TOP 10 BENEFITS OF AP AUTOMATION

SUMMARY Many Account Payable Managers face major challenges with manual invoice processing that have a negative impact on their efficiency, cash flow, and overall operation. This article outlines the challenges they face and how they can overcome them with AP automation including:

- The challenges and risks of continuing to use a manual invoice processing system
- The many benefits of using AP automation and how it can prompt discounts, improve vendor, relationships, and increase profits
- How an AP automation service can help streamline activities managed by the Accounts Payable department to reduce costs, mitigate fraud risks, and save time.

It's no secret that processing invoices in a manual fashion is expensive and leads to many errors. Eliminating data entry reduces costs and improves the quality of data. Processing invoices in a timely manner can increase prompt discounts and improve vendor relations. That's where AP Automation comes in.

According to a report by *Aberdeen Group*, organizations using AP automation can process over 4X as many invoices as those without automation. While that sounds promising, it appears that most organizations are still using paper based processing. This presents many challenges that can have a direct impact on the bottom line of any business.

The challenges many face without AP Automation

If your organization is not using an Accounts Payable Automation workflow for your business, you may be experiencing some or all of the following challenges:

UNAUTHORIZED PURCHASES: Every company has rules and guidelines on who has access to make purchases. However, employees and certain users may have access to paper based invoicing systems where it can be easy to make unauthorized purchases that can lead to fraud and lost profits.

INSUFFICIENT STORAGE: Filing paper invoices manually is not only time consuming, but takes up a lot of space. In addition, paper records can be easily lost, destroyed, or damaged.

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LOST PROFITS: It's easy for documents to get lost and for employees to lose track of invoices. Human error is common and can lead to costly mistakes.

LACK OF MANAGEMENT INSIGHT: It can be challenging to sift through invoices to determine when vendors should be paid or what your spend is with that vendor. Lack of insight into the payment process can impact business relationships and reduce trust and credibility in your organization.

Discover the benefits of AP Automation that will help improve your bottom line

While these challenges may seem daunting and can create major issues for your Accounts Payable department, there's great news! Automated Invoice Processing can reduce or even eliminate these errors exponentially. According to some revealing statistics by the Aberdeen Group, it shows that AP automation is the way to go...

- **49% INVOICE PROCESSING-COST SAVINGS:** Invoice automation results in consistent reduction in costs per invoice processed. These savings can make your organization more profitable and competitive.

- **18% FEWER DAYS PAYABLE OUTSTANDING (DPO):** DPO Average with automation is 5.55 days shorter than without it.

- **63% MORE LIKELY TO ENJOY STRAIGHT THROUGH PROCESSING (STP) FOR AP INVOICING:** Companies with automated AP systems are far more likely to have invoices received, validated and approved for payment in a completely automated manner.

- **UP TO 4.11 TIMES AS MANY INVOICES ABLE TO BE PROCESSED**

Top 10 Accounts Payable Automation Benefits

When it comes to AP Automation, here are the top 10 benefits of implementing AP Automation in your organization sooner than later:

1. **INSTANT ACCESS TO INVOICES:** There's no more digging around in overstuffed storage rooms trying to find important invoices that you need right now. AP automation gives you quick and instant access to invoices when you need them.

2. **STREAMLINED REVIEW AND APPROVAL PROCESS:** Automation ensures that your invoices are getting sent and paid on time, and creating a more efficient process for them to get approved quickly. Faster approval times gives you more options with your cash flow, as well as improving relationships with your vendors for on time payments.

3. **EASY INTEGRATION WITH EXISTING FINANCE SYSTEMS:** There's no need for multiple financial systems to review data. AP automation can capture key data fields with your existing system and integrate it directly into your software. This means you can have access to your information anytime, anywhere without additional software purchases.

4. **MONITORING OF PERFORMANCE AND TEAM PRODUCTIVITY:** AP managers can use dashboards and easily create reports for reviews and get insight on where the staff needs to improve. It provides greater insight and visibility into problems, challenges, and solutions. You can also easily see how much you're spending with any vendor, see if there are utilization issues with cost centers, and track other important information.

5. **REDUCED COSTLY ERRORS:** Errors can include overpaying vendors, sending duplicate payments, or entering incorrect information. AP automation can increase accuracy and process invoices straight through from capture to payment.

