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The Road to AP Automation

Guidebook **no 1.** The AP Process

A guidebook on AP process development to help you lay the groundwork for automation

The Road to AP Automation

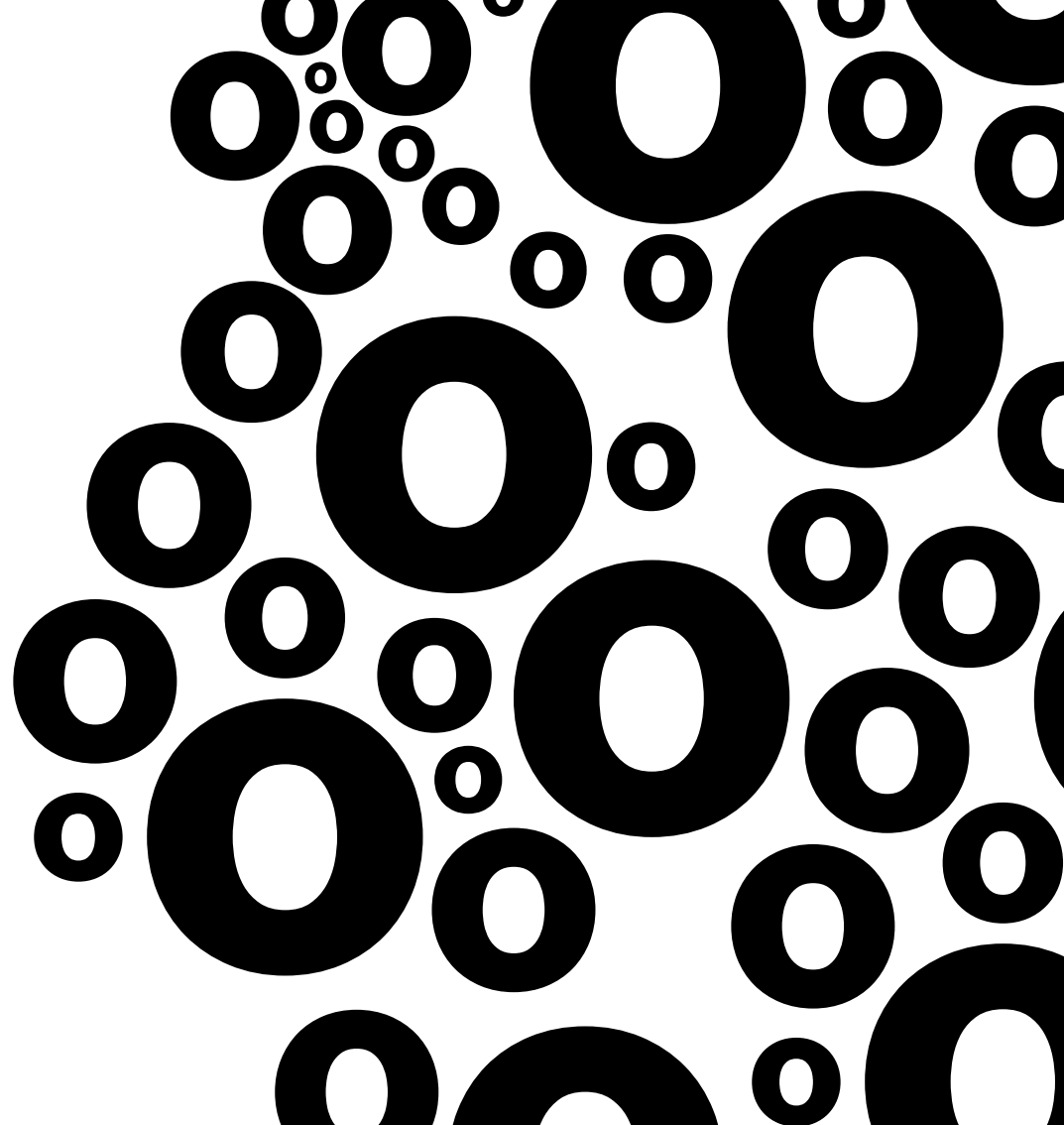
Automation has greatly impacted organizations and industries across the globe – replacing manual tasks and streamlining processes, while delivering major financial benefits and competitive advantage along the way.

One of the last corporate functions to be digitized, Accounts Payable is ripe to take advantage of automation and gain the same kind of efficiency, cost savings and strategic business benefits that other industries have already realized.

So, what do you have to do to successfully automate AP? This series of guidebooks will help you start the process and get you on the right path. The first booklet provides insight into AP process development to help you effectively prepare for automation.

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The pitfalls of a partial process
Optimizing your process
Preparing for automation



The pitfalls of a partial process

There are many steps to invoice automation – from receiving invoices and capturing them into your invoicing system – to coding and routing them for approval, reviewing them and then sending them to the ERP system for payment. All of these steps can be automated, and when the full process is addressed, huge benefits can be realized.

Yet, some companies are automating only parts of the process – such as using Optical Character Recognition (OCR) to recognize characters in paper invoices, or workflow to move the invoice through the handling and review/approval process. But the reality is that true automation must include all of that.

