

# Your Ultimate Guide to Accounts Payable Automation

Solving Accounts Payable Challenges By  
Simplifying Document-Related Processes



# The Need for Accounts Payable Automation

## Why Automate Accounts Payable?

There are a myriad of benefits to automating accounts payable, including keeping better track of invoices, purchase orders, and other documents, capitalizing on early payment discounts, and eliminating repetitive data entry. But most of these benefits can be boiled down to two crucial metrics: significant cost savings and reduced process completion times.

As telling as these statistics are on their own, countless companies have quickly realized these benefits for themselves as events from 2020 to the present have drastically sped up the adoption rates of both AP Automation and other digital solutions.

To illustrate the difference AP automation makes, here are some statistics on the top and bottom accounts payable performers from The American Productivity and Quality Center:



### The Cost of an Invoice

△ \$ .71

▽ \$11.50



### Days to Resolve an Invoice Error

△ 3 Days

▽ 8 Days



### Invoiced Line Items Paid in Full the First Time

△ 94.4%

▽ 80.37%



### Number of Invoices Processes per FTE

△ 84,231

▽ 6,449



### Receipts Received Electronically or Automatically

△ 93%

▽ 46.2%



### Average Number of Days to Generate Complete and Correct Billing Data

△ 1 Day

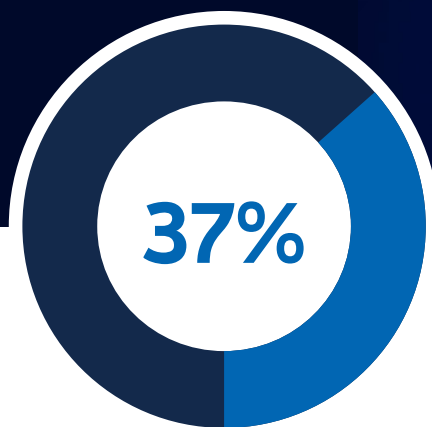
▽ 5 Days

# The Perfect Storm

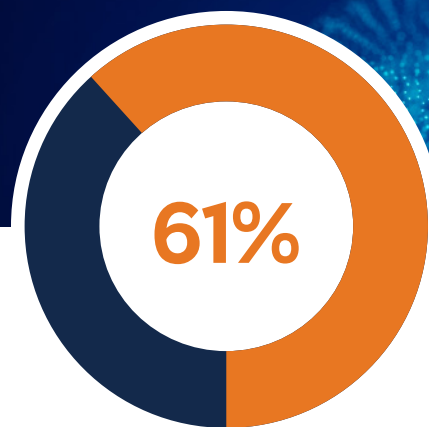
Many organizations required to operate remotely during the Covid pandemic adopted digital transformation solutions to ease the transition. These businesses quickly began seeing additional benefits, including quicker turnaround times on tasks, fiscal savings, improved customer relationships, and more convenient access to information.

With the record-breaking resignation rates that followed this pandemic and talk of economic recession on the horizon, companies doubled down on their digital transformation investments.

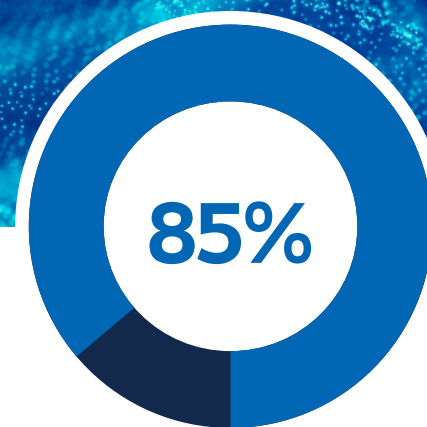
According to AIIM, in the current state of the AP automation market:



**of organizations are  
working on an AP  
automation project or other  
related financial digital  
transformation effort**



**of organizations have  
undertaken at least  
1 financial digital  
transformation project**



**of organizations have  
completed their first  
project**

These statistics clearly show that organizations across industries are all transforming their processes with new technologies to meet a new standard for efficiency.

# Common Accounts Payable Challenges



Paper-based work is a soul-crushing, profit-sapping drag on individual, team, and company productivity. Accounts Payable departments are smothered by paper, hindering innovation and creating a competitive disadvantage. But what if there was a better way?

By automating your accounts payable processes, you can extract data from your documents to eliminate keystrokes through the key-less creation of vendor payables. It also makes it possible to access documents from the office or from home, streamline purchase order or PO matching, and automate invoice approval routing.



## Repetitive Data Entry

The data stored on invoices, purchase orders, and other AP documents must often be keyed into a financial system to help manage company resources. Typing this data manually can be incredibly time-consuming, taking even more time away from company-centric tasks as a result. What's more, manually inputting this data can be incredibly error-prone, leading to setbacks, mistracked information, and more time used to remedy these mistakes.



