COMMON INVOICE PROBLEMS: HOW TO DEAL WITH THEM

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EXECUTIVE SUMMARY

As long as invoices remain a staple of the B2B billing and payment process, smart companies will do everything they can to reduce the number of headaches associated with them. What is interesting as we go through the list is that there are ways to greatly reduce or eliminate some of them. Companies just have to make the decision to do so and then stick to the regimen. Those routines are spelled out in this paper.
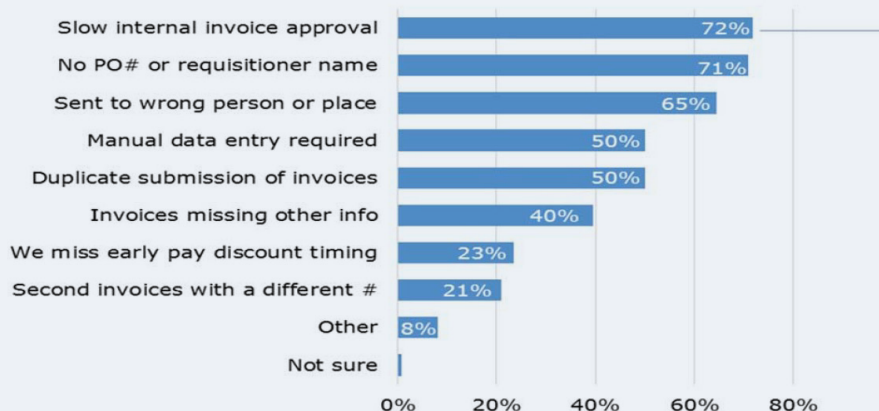
As you go through the different issues, you will note that many of them will be helped along by the use invoice automation. It will stop the problem dead in its tracks in some cases. In others, it will identify the supplier as less than scrupulous and this should give the customer some pause for thought.

INTRODUCTION

As you go through the different issues, you will note that many of them will be helped along by the use. Invoice processing is the backbone of virtually all accounts payable functions. It is perhaps the only task that every accounts payable department handles. Yet, despite the clear need for strong processes, there are a myriad of problems encountered in this task by a great many companies. The invoice problems addressed in this paper were identified through a survey conducted by AP Now. These problems persist in a large number of organizations despite the best efforts of management to get them under control. It is the purpose of this paper to not only identify the problems, but suggest solutions.

The graph below shows not only what the primary problems are but the frequency they are experienced.

Invoice Issues Experienced on a Regular Basis

Issue	Percentage
Slow internal invoice approval	72%
No PO# or requisitioner name	71%
Sent to wrong person or place	65%
Manual data entry required	50%
Duplicate submission of invoices	50%
Invoices missing other info	40%
We miss early pay discount timing	23%
Second invoices with a different #	21%
Other	8%
Not sure	

Source: AP Now Invoice Survey

ANALYSIS

Manual data entry is often talked about as an AP pain point and for good reason; 68% of AP Now's Invoice survey respondents noted that a whopping 95–100% of invoices require some level of manual data entry. Yet, when asked about issues experienced regularly, only 50% selected it, indicating a certain level of tolerance for data entry. The number one problem is slow internal invoice approval.

Among the 72% who noted slow internal invoice approval, the majority (44%) tend to route invoices in paper form, which could be part of the problem. Among those who did not specify slow approval as a regular is-sue, the majority (47%) rely on technology (not email) for invoice routing. As another potential issue, the survey asked about invoices received by email that are typically sent by the vendor multiple times, either to multiple parties or by snail mail, even when the invoice is not past due. Most (63%) noted the issue occurs with less than 25% of such invoices. However, for 27%, multiple copies happen for at least one-fourth of the invoices.

Let's look at each of the problems individually and some solutions for each. The paper ends with some tips on handling these and other invoice problems in both a paper and an automated environment.