6. **SAVINGS ON STORAGE COSTS:** There's no need to use valuable office space or pay an off-site storage vendor to store important documents that can be easily lost or destroyed. All your important invoices and POs are easily accessible at the click of a mouse.

7. **IMPROVED CASH FLOW:** Automation ensures POs and invoices are approved quickly, which gives you more control over your cash flow.

8. **TIME SAVINGS:** With Accounts Payable automation, there's less room for human error. Your employees can free up their time to work on other important tasks, and reduce the amount of escalations.

9. **FRAUD RISK MITIGATION:** According to the AFP, 82% of organizations were victims of attempted or actual fraud in 2018. Most of the time, fraud is committed by trusted employees that have unlimited access to invoices, POs, and sensitive company information.

   AP automation will centralize all accounts payable activity, which gives managers insight and visibility to the lifecycle of invoices. Managers can identify any suspicious activity and have control over preventing any fraudulent payments from being made.

10. **IMPROVED RELATIONSHIPS WITH VENDORS:** When it comes to building relationships with vendors, you want to make sure you are always in good standing to prevent any challenges that may have a direct impact on the daily operations of your organization. AP automation allows a timely approval and payment process, which builds trust and assures the vendors you are reliable. The last thing you want is to have value supplies held up due to payment issues.

Discover how SIS NW INC can assist you with your AP Automation needs today!

As you can see Accounts Payable Automation is a major benefit that can save you time, money, and give you peace of mind. But, how do you incorporate an Accounts Payable Automation workflow into your business? That's where SIS NW INC comes in! With our AP Automation solution there is no software to buy and we do all the heavy lifting for you! We make AP automation easy and affordable.

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HERE ARE SOME OF THE REASONS YOU CAN TRUST SIS NW WITH YOUR AP AUTOMATION NEEDS:

- **DATA ENTRY ACCURACY:** Using a manual processing system can lead to incorrect data, lost and untracked documents, manual errors and more. In fact, the Institute of Finance and Management reports that about 3.6% of supplier invoices generated in manual processes include errors. This can lead to strained business relationships when vendors and suppliers are not getting the proper amount of money owed to them.
- **LESS ERRORS** AP automation dramatically reduces human error, can easily identify and correct mistakes, and makes sure all financial data is kept secure and only accessed by those who have authorization.
- **CLEAN METADATA:** Invoice extraction software is expensive and takes a long time to implement. In most cases templates have to be built and the software requires ongoing "training" as new vendors or added or vendors change the layout of invoices. We've already processed millions of invoices and our Artificial Intelligence engine learns as we add new invoices. Our human QA team reviews all automated results for accuracy.
- **EARLY PAYMENT DISCOUNTS:** Vendors and suppliers often offer discounts to organizations who pay their invoices early. AP automation gives insight on every step of the invoice process for AP managers to identify opportunities to automate and speed up the invoice lifecycle, encouraging more discounts. This can lead to a substantial amount of savings that can improve cash flow.
- **DATA SECURITY:** When it comes to sensitive information that has a direct impact on your business, you want to make sure you are in good hands. That's why protecting your data is a top priority.
- **LOWER LABOR COSTS:** AP automation can ensure lower labor costs per invoice through the combination of state-of-the-art technology and highly trained quality assurance experts.
- **MITIGATES FRAUD:** AP automation mitigates fraud risk, reduces costly errors, improves vendor relationships, saves time, increases profits, and improves efficiency. Incorporating an Automated Invoice Processing workflow in your organization leads to better quality, faster payments, and accurate reporting.
- **BEST SOFTWARE PARTNERS:** Based on a needs-based assessment, we will identify the best of our AP Software Partners that match your AP processes and challenges.

At SIS NW INC, we use Artificial Intelligence to automate the cost of capturing data and human review to ensure the highest accuracy. Our cloud based offering is easy to implement and it typically pays for itself in less than six months.

If you are ready to find out how AP automation can help your improve your business, use our Return on Investment calculator to quickly see how much you can save - https://sisnwinc.com/accounts-payable-calculator/

Contact Greg Mennegar at 425-829-2361 or gmennegar@sisnwinc.com to learn more.

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