## Late and Missed Payments

With so much time spent on accounts payable related processes and so much difficulty keeping track of the documents needed to complete them, payments to suppliers may be missed in the process. Missing payments frequently results in additional fees and weakens your business relationships with vendors, potentially causing you to miss out on deals and opportunities in the future.

# Common Accounts Payable Challenges



## Lost and Misplaced Documents

Packing slips, purchase orders, and other AP-related documents need to be filed away so that information can be referenced later, whether for communicating information to a supplier, expensing job-related services, or another administrative task. Storing these documents on paper often results in a great deal of disorganization and countless hours sifting through cabinets to find the necessary information. Likewise, storing them as PDFs leads to similar results as files are often mislabeled and misplaced.

Invoices are especially prone to misplacement as they are typically printed out or emailed to a manager for approval. Once there, they are often forgotten and discarded, leading to a heavily bottlenecked approval process.

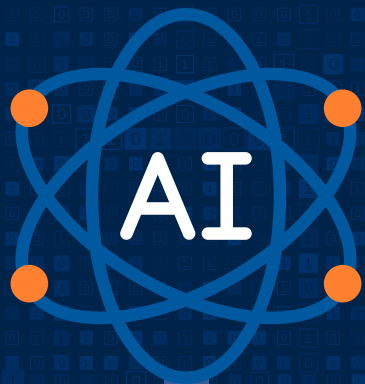


## Time-Consuming Processes

Employees must often reference several documents to complete a single AP-related process. The three-way matching process, for example, ensures all parties receive what they agreed to and involves verifying and matching invoices, purchase orders, and packing slips.

But when these documents are difficult to find due to cluttered file cabinets or disorganized shared drives, the processes that rely on them take much more time as a result. What's worse, this additional time is often taken from tasks that could better benefit your business.

# Getting Started with Accounts Payable Automation



## AI-Assisted Capture

Regardless of your process or level of automation, your journey will always start with the transformation of your vendor invoices into useful information. Whether your invoices begin as paper, PDF's or email attachments they first need to become usable data before any type of automation can begin. You can't route an invoice for approval or escalate it based on a dollar amount if the system doesn't have a way to interpret what it sees on the page.

Historically, this was done through the use of templates with OCR extraction. While effective, this required that someone build and maintain these templates that would accurately handle this conversion. This meant too much time was being spent on supporting a system that was intended to save you time in the first place. Fortunately the introduction of new technology has changed all that resulting in much more effective and affordable intelligent document solutions.

AI-assisted capture is an extremely cost-effective automation tool for any organization looking to accurately capture invoices. By combining artificial intelligence and machine learning the process becomes virtually effortless to set up and eliminates the need for further maintenance.

And now that you've solved the process of transforming your invoices into valuable information, the opportunities for automation are endless.

## Capturing and Filing Documents

This level of automation is an ideal starting point for organizations that just need quick and easy access to documents. Using the magic of AI to extract data from invoices, these records can be securely indexed and routed to an enterprise content management solution. The use of ECM allows you to have anywhere, anytime access to information while ensuring it's secure and only accessed by individuals with the proper credentials.



### Automated Routing

For businesses that have bottlenecked invoice approval processes, approval routing can streamline this process and save tremendous amounts of time. Manual approval processes are tedious and time-consuming, often involving printing invoices, tracking down the approver, and passing these documents along where they can get lost, misplaced, or forgotten about.

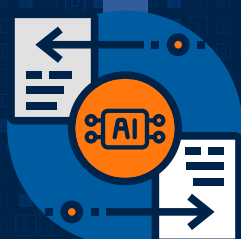
Automated routing sends these invoices directly to approvers, who are reminded to attend to them with regular, automated reminders.



### Automated 3-Way Matching

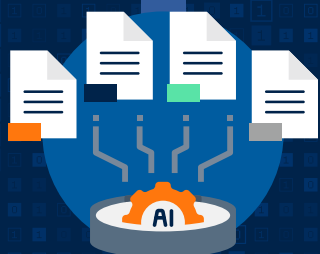
3-way matches ensure businesses get what they ordered at the price they agreed to, but in large volumes, matching invoices, purchase orders, and packing slips can take tremendous amounts of paid hours and are prone to potential oversights.

By automating the 3-way match, data from each document is instantly compared, and in the case of discrepancies, employees are notified. This helps businesses do more with limited resources and focus their efforts on mission-critical tasks.



### Data Sharing with Financial Systems

Even if invoice data is captured for indexing purposes, some of that information may still need to be manually entered into your company's financial applications. Sharing data with these applications from your accounts payable automation solution reduces time spent on data entry and eliminates errors that could result from manual keystrokes.



### Line Item Data Extraction

For organizations looking to track in-stock inventory and cost data, capturing line item information on invoices can be a beneficial addition to their AP solution. Line item data extraction for invoices lifts data such as specific inventory items, their costs, and the amount delivered, helping organizations that rely on it better fuel their digital transformation.

Some businesses also purchase inventory indirectly, meaning that no purchase order is associated with the invoices for these items. Line item data extraction ensures that these items can still be automatically coded into the general ledger, even without a purchase order.