SLOW INTERNAL INVOICE APPROVAL

It would be nice if everyone did what they were supposed to do, especially when it comes to something as simple as approving invoices for payment in a timely manner. In the recent AP Now Invoice survey, 72% reported having this problem with their invoices and 34% identified it as their biggest invoice issue.

Adding insult to injury, technology seems to have made the problem worse. There have been numerous reports of employees using Outlook's programing features to automatically delete, move to the spam folder or a special file, all invoice reminders. While in theory moving all reminders to a folder might not be a bad idea, it would only be a good idea if that folder were looked at regularly. We know from experience; this is often not the case. Let's take a look at some strategies you can use to reduce this problem in your organization.

- If you are using invoice automation, make sure and include automatic escalations for several levels. So, if the immediate supervisor ignores the notice to approve, it goes to his/her boss and so on.

- If you are not using automation, escalate the invoice for approval in a similar manner, in cases of extreme tardiness.

IN THE RECENT AP NOW INVOICE SURVEY, 72% REPORTED HAVING A PROBLEM WITH SLOW APPROVAL OF THEIR INVOICES AND 34% IDENTIFIED IT AS THEIR BIGGEST INVOICE ISSUE.

- If you can get a high-level executive to agree, have them send a note to all tardy approvers reminding them of their responsibility in this arena.

- Keep track of all early payment discounts that were lost due to tardy approvals. Then tally the amounts per approver and publish the list regularly. This might not make you popular, but it will help eliminate the problem. You can warn offenders this will happen, if you are feeling kindly.

- If you get charged late fees, keep track of them by tardy approver and publish the list regularly.

NO PURCHASE ORDER NUMBER OR NAME OF REQUISITIONER

The best practice for handling invoices that come in without a purchase order (PO) number or the name of the person or department who ordered the goods is to return the invoice with a very polite letter. The letter should state that in order to get payment made in a timely manner, your company requires either a PO number or the name of the person who ordered the goods.

While this is the recommended best practice, there is great reluctance on the part of some organizations to do this. If that is the situation at your organization, here are some other tactics you can try to facilitate identifying the person who should receive the invoice for approval purposes.

1. Create a list by company of employees who purchase from the given entity. In many cases there will be only one person and this will facilitate the handling of invoices from that company.

2. In your vendor welcome letter and annual note to vendors, reiterate the policy of requiring a PO number or name of requisitioner on all invoices. This doesn't mean you will return them; it just encourages suppliers to include this important information. Point out that invoices can't be paid until they are approved, and sometimes invoices without the identity of the purchasers require extra processing time.

3. If there is an email address on the invoice, send a note asking for the missing information. You won't always be successful, but it's worth a try. Likewise, if you have a contact email in their billing department, try using that.

4. Don't make ascertaining the purchaser a priority. If the supplier calls looking for payment before the purchaser had been identified, explain the reason for the delay.

Using these techniques will enable you to get the information you need wasting as little time and effort as possible. Of course, if these fails, you may have to resort to going from person to person asking if they ordered the item in question. But, with a little luck, you will avoid that outcome.

THE BEST PRACTICE FOR HANDLING INVOICES THAT COME IN WITHOUT A PURCHASE ORDER (PO) NUMBER OR THE NAME OF THE PERSON OR DEPARTMENT WHO ORDERED THE GOODS IS TO RETURN THE INVOICE WITH A VERY POLITE LETTER.

INVOICES SENT TO WRONG PERSON OR PLACE

It's hard enough to get invoices processed in time to earn the early payment discount when they are sent directly to accounts payable. When they are not, it's almost impossible. That's not the only reason why it's smart to have invoices arrive as quickly as possible, but it's one of the best.

When invoices are sent to the wrong place, the vendor relations are likely to become frayed as payment is delayed. This will also give them the perfect excuse to send another copy of the invoice. That second copy means more non-value-added work and occasionally a duplicate payment. So, the trick is to get all invoices sent to the correct location the first time. Here are some tactics that will help you do just that.

- **Step one.** Set up one mailing address, one email address and one fax numbers for the receipt of invoices.

