charting its own regulatory timeline.

France is preparing to enforce mandatory e-invoicing for all B2B transactions by 2026, alongside e-reporting to the French tax authorities. The chosen model relies on certified private platforms, connected to a public portal (PPF), ensuring real-time data flow.

Germany has announced its own roadmap, with mandatory e-invoicing for domestic B2B transactions set for 2025. It will be based on the XRechnung and ZUGFeRD formats. Meanwhile,

Italy has been a pioneer, requiring structured e-invoices (FatturaPA) for B2B and B2G since 2019, and sending all invoice data to its tax authority platform, the Sistema di Interscambio (SDI).

Portugal enforces strict invoicing controls through SAF-T reporting and mandates QR codes on all invoices.

The UK, though not mandating e-invoicing at a national level, has integrated Peppol for public procurement, especially in the NHS. For businesses operating across Europe, compliance with each country's standards—and their evolving mandates—is essential.

> "Europe is going digital—one invoice at a time."

The Role of AI in Invoicing and AR Automation

Artificial intelligence is reshaping how companies manage accounts receivable.

One key application is predictive payment forecasting, which uses historical payment patterns, customer behavior, and economic indicators to estimate when invoices will be paid. This helps finance teams proactively manage cash flow and adjust collection strategies based on expected delays.

AI also plays a role in smart invoice matching, where payments received are automatically reconciled with open invoices—even when amounts, dates, or references differ slightly.

AI systems learn from past resolutions to improve match accuracy and reduce the number of exceptions that require manual intervention.

This significantly accelerates month-end closing and reduces errors.

Additionally, AI-powered chatbots and assistants are beginning to handle routine AR communications—such as responding to "Where is my invoice?" queries, sending reminders, or updating clients on outstanding balances. This adds a layer of automation to customer interaction, improving response times without increasing staff workload.

On average, users save 50% on slow and manual accounts receivable processes
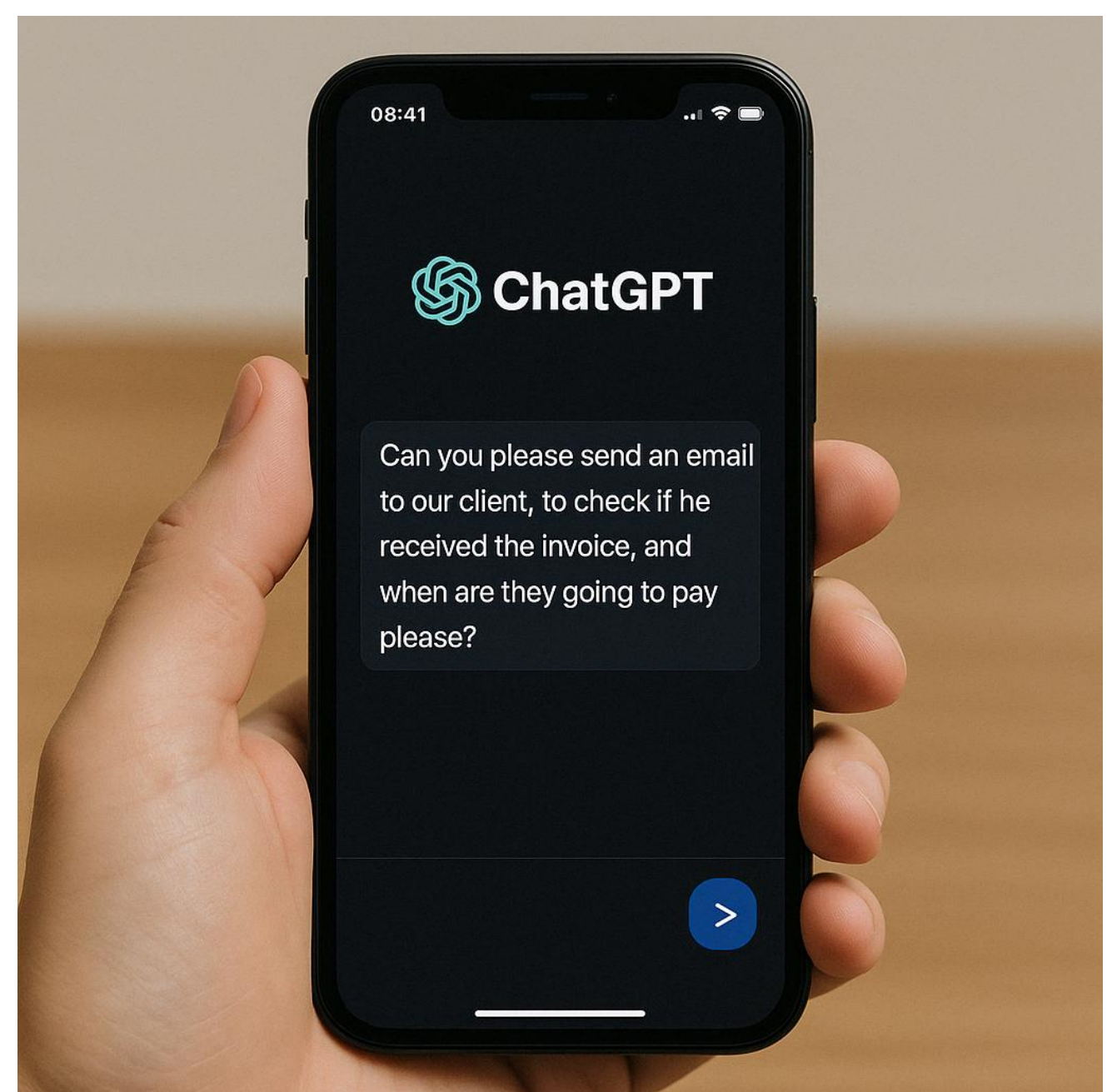
Conclusion: The Shift Is Happening

Electronic invoicing is no longer just a best practice—it's becoming the legal standard in many countries.

As global mandates roll out, businesses must upgrade their AR infrastructure not only to remain compliant, but also to compete effectively. E-invoicing is about more than sending documents—it's about exchanging real-time, validated data with customers, systems, and regulators.

Automation plays a vital role in this transformation. It reduces administrative effort, speeds up collections, ensures data accuracy, and creates a fully traceable, auditable invoicing process. These benefits are particularly valuable for mid-sized and large companies operating at scale, across markets, and with limited finance team resources.

We hope this guide has helped answer your questions about digitizing accounts receivable and has shown you why your company needs to automate this area.

We're sure you're ready to save hundreds of hours, cut manual costs and human errors, and explore the world of digital treasury management.

Get started now

Ready to dive into the world of accounts receivable automation?

Snab can be implemented in minutes and allows your mid-sized or large company to automate its financial operations

"E-invoicing is the beginning. Automation is the destination."

Request a demo today to see Snab's solution in action

A product expert will show you how Snab works for your business.

To learn more, visit:

https://snabfinance.com/es/

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