



ACCOUNTS PAYABLE AUTOMATION FOR ERP SYSTEMS

How Adding AP Workflow Automation
to Vendor Invoice Processing Can Make
Your AP Operation Best-in-Class



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Purpose of this eBook

Challenges within traditional accounts payable (AP) departments are nothing new. However, as companies feel the impact of high processing costs and manual inefficiencies on their bottom lines, the need for an automated workflow solution to complement ERP applications is critical. This eBook addresses common AP challenges and proposes a solution: **leveraging an end-to-end automation solution to achieve a best-in-class AP operation.**



About the Author

Steve Smith ■ U.S. Chief Operating Officer ■ Esker

As U.S. Chief Operating Officer at Esker, Steve Smith is responsible for all operations in North and Central America.

Steve joined Esker in 2003 after 17 years at Equitrac Corporation as the Senior Vice President of Worldwide Sales and two years in sales at Pitney Bowes. Steve earned his bachelor's degree in Marketing and Finance from the University of Wisconsin – Whitewater.

THE GREAT PAPER CHASE OF AP: TOP FIVE OBSTACLES PREVENTING SUCCESS

AP departments all share common objectives for achieving success. But when using manual methods to process and handle vendor invoices, the ability to achieve these goals is often hampered by **five primary obstacles**:

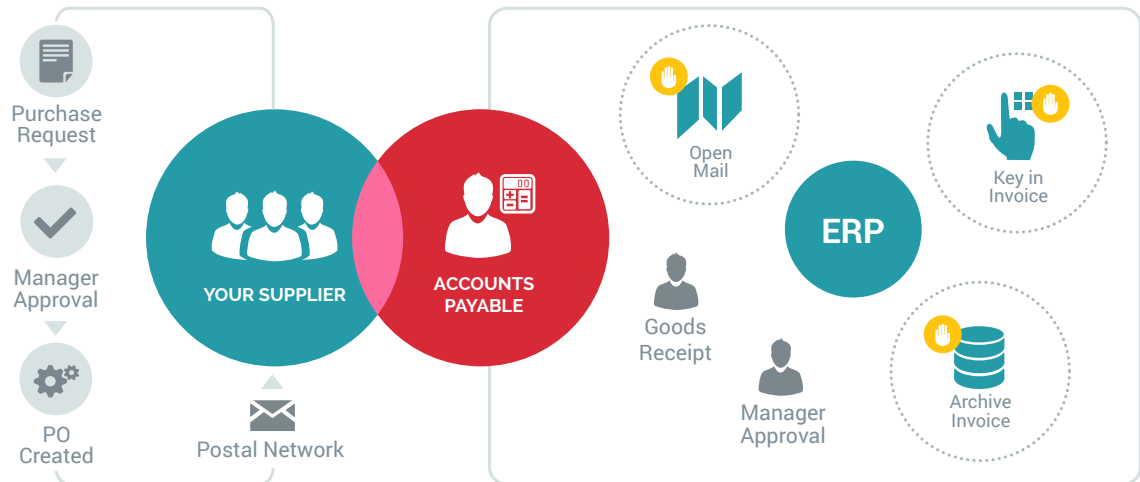
01 Processing Delays
Manual slowdowns can lead to missed vendor discounts, late payment penalties and even strain supplier relationships.

04 No Visibility
Lack of process visibility and control makes it harder to assess AP operations and develop strategies for improvement.

05 Difficult Data Retrieval
From audits to vendor inquiries, finding information quickly can be difficult when invoices are stored and retrieved manually.

02 Reduced Accuracy
Errors are common in manual processes and can be trouble when it comes to impacting working capital and compliance.

03 High Costs
Resolving processing errors not only decreases staff productivity, it ultimately drives up the average cost per invoice.



THE VALUE OF END-TO-END AP WORKFLOW AUTOMATION IN AN ERP ENVIRONMENT

The ideal solution to traditional AP should address the goals and concerns of all parties – easily integrating with any ERP interface and providing automation capabilities across **every phase of vendor invoice processing.**



Receive & Scan



Extract



Verify & Manage



Archive



Follow



Streamlined AP Workflow Process

Error reduction, time management and process efficiency top the list of key concerns for the majority of AP departments. An end-to-end automation solution addresses these problems head-on by removing the error-prone and time-consuming manual steps of keying in, reviewing, coding and approval of invoices.