- **Step two.** Make sure that all your vendors are clear on what those addresses are.

- **Step three.** Make sure everyone else in the company (especially procurement) knows what those addresses are. Also make sure all employees are aware of your policy to have invoices come directly to accounts payable first. Occasionally, an employee who doesn't normally order goods will instruct the vendor to send items to them first so they can see it. This further delays the receipt and processing of invoices. This should be a hard and fast policy, no exceptions.

- **Step four.** Whenever an invoice is received that does not have the correct address (or email address or fax number), immediately notify the vendor and the purchaser. Make sure the vendor understands that not sending it directly to accounts payable will result in a delay in payment.

- **Step five.** Whenever possible, convert to invoice automation as this eliminates the problem. Perhaps, this should have been step one!

MANUAL DATA ENTRY REQUIRED

Even those who are automated to the hilt find they need to do some manual data entry. So, recognize that for the foreseeable future, there will always be some manual data entry required. The issue becomes a problem when there is more than would be reasonably expected given your existing processes. When that happens, you need to take some action.

If your organization has gone down the automation path and it is not being fully utilized, you need to investigate why that is and deal with those issues. Vendors

WHENEVER POSSIBLE, CONVERT TO INVOICE AUTOMATION AS THIS ELIMINATES THE PROBLEM OF INVOICES BEING SENT TO THE WRONG PLACE.

who say things like, "we're more comfortable mailing an invoice than using the online approach" should be dealt with firmly. Inform them invoices not submitted through your automation approach are paid more slowly — and then make sure their payments are delayed. This may sound harsh, but your organization spent a lot of time, effort and money to automate and it should be fully utilized.

Once you've eliminated those problems, it's time to dig a little deeper. Whenever you have manual data entry, expect a certain minimal amount of keying errors. That's just a fact of life when using manual processes.

The emphasis here is that it should be minimal. Even the best of processors will make an occasional error. After eliminating the keying error issue, you need to analyze why you have all the extra keying. Is the extra work due to an error on the PO, invoice or receiving document? Keep in mind, that you will always have occasional errors as no one is infallible and like your processors, everyone makes the occasional error. But that's not what we're aiming at.

At that point you can narrow in on the cause and source. For example, if you have a large number of POs with errors, dig deeper to discover who is issuing the problematic POs. Are a good portion of them coming from one office or one purchaser? If so, you need to discuss the matter with them to see if they can fix the issue, especially if they are making the same mistake over and over again.

If a large number of invoices from the same vendor have a consistent issue, it might be time for a chat with purchasing to see if they want to approach the vendor about it or they would prefer you do so. Basically, the key to this issue is to identify problematic areas that are causing the lion's share of the extra work and then figure out how to eliminate or minimize those issues.

DUPLICATE SUBMISSION OF INVOICES

Data from recent AP Now surveys confirms anecdotal evidence collected by our staff. Duplicate copies of the same invoice are becoming a huge headache for many of our members. Virtually every organization receives emailed invoices and almost two-thirds of those surveyed receive the majority of their invoices via email. It is expected that this number will only grow as the economics of this delivery method are irrefutable.

The Problem

That might be the root of the trouble but the real issue lies with vendors who abuse the process, taking advantage of the low cost to ensure payment or in some cases hope for an undetected duplicate payment. A whopping 27% of our survey participants report they are getting more than 25% of their invoices multiple times. What's even worse is 6% say they are getting over 75% of their invoices more than once. In all of these cases, the duplicate submission happens before the due date. As you might imagine, this creates an enormous amount of extra work for accounts payable departments.

Minimizing the Headache

This is one of those issues that is not likely to completely go away. However, you can take some steps to minimize the non-value-add work it creates in your department. The following game plan was developed based on what participants told us they are doing in their organizations to get their arms around this growing issue.

- **Step 1:** Set up a separate email address to receive emailed invoices.

- **Step 2:** Direct all emailed invoices to be sent to that one email address and only that address.