# When Is It Time to Automate?

1

If your accounts payable related processes are prone to errors and mistakes, it is a clear sign that the department is stretched too thin. Storing AP documents in easily searchable repositories and automating data entry with document capture can alleviate this pressure, reduce overtime hours, and keep your AP clerks happy while reducing labor costs.

2

If there's more paperwork to manage than your accounts payable team can handle and processes are being delayed, you should be looking to automate those processes, especially if delays lead to missed early payment discounts or late fees. Investing in an automated solution can reduce the burden even during a workload spike, such as an unusually large amount of invoices to process.

3

If your organization has moved to a remote or hybrid model and processes such as invoice approvals are getting bottlenecked due to a reduced ability to collaborate, automation can provide convenient access to invoices, purchase orders, and other documents while routing them to approvers for seamless collaboration.

4

If operational costs such as storing, printing, and processing accounts payable documents are increasing beyond your planned budget, automation can contain or even eliminate them, bringing them under control or reducing them tremendously.



# Advantages of Automating Accounts Payable

- ✓ **Improve Access to Documents:** With searchable, indexed documents in an Enterprise Content Management system; organizations can access records quickly and easily from anywhere.
- ✓ **Shorten Process Completion Times:** With less time spent referencing files and such as invoice routing and data entry completely automated, organizations can drastically shorten the paid hours it takes to complete accounts payable processes and use those hours for tasks that will better aid your business.
- ✓ **Take Advantage of Early Payments:** With the time saved on invoice processing, routing, and data entry, organizations can reduce costs by taking advantage of early payment discounts.
- ✓ **Eliminate Errors:** With index data being automatically captured and financial data being shared with other applications; employees can focus their efforts on data validation rather than spending time keying it in by hand.
- ✓ **Enhance Inventory Management:** With line item data capture, organizations with inventory can keep track of what's in stock and manage costs for an entirely data-driven inventory management strategy.

Let's end the challenge of lost or misplaced invoices, approval bottlenecks, and tedious data entry into multiple systems. By automating accounts payable, you can capture data such as header footer and line item data and automate key processes such as invoice approval routing, all while reducing errors, saving time on data entry, improving access to documents, and capitalizing on early payment discounts. And with the time you save, you can put more emphasis on tasks that better benefit your business.

## In Summary

If you could snap your fingers and make all the physical paper in your Accounts Payable department digital, what would that mean to you?

- Would your people waste less time searching for and sharing copies of documents?
- Could you onboard new customers and employees faster and more accurately?
- Would your costs go down and competitiveness go up?
- Would you reclaim all the wasted space currently inhabited by file cabinets?

**Answer:** All of the above and also create opportunities to generate new revenues.

# AP Automation Success Stories

## EZ Go Stores

EZ Go is a gas station and convenience store chain with 22 locations in 3 states. The chain continues to adapt to a changing business landscape with new initiatives, so when paper invoices began piling up, EZ Go knew it was time to look for a better way to manage them.

Deciding to entrust their digital transformation to Square 9 because of their software's ease of use, EZ Go is now able to effortlessly find financial documents within their new system using searchable index fields and ensure timely payments to vendors using automatic routing and multi-level approvals. In addition, their solution Integrates with PDI, EZ Go's financial system, allowing for information such as vendor names, approved invoices, and check numbers and dates to be seamlessly transferred between the two systems.



*"As far as I could tell from all the sessions I saw for other document management software, Global Search seemed so much easier to use."*

**Twyla McDonald**  
EZ GO's Controller

## Ann Arbor Spark

Ann Arbor Spark is a Michigan-based economic development organization and business accelerator that provides grants to help organizations complete jobs across various aspects of their businesses.

The organization typically generates about 30-40 invoices per month, taking an immense amount of time to process, route, and approve. Invoices come into the organization's office in piles sporadically, but with their new solution from Square 9, Ann Arbor Spark was able to reduce the time to process these piles from 3-4 hours to just 30-60 minutes.

And by integrating with Ann Arbor Sparks CRM system, invoice information is automatically shared from GlobalSearch, eliminating more data entry.



*"I save so much time on cross-checking invoices in the CRM and QuickBooks. Now it takes 30-60 minutes to approve a large pile of invoices, saving about 10 hours per month. I'm able to look at my reports and cross-check them in GlobalSearch, giving me more time to focus on other projects."*

**Lisa Bies**  
Staff Accountant at Ann Arbor Spark



**square9**  
Taking the **Paper Out** of Work

# Find out why businesses are turning to Square 9 for their AP Automation needs.

The Square 9 AI-powered intelligent document processing platform takes the paper out of work and makes it easier to get things done with digital workflows that automate many aspects of how you work today. We make it easy by extracting information from scans or PDFs, storing documents in a searchable archive, and building digital twins of your current processes through graphical workflows.

Visit Square 9 to get a no-obligation discovery session and see how automating your Accounts Payable department can improve your onboarding and retention rates.

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