So, imagine receiving an electronic invoice that is automatically coded and entered into your invoice automation system, and gets routed through an electronic workflow that generates reminders for reviewers and enforces

compliance of your policies – such as who can approve invoices and at what financial thresholds. Imagine PO-matched invoices being passed straight through – without human intervention – to the ERP system for processing. Then, AP staff would just handle exceptions and have time to focus on other, more strategic activities.



**Invoice
Capture**

Workflow

**Coding and
Matching**

**Seamless ERP
Integration**

Optimizing your process



AP automation should not just be considered as an IT-only project. Finance and AP departments should also be involved to lay the groundwork for success. When these departments all work together effectively, implementation typically becomes very smooth and straightforward.

Before you automate, you should review the AP process and see how it can be optimized. On the right, there are 3 process development tasks that can help you improve AP operations – regardless of whether you automate or not:

1. Carefully review your AP process, with a focus on enhancing and streamlining operations.
2. Determine the best, most efficient way to organize and divide invoice processing activities.
3. Plan how you will implement controls and compliance over the entire process.

1. Streamline the process



Sanna Kaarlejärvi, CFO, Dooap

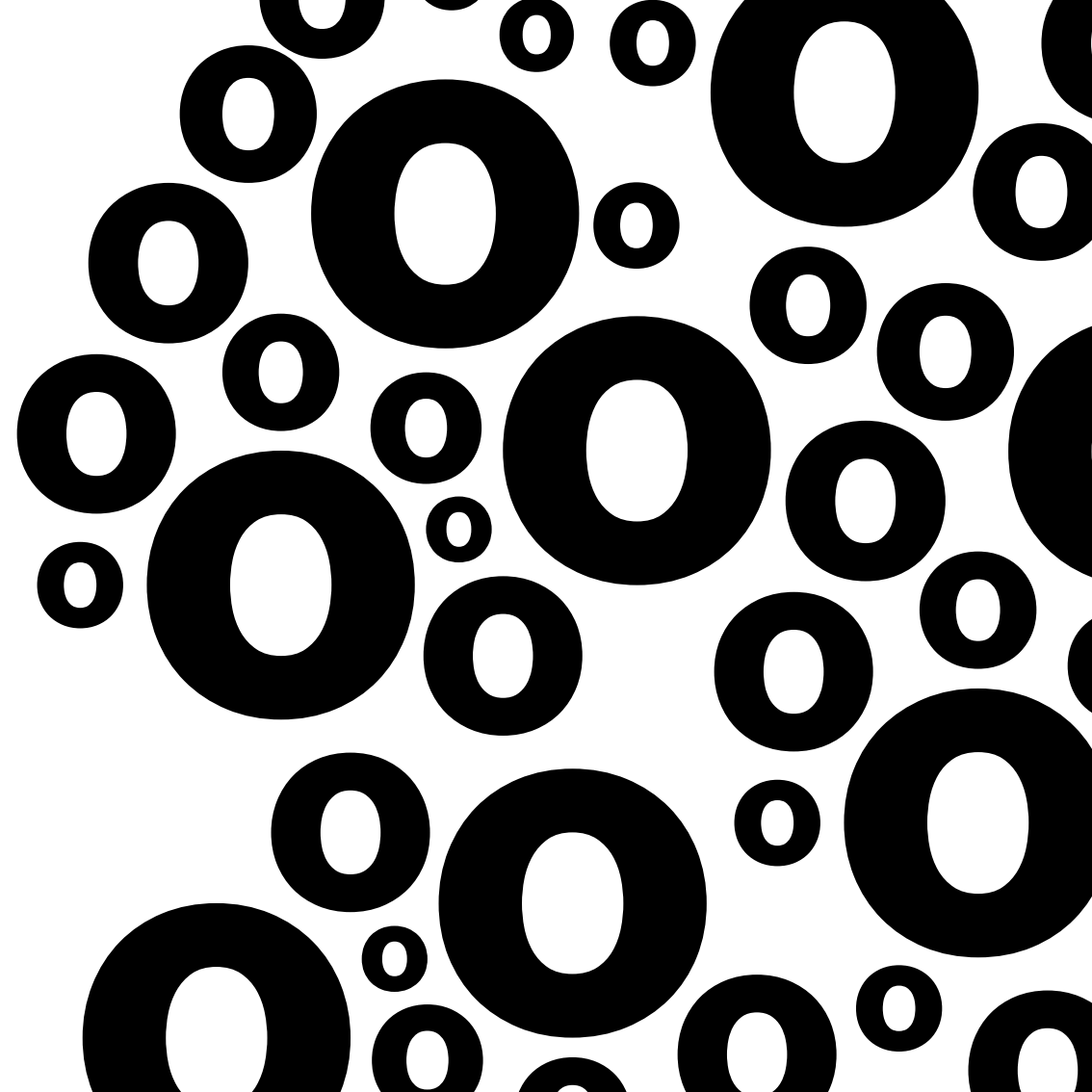
Take a look at your process. Really, take a long, hard look. What isn't working? What needs to be changed? Are you duplicating work? Or are you struggling with an inefficient workflow?