- **Step 3:** Contact all purchasers and inform them of the new address and your policy. Make sure they understand that only one invoice is to be sent and it should go directly to the new email address in accounts payable.

- **Step 4:** Contact all suppliers and inform them of the new address and your policy. Make it crystal clear that once they start emailing the invoice, they should not also mail a copy. Don't give them an option.

- **Step 5:** Add a statement to your terms and conditions of your purchase orders requiring vendors to send only one copy of the invoice.

- **Step 6:** If you have contracts with certain vendors, include verbiage requiring them to send one, and only one, copy of an invoice unless payment is more than 30 days past due.

- **Step 7:** If you have a handbook for vendors, update it to reflect your AP email address for receipt of invoices. Also make it clear they are to email to only one location.

- **Step 8:** Make sure you communicate clear instructions of 'bill to' address requirements, including the email address for invoices. Make sure this is on the purchase order.

Dealing with Those Who Don't Comply

No matter how clear you are in your instructions, there will be some vendors that don't appear to get the message. Take the following steps to make sure these vendors understand your new policy.

- **Step 9:** Identify those who are sending both mailed invoices and emailed invoices.

- **Step 10:** Contact those on the list and politely ask them to stop.

DUPLICATE COPIES OF THE SAME INVOICE ARE BECOMING A HUGE HEADACHE.

You can start by simply emailing them but ultimately, you may have to pick up the phone and call them.

Note: You will periodically have to repeat Steps 9 and 10 as vendors who were previously complying decide it might be a good idea to start sending duplicate copies of invoices.

Dealing with Repeat Offenders

After you have contacted vendors several times and their behavior regarding sending duplicate invoices has not changed, you can only draw the conclusion that they are not going to change — unless you take more serious actions. At that point, you have to decide if you just want to live with the situation or take more aggressive action. Before doing that, you might want to consult with management and procurement to ensure you are all on the same page. If you don't have support, you may not be able to take the next steps.

- **Step 11:** Create a list of vendors who routinely send more than one copy of their invoice.

- **Step 12:** If a vendor makes the repeat offender list, all their invoices should be double checked before payment is made.

- **Step 13:** Inform vendors who continue to send more than one invoice that duplicate submission will further delay payments. This may or may not be true. In all likelihood they will have no way of knowing.

- **Step 14:** Assuming you get support, create a formal letter from Controller or CFO or other high ranking person notifying the vendor that they are in violation of the terms of the purchase order. Inform them that any further invoices received by anyone other than AP will be returned to the vendor for resubmission to AP.

- **Step 15:** This last step needs to be used carefully. For example, you wouldn't want to use it with a critical vendor who was supplying a key ingredient in your manufacturing process, especially if there are only a limited number of sources for the component. If you can get support for this step, send a final note telling the offending supplier that continued violations may result in no further purchases from their company by your organization.

What Else Can You Do?

The problem is greatly reduced if you use a portal for receipt of invoices or some sort of third part invoice automation. For if a vendor were to routinely submit duplicate copies of an invoice through one of those mechanisms, there could be cause for fraud accusations.

IDENTIFY THOSE WHO ARE SENDING BOTH MAILED INVOICES AND EMAILED INVOICES.

Additionally, your duplicate payment and invoice identification routines need to be sharper than ever. Run data analytics through your payment data to help you identify potential duplicates.

Be aware that vigilance on this front is critical. For reasons that will be for the most part completely unfathomable, out of the blue a vendor that had been complying will start sending multiple copies of an invoice. Time spent processing a duplicate invoice only to have it identified at the last minute is time wasted. Hence it is important to identify the culprits as early as possible in the invoice handling process and weed them out. We wish you the best of luck with this.

A Novel Approach

Create an automated notification to your vendors telling them you have their invoice. If you can indicate an approximate payment date, do so. It will help to reduce those annoying calls asking when payment will be made.

Of course, if you start using an invoice automation process, selecting a service provider that is capable of sending the automated notice to the vendor. Select an invoice automation system that have an online payment status function that the vendor can use to check payment dates.

