

Why digital payments will fuel the post-pandemic economy

TECHNOLOGY

COVID accelerated the pace of digitisation and it has become essential to get through the downturn.

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Digital payments have become ever more important since the pandemic, with the RBA finding we made an average of 625 electronic transactions per person in 2020-21 compared to just 275 a decade earlier.

The shift to more distributed ways of working has led to both suppliers and buyers being forced to speed up the digital transformation of their payment systems. This was highlighted in [a 2020 Mastercard survey](#), which showed that 82 per cent of SMEs had implemented a change in the way they receive and send payments, and 67 per cent said those changes were caused by the pandemic.

It's not just behaviour and changes to the ways we work that have forced digitisation. The unstable economy brought on by the pandemic and other global factors, which led RBA deputy governor Michele Bullock to call the outlook for the global economy "[quite worrying](#)", is likely to do the same with plenty of research suggesting that economic downturns lead to greater digitisation, which in turn can be an effective future-proofer.

How companies can get ahead

The pandemic and extensive lockdowns meant businesses largely had to move away from paper-based processes, a trend that's set to continue as remote and hybrid work environments seem destined to stay.

At the same time, the corporate travel industry is rebounding with [the market sitting just below 90 per cent of pre-pandemic levels](#). In-person business interactions have also increased. As such, there has been a rise in the volume of payments and expenses that businesses have to process. This is burdensome for finance departments and while digitisation is key, getting the right digital tools in place is fundamental.

Companies should look for technologies which streamline accounts payable processes, safeguard against fraud and misuse, and create greater control over payment processes.

Furthermore, digital payment technologies should reduce costs while generating revenue from payments and strengthen buyer and supplier relationships by enabling organisations to execute business-to-business payments efficiently and on-time. Virtual cards, which dramatically simplify supplier payment processes, are a good place to start.

Economic instability breeds digitisation

In an unstable economy, investing in technology and optimising digital practices to improve efficiencies is critical. A recent [Gartner report](#), for example, names accelerating to the cloud and radically challenging collaboration approaches, workflows and processes to make them faster, simpler and more agile as winning actions to take in a recession.

Digitisation can be a solution during economic downturns. When you take full advantage of technology in your operations, you provide opportunity for greater time management, more innovation and creativity. This in turn allows you to produce products and services that best suit the future needs of your customers.

The road ahead

Distributed ways of working brought on by the pandemic changed the way we transacted with employees and suppliers.

It accentuated the need for the digital transformation of payments and adopting technologies which streamline accounts payable and payments processes.

The road ahead is bright for those who recognise that technology isn't just the key to the ignition, but the fuel that will power their trajectory in a post pandemic world.

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