Before trying to automate everything, stop and think about why a task is being performed in the first place. If the task is unnecessary, then you should just stop doing it – which would not only streamline the process, but also avoid the unnecessary time and cost of automating it.

"Stop and think about why a task is being performed in the first place."

[Read Sanna's blog](#)

Also, consider how often you should be performing certain tasks in the process. For example, paying purchase invoices five times a week is inefficient and time-consuming. Each time you process an invoice you have to log into the software; prepare the payment batches; and check, approve and send payments. If you were to handle a large number of transactions at once and send payments only twice a week, the workload would immediately be reduced by 60% – and your vendors would still get paid on time and never notice the difference!



2. Dividing the workload

Before automating a process, you need to make decisions on work division between the AP department (or finance team) and the invoice reviewers and approvers in the business units.

Bear in mind that the AP process involves many busy people in the business units. In fact, when companies perform efficiency calculations, the time spent on financial management tasks outside the finance team is rarely considered, even if the cost related to it might be significant.

Our recommendation, based on hundreds of process development cases, is to centralize as much of the AP-related work as possible. And, here's why:

1.

Centralized processing enables mass handling, which is always more efficient than handling single transactions, since getting started always takes more time. Centralized processing helps to effectively identify repetitive and recurring events which can then be automated. If an approver only handles one or a few invoices a month, there is not a lot of motivation to improve efficiency. However, when the AP team handles 20 or more similar invoices per month, there is a clear benefit to improving the invoicing process.

2.

Centralize invoice coding and tax operations with the finance team.

This is where the experts reside who are trained and experienced in bookkeeping and taxation. Coding purchase invoices in the approval workflow can be burdensome for invoice reviewers across the organization, who typically view it as a difficult, boring task that gets performed under pressure, as the invoice due date approaches. They often code an account based on a guess or the (possibly wrong) coding of a previous similar invoice. When coding is centralized in the finance department, not only is the quality of bookkeeping improved, but the cumulative time spent on coding is reduced as well as the time to process invoices.

3.

The number of invoices requiring approval can be greatly reduced by matching them against POs and contracts.

Some companies route these matched invoices to the reviewer and approver to keep them informed of the cost – even though there are no discrepancies. Consider a company that routes telephone bills to every department head so that they are aware of – and can control – the charges booked to their cost centers. Processing an invoice this way is very costly, and can result in delays that can cause late payments and penalties. A better process would be to centrally approve the invoice to be paid, and make sure that all business units are informed of it in their cost reports so they can keep telephone costs within agreed-upon limits.

3. Gain control and compliance

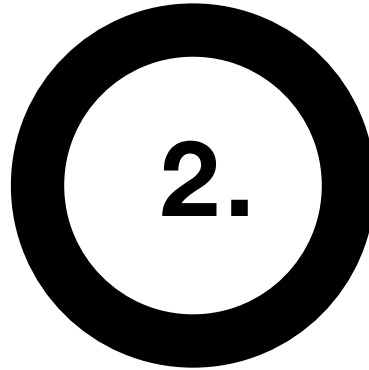
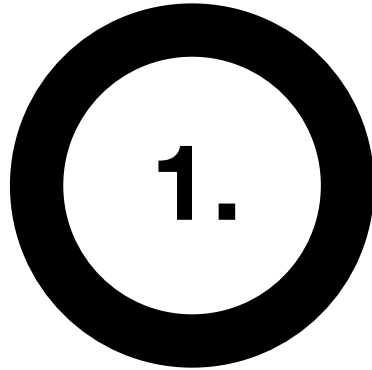
Control and compliance is a critical concern of all organizations.

Consider the internal policies that you need to implement to effectively control AP and avoid fraud. Do you need to have two approvers on invoices of a certain dollar amount? Who can add new vendors? How are duplicate invoices identified? How are exceptions reported and handled?

Now, think about where you're conducting business and all the regulations that you need to comply with in all of these areas – e.g., VAT taxes, SOX, 1099, GAAP etc. These can be built into your automated system. And, by implementing strict controls, you also help deter fraud.

Preparing for automation

Three steps to consider before beginning process automation



Digitizing the data

The more you receive invoices in structured and digitized format, the better. Go through your invoice receipt methods, and improve them as much as possible.

For more detailed instructions, see our Guidebook no 2.

Developing a matching plan

To optimize invoice automation, also make sure you establish a sound process for purchasing. By establishing effective purchase order practices, accurate invoices can be automatically matched against them, bypassing the approval process. The same method can be used with recurring and contract-based invoices.

Considering Robotic Process Automation (RPA)

RPA can be a good addition to invoice automation. The benefits of RPA are best seen with tasks that require lots of manual input work. RPA is particularly suited for tasks that are too small, irregular or fast changing to be automated using traditional systems, such as invoice entry and posting.

For more information, see our RPA Guidebook.

The fast track to world-class AP

For AP professionals who are already on the journey, the benefits of AP automation are undeniable. By evaluating current processes and planning carefully, you too can be on your way to enjoying the cost-savings, efficiency and control that automation brings to the invoice payment process.