INVOICES MISSING OTHER INFORMATION

One would think that any vendor would make sure it included all the information a customer would need to pay the invoice as quickly as possible. But, one little question to readers of our ezine revealed this was absolutely not the case. Vendors routinely leave off:

- The name of the person to contract information if there is a question about the invoice

- Contact information (email and phone number) of the vendor's contact person

- The name of the entity to make checks payable to

- Purchase order numbers (and/or name of requisitioner)

- Sales tax separated out from total cost

- The remit-to address

Leaving this information can make it difficult to process invoices, as time has to be spent searching for or requesting missing data. Finding an efficient way to address this problem, will make your invoice handling process more efficient. Here are a few steps that will help you with that process.

CREATE AN AUTOMATED NOTIFICATION TO YOUR VENDORS TELLING THEM YOU HAVE THEIR INVOICE.

Step 1: Set the stage so that the vendor knows what is required. Spell out what you need in your vendor welcome packet or letter. Make sure you delineate all the information that should be included on an invoice. Make it clear that leaving any of this information off the invoice will result in a delay in payment.

Step 2: Reinforce this message whenever you receive an invoice missing key information that makes it impossible to pay from the information included on the invoice. Return the invoice with a very polite letter informing the vendor that in order to pay them in a timely manner, the invoice must contain _____. Of course, you'll fill in the blank with whatever the missing piece of required information is. Create these standard letters and make them available to all your processors. They can simply change the addressee in the letters making this a very simple task.

Step 3: Take more drastic action, if they don't change their ways. The hope is that when a vendor receives a letter saying its invoice is missing a piece of information, they will go back and address the problem and change all future invoices. But this does not always happen. Some will continue to send invoices with the information wasting your staff's time when they have to return these invoices, over and over again. When this happens pick up the phone and have a chat with the vendor. It is in both parties best interest that they improve their invoicing practices.

LOST EARLY PAY DISCOUNTS

Early payment discounts, as our readers are well aware, represent a goldmine for their organizations. Conversely the suppliers who offer them, mainly because it's been part of their business model for decades would love to get rid of them. While most don't go out of their way to openly sabotage your chances of earning these attractive discounts, they don't do anything to make it easier for you either. In this regard, there are two contributions accounts payable can make to their organizations' profitability. They can make sure they don't lose any discounts offered and they can search for additional vendors who offer them. Let's take a look at some strategies that will help you be successful on both fronts.

Earning Every Discount

It's up to you to make sure you do everything possible to make sure you earn every last one of those discounts. Of course, the first step is making sure you receive those invoices as quickly as possible. Then those invoices must be processed quickly. Here's five ways to do that.

- **Tactic #1:** Set up a different PO Box for discount vendors. Of course, the invoices received in this box should be processed before others.

ACCOUNTS PAYABLE CAN MAKE SURE THEY DON'T LOSE ANY EARLY PAY DISCOUNTS OFFERED AND THEY CAN SEARCH FOR ADDITIONAL VENDORS WHO OFFER THEM.

- **Tactic #2:** Try and convince as many of your early discount vendors to send invoices by email or fax. This way you eliminate the mail time and can add that extra two or three days to your processing time.

- **Tactic #3:** Have the invoices from early payment discount vendors flagged when they are received and then fast track them for processing AND dispute resolution.

- **Tactic #4:** If the invoices are going to purchasing first, make sure the approvers know which vendors' invoices need to be addressed immediately.

- **Tactic #5:** Track all lost early payment discounts and identify root causes for missing the discounts. Periodically review this information and categorize common reasons and reengineer your processes to eliminate them.

Finding More Discounts

Yes, you're not seeing things. We think it is possible for you to find additional discount opportunities for your organization. It won't be easy and there won't be a lot of them. But, we do believe you can find a few. Here's how.

- **Tactic #1:** Instruct your processors to look for notice on every invoice. This includes vendors who don't normally offer you early payment discounts. Here's why. Occasionally a vendor will offer early payment discounts to a select group of customers. While you'd like to be part of that elite group, it's difficult to join if you don't know about it.

