

CASE STUDY

A surprising role for AP: Blunting the impact of business cycles

Avid Acceptance's strategy for resilience creates a playbook for businesses in any cyclical industry.



30-40%

Growth of the business
year-over-year



\$230 million

Size of the portfolio
under management

About

Avid Acceptance, a Salt Lake City-based auto finance company, manages a portfolio of \$230 million with over 14,000 active accounts. CFO Curtis Ash has an innovative approach to Accounts Payable that smooths out economic volatility across the business, presenting a compelling playbook for cyclical businesses.

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—
Curtis Ash, CFO, Avid Acceptance

Challenge

Every business is subject to the swinging pendulum of economic cycles, but some businesses are more sensitive to external factors than others.

Real estate, construction, auto manufacturing, retail, tourism, agriculture — businesses in these industries see their fortunes amplified by economic and seasonal trends.

Navigating cyclical business demands calls for a diverse toolkit of strategies. Some businesses opt for flex staffing, scaling their workforce up or down in response to demand. Others diversify their product or service offerings to spread the risk and capitalize on varying demand patterns. And then there are those that hedge, using financial instruments to protect themselves against swings in commodity prices or currency rates.

But while these tactics are vital, they tend to overlook one unsung hero in the pursuit of stability: Accounts Payable (AP).

Believe it or not, AP — often seen as just a necessary cog in the company machine — can play a substantial role in smoothing out cyclical business pressures. With an effective AP strategy in place, a business can exert greater control over its cash flow, gain critical visibility into vendor performance, and sidestep the pitfalls of over- or under-hiring.

It's an underexplored avenue to stability and one that's been navigated by Avid Acceptance, an auto finance company based out of Salt Lake City. Auto financing is an industry that is highly sensitive to macroeconomic conditions. Curtis Ash, Avid's CFO, explained his AP strategy to ride out economic waves with grace and resilience — not just within the finance department, but across the entire business.

Solution

Avid's CFO, Curtis Ash, lays out their innovative AP strategy in three vital elements: control over cash flow, clear visibility into vendor performance, and agility in workforce management.

Ash's most common strategy is, of course, **control over cash flow**. That's critical in any environment, so Ash explains how he leverages accounts payable automation software for complete control. "We don't want to play games with our vendors, but we also don't want to pay bills until the moment they're due," says Ash, articulating a best practice in cash flow management. "Stampli makes it easy to have complete visibility into when invoices come in and when they should be paid. We use analytics to understand when invoices are received and coded, and we carefully control when payments should be sent out."

The second part of Avid's strategy centered on **managing vendor performance**. "You have to watch how your partners manage their cash flow, too. In tough times, cash crunches lead some vendors to cut corners or not do all the work that they're supposed to do," Ash explains. But managers in the field often lack easy visibility into vendor obligations because the invoices, which detailed those obligations, are not easily accessible: they are files in someone's inbox or paper on someone's desk, and it takes time to get them. "With the more archaic AP process, typically a manager would have to email their accounting partners, which slows everyone down."

With Stampli, field managers now have access to any relevant invoices (with strict controls on viewing permissions), right from their phone or laptop. This means that managers can easily validate vendor performance against their obligations, in real time, to help the business maintain high standards of accountability and ensure value for every dollar spent. "Stampli syncs up managers and the accounting department so we can ensure vendors are completing the work they're supposed to do. And nobody has to take hours out of our day."

The final prong in their AP strategy was to **enable agility in workforce management**, in order to dodge the vicious cycle of over- and under-hiring. AP automation lets Avid scale efficiently without needing to swell their ranks during peaks — or make painful cuts on the finance team in quieter times. "We've typically grown 30-40% annually," Ash reveals. Under these conditions, a manual AP process would be a bottleneck, requiring a proportional increase in personnel. But AP automation software like Stampli enables scalable growth without the need to increase headcount.

For this same reason, AP automation enables an intelligent redistribution of human capital during a period when new business slows down. "When new business is slow, we still need to manage our existing portfolio," Ash says. With his AP staff processing invoices more efficiently, Ash can redirect their time to other tasks, such as working closely with vendors to manage payments or assisting in portfolio management tasks that are crucial during a downturn. This agility allows Avid to maintain consistent staffing levels in the finance department throughout various economic cycles, while still adapting to the shifting workload.

Avid's AP strategy rippled out to have a stabilizing influence across the entire company. It's proof that, with the right approach, accounts payable can be more than just an administrative necessity — it can be a driver of resilience and prosperity in any economic climate.

Bottom Line

Not just any AP automation will do

"Many AP automation companies have started in the payments industry and gradually expanded to AP, but Stampli started in AP. I like that Stampli was AP first." Ash saw the efficiency and intuitiveness of Stampli as ideal for navigating the nuances of AP in the auto finance industry. It stood out for its ability to streamline operations, deliver actionable insights, and foster cross-departmental collaboration, all while seamlessly scaling with Avid's growth.

"Stampli has made the AP automation process very efficient, better than any other product on the market. Stampli is the leader in invoice processing in my opinion."

A safeguard against employee turnover

In addition to its role in business stability, Stampli also serves as a protection when key staff members leave. "Before Stampli, we might have invoices going to certain employees, and if that employee was terminated or resigned, those invoices might never be submitted to AP. Now, invoices are submitted electronically from the vendors themselves," explains Ash. By ensuring a continuous flow of information, Stampli allows Avid to keep operations running smoothly, regardless of staff turnover.

Time savings for every team member

Before implementing Stampli, the process of tracking down invoices for audit purposes or internal inquiries was a tedious, time-consuming affair. Stampli transformed this task into a simple, streamlined operation. Instead of wasting precious hours sifting through piles of paperwork or rummaging through disorganized digital archives, the relevant invoices could be easily accessed from a centralized location. By digitizing and simplifying this aspect of AP, Stampli has significantly increased the operational efficiency of anyone in the organization who needs information from an invoice.