Improved Oversight and Visibility

Coordination and transparency, key concerns for CFOs and other members of management, are also addressed in an end-to-end approach. Since the entire AP process is electronic and 100% visible from start to finish, it is much easier to plan and forecast as well as identify areas of improvement in the process.

THE AUTOMATED AP PROCESS

Esker's Accounts Payable automation solution provides all of the necessary functions and technologies for **completely electronic vendor invoice processing** all via one universal and fully-integrated platform.



Efficiency at Every Step

Regardless of format, scanned or electronic invoices are entered into an automated workflow where Esker's intelligent image recognition technology accurately extracts data. Captured data is checked against ERP master data and dispatched to the appropriate parties for approval. The invoice is automatically archived in a web portal and linked back into the ERP application and available for as long as needed.



External ERP Workflow

Web-based AP workflow outside of the ERP system has many advantages over an "inside workflow" approach including: better business continuity, anytime access, non-ERP user approval capability, easier training and user acceptance, and simplified setup of shared services centers.



KPI Improvement

Over time, an automation solution can improve your key performance indicators (KPIs) in comparison to top industry metrics by enabling you to process more documents per month/per employee, lower costs per invoice processed, capture more discounts, etc.

In the Cloud OR On-Premises

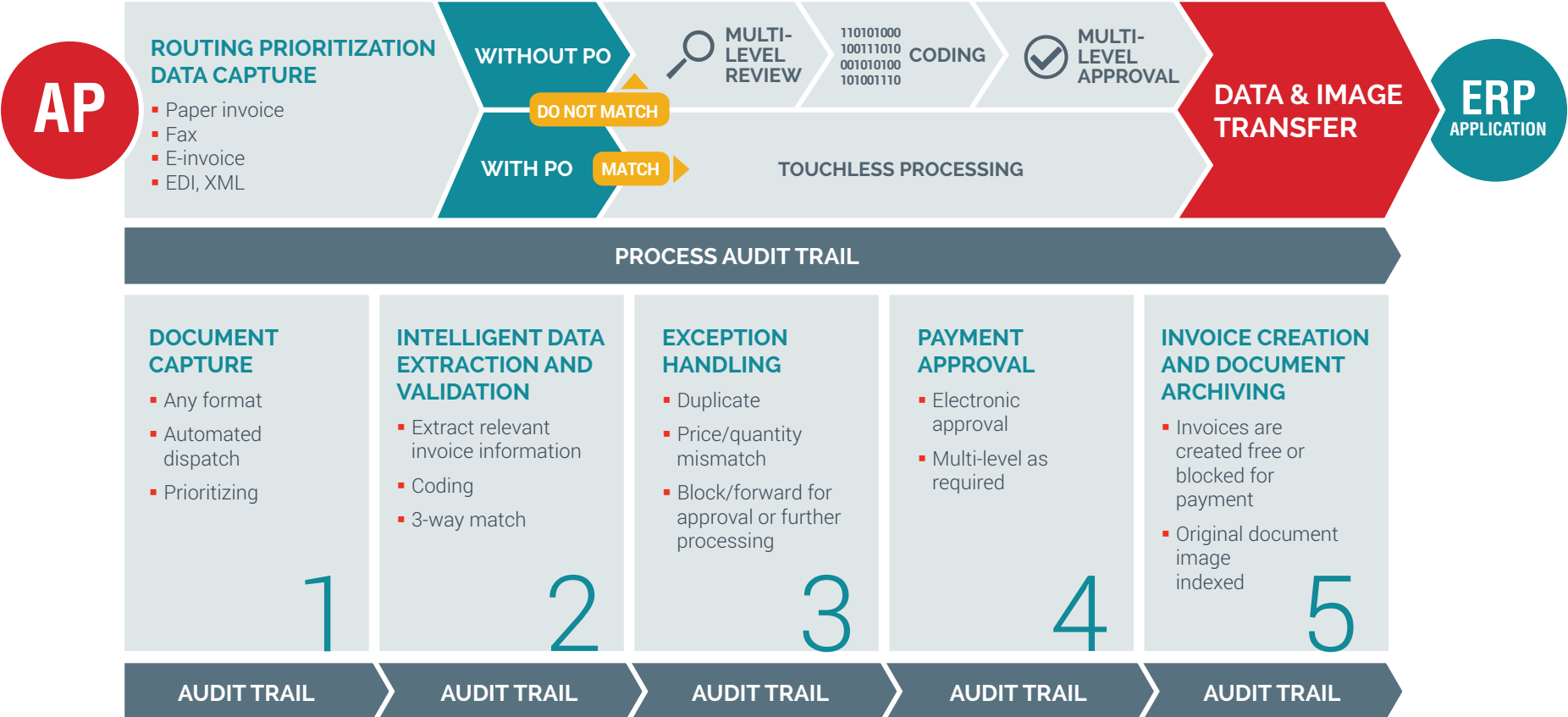
Easily deploy automation any way you choose — on-premises via Esker DeliveryWare or in the cloud via Esker on Demand — with minimal interfacing and support.