  Needless to say, the vendor has no interest in letting you know that some of its customers are getting early payment discounts. However, occasionally they slip up and someone inadvertently checks the box that causes the invoice to print the early payment discount terms on the invoice. Once you have it once, you should a) take it immediately and b) notify the appropriate person in purchasing so they can negotiate for it all the time in the future.

- **Tactic #2:** If one vendor in an industry is offering discount terms, ask other vendors in same industry. While collusion on pricing and terms is a definite no-no, it is not uncommon to find all suppliers in the same industry offering very similar if not identical terms. Therefore, if one is offering, ask its competitors. This is a project accounts payable could work on with purchasing.

- **Tactic #3:** If a vendor accepts p-cards and you don't have a program, ask for an early payment discount instead. In fact, consider trying to convert p-card vendors to early payment discount vendors. They may be amenable, especially if you are paying large invoices using the card. In fact, this could benefit both parties. Here's why.

  While you might be trading part of a rebate for the early payment discount, it is almost a certainty that the early payment discount is larger than your

IT IS MOST COMMON FOR ORGANIZATIONS TO FOLLOW TWO OF THE FOUR MVF BEST PRACTICES ADDRESSED BY THE SURVEY.

rebate. On the other side of the coin, your vendor can offer you an early payment discount that is smaller than discount fee it is paying its card processor. This is one time when the situation is really a win-win for both parties.

Early payment discounts offer a unique opportunity for all organizations. Make sure you not only earn every one your organization is entitled to but you find those limited situations where additional ones are available.

SECOND INVOICES WITH DIFFERENT INVOICE NUMBERS

Second invoices with a different invoice present a unique challenge for the organization trying to avoid making duplicate payments. For starters, this is just one more issue that highlights the fact that you cannot rely 100% on the invoice number to identify a potential duplicate. Therefore, duplicate payment identification routines must rely on more than the invoice number. Here are some tactics that will help.

Follow best practices for invoice processing is probably the single best tactic you can use to combat this nasty problem. These include using rigid coding standards, the three-way match and immediate extinguishing of the purchase order and receiving document when the payment is scheduled.

As soon as you identify vendors who use a different invoice number, add them to the small list of vendors whose invoices are double checked.

You can try talking to the vendor and asking them to use the original invoice number but don't expect this to be overly successful. At the end of the day, the vendor will have established practices and it is not likely you will be able to change them.

Some believe that vendors who use this approach do so purposely to try and get some of their customers to pay twice. You will never be able to prove or disprove this theory. So, your best defense is to follow best practices and make sure you are not one of their customers who double pays.

ADDRESSING OTHER INVOICE CHALLENGES

No matter how automated an organization, virtually all still are plagued by paper invoices. Of course, some have done a fabulous job getting rid of a large number of them, but many others still face the unenviable task of processing mountains of paper. In this article we take a look at eight invoice challenges in a paper world, discuss some solutions as well as offer a brief commentary on if and how automation might help.

SOME BELIEVE THAT VENDORS WHO SEND SECOND INVOICES WITH A DIFFERENT INVOICE NUMBER DO SO PURPOSELY TO TRY AND GET SOME OF THEIR CUSTOMERS TO PAY TWICE.

AP NOW'S INTERNAL CONTROLS IN AP SURVEY RESULTS

Challenge: Errors in Manual Data Entry

Tips in a Paper World: Without a doubt, human keying errors create problems for just about any organization entering data manually. Running batch totals is one way to verify that at a minimum, payment amounts have been entered correctly. Some organizations have found that allowing processors to listen to music (with headsets on so others are not disturbed) helps reduce errors also. Finally, a coding standard will help eliminate those errors created when processors are allowed to create their own abbreviations and shortcuts.

How Automation Helps: By eliminating the data entry function, automation eliminates those keying errors made by processors.

