

QUICK STUDY | AP AUTOMATION

Key components to consider when modernizing AP processes for today's digital marketplace

WHEN AP PROCESSES ARE LARGELY MANUAL

91%

of AP departments say processes are inflexible

59%

of departments miss due dates due to operational issues

61%

of AP departments dissatisfied with current ERP integration¹

60%

of organizations currently use a low-code development platform, and another 15 percent plan to implement one within the next two years²

ACCOUNTS PAYABLE (AP) AUTOMATION

Accounts Payable (AP) automation streamlines invoice processing, minimizing manual work, accelerating invoice approvals and increasing visibility into transactions.

AP departments using today's top AP automation solutions, delivered as part of a content services platform, no longer have to depend on manual and paper-intensive processes. Instead, they benefit from advanced integration with key systems that increase straight-through processing percentages, provide role-tailored user interfaces and enable an instant and complete view of invoice activity.

HOW IT WORKS:

Key integrations with ERP and other systems automate indexing and digital workflows, enabling workers to focus on exceptions and not on searching for information and supporting documents. Users have immediate access to invoices and related content right from their ERP application, email inbox or smartphone.

Regardless of how documentation is received at the organization — electronically or in paper form — automated capture and indexing upon receipt enables workers to access needed information with a few clicks, markedly and securely speeding invoice processes.

WHY IT MATTERS:

Workers and managers alike have instant access to all invoice information and supporting documentation right from their familiar systems, as well as custom user interfaces that are point-and-click configurable, meeting the organization's unique requirements.

Managers can monitor process productivity with real-time reporting dashboards, allowing them to see the status of invoices, adjust workloads or identify bottlenecks. Additionally, enhanced control over all digital documents enables key traceability, easing audits.

From AP processors to AP approvers, this seamless interaction increases productivity and efficiency across each stage of the accounts payable process. This significantly lowers the cost per invoice and enables smart cash controls that benefit from early-pay discounts and improved supplier relationships.

BENEFITS

The right AP automation solution provides numerous downstream benefits throughout your organization. Key components to look for include:

Immediate, intelligent capture: Capturing invoices at their source, whether they are scanned or delivered electronically, significantly shortens processing times. Intelligent capture should automate the extraction of data contained in the invoices and leverage corresponding ERP data to make invoices available for processing quickly and without the need to manually key information.

Instant accessibility from familiar user interfaces: Imaged invoices, as well as other related documents, should be accessible directly from corresponding AP records. This eliminates the time-consuming and error-prone task of staff having to physically search for payment information. Rather, they should be able to quickly retrieve invoices, goods receipts, packing slips, check images, vendor contracts and even historical correspondence directly from the ERP screen with a few mouse clicks.

Additionally, the solution should provide enhanced document management features like built-in related document views, revision and version control and detailed histories.

Strategic, bi-directional integration: Digital workflows integrated with the ERP or other systems should automatically route invoices for issue resolution, review and approval, notifying approvers via email or mobile where required. They should also be highly configurable, allowing organizations to create custom processes to fit unique organizational or regulatory needs. The solution should automate predictable decisions throughout the transaction lifecycle, minimizing the number of touches per invoice, and increasing AP process efficiency.

Inherent and ironclad security: Application security is key and should both reduce risk and ease compliance. The right AP automation solution protects data at rest, in transit and in use. It also provides configurable access controls and continuously tests for vulnerabilities. Also key are automated document retention capabilities that prove consistent disposition, and instant response to exceptions and audit requests.

Optimal performance, including fast deployment with minimal IT support:

Top low-code content services platforms with intelligent capture enable template-free, human-like machine learning for deployment at the speed today's organization's require. They also provide the ability for non-developers to quickly adjust solutions to meet evolving needs with minimal IT support.

CURRENT PLANS TO AUTOMATE

14%

of AP departments operate in a completely manual manner

9%

of AP departments are fully automated

71%

of AP departments plan to further automate in 2020³

Sources:

1. IOFM, *5 keys to building a winning business case for accounts payable automation in a prevailing business environment*, 2020
2. Frost & Sullivan, *Your Business Shortcut to Digital Transformation*, 2020
3. IOFM, *5 keys to building a winning business case for accounts payable automation*



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