

The Accounts Payable eGuide, Vol. 2: Earning Straight A's



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In the first volume of our Accounts Payable eGuide, “No Pain, No Gain?”, we targeted the top pain points facing AP departments — from frustrating document management and invoice processing policies to specific accounting issues and financial solution shortfalls.

With the stage set for AP evolution, it’s time to tackle the next part of our accounts payable coverage. Where are organizations best-served deploying new digital policies and processes? How do they address key pain points without introducing extra complexity or interfering with critical operations? Here are five ways to help companies bridge the accounts payable gap with effective accounting software solutions.

The Application Implementation — Solving for Human Error

Applications are the beating heart of digital transformation initiatives, which are now a priority for [70 percent](#) of organizations. Without the right applications and services in place, even the best-laid infrastructure plans quickly go awry if employees don't see the benefit in new payment processing and documentation apps. Familiarity with existing solutions often outpaces the potential of newly-minted deployments, and as noted in our previous eGuide, many of these accounts payable processes rely on unreliable manual data entry, introducing the potential for significant human error.

Earning top marks starts with the implementation of full-featured [forms processing software development kits](#) (SDKs) that live inside existing applications. By leveraging technologies such as form field detection and optical character recognition (OCR), AP staff are able to work where they're comfortable while simultaneously reducing critical errors. Organizations also need an application adoption champion — often a C-Suite executive or other well-respected leader — who can articulate both the long-term potential and practical use case of AP software integration.

The Approval Improvement — Accounting for Manual Routing

Invoice approval remains a source of stress and frustration for businesses. Outstanding invoices must be paid, but without thorough vetting processes in place, companies could make costly mistakes that require time-consuming fixes, even as new invoices continue to pile up.

Here, the biggest cost culprit is also the most familiar business technology tool: email. While most companies are breaking the habit of photocopying and hand-delivering invoices for review, email introduces the critical problem of fragmentation — who sent what, where? When? Which version?

Improving the approval process is essential for enhanced accounts payable outcomes, and it starts by deploying tools that empower collaboration and communication from inside your existing financial solution. By centralizing the approval process in a single AP application, companies can reduce both the number of approvers necessary and limit the risk of human error. Put simply? Collaboration happens, so make sure staff can communicate safely, securely, and at speed.





The Assignment Integration — Keeping Financial Data in One Place

Duplicate payments remain a critical concern for organizations. [Recent data](#) suggests that SMEs could spend up to \$12,000 per month if all duplicated and erroneous invoices were paid in full. The most common cause of this document doubling debacle? Uncertainty around invoice location and status. With multiple approvers working on multiple invoices simultaneously without the benefit of integrated digital access, the probability of processing extra payments increases exponentially.

Companies can dodge potential duplication problems by assigning invoice data a singular, specific home, your accounts payable application. By leveraging technology solutions that offer support for invoice formats and integration with existing financial tools, the path from invoice filing to examination to approval to completion is uniform, repeatable, and familiar, helping to reduce the risk of critical documents getting lost in the digital woods.

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- SAP Concur



The Automation Innovation — Digitizing and Standardizing Key Data

The biggest holdback for companies considering a digital redux of complex processes such as AP document handling? Complexity. The sheer number of form fields, invoice types, and submission formats make it problematic to bridge the gap. In a DevOps survey of over 450 digital transformation leaders, [86 percent](#) of businesses surveyed said “the complexity of implementing technologies and lack of resources and skills had prevented them from pursuing a new digital service or other transformation project.”

The solution? Automation innovation. Tools capable of scanning, identifying, and converting paper forms into standardized formats and learning from user corrections and modifications over time to streamline this process at scale.

With the bulk of AP processing still relying on the inherent fallibility of paper processes, organizations are well aware of the need to shift away from stationary and embrace digital documentation, but are often overwhelmed by the sheer variety, volume, and velocity of paper invoices they receive day-to-day.

Getting ahead of the game means ditching manual assessment in favor of software development toolkits capable of delivering automation at speed and scale.

The Assessment Imperative — Identifying (and Defending) Outstanding Liabilities

Improved AP outcomes depend on visibility, but existing paper processes naturally obscure AP views and frustrate efforts to see the big picture of invoice payments. It makes sense. With each invoice effectively independent, teams are tasked with collecting, collating, and curating financial data sets to develop a working model of outstanding liabilities.

This introduces two key issues:



Speed: Manual data entry is time-consuming. Necessary error-checking slows the AP process further. If errors are identified, staff must remediate issues in-house, then address any payment problems caused by absent or incorrect information. Here, digitally-enabled assessment enhances the ability of staff to collect data from paper and digital invoices, centralize results, and act on outcomes ASAP.



Security: When data exists outside the direct purview of AP staff, risk increases. Email is especially problematic; are typical transmissions encrypted? Were documents forwarded to recipients outside the corporate ecosystem? Who had access to key invoices? When? For how long? With compliance regulations tightening around the handling and storage of financial data, securing invoice data is now a top priority for organizations.

By leveraging financial software capable of identifying outstanding liabilities from the single source of your existing application framework, businesses can both improve reaction time and reduce overall risk, allowing AP staff more time to focus on innovating overall processes instead of simply keeping pace.

Better invoice processing depends on straight A's: identifying application, approval, assignment, automation, and assessment tools that both integrate with existing solutions and enhance team efficacy. The final piece? Sourcing specific solutions that align with business needs and deliver on AP use cases. Find your best fit with volume three of our Accounts Payable eGuide series: Breaking Bad Habits.



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