Are you ready to join the ranks of world-class AP departments, get on the fast-track to savings and gain critical competitive advantage?

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The Road to AP Automation

Guidebook **no 2.** The Invoice

A Guidebook to Move Your
Invoices from Paper to Digital

Moving from Paper to Digital

Accounts payable automation provides so many advantages – it's more efficient, accurate and cost-effective. But before you can automate, it's important to get your invoicing house in order. Otherwise, you'll continue dealing with problematic, poor-quality invoices and won't truly benefit from the productivity gains and cost savings that automation has to offer.

When it comes to invoices, it's all about the data. The type of data, the format and the way that the data is captured are all things to consider as you transform your invoices from paper to digital and prepare for automation.

This guidebook explains how you can digitize and improve the quality of your invoices as you get ready to automate. This guidebook – along with Guidebook 1 on The AP Process – will get you on the right path on your automation journey.

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From paper to digital

It's all about the data

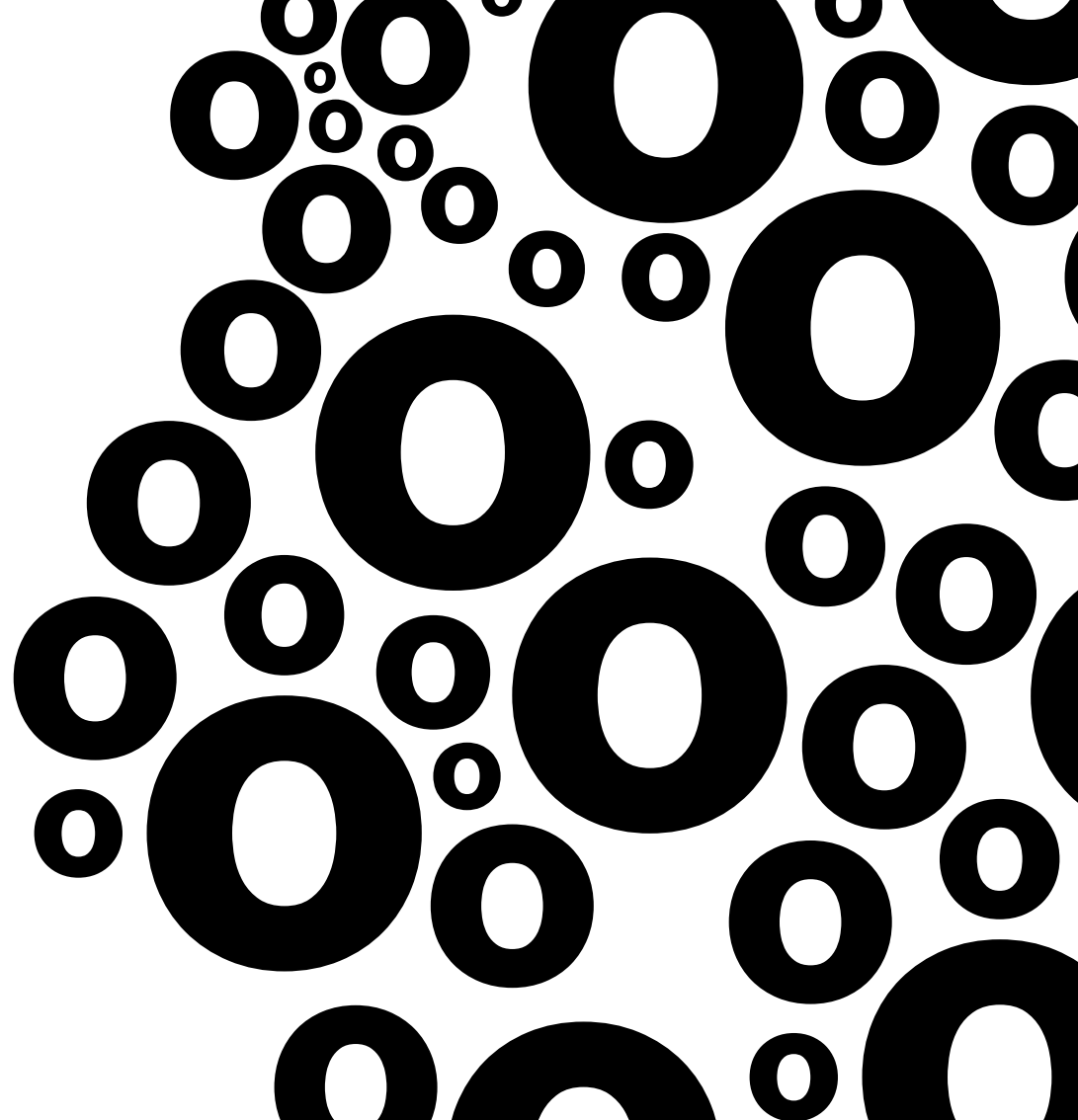
Which format is best for your organization?

Making sense out of the data – image capture

Why e-invoices are the way to go

Be a part of the invoicing ecosystem

Take the plunge



It's all about the data

Before we dive into the actual invoices, it's helpful to consider the two different types of data that are in them – structured and unstructured.

