PairSoft

Intelligent Automation in
Accounts Payable

Table of Contents

Understanding the drawbacks of manual AP processes

Marketing, sales, and human resources. There's a lot that goes into running a business, but **accounts payable (AP) is an element that shouldn't be overlooked.**

In many companies, AP processes are still largely paper-intensive. Incoming invoices are manually validated, entered into a database, stored in filing cabinets, and processed for payment. Each step is tedious and time-consuming, and as more invoices pour in, these manual procedures take their toll on businesses.

AP teams get overworked and are prone to making errors, especially when it comes to data entry. Typos like inputting the wrong number of received units in the database can result in unnecessary expenses, duplicate payments, and damaged vendor relationships.

What's worse, staff may fall behind when invoices start piling up, slowing down approval processes and causing the company to lose out on early payment discounts. Paper invoices also tend to get lost in a mess of folders and filing cabinets, so it takes longer to retrieve, verify, and reconcile accounts.

How can business owners address these issues?

When it comes to streamlining AP, intelligent automation is the best strategy. It cuts out paper-centric tasks and allows employees to make short work of the procure-to-pay process.

Eliminating manual processes is a surefire way to increase your company's efficiency and bottom line

PairSoft

PaperSave ◇ WorkPlace ◇ DocuPeak

What is intelligent automation?

To define intelligent automation, it's important to understand one of its core components: robotic process automation (RPA). **RPA is a technology designed to minimize human intervention in repetitive tasks.** In other words, it mimics how a person would use conventional computer applications.

With RPA, users can eliminate manual data entry. However, RPA tools merely repeat the functions and actions that they were programmed to do. This form of automation can be useful, but it can't make automated and intelligent decisions that are often required when processing invoices.

Intelligent automation fixes the shortcomings of RPA tools with artificial intelligence (AI). It assists workers by taking care of routine tasks while adapting and making decisions on the spot. In the context of AP, intelligent automation can decide the next course of action based on the data. It can route newly captured invoices to certain AP staff and keep track of payment deadlines.

Another important component of intelligent automation is integration. By integrating document management system (DMS) and enterprise resource planning (ERP), intelligent automation tools can speed up the workflows involved with capturing, validating, and approving supplier invoices.

PairSoft

PaperSave ◇ WorkPlace ◇ DocuPeak

Driving business value with intelligent AP automation

When intelligent automation is fully incorporated into AP processes, invoicing and billing tasks are a breeze. Imagine never worrying about payment deadlines or bottlenecks that may occur due to an influx of last minute invoices. And these perks are just the tip of the iceberg. Intelligent **AP automation** offers a host of benefits to your business.

◇ Enhance employee experience

As mentioned, manual invoicing is tedious work. Employees have to open various documents, extract information, and key it into the company's ERP system. Such processes are inefficient, error-prone, and wasteful of employees' time.

Most AP staff can't focus on big-picture tasks like optimizing cash flow and fraud prevention when they're constantly bogged down by manual work. They're also more likely to feel miserable and unsatisfied with their jobs since they're forced to do repetitive, mind-numbing work every day. This bleeds into their overall performance and often leads to more mistakes down the line.

Intelligent AP automation frees up your employees from these repetitive tasks. When invoices arrive via fax, post, or email, employees can capture them using DMS solutions like PaperSave. These apps use an AI-powered feature called optical character recognition

(OCR), which converts captured documents into machine-readable information. From there, AP automation tools instantly upload the information to your accounting database and triggers a set of preprogrammed workflows.

For example, you can have a workflow that forwards invoices above $10,000 to an approval manager that's authorized to deal with large transactions. You can even teach automation tools to validate bill accuracy and follow up with vendors if discrepancies between price and units received are detected.

Automating these processes dramatically reduces your AP department's workload. Instead of spending countless hours doing boring paperwork, AP staff can devote more of their time on strategic tasks that require a human touch. Plus, when staff are delegated to more tasks, job satisfaction and productivity levels tend to get a serious boost.

PairSoft

PaperSave ◇ WorkPlace ◇ DocuPeak

Optimize cash flow

Intelligent AP automation provides many opportunities to optimize your cash flow. For starters, because automation minimizes human involvement, invoice processing costs drop by a significant margin. According to early reports, companies that switched from manual to automated processes save up to 75% per invoice.

AP automation lets you schedule payments and set alerts for when an outstanding invoice is close to the deadline. This is particularly useful for avoiding late payment fees and a great way to systematically meet early payment discounts. Suppliers are often willing to negotiate more flexible payment terms when you pay invoices on time and stay on their good side, contributing to a positive cash flow.

If taught to do so, intelligent automation tools can track supplier information and evaluate long-standing payment terms to ensure they're not hindering cash flow.

Finally, AP automation keeps detailed records of business transactions in your ERP dashboard. You can then access this information to forecast your cash flow and plan for future payments accordingly. You can even program automation tools to adapt to these forecasts and know when is the optimal time to hold on to cash or spend it.

