PayStream
ADVISORS

Your Guide to Accounts Payable Automation Technology

RESEARCH
for the Analyst

CONSULTING
for the Strategist

# *Automated Accounts Payable Process Overview*

Invoice Receipt

The beginning of any AP lifecycle begins with invoice receipt. There are two primary ways to input invoices electronically into a workflow system—through the use of a scanning and OCR data capture process or an eInvoicing network.

Matching and Routing

Workflow solutions enable AP departments to define how different types of invoices are processed. Invoice matching and routing involves linking invoices to purchase orders and then sending them through the appropriate approval chain.
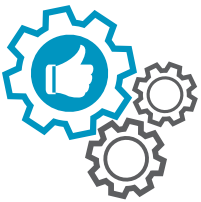
Approval Workflow

Once invoices have been validated, matched, and routed into the appropriate queue, a variety of approval workflow capabilities ensure that they are approved in a timely manner.

Payment Integration

Electronic payment functionality is very important for efficient AP, as it is the final step for a secure and swift workflow. Many solutions offer in-house payment capability, or directly integrate with leading payment providers.

Identifying Opportunities for Improvement

Most paper-centric AP operations have an opportunity to take small steps that result in large rewards, but you can't improve it if you don't measure it. The foundation of a successful business plan is based on a realistic picture of where you are now in terms of your AP efficiency, and where you want to go.

Process redesign and automation can bring lasting benefits, including:

- » Reduction in manual, low-value effort
- » Lower processing costs
- » Invoice workflow transparency
- » Faster approval and departmental visibility
- » Ability to capture early payment discounts
- » Business intelligence and process insight
- » Moving closer to holistic Purchase-to-Pay automation

1 NOVICE

2 MAINSTREAM
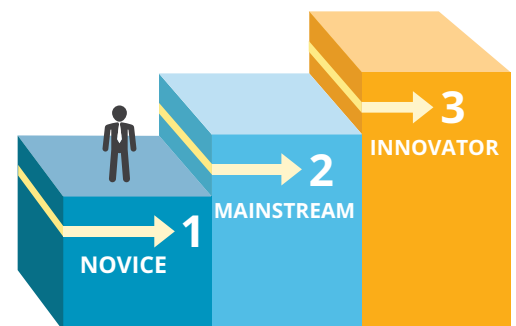
3 INNOVATOR

Where Do You Stand on the Path to Innovation?

METRICS	NOVICE	MAINSTREAM	INNOVATOR
Average processing time from invoice receipt to approval	45 days	23 days	5 days
Average processing cost per invoice (combination of paper and electronic)	$15.00	$6.70	$2.36
Percentage of invoices received electronically	3%	9%	32%
Percentage of invoice terms discounts captured	18%	40%	75%

Taking the Next Steps

You can take action now to begin your AP transformation. The steps focus on recognizing the true value of electronic invoice receipt, process specialization, and implementation of electronic payment methods.

1. Develop a plan to reduce data entry and increase automated processing in AP. Electronic invoice receipt via a portal or network will make invoice receipt touchless and help eliminate supplier invoice inquiries.

2. Establish automated matching, workflow and posting processes to expedite invoice approval times and reduce manual touches. These include finding ways to pre-approve and auto-post invoices.

3. Implement electronic requisition, PO creation, and ordering to increase ability to initiate collaborative commerce and eInvoicing with suppliers.

4. Increase ePayment formats beyond ACH—consider implementing virtual card payments.

5. Reprioritize staff time to focus on process measurement, task analysis, and value-added, revenue generating tasks.

PerfectMatch: AP Automation Consulting

Making the Case for Automation

Companies are striving to streamline labor intensive processes through the use of automation and process change. Management is in search of visibility, compliance, and control of purchasing and accounts payable.

With so many different solutions in a crowded marketplace that lacks clear leaders, how can companies justify an automation initiative?

PayStream Advisors delivers a clear, third party market overview of available solutions and makes recommendations based on your specific needs.

Who is PayStream Advisors?

PayStream Advisors is a research and consulting firm dedicated to lowering the business risk associated with automation technology. We provide in-depth, objective and independent analysis of available solutions, combined with client-specific recommendations and implementation strategies. In short, we work with companies to help reduce risk and maximize investment.

Finding Your PerfectMatch

PayStream Advisors offers hands-on consulting engagements to assess your current state, identify your challenges and needs, and make non-biased recommendations for your solution. We provide:

» *Current State Analysis:* A clear analysis of current infrastructure to establish baseline metrics

» *Needs Assessment:* Educational workshops for stakeholders to define new goals

» *Recommendations Report:* A short list of the most qualified solution providers that meet your requirements and goals

» *RFP Creation & Management:* Customized templates to ensure your information is accurate

» *RFP Scoring Framework:* Thorough analysis of RFPs and custom scoring template

» *Contract Review:* Negotiation recommendations

The results? Successful pilots, implementations, and roll-outs with minimized risk. Your team will be educated and armed with the knowledge and confidence to meet goals and drive your business forward.

Benefits

» Complete on-boarding of staff, IT, and senior management

» Bullet-proof business cases based on years of success

» Dramatic reduction of time and money typically associated with vendor selection

» Maximized investment in selection and implementation of automation solution

» Realistic options and ROI modeling

Purchase to Pay Automation Framework

| Sourcing | Contract Management | eProcurement & Order Management | Supplier Information Management | Invoice Capture & Workflow | Payment, Remittance & Discount | Travel & Expense Management |