Structured data

This type of data – which is found in spreadsheets for example – is structured in a way that makes the information easily searchable by an automated system.

Unstructured data

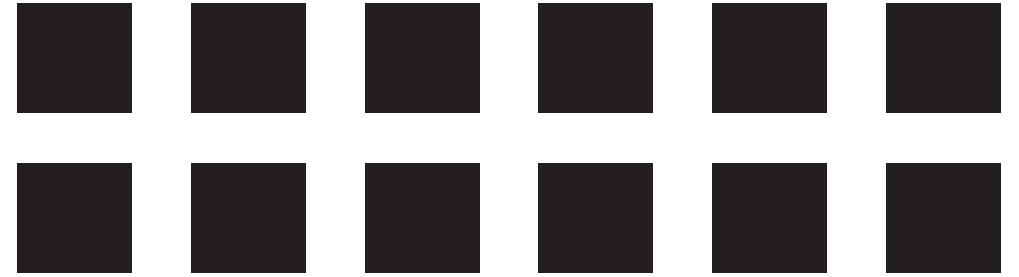
This is raw and unorganized data that lacks a basic structure, which makes search and information retrieval difficult. Text files, PDF, emails, social media and

audio and video files are common forms of unstructured data.

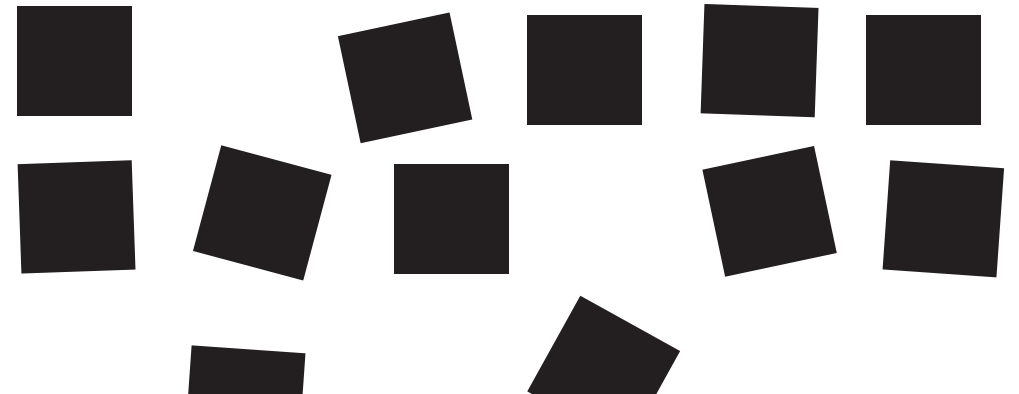
Why does the data structure matter?

The processing system needs to receive invoices in a structured data format in order to automate invoice processing. If the data is unstructured, you need to manually input it into to a digital format or use Optical Character Recognition (OCR) software.

Structured data

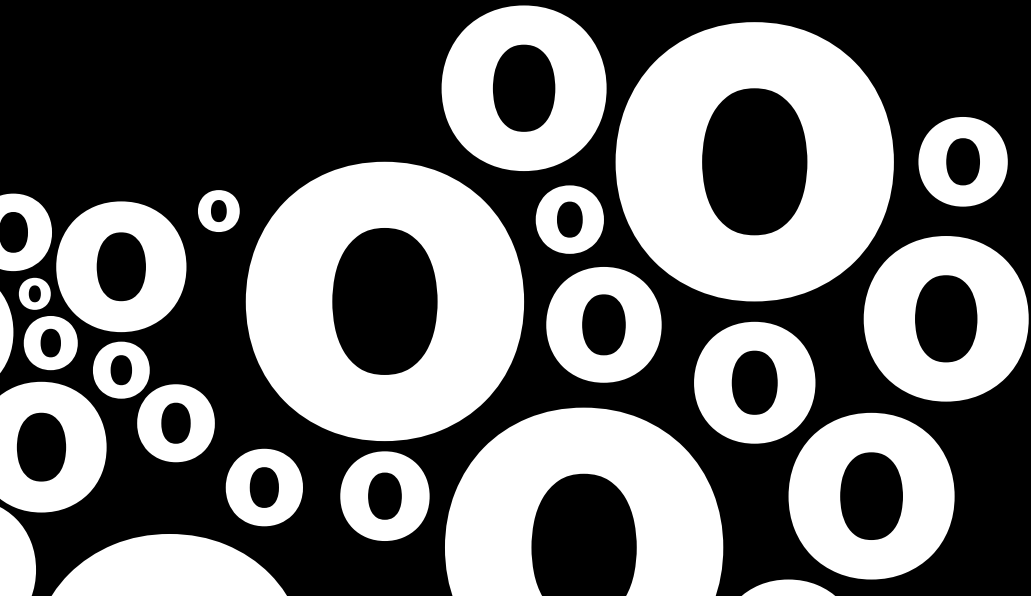


Unstructured data



Which format is best for your organization?