Challenge: Lack of Consistency when Data Is Entered Manually

Tips in a Paper World: This is one of the easiest problems to create a solution for. A rigid coding standard along with rigid procedures will eliminate the problem. With every processor handling invoices the exactly same way, errors associated with different handling procedures are eliminated. It is not enough to create the ideal process and coding standard, managers need to periodically check to make sure all processors are sticking to the standards and not introducing their own work arounds.

How Automation Helps: Processors handling invoices differently is not a problem in a completely automated invoice processing environment.

Challenge: Receipt of Invoices

Tips in a Paper World: In a paper world, invoices are often sent to a variety of places. Some come to accounts payable, some are addressed to no one and are passed from person to person until someone realizes they belong in accounts payable and others are sent to the original purchaser. When invoices don't come directly to accounts payable, additional work is created when vendors call looking for payments on invoices still with approvers. In an ideal paper world (Is that an oxymoron?) invoices are sent to one centralized location for further distribution. This way they can be logged and tracked.

With organizations everywhere looking to cut costs, a number of vendors are refusing to mail invoices. They insist on either emailing or faxing invoices. Therefore, today when we talk about one centralized location, we mean one snail mail address, one email address and one fax number.

How Automation Helps: With invoice automation, copies of invoices can be sent with a few clicks of a mouse. It is relatively easy to receive invoices either centrally and immediately forward to the appropriate parties or to give both parties (accounts payable and purchasing) online visibility to the invoice.

> WITH INVOICE AUTOMATION, COPIES OF INVOICES CAN BE SENT WITH A FEW CLICKS OF A MOUSE. BOTH PARTIES (ACCOUNTS PAYABLE AND PURCHASING) CAN HAVE ONLINE VISIBILITY TO THE INVOICE AT THE SAME TIME.

Challenge: Invoice Volume

Tips in a Paper World: In a paper world, the sheer number of invoices is a concern. As the number increases, it is sometimes necessary to add staff simply to handle the volume. Many organizations look to p-cards to get many small dollar invoices out of accounts payable. Those organizations dealing with numerous small dollar invoices from the same vendor in a short period of time sometimes decide to pay from weekly or monthly statements instead of individual invoices.

How Automation Helps: When invoice processing is automated, volume is less of a concern. The only exception might be for those using software that charges on a per-invoice basis. In those cases, the organization might want to investigate some of the solutions suggested for the paper world.

Challenge: Invoice Routing for Approvals when Approvers Don't Respond

Tips in a Paper World: When invoices are sent out for approval in a paper world, accounts payable does not always know if someone is out on vacation, out unexpectedly or is just not bothering to review the invoices sent. There is no good solution to this problem in a paper world.

One partial solution involves developing a list of people known to be negligent in approving invoices and send them regular reminders, perhaps copying their immediate supervisor if they are tardy. This is a bit of work.

How Automation Helps: In an automated world, if approval escalations (sometimes referred to as cascading approvals) are included, the problem goes away. When an invoice is not approved within a preset number of days, the invoice is automatically escalated to the next level for approval. Anecdotal evidence suggests that just including the approval escalation in the process eliminates almost 100% of the tardy approver problem.

Challenge: Tracking Invoices

Tips in a Paper World: Whether you are monitoring invoices out for approval or those that have a dispute "issue," keeping track of invoices can be a real headache in a paper world. We suggest tracking and monitoring disputed invoices using an Excel spreadsheet with regular followups and aging to help identify problem spots as well as get invoice issues addressed.

How Automation Helps: When a fully automated invoice processing system is used, an electronic audit trail is created. Thus, at any point in time, anyone with access can view where an invoice is in the process and who touched it, changed it and when. Additionally, special tracking routines can be built into some third-party systems during the initial configuration stage.

WHEN A FULLY AUTOMATED INVOICE PROCESSING SYSTEM IS USED, AN ELECTRONIC AUDIT TRAIL IS CREATED.

