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# On the Road Again: Making Mobile Payments a Reality

 APRIL 10, 2014  [ANNIK STAHL](#)

**partnership** (n): the state or condition of being a partner; participation; association; joint interest.



Imagine that you're a food distribution company delivering to restaurants, healthcare and educational facilities, hotels and inns, and other foodservice and hospitality businesses. You've got a large fleet of delivery trucks — close to 8,000 strong — and your accounts receivable department is large and somewhat unwieldy.

You get payment from your customers in a number of ways but mostly by paper checks and remittances sent (or brought by delivery drivers, but we'll get to that in a moment) to your corporate office, your bank, and even various branch offices. Some of your customers pay electronically, either by credit card, wire transfer, or EDI, but they are in the minority.

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The thing about electronic payments is that you know they're quicker and lead to a shorter DSO. In other words, they get the money into your bank faster.

## Best idea ever, yes; happening, not so much

Darrin Brown, Open Scan consultant and knower of all things cash application related, wrote a blog post last winter about [the slow adoption of electronic transactions](#). Before we continue to wax poetic about electronic payments, let's go back to your fleet of trucks and talk about Marge, one of your top drivers. Every morning, Marge shows up at the warehouse, loads her truck, and head out to deliver the goods. Oftentimes she's expected to get payment from her customers before she can deliver what's on the truck.

So, after unloading the truck, Marge waits around a bit, gets the customer's check, continues on to the next drop, gets a check from that customer, finishes up her route, heads back to the office, and gives the checks and whatever remittance the customer provided to whomever accepts them. Then, this person takes time out of his day to trundle over to the bank to deposit the checks. Or, maybe he collects a few days' worth and sends, by courier or postal service, the big pile of checks to the home office. Either way it's going to be a long time before that paper representative of money turns into actual money in your bank account.



Time is money, people.

You know this isn't good for a lot of reasons. Drivers are sitting around waiting for checks to be written, payment velocity is decreased, Days Sales Outstanding (DSO) increases, and credit accuracy probably suffers too.

Wouldn't it be great if there existed a system that could get customer payments into your account quickly and with accuracy?

If only electronics were involved...if only.

## Grab your phone and snap a pic

Mobile payment capture is the ability to use a smartphone to capture an image of a check and its remittance in the field, deposit it remotely, and route it to accounts receivable for processing. After reading the tedious story (particularly in the field) above of how payment by check works, this technology offers a breath of fresh air. Here are a couple of scenarios where this would work beautifully:

- **Distributors who collect payments at the point of delivery**

This would be our Marge. While yes, she still needs to wait for her customers to write their checks, once she's scanned them in, it's likely that her check handling duties are completed.

- **Smaller field offices and remote locations without the volume to support a scanner-based remote deposit capture (RDC) service**

A check and remit scanning application, such as Remote

Mail Scan (RMS), enables users to transmit check and remittance images over a secure network to a central facility for processing.

For example, your smaller offices could have a scanner on location, and once they receive the checks from the drivers — or even from customers who send them directly there — they send the images to the bank or to the corporate office. Sometimes this isn't really useful if you're an office that doesn't take in much volume to justify the cost of a scanner and postage. Or, you may have an office in the boonies that wants to avoid the footprint of a check and page scanner solution with not enough volume to make it worth it.

## The nitty gritty about this new solution

Open Scan (whom you know as the leader in dynamic cash flow processing) has teamed up with Top Image Systems (TIS) to allow companies to capture both payments and remittances in one electronic envelope, remotely deposit the funds, and automatically apply the cash against their open receivables.