Invoices come in different types and formats. Understanding the differences between them and which is best for your organization is a key first step in improving invoice quality:



1. Paper invoices – Unfortunately, we are all too familiar with paper invoices and many AP departments are buried underneath them. These paper invoices can easily get misplaced, or lost, which can result in late payments and penalties. On top of that, processing paper invoices is very inefficient. Because these invoices contain unstructured content, AP staff must spend a lot of time manually inputting the invoice data into a digital format for processing, which introduces the risk for human error. In short, paper invoices take too much time, and the faster you can move away from them, the better.

2. PDF invoices via email – PDF images of the invoice sent by email are a slight step up from paper invoices because they cannot be altered, reducing the potential for fraud. When they are sent by email they also have a slightly lower chance of getting lost. But, these invoices also contain unstructured data, so AP staff still needs to spend the time capturing and inputting the data into their processing system, and that has the same problems associated with manual processes.

3. EDI. Because the data in EDI is structured, it reduces the need to capture information from the invoice image. However, because EDI connections are usually set up point-to-point and the information is not complete, buyers and suppliers alike must pay attention to the contents and mapping so the data is being received in the correct columns.

4. E-invoices are the ideal invoice format. An e-invoice contain the actual image along with structured XML information that a company needs to process the invoice through an automated system. While there are multiple e-invoice formats available, the network operators that deliver e-invoices between trading partners take care of mapping between different formats, so companies can always receive the invoice in the format that best fits their needs.

Making sense out of the data – image capture

The road towards automation and e-invoicing doesn't usually happen overnight; getting rid of paper invoices takes time. That's why you'll need to improve the process and convert your paper and PDF invoices to a digitized format. The first step is to capture the data through an automated process. There are two main approaches to doing this:

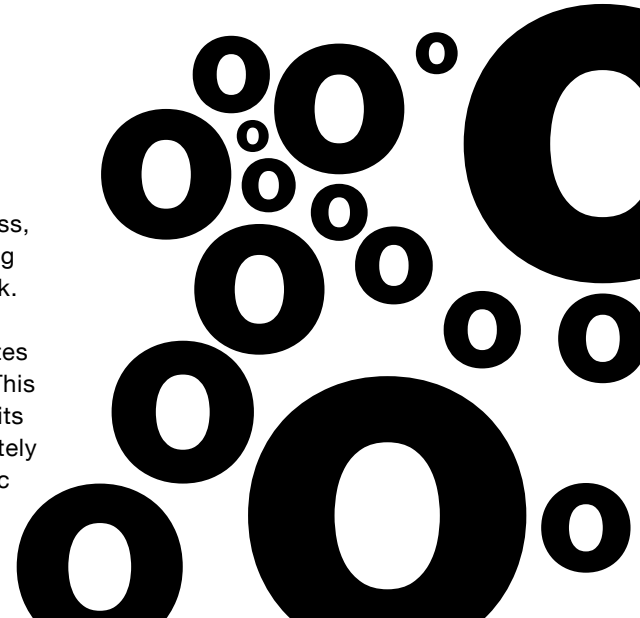
Own

Optical Character Recognition (OCR) software recognizes characters in paper and PDF invoices. It is typically based on recognizing key words and teaching the software where the data lies in different invoice templates. However, teaching the OCR itself and employees to use it takes a lot of time and resources. And to maintain the level of quality high, manual validation is required.

Rent

Capture as a Service (CaaS) – This is essentially the same as owning the software, but it outsources the process, and frees up the company from having to complete the time-consuming work. Service providers focusing on CaaS have already built the invoice templates and taught the software – for years. This means that you get to reap the benefits of high-quality data capture immediately and focus your time on more strategic tasks.

Regardless of which of the two approaches you use, you need to re-examine the cost-rewards benefits behind it. Having OCR technology in-house is not part of most AP departments' core competencies and might not be a smart investment since paper and PDF invoices, which are on the decline, may ultimately be phased out.



Why e-invoices are the way to go

Structured data content is at the core of effective invoice automation. Because of the time and cost savings, decreased errors, and greater control over payments that e-invoices deliver, it's worthwhile to put in the time now to transform your paper invoices to e-invoices.

You will need to work with your suppliers to help them transition to e-invoices. And you can educate them on how e-invoices enable faster processing, and potentially faster payment. By doing this, you not only improve supplier relationships, but you will also achieve greater internal customer satisfaction with the AP department, which will be free from the manual, time-consuming processes and can now focus on more meaningful, strategic activities.

Be a part of the invoicing ecosystem

Once you create e-invoices, a whole new universe of options is available. You can send and receive e-invoices instantaneously anywhere around the world through the many, often interconnected invoicing networks. It not only makes everything transparent, but it also dramatically speeds up the entire process.

And don't forget, you're not only a purchaser but you're a supplier as well.

You can also make changes in your Accounts Receivable department to make sure you are sending e-invoices to your customers. That way, you're not only doing the right thing and paying it forward, but you're also helping to speed up the process when you get paid. After all, e-invoices offer a win-win scenario.



Take the plunge

E-invoices are the ideal solution for moving from a paper to digital AP process – it's as simple as that. Why spend time and money trying to process paper, when you can automatically get the data you need electronically? It opens a whole new world of greater efficiencies, cost savings, increased quality and improved supplier relationships.