Challenge: Dispute Resolution

Tips in a Paper World: In a paper world, dispute resolution boils down to phone calls and emails. It's easy for invoices to fall through the cracks if the matter isn't resolved quickly or it is necessary to get additional documentation. Whether in a paper world or in an electronic environment, dispute resolution typically ends up in accounts payable. This is unfortunate as almost always it is necessary to get purchasing or receiving involved to settle the dispute.

How Automation Helps: When dispute resolution is automated, the problem is posted online. Each party is then responsible for checking to see what items are disputed and then resolving their issue. If they don't fulfill their task by an agreed upon deadline, reminders can be automated as well as escalations.

Challenge: Monitoring Invoice Disputes

Tips in a Paper World: Disputed invoices have a way of disappearing in a paper environment. Unless there is rigorous tracking and follow up, the disputes frequently go unresolved and a second invoice is sent and occasionally paid. If there is no online capability to track invoices with problems, the manager should create an Excel spreadsheet where disputes are tracked and aged. Periodically—ideally weekly—the manager should review the aging and check with the processor responsible for old invoices.

How Automation Helps: If tracking is built into the invoice processing system, the reports discussed above can be generated automatically and reminders sent. While the manager will still have to get involved from time to time, the amount of management involvement will be diminished. And, of course, they won't have to create the tracking and aging reports. The computer will do it for them.

Paper invoices are here to stay, at least for the time being. Effective managers will deal with the problems they create as part of their overall management function. By recognizing the problems ahead of time, they will be equipped to develop strategies to deal with the headaches created by paper.

CONCLUDING THOUGHTS

As you can see, there is quite a bit of work to be done if you are to reduce some of these problems. Keep in mind that this is an ongoing project. For once you get one vendor to stop doing something that creates headaches, another will pop up. Sadly, these tasks will not be a one-time special project but rather issues that will have to be regularly re-visited to ensure your invoice headaches keep to a minimum.

> IF TRACKING IS BUILT INTO THE INVOICE PROCESSING SYSTEM, THE REPORTS DISCUSSED ABOVE CAN BE GENERATED AUTOMATICALLY AND REMINDERS SENT.

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INDIVIDUAL MEMBERSHIP

Newsletter Membership

- Monthly Accounts Payable Now & Tomorrow newsletter, focused on the developing issues impacting the accounts payable function (delivered to your email inbox each month)

- March one-hour AP Best Practices webinar and Fall AP Recognition Week webinar

- Weekly news updates, tips and insights

Basic Membership

- All of the items in a Newsletter membership

- Four quarterly Developing Issues webinars

Portal Membership

- All of the items in a Basic membership

- Full access to the total AP Now information portal including hundreds of articles, tips and over 50 diagnostic checklists 24/7 (not available separately)

AP Now's Annual Webinar Pass

- Invited to every one-hour webinar offered in the 12 months following purchase; Guarantee 20 a year but usually more

- Plans for 2018 include 2 per month except January

Platinum Membership

- A Portal Membership + annual webinar pass

- Anytime Viewing of all webinars including Library of over 50 past events

Accounts Payable Best Practice Certificate Program

- Study Guide

- Four Anytime Listening lectures (listen as often as you like)

- The exam and your certificate

STAMPLI

ABOUT STAMPLI

FACTS + FIGURES

$12 BILLION: INVOICES MANAGED ANNUALLY
25,000: HAPPY AP USERS & APPROVERS
600,000: VENDORS SATISFIED

READY TO GROW YOUR AP AUTOMATION?

Stampli is the most powerful AP Automation available, giving AP full control of the invoice lifecycle. By centering communications on top of the invoice issues are quickly resolved and approvals happen 5x faster. Stampli's AI learns an organizations' unique patterns to simplify GL-coding, automate approval notifications, and identify duplicate invoices. Stampli fits into any existing P2P process, with support for both PO and non-PO purchases. Stampli makes it effortless to automate AP.

MEET WITH ONE OF OUR AP EXPERTS

Take the first step towards better Accounts Payable Automation.

LET'S TALK