BUILDING EFFECTIVE COLLABORATIONS FOR ACCOUNTS PAYABLE AUTOMATION

Abstract

The rise of accounts payable process automation solutions has streamlined accounts payable processes and transformed how AP departments work. Digitising and automating various AP processes has reduced the workload on team members, paving the way for more accurate and efficient workflows across what were once complicated, multi-departmental processes. The improved accuracy and efficiency of contemporary AP solutions have created several benefits for organisations that were quick to adopt this technology. These include substantial cost savings, better data visibility, easier cooperation between departments and teams, improved cash flow, seamless audits, and more. It is time for businesses that haven't yet modernised their AP departments to assess how modern AP automation services can transform the invoice-to-pay process.

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For organisations still reliant on manual accounts payable processes, it's more than likely that their AP teams face several challenges in day-to-day workflows. These could include lost invoices and purchase orders, approval bottlenecks, payment errors, delayed processing, duplicate documents, erroneous payments, fraud, and data entry errors, which can severely impede business operations. Modern accounts payable technology can replace various manual operations, eliminate these obstacles, and speed up workflows to upgrade AP departments to contemporary standards.

What is accounts payable automation?

Accounts payable automation uses contemporary digital technology to streamline, simplify, and accelerate an organisation's accounts payable processes by modernising the process of creating, receiving, recording, approving, and paying invoices. AP automation services eliminate various time-consuming manual processes such as data extraction and entry, matching invoices with purchase orders, getting payments approved, and issuing payments.

The incorporation of accounts payable process automation allows AP teams to move beyond paper-based processes, desktop software, and cumbersome bookkeeping spreadsheets. This helps simplify handling and processing various financial documents, including purchase orders, invoices, receipts, contracts, and more. By modernising their AP workflows with AP automation services, organisations can expect to cut costs, boost efficiency, improve cash flow, and reduce the chances of fraudulent transactions.

What AP automation services can do for an organisation

Several operational benefits come with migrating from traditional manual accounting practices to today's intelligent accounts payable process automation solutions.

Eliminating manual and paper processes speeds up invoice processing times and reduces the workload on AP and finance teams. It also enables effortless real-time tracking of AP invoices through the approval and payment processes. This ability to report the status of an invoice at any time allows you to always pay bills on time and never misplace invoices. Below are a few ways intelligent cloud-based AP automation services can transform operations across various aspects of an organisation.

- Document digitisation eliminates the need to physically get invoices signed by approvers and also renders printers, document scanners, and bulky filing cabinets obsolete.

- Modern AP software can process documents across various formats by accurately extracting text data using OCR (Optical Character Recognition), as well as automate invoice matching and highlight discrepancies.

- Invoices are routed automatically to the appropriate parties for approval, and the system follows up with reminders when needed, ensuring fast approval cycles with minimal effort.

- An automated AP workflow significantly shortens invoice processing times, and time saved is money saved. 53% of the respondents in a 2020 report by Levvell Research indicated that a major highlight of using AP automation services was lower invoice processing costs. Money saved on scanning, printing, and physical records management is an added bonus.

- Modern AP software governing all procurement processes always adheres to company policies. Requests that don't conform to the established protocol or fail to meet certain conditions will be automatically flagged and escalated to a higher authority for approval. With this automated vigilance, B2B payments fraud becomes a thing of the past.

- Automated and digitised AP processes streamline the entire AP workflow and eliminate bottlenecks and errors associated with manual processes, including late payments and lost documents.

- Tedious manual processes are not only time-intensive, but they can also get monotonous and frustrating for team members. Automating these processes allows employees to focus on higher-level duties that have a greater business impact, leading to a happy, engaged, and highly productive team.

- The advanced data analytics and reporting capabilities incorporatedinto modern accounts payable process automation solutions can yield insights towards crafting favourable cash flow management strategies.