**We've seen the future
and it's digital. Are you
ready to join us?**



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The Road to AP Automation

Guidebook **no 3.** AP Automation from the IT Perspective

A Guidebook to Move Your
Invoices from Paper to Digital

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AP automation from the IT Perspective

AP automation in the cloud

Don't settle for partial automation

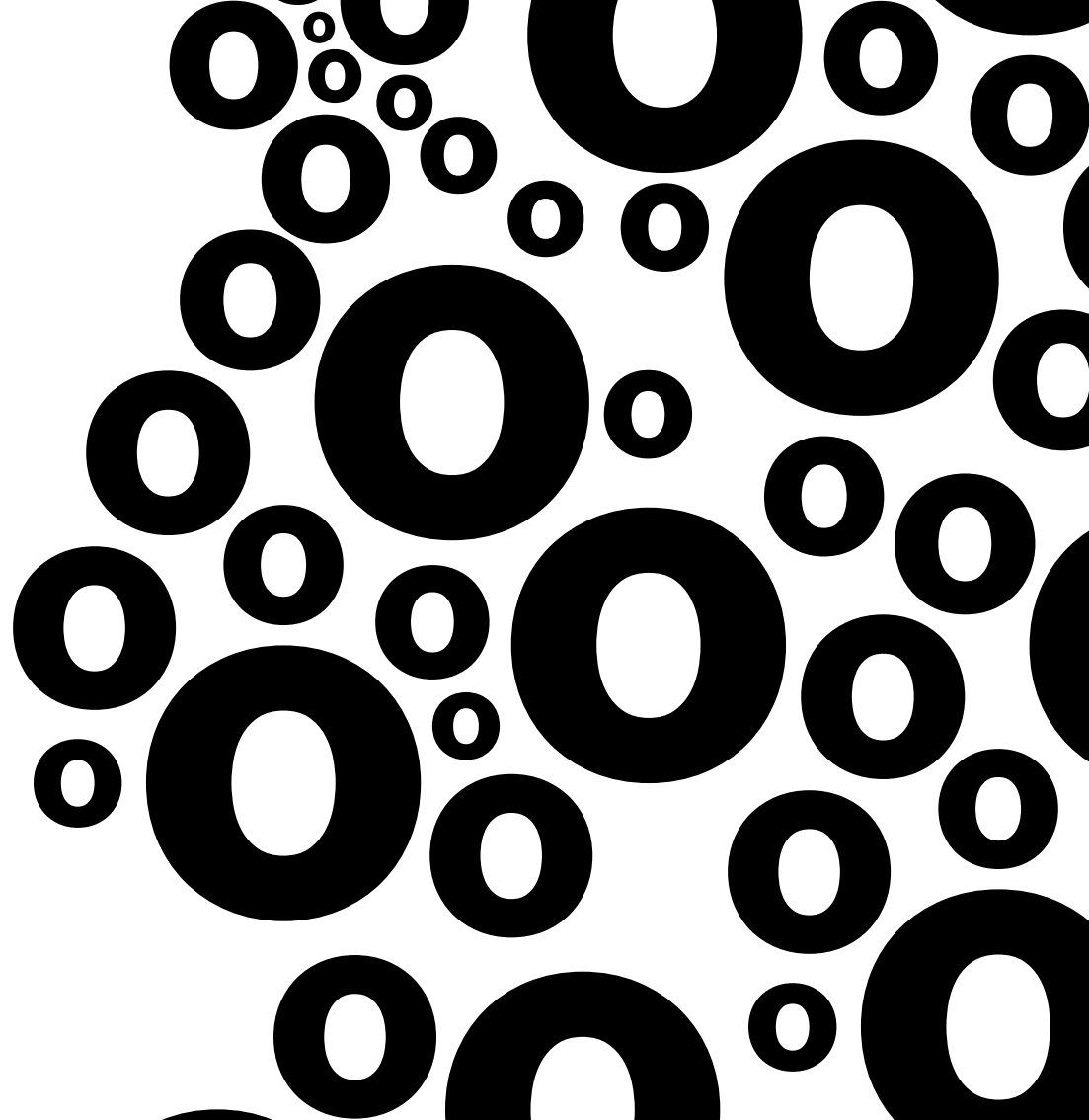
What should you consider when choosing an AP automation solution?

- + Implementation

- + Operations

- + D365/AX upgrades

AP automation: Easy to implement, operate and upgrade



AP Automation in the cloud

Organizations are quickly embracing the cloud because of the many benefits it offers – it's flexible, easy to manage, and available from anywhere – and it's no wonder that AP departments are getting on the bandwagon.

After all, if you're already moving to the cloud, you should take your invoices with you. It's an ideal solution for enabling the mobile workforce to access and approve invoices digitally, anywhere, anytime.

While cloud initiatives may be AP-driven, IT also has role to play in ensuring that cloud-based AP solutions and upgrades are aligned with the organization's technology strategy and existing infrastructure or ecosystem.

