STRATEGIC AP AUTOMATION
Starts Here

Automation has become a top priority of accounts payable leaders.

The operational disruption caused by the sudden shift to remote working arrangements is the impetus, and in some cases, the business case, for automating the invoice management process.

Accounts payable departments are facing:

- New ways of working
- Fewer resources
- More operational challenges
- Heightened risk of payments fraud
- Mounting reporting pressures
- Greater strategic demand from executives

Modern invoice management solutions (from invoice receipt to payment) address these issues and position the business for growth in the economic recovery. But none of this is possible without the right invoice management software.

This white paper details the invoice process automation challenges that finance departments face, the benefits of invoice management automation, the key capabilities to look for in an invoice management solution, and the attributes of a strong invoice management technology provider.

Why automate your invoice and payment process?

Invoice management has long been a manual, time-consuming process.

Manual invoice processes create three significant challenges for finance departments:

1. **Inefficient and costly processes.** Eighty-four percent of an accounts payable practitioner's day is spent manually managing invoices, the Institute of Finance and Management (IOFM) reports. Staff waste hours keying invoice data, matching invoices with POs, tracking down approvers, routing invoices for approval, and performing other mundane tasks. At most organizations, payables staff are so tied up with repetitive, manual tasks that they don't have time to focus on higher value activities such as data analysis

and supplier management. All these manual tasks also increase the chance of duplicate payments and other costly errors.

> Paper-based invoice management is a major contributor to higher costs and inefficiencies, errors, delayed payments, poor visibility, and strained supplier relationships.

2. **Poor visibility.** Finance leaders can never be sure where things stand in a paper-based environment. Left unchecked, poor visibility can put the organization at risk of late payments, duplicate payments, out-of-control spending, strained supplier relationships, and supply chain disruption. Poor visibility also makes it hard to get a snapshot of corporate spending, putting buyers at a disadvantage when negotiating contracts with suppliers.

> You can't optimize what you can't see.

3. **Inflexible operations.** It's hard to rapidly adapt paper-based processes to ever-changing business requirements and market volatility. And no one wants to vet, hire, and train more staff every time the organization's invoice volume grows. But this is the sobering reality for organizations that rely on inflexible paper-based processes for managing supplier invoices.

As organizations position themselves for growth and scalability, it is imperative that they modernize their accounts payable processes to become more agile and strategic in a rapidly evolving market.

That's where automated invoice management comes in.

The benefits of automated invoice management

Fully automated solutions digitize, simplify, and accelerate invoice management and supplier payment, while instantly putting smart financial insights at the fingertips of those who need them.

Here's how organizations benefit from automated invoice management:

- **Improved efficiency.** Every accounts payable department wants to do more with less. Many departments have fewer staff because of the economic downturn. Some want to scale their operations during the recovery without having to vet, hire, and train additional staff as their invoice volume increases. Others want to free staff to focus on higher-value activities. Fully automated invoice management solutions eliminate the manual tasks that drain department resources and keep staff from working on high priority tasks. Automation eliminates the need for paper in the invoice management lifecycle. Users can effortlessly capture invoices on-the-go, from home, or at the office. Embedded optical character recognition (OCR) technology extracts the data from supplier invoices and creates invoice records for payment, without the need for time-consuming or error-prone manual keying. A configurable business rules engine digitally routes invoices for review and approval based on the organization's policies. The technology also enables accounts payable staff to see where things stand in the process and digitally "nudge" delayed approvers. And accounts payable teams can instantly access the information required to prepare reports for senior management or to close the books.

Manual processes impact a finance teams ability to perform strategic tasks.

- **Enhanced visibility.** Automated invoice management solutions provide ready access to the key operational metrics and spend analytics required to make data-driven decisions, improve operational control, and drive cost savings. Users can instantly access actionable invoice metrics such as spend by category and accruals. Among other things, these insights can provide a buyer with more leverage during contract negotiations with suppliers.

- **Increased agility.** Becoming scalable requires organizations to rethink tired operating models and underlying costs of doing business. An automated invoice management solution makes it easy to adapt when environments and teams change. The technology can be deployed fast, even when staff work remotely, and with no disruption to established processes. And automated invoice management solutions can be seamlessly integrated with any ERP or accounting system, minimizing the burden on IT administrators.

The business case for fully automated invoice management solutions is proven and compelling. But achieving the full benefits of the technology requires organizations to choose the right solution.

Don't adopt new technology without setting yourself up to win.

What to look for in an invoice management solution

There are serious pitfalls to choosing the wrong invoice management solution:

- Wasted staff time reworking processes
- Additional implementation costs
- Poor return on investment
- Loss of senior management trust
- Strained supplier relationships

The right solution can get an organization on its way to savings fast.