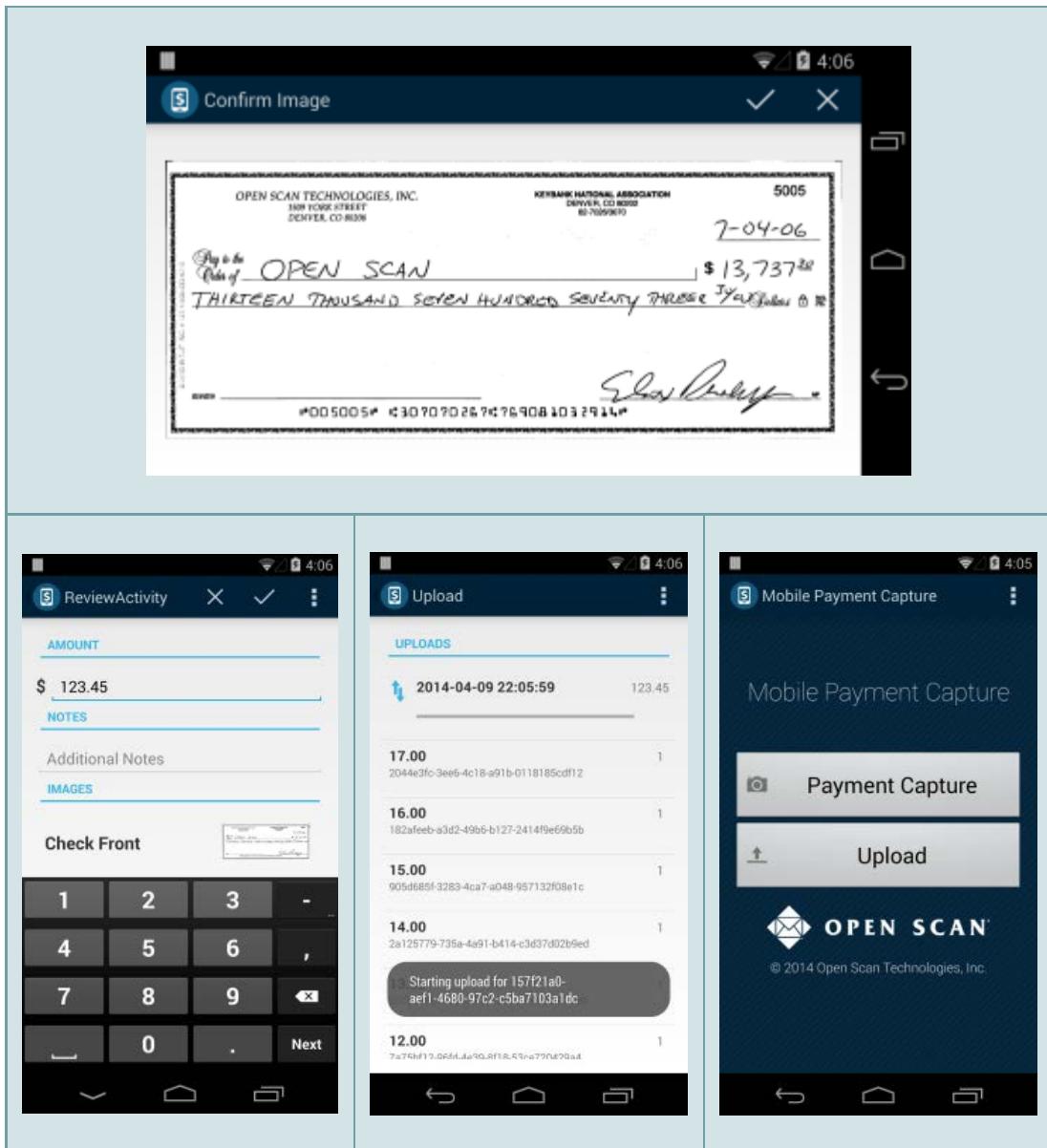
In this new solution, the [Open Scan Dynamic Receivables](#) software pairs with the TIS [MobiFLOW technologies](#) to build a powerful and mutually beneficial product that will change the face of cash application technology.

What this means for you is: Marge is no longer carting around a zipper pouch of checks, no more missing remittances, no

more deposit delays. And let's not forget better field worker productivity, transportation and mail savings, deposit fee savings, credit accuracy, and improved payment velocity and DSO.

Read more about the partnership of TIS and Open Scan.

Mobile Payment Capture — coming soon to a smartphone near you. In the meantime, feast your eyes on what we have in store for you.



*"It is a wise man who lives with money in the bank, it is a fool who dies that way."* — French proverb

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