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Esker's innovative workflow technology integrates directly with your ERP application to streamline the sorting and handling of your documents while providing a full audit trail from invoice receipt to payment posting.



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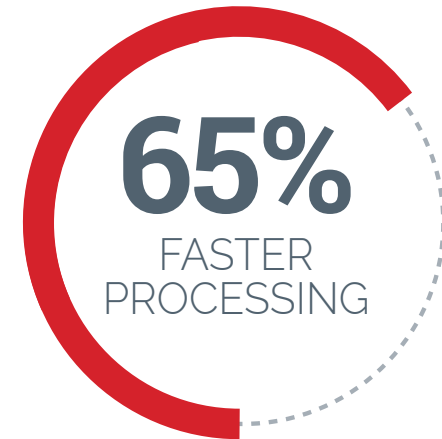


BENEFITS OF AP AUTOMATION

Highly efficient. Fully visible. **Completely paper-free.**

According to Esker research, AP automation can help organizations **overcome the five obstacles of manual invoice processing through:**

- **Faster processing:** Receive and enter vendor invoices up to 65% faster by removing the requirement of manual sorting and handling.
- **Reduced costs:** Lower purchase-to-pay process costs by 40-60% by eliminating excess paper, transportation and archiving expenses.
- **Improved accuracy:** Achieve processing accuracy up to 99% by reducing error-prone manual touch points.
- **Full visibility:** Oversee the entire approval and payment process with 100% visibility and control.
- **Electronic archiving:** Make all invoices electronically available from anywhere and at any time for easy data retrieval and audit compliance.



CUSTOMER SUCCESS STORY:



Key Objectives

- Replace aging fax server to eliminate manual AP processing
- Adopt a cloud-based solution that integrates with existing ERP interface
- Gain solution support for worldwide shared services operation
- Improve workflow productivity and visibility while reducing overall costs
- Increase payment timeliness and supplier satisfaction rates



What Esker Delivered

- Integrated automation solution with global capability
- Streamlined AP processing of 13,000 monthly invoices
- Gateway for fax invoices with support for email invoices
- Ability to post invoices in the ERP system with 100% visibility
- Rapid solution implementation via software as a service (SaaS) solution



The Results

- Reduced the number of paper invoices received from 60% to 10%
- Went from 60 invoice transactions per day per AP processor to 85
- Fewer employees required to process same amount of invoices
- More time and resources available to dedicate to suppliers
- Freed up offices and warehouses thanks to electronic archiving



Albemarle is a leading developer and global manufacturer of specialty chemicals, employing 4,000 people and serving customers in approximately 100 different countries.

Conclusion

Automation solutions in the AP arena will continue to evolve and improve as an increasing number of companies move to more modernized forms of business communication. Change is never easy, but with an experienced vendor and the right automation solution (end-to-end workflow capabilities and ERP integration), businesses of any size have the opportunity to free themselves of the weight of manual invoice processing methods and propel their AP operations to best-in-class status.



About Esker

Esker is an industry leader in document process automation solutions, helping organizations around the world Quit Paper™ and improve how their business information is processed and exchanged within Order Processing, Accounts Receivable, Accounts Payable, E-Purchasing and more.

Learn More

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