Electronic Invoice Processing: Low Touch, High Value

By Keith Button

Can your organization afford to wait 5, 8, or even 10 days to get accurate information about invoices sitting in the pipeline? Few can.

That's why perhaps the most important benefit of automated invoice processing is the data it captures. Sure, companies save money by reducing manual processing. But the real benefit is more strategic. Moving to electronic invoice processing lets companies capture and access data faster. That data can be tapped by the CFO and the finance team to better manage suppliers and cash flow.

In contrast, organizations that use paper invoicing and manual processes are often flying blind for long periods, which inhibits productivity. Organizations need good long-term visibility on spending, quick access to data on suppliers, and accurate information on products and services purchased. Digitization can help them achieve this.

Faster, Simpler

In June 2018, DocuWare launched DocuWare Kinetic Solution for Invoice Processing—automated invoice processing targeting small and midsize companies (those with 1,000 or fewer employees). The goal was to provide scalable, cloud-based digital tools that boast faster and simpler implementations than other industry solutions. DocuWare's applications improve the way finance professionals work and require little or no input from their IT departments.

By automating the accounts payable (AP) workflow—capturing, indexing, vendor-matching, routing, and archiving invoices—DocuWare Kinetic Solution for Invoice Processing also makes the audit process much more efficient, says Jo Ann Kreidel, Solution Manager, DocuWare. For example, auditors and AP users can easily execute searches by vendor, dol-

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lar amount, or date, and see the approval process and related data for every single invoice. Audits can consume an inordinate amount of time, and Murphy's Law inevitably applies. Says Kreidel: "An auditor will give you an invoice to look for, and, if you're relying on paper, there is a chance that it's not there."

Another benefit of the software is that it creates a secure, quickly searchable invoice archive, says Kreidel. That index of information has other uses as well: staff can use data captured during the automated invoicing process to help predict costs with more detail and greater reliability. Armed with that data, sourcing teams can negotiate better deals and optimize supplier partnerships.

The ability to quickly process, match, review, and approve invoices (or resolve discrepancies) affords the CFO's team the opportunity to take advantage of early payment discounts or benefit from other favorable payment terms. With manual processes, the information the CFO's team needs for those early payment discounts may be missed, costing the company money.

The most visible benefits of automating AP, of course, are the cost savings from reducing or eliminating paper and removing high-touch manual processes, Kreidel says. While every company's costs are different, invoices handled manually can cost five times more than those handled by automation.

A Teachable System

DocuWare's use of "intelligent indexing" to automatically capture the predefined data fields from scanned invoices for processing is a game changer, Kreidel says. When the system encounters an unfamiliar invoice format, it shows the AP user which fields it is uncertain of. With a few mouse clicks, the AP user "teaches" the software to correctly read the unfamiliar format so that future invoices can be processed automatically with limited manual touch.

Such efficiency improvements let CFOs redeploy AP team members on transformative projects or use the same number of team members to meet processing needs as a company grows. In addition, automated AP processing ultimately makes a company more attractive to both its employees, because it provides a better working experience, and to its suppliers, because vendor invoices are promptly processed.

"I haven't had anyone say, 'Nah, I think I'll stay with paper,'" Kreidel adds. "The benefits of DocuWare Kinetic Solution for Invoice Processing speak for themselves— people want to make their work-life better and this can be achieved by digitization and making processes more efficient and error-free."

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