Organizations can significantly improve the odds that their automation project will be a rousing success by choosing an invoice management solution that includes these eight critical capabilities:

1. **Accessibility.** Remote working is here to stay. An accessible Software-as-a-Service (SaaS) architecture ensures that processes and cash flow keep moving, no matter where staff work. And automated capabilities make it easy for staff to manage invoices while on-the-go.

2. **Purchase requisitions.** Managing corporate spend mindfully means more in times like these. Organizations need to be sure that their procurement policies and procedures have been met. The right invoice management solution can help businesses control spending with integrated capabilities for creating purchase requisitions. Purchase requisitions are digitally routed for approval and approved requisitions are converted into POs ready to be sent to suppliers.

Procure-to-pay capabilities help organizations optimize enterprise spend.

3. **Embedded OCR.** The labor required to key invoice data is a big contributor to high AP costs. Reducing these costs are key to achieving payback on your invoice management investments. Look for a solution with OCR technology that can extract and validate relevant data from images of supplier invoices, including the invoice number, invoice date, amount, supplier name, and PO number. This data is critical to creating invoices ready for payment.

OCR technology can instantly populate invoice data.

4. **Two-way and three-way-matching.** Few accounts payable tasks are as tedious and time-consuming as manually matching invoices to POs and proof-of-delivery receipts. But accounts payable departments must ensure that they are only paying for goods and services that were approved, ordered, and received. Best-in-class invoice management solutions relieve this burden by automatically performing two-way and three-way matching.

5. **Digital workflows.** The operational disruption caused by the sudden shift to remote work arrangements is making it harder for organizations to approve invoices. Accounts payable staff are working longer hours tracking down approvers, chasing down information, and managing back-and-forth e-mails and phone calls to resolve exceptions. That's why it is imperative

to find an invoice management solution that will keep approvals moving, no matter where staff work. Prioritize features such as intuitive invoice approvals directly from a purchaser's e-mail, systematic notifications and alerts of invoices awaiting approval, and centralized visibility into the status of invoices, regardless of an approver's location.

6. **Reporting and analytics.** Real-time accounts payable visibility is paramount to improving operational efficiency, optimizing working capital, and controlling corporate spend. Ensure that an invoice management solution provides up-to-the-minute access to accounts payables data as well as historical information. Look beyond standard reports and find a solution that includes a custom report builder at no additional cost. Investigate whether users can view only the data that they want to see, save and share reports for future use, or export data to a spreadsheet or PDF file or create a CSV file to send to other business management systems.

7. **Integrated expense management.** Belt tightening is common these days. Some automated solutions help organizations control spending by combining invoice management and expense reporting onto a single platform. With a unified solution, organizations gain efficiencies of scale and can easily see how spend is trending across the organization, track top suppliers, and highlight departmental spend that might require additional attention.

8. **Electronic payments.** Best-in-class invoice management solutions enable accounts payable departments to complete the 'last mile' of automation with integrated electronic payment capabilities. Organizations can eliminate the cost and hassles of printing, mailing, and reconciling paper checks, while earning lucrative cash-back rebates and mitigating the risk of fraud. Electronic payments also can be effortlessly initiated when staff work remotely.

Evaluate invoice management solutions based on business value and not just cost.

These capabilities provide an organization with the tools and technology it needs to improve operational efficiency,

enhance visibility into cash and spending, and increase corporate agility.

But they aren't the only important consideration when organizations are planning to automate.

Key considerations when choosing a technology provider

An invoice management solution is only as good as the technology provider behind it.

 Here are the most important considerations when evaluating accounts payable automation providers.

- **Features and functionality.** A technology provider must meet your business needs. This is the table stakes. Providers should be able to provide a 'yes' or 'no' answer to well-defined business requirements, or a brief explanation for any 'grey areas.' And never take a routine product demonstration at face value; ask providers to show how their product will handle your approval workflows or business requirements, preferably using your actual documents. Better yet, include your key stakeholders during the demonstration to uncover any requirement gaps.

> Engage with the key stakeholders of each department, business unit and group to identify their needs. Analyze how the technology will impact the way that staff perform their jobs.
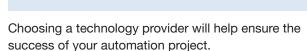
- **Tailored solutions.** No two organizations are alike. Organizations may have a different ERP, geographic footprint, supplier mix, and more. That's why organizations should never settle for a cookie-cutter invoice management solution. Look for a solution that can be tailored to your unique accounts payable requirements and can be easily adapted as your needs change and your business grows. Best-in-class invoice management solutions can be configured for supplier connections, approval workflows, and compliance regulations. And prioritize technology providers that have a strong ecosystem of partners to fill in any gaps.

