

What Will your AP Department Do with the Time it Saves?

Imagine if it took your accounts payable staff two-thirds less time to process invoices.

Think of all the tasks that currently go by the wayside that they would have to complete.

While it may be hard for some accounts payable leaders to picture an environment where their staff is not overrun with paper and manual tasks, automation is making it a reality for many departments.

Compared to their peers, Ardent Partners reports that best-in-class accounts payable departments:

- Take one-third as long to approve invoices
- Spend one-quarter as much to process a single invoice
- Have less than half the percentage of exceptions
- Post three times as many invoices directly to an ERP with no manual intervention

Accounts payable departments are accomplishing all this through automation.

Today, most accounts payable staff are bogged down by manual tasks. Chief among these tasks is the back-and-forth e-mails and phone calls to resolve invoice exceptions. Invoice exceptions can be caused by a discrepancy between an invoice and a purchase order, supplier error, a missing purchase order, a bottleneck in the invoice approval process, incorrect purchase order information, a failure to deliver goods and services, or a general ledger (GL) coding error. Sixty-two percent of accounts payable leaders say that resolving exceptions is their top pressure, Ardent Partners reports.

But Ardent Partners finds that accounts payable departments also struggle with long approval cycle times, too much paper, and poor visibility into invoice data – all symptoms of manual processes.

Best-in-class accounts payable departments rid themselves of manual processes long ago, using a variety of technologies to eliminate the invoice processing tasks that consume staff time:

- Document scanning and intelligent data capture
- Automated invoice approval workflows
- Two-way and three-way invoice matching
- Straight-through posting of invoices to an ERP
- Standardized invoice processes
- Electronic payments and automatic generation of remittance details

Automation unquestionably makes accounts payable more efficient.

But it also makes accounts payable more strategic.

How to focus your AP staff on the things that matter most

Beyond operational improvements, accounts payable leaders have another reason to free their staff from manual tasks: finance leaders are counting on accounts payable to do more than pay the bills.

Fifty-four percent of finance leaders think accounts payable is “very valuable” or “exceptionally valuable” to their business, according to the [2019 State of ePayables Report](#) from Ardent Partners.

Living up to the expectations of leadership requires accounts payable to focus less time on manual tasks and more time on the things that drive corporate growth, profits, and competitive advantage.

Here are three ways to do just that:

1. Develop more effective process-led capabilities. Accounts payable staff will never have the time to focus on higher-value activities if they are burdened with the drudgery of opening the mail, keying invoice information, chasing down information, and filing and shuffling papers. Automation digitizes and simplifies the tasks that consume so much an accounts payable practitioner’s time, freeing them to focus on higher-value activities such as data analysis.
2. Serve as a valuable conduit for more strategic activity. Succeeding in today’s increasingly competitive global economy requires businesses to make quick decisions. Accounts payable can be a valuable resource in improving corporate agility. Closing the purchase-to-pay loop in a more efficient manner helps

procurement more tightly manage corporate spending. Day-to-day insights into accruals and liabilities helps treasury measure the financial health of the business. Accounts payable can provide budget managers with 360-degree visibility into where things stand. And streamlined invoice approvals create more opportunities for the CFO to take advantage of early payment discounts. But none of this is easy if key data remains trapped on paper invoices and accounts payable staff is too burdened to manage it.

3. Deliver intelligence-led insights. Accounts payable sits on a treasure trove of information about the financial health of an organization. Unfortunately, spreadsheets are the reporting tool of choice for many accounts payable departments. The problem with spreadsheets is that data can be mis-keyed, information is quickly outdated, tables can easily be corrupted, and it is difficult for stakeholders to collaborate using a spreadsheet. Automation puts valuable insights at the fingertips of decision-makers when and where they need them. Graphical dashboards display operational performance and critical cashflow and spending metrics; users can drill down into data to better understand what is driving trends; information is accessible 24/7/365 via a mobile device; and data can be exported for downstream use.

In automated payables departments, staff have more time for cashflow and data analysis, supplier management, stakeholder management, forecasting, budgeting, and planning, fraud and compliance management, vendor master database cleanup – the kinds of things that help grow a business.

Accounts payable leaders recognize the need to transform their department into a strategic function. Forty-eight percent of accounts payable leaders say that improving reporting analytics and reporting is their top priority, the *2019 State of ePayables Report* from [Ardent Partners](#) found. Twenty-two percent of accounts payable leaders want to become more collaborative with procurement.

This will require accounts payable departments to leave their manual processes behind.

If your automation is on your accounts payable department's roadmap, Paymerang can help.

[Contact us now](#) discuss your needs with one of our automation experts.



Colleen Crist

As Vice President of Business Development, Colleen establishes and maintains effective working relationships with our corporate strategic partners. From evaluating and onboarding new partners to building corporate partnership strategies and training sales team members to coordinating thought leadership and growth opportunities, Colleen manages all things for our strategic partnerships.