> **Businesses can save 75% or more when they automate their accounts payable processes — spending approximately $5 per invoice vs. $20 doing it manually.**
>
> Source: 2020 State of AP Report, MineralTree https://www.mineraltree.com/news/mineraltree-releases-2020-state-of-ap-report/

Scale for organizational growth

If you have plans for growth, your AP processes must be able to keep up with the speed of your business. **Intelligent AP automation creates a standardized invoicing process so you can scale up your operations with ease.** It doesn't matter if you have to process 100 invoices in one month and 1,000 invoices in the next — automation ensures the result is the same every time.

> **"It doesn't matter if you have to process 100 invoices in one month and 1,000 invoices in the next — automation ensures the result is the same every time."**

There's also no need to significantly increase your AP department employee headcount as you scale your supplier relationships. The combination of OCR and AI-powered workflows keeps labor costs to a minimum by eliminating time-intensive tasks like data entry, file management, and approvals.

What's more, an automated system reduces the costs associated with managing physical documents. This means you can scale your business without spending hundreds of dollars on paper and wasting office real estate on filing cabinets. Meanwhile, employees won't need to painstakingly label and organize files nor will they need to manually sift through a growing stack of folders to find a specific record. Intelligent automation tools automatically index and organize files in a company's DMS platform, so all employees have to do is type a few keywords in a search bar to retrieve certain files in a flash.

PairSoft

PaperSave ◇ WorkPlace ◇ DocuPeak

◇ Enable digital transformation

Digital information is the implementation of advanced technology solutions to change how your company operates. **Intelligent AP automation is a key enabler of digital transformation**, largely because it replaces paper-centric processes with a fully digital and "touchless" one. By wiring together the capabilities of DMS, ERP, and other enterprise software, AP departments can achieve an unprecedented level of efficiency.

However, automation isn't just about saving your employees' time. Technologies are generating terabytes of data at a breakneck pace, and intelligent automation paired with data analytics solutions is the only way to make sense of it all. Intelligent automation tools can then share these insights with you so you can make better decisions regarding suppliers, cash flow, and growth strategies.

All in all, this creates an environment where employees and smart technologies work together to drive the business forward.

PairSoft

PaperSave ◇ WorkPlace ◇ DocuPeak

By the numbers:
how much will you save?

Let's make all of this information crystal clear by examining what it might look like in the real world. Imagine a modest-sized retailer tucked away in a suburb just outside of a big city. The shop keeps its shelves stocked by issuing around 250 purchase orders per month to approximately 50 different suppliers.

It's a messy clipboard-and-paper affair organized by a manager making roughly $50,000 per year. If our imaginary retailer is anything like the average company, all the invoicing costs — from labor to storage — add up to about $10 per purchase order. That equals $30,000 per year spent on invoicing.

One night, the shop manager sees a news segment on business process automation and does some research. She finds a simple app that costs around $50 per user per month to maintain. Since it eliminates most of the data entry, mistakes, and storage needs, her productivity jumps up by 80% and the cost per purchase order (PO) drops to around $2.50.

That means the annual cost to process invoices drops by $22,500 — that's as much as hiring a new cashier! The business process automation app pays for itself within the first month.

But the savings don't stop there. **Automation speeds up the invoicing process so much that the manager starts receiving early payment discounts from over half of the vendors on her list.** And with a wealth of purchase history data at her fingertips, she can confidently order in bulk to enjoy even more discounts from vendors.
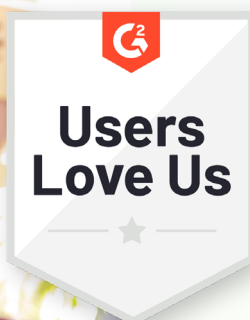
PairSoft

PaperSave ◇ WorkPlace ◇ DocuPeak

Intelligent Automation, your way

We are certain, beyond all doubt, that your business will save time and money by taking advantage of intelligent automation in your accounts payable department. But you shouldn't take our arguments at face value.

Historical and Performance Dashboard

Total Invoices Processed
78,863

Total Amount Processed
$12,497,382

Average Invoice Amount
$1,546

Invoices Processed Per Month

3rd May / Week 1 / May 2022 / Year

Top 5 Fastest Approvers

Rank	Approver
1	John Galinsky
2	Cindy Ford
3	Shawn Lucas
4	Michael Bailey
5	Hugh Ronney

Top 5 Slowest Approvers

Rank	Approver
1	Randy Aaron
2	Tara Mason
3	George Pitt
4	Leo Peterson
5	Johnny Lee

Users Love Us

Our 5-star reviews speak for themselves.
G2.com

PairSoft

PaperSave ◇ WorkPlace ◇ DocuPeak

PairSoft

PaperSave ◇ WorkPlace ◇ DocuPeak

OUR ERP PARTNERS

To learn more about our natively integrated
AP payments and automation solutions, visit:

https://www.pairsoft.com/get-a-demo/

844.819.1208

382 NE 191st St. PMB 58356
Miami, Florida 33179

info@pairsoft.com

pairsoft.com