Choosing the right accounts payable software platform for your business

When it comes to automating business payment processes, there are several AP automation service providers out there. Picking an ideal solution and customising it to an organisation's industry-specific needs can be a challenge. This is why it is important to find and select a reliable partner who can efficiently and accurately automate all major accounts payable functions. Different AP solutions offer unique features, and the following checklist should make it easier for organisations to weigh options and decide on the solution that best suits their needs. There are three distinct areas to consider when exploring a potential AP solution; how it can benefit the AP team, essential or non-negotiable features, and finally, selecting the ideal partner who can offer the best value and assured ROI. Below are the various factors to keep in mind across these three areas.

• AP team benefits to look out for

When selecting an appropriate AP automation service, it is important to assess which accounts payable functions are taking up most of the AP team's time and select a service that best fills these workflow gaps. The following pointers highlight the most relevant features to look out for and should help narrow the list of potential AP service providers.

- o Seamless bi-directional integration with existing enterprise resource planning (ERP) systems

- o Intuitive and user-friendly software and thorough system training for all staff offered by the service provider

- o The ability to effortlessly digitise documents across various formats, whether physical copies or documents received through email or fax

- o Automation of various manual processes to eliminate bottlenecks in the AP workflow

o Improved AP visibility with real-time invoice tracking and reporting capabilities, accessible from anywhere in the world

o Automated validation of purchase orders and vendor information with thorough ERP integration

o Automated matching between invoices, purchase orders, delivery receipts, and other relevant documentation to accurately compare factors such as ordered quantity and billed quantity, PO price and invoice price, and billed quantity and received quantity

o Intelligent automation of the approval process for quicker approval cycles

o Consistent, timely payments that take advantage of early payment discounts

o A considerable reduction in physical document filing systems

o Easy access for auditors to view and scrutinise digital documents as required

o Providing a single source of truth for all of an organisation's AP records

• **Non-negotiable features**

When making a substantial investment to modernise business processes, there are certain features and terms that one shouldn't compromise on. If a prospective AP automation service provider cannot offer these non-negotiable capabilities, it may be better to look elsewhere.

o AI-enabled data capture, extraction, entry, and validation capabilities that eliminate the need for manual data entry

o Tailor-made solutions specific business processes and applications

o The ability to swiftly and consistently meet established ROI expectations

• **Selecting the ideal accounts payable process automation service provider**

When it's finally time to decide which AP service provider to partner with, it's always better to go with a value-added solution integrator rather than simply purchasing software from a manufacturer. Integrated solutions bring a team of workflow experts and developers that can work with the AP team to customise the software to perfectly match an organisation's requirements and provide technical support throughout the relationship.

Another aspect to consider when making a final decision is how securely the AP automation service vendor stores sensitive data. Bring on board a service provider that relies on cloud hosting for data storage rather than physical servers that aren't as secure. In addition to keeping data safe, cloud-based storage locations are also routinely backed up and provide on-demand, round-the-clock remote data access.

Conclusion

Manual accounts payable processes are outdated and have several disadvantages compared to modern accounts payable function. These include misplaced documents, erroneous payments, long-drawn-out approval and payment processes, data entry, and other human errors, a complicated audit process, and the possibility of theft or other fraudulent activities. Adopting modern, AI-enabled AP automation solutions can eliminate these issues and streamline various aspects of the AP workflow by automating tedious manual tasks. Results include faster processing times, better invoice management, timely payments, improved cash flow, easier auditing, on-demand access to the status of invoices, and substantial cost savings. Automation is the future, and contemporary AP automation services are a game changer for businesses and their AP teams.

* For organizations on the digital transformation journey, agility is key in responding to a rapidly changing technology and business landscape. Now more than ever, it is crucial to deliver and exceed on organizational expectations with a robust digital mindset backed by innovation. Enabling businesses to sense, learn, respond, and evolve like a living organism, will be imperative for business excellence going forward. A comprehensive, yet modular suite of services is doing exactly that. Equipping **organizations with intuitive decision**-making automatically at scale, actionable insights based on real-time solutions, anytime/ anywhere experience, and in-depth data visibility across functions leading to hyper-productivity, Live Enterprise is building connected organizations that are innovating collaboratively for the future.

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