

Wordflow—from Konica Minolta—provides industry insights from global thought leaders and their importance to the enterprise for business leaders seeking change in content management.

wordflow

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Time is money. Your money.

Time is Money. It's a cliché—but people use it when they find they are stuck in a slow moving situation instead of moving forward productively. Sitting in traffic while watching a commuter train whiz by. Telephoning for a quick answer because IM and chat is not activated. Queuing at a store checkout versus receiving an online order at home. Waiting to pay for a movie instead of waltzing right in with pre-bought tickets. We used to be willing to wait, but now we want everything fast.

Think about the news. You probably digest your news via your smartphone or on-demand. Does anyone actually watch TV at the time the program is actually aired? Where you used to settle in with a physical magazine or newspaper—your medium is now digital. You have engaged a new process for your personal content delivery.

So, how is it at work? Do you find your business processes match your personal processes? While business process automation across the enterprise has become more top-of-mind for organizations, it is the staff who are clamoring for the speed. And who is the most vocal? Your accounts payable and accounts receivable departments.

Think about it. If your AP and AR departments operate faster, you manage your money better. Days Payable Outstanding (DPO) go down and savings go up as you capture the early payment discounts. The dynamic with your vendors sending invoices and receiving payment is improved. It is monetarily beneficial to the company.

What are you doing: Leading the group, just an average player or a laggard that's not even in the game?

Ask around; you may find your peers are ahead of you. With automation, you eliminate paper, speed up the process, introduce controls that never could work in the paper-intensive world and suspend the internal manual process that employees had to do to make Purchase Order (PO) requests, track down the PO and issue the approvals. Layering mobile capabilities on top of the automation—further pushes out the speed with alerts you can get anywhere. Everyone stays 'on time' with their review because you have better monitoring capabilities, process review, analytics and transparency for the CFO to see how the team is doing.

Average Cost per Transaction	Manual	Automated	% Savings
Purchase Order (PO)	\$17.90	\$12.32	31%
PO Acknowledgment	\$6.27	\$3.31	47%
Advanced Ship Notice	\$13.75	\$8.58	38%
Invoice	\$16.33	\$5.65	65%
Remittance	\$18.79	\$7.75	59%

Source: Aberdeen Group, May 2012 from *Achieve Business Agility Through E-Invoicing and Other Key AP Automation Initiatives*, May 2014, p.13

According to the Aberdeen Group, there are significant transaction cost savings with AP automation (see chart). The statistics are impressive as we can see a 30% to 65% improvement truly demonstrating that *Time IS Money. Big Money.*

Metrics	Best-In-Class	Industry Average	Laggards
Days Payable Outstanding	21	33	34
Financial Reporting Accuracy	96%	88%	88%
Savings from Early Payment Discounts	9%	Not provided	6%

Source: Aberdeen Group, May 2012 from *Achieve Business Agility Through E-Invoicing and Other Key AP Automation Initiatives*, May 2014, p.13

The study goes on to say that the leaders who have adopted AP automation have seen the greatest improvement in their metrics for DPO, Financial Reporting and Early Savings Discounts. These benefits of the improved operations illustrate the value to the company and the AP staff.

These statistics beg the question about your organization. Where do you stand with business process automation in your enterprise—or more simply in your AP/AR department? Are you a leader or a laggard?

The message is clear; there are gains to be made. Revamp the operation and clear out the paper. Embrace the change. You have a source of cost savings plus you have an opportunity to improve your vendor relationships. What do you have to do to find that money?

The study concludes that there are four things to consider within your organization to ensure everyone embraces the change especially by understanding the value of the change. What to do next? Select the technology, engage the employees, collaborate with suppliers and implement the technology.

At Konica Minolta, we can help you navigate among the options for selecting the technology that best addresses your business problems. We work with you right through implementation. Our consultants understand what you need to improve your AP/AR operations, and we can guide you to the solution that's right for you. Let us tell you more about Konica Minolta's ECM solutions to help you capture cost savings, smooth processing and gain transparent oversight that automation brings.

For complete information on Konica Minolta Enterprise Content Management Solutions please visit: KonicaMinoltaECM.com

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