- **Customer references.** A technology provider's users can be an invaluable source of information. Validate vendor claims through users whose processing requirements are like your own. Ask references about their experience during implementation, how user-friendly the solution is, the vendor's level of support and compliance with service level agreements, and their satisfaction with enhancements to the solution over time. Don't hesitate to ask references whether they are meeting their business case for their invoice management automation initiatives. Crowd-sourcing business software review sites such as G2 or Capterra, also are a good resource. Real-world reviews will give you the user's perspective of each vendor. Also leverage the Institute of Finance and Management's LinkedIn group for more unbiased opinions.

- **Track record.** Invoice management is too important to be entrusted to a fly-by-night technology provider. Dig into a technology provider's organization: understand its history and the tenure and experience of the executive team, gauge its financial standing and stability, learn the organization's recent growth trends, and determine the number of customers the organization has in your industry and its customer retention rate.

- **Support.** User adoption can make or break a technology project. To help ensure that your users will embrace your invoice management solution, look for a technology provider that offers guided implementations, free phone and e-mail support, a customer success manager dedicated to each account, and ongoing training for frontline staff and system administrators.

- **Scalability.** An automated invoice management solution is foundational technology that shouldn't have to be replaced every few years. Think about where your organization wants to be in three years and look for a solution with the functionality, flexibility, and scalability to support that growth. For instance, if your organization has plans to expand its operations globally, prioritize solutions with a cloud-based architecture, centralized visibility into data, multi-language and multi-currency support, and easy integration with multiple ERPs.

- **Reliability.** There's a lot riding on getting suppliers paid accurately and on-time. Organizations cannot afford to have their supply chain disrupted because their invoice management system went down. Look for a technology provider with a minimum system uptime of 99.5 percent. And be sure to validate any vendor claims with their customer references.

- **Product roadmap.** Accounts payable technology is evolving at a dizzying pace. You want to be sure that your invoice management solution can keep up. Look for a technology provider with a breadth of current capabilities (whether you will initially use them all or not), a robust product roadmap, and the financial backing to invest in emerging technologies. As workplace demographics continue to shift, it also is important to look for a technology provider that focuses on human-centric innovation. In the future, humanizing work will go a long way to helping finance departments attract talent to accounts payable roles.

Here are attributes you should evaluate with respect to your business' needs:

- **Functionality**
- **Ease-of-use**
- **Flexibility**
- **Reliability**
- **Scalability**
- **Security**
- **Compliance**
- **Auditability**

Choosing a technology provider will help ensure the success of your automation project.

A smart approach to invoice management

Automated invoice management solutions eliminate tedious manual tasks, while providing finance teams with greater insights into their organization's operations, cash flow, and invoice spending. From purchase requisition and two-way and three-way matching to invoice approval routing and global payments, automation provides finance with the tools and technology it needs to control spending, reduce inefficiencies, enhance collaboration, and strengthen supplier relationships. But achieving the full benefits of automation requires finance to choose the right invoice automation solution and business partner. The strategies in this white paper will help organizations do just that.

About Emburse

Emburse humanizes work by empowering business travelers, finance professionals, and CFOs to eliminate manual, time-consuming tasks so they can focus on what matters most.

Emburse offers a growing portfolio of award-winning expense and AP automation solutions, including Emburse Abacus, Emburse Captio, Emburse Certify, Emburse Chrome River, Emburse Cards, Emburse Nexonia, Emburse SpringAhead and Emburse Tallie. Its innovative offerings are tailored to meet the unique needs of specific industries, company sizes, and geographies, and are trusted by more than 9 million users in more than 120 countries. Over 16,000 customers, from start-ups to global enterprises, including Boot Barn, Grant Thornton, Telefónica, Lufthansa Systems, and Toyota rely on Emburse to eliminate manual processes, make faster, smarter decisions, and help make users' lives - and their businesses - better. For more information on Emburse, visit **emburse.com**

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Accounting and finance professions have each undergone nothing short of a complete transformation since the Institute of Finance and Management (IOFM) was founded in 1982 and since then our mission has been, and continues to be, to align the resources, events, certifications, and networking opportunities we offer with what companies need from the accounting and finance functions to deliver market leadership. IOFM empowers accounting and finance professionals to maximize the strategic value they offer their employers.

Our enduring commitment to serving the accounting and finance professions is unmatched. IOFM has certified over 25,000 accounting and finance professionals and serves several thousand conference and webinar attendees each year.

IOFM is proud to be recognized as the leading organization in providing training, education and certification programs specifically for professionals in accounts payable, procure-to-pay, accounts receivable and order-to-cash, as well as key tax and compliance resources for global and shared services professionals, controllers, and their finance and administration (F&A) teams.

Learn more at **IOFM.com**

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