This guidebook covers the role of IT in establishing AP automation in the cloud, and the issues CIOs and IT professionals should consider as they make this digital transition. Designed for CIOs and IT departments running Dynamics 365 or AX2012, this guidebook – AP Automation from the IT Perspective – is a companion to Guidebook 1 on the AP Process, and Guidebook 2 on The Invoice. Together they will help your organization effectively transition to AP automation and reap the productivity gains and cost savings that it delivers.

Don't settle for partial automation

Automation can mean a lot of different things to a lot of people, but one thing that's clear is that when it comes to AP process improvement, the more automation, the better. When you break down the invoice handling process, it is comprised of many steps – from invoice receipt and capture, to PO matching, coding and routing for approval, review and transfer to an ERP for payment and analytics.

Why not automate the entire process?

Some companies are just automating a partial process, like OCR (Optical Character Recognition) to recognize the characters in an invoice. While they will save some time and gain some efficiency, it's minimal compared to what they could achieve by automating the entire process – from beginning to end. But, by going to the cloud, you can take a holistic approach and automate OCR, workflow, coding and matching, all with a solution that is seamlessly integrated with your ERP, to maximize your business benefits. That will provide greater efficiencies, reduce errors and streamline the invoice handling process.

No more headaches

A key benefit of end-to-end automation is that you have always the access to your master data that you need for approval workflow, including coding and matching. Your vendor register, chart of accounts, sales tax codes,

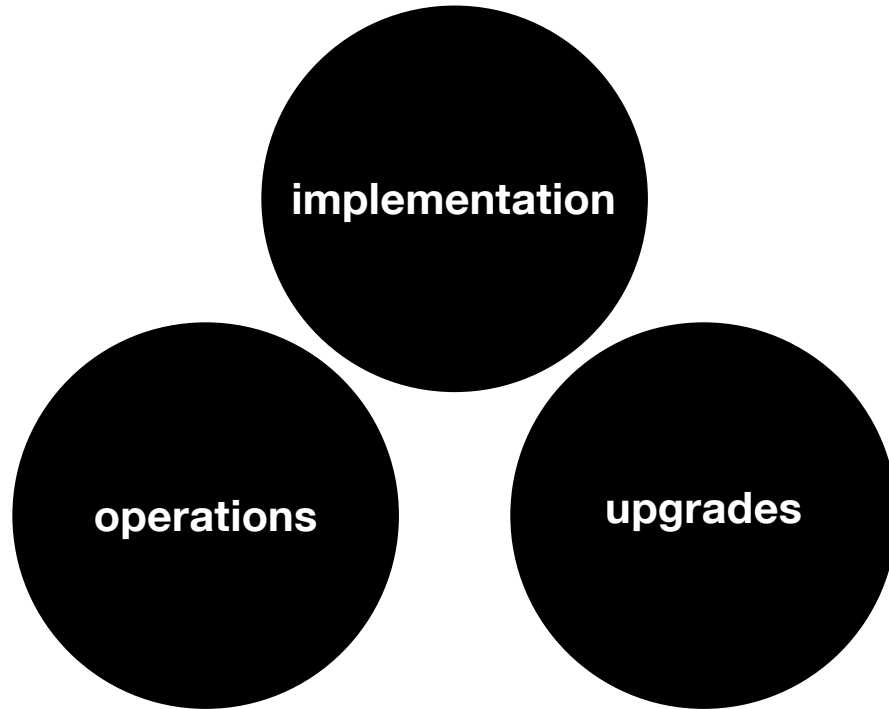
POs, product receipts, and more are all maintained and available in real time on D365/AX. This not only avoids the headache of duplicate data, but it also supports a streamlined and faster invoicing process. For example, the goods received can be authenticated in real time from the master data, enabling POs to be quickly matched to invoices. And, as part of the Microsoft ecosystem you have easy access to Azure Storage and can take advantage of Azure AD.

A safe pair of hands

What does this mean for IT? It means that it is as easy as possible. There are no integrations to worry about, and future D365/AX upgrades can go smoothly without problems caused by broken integrations.

Your checklist when choosing an AP automation solution

Consider the three aspects of deployment



Implementation

It's never been easier to implement AP automation than in the cloud. It represents a drastic shift in responsibility for system implementation, with AP being responsible for 90% of it, and IT only 10%.

IT doesn't have to spend much time or many resources on deployment, since it only has to connect the solution – which automatically integrates to the master data – and add a few accounts. Together, these tasks would take only a few hours vs. the days it would take to deploy an on-premise solution.

Streamlining your implementation is as easy as 1-2-3:

- + Keep it simple. Try to avoid customizing your D365/AX system, so upgrades will be more

straightforward. It's important that the AP automation solution you choose is compatible and validated by your Dynamics partner and Microsoft.

- + Use the master data in your D365/AX system. It's easy when all your data is maintained and available in one central place.
- + Implement your AP automation through Microsoft Lifecycle Services (LCS).

Operations

The cloud makes operations easier than ever:

- + **System Maintenance.** IT doesn't have any new responsibilities for maintaining and monitoring AP automation. Updates are made automatically to the AP automation system through LCS, requiring minimal IT involvement, and they don't affect D365/AX system operations.
- + **Security.** When the data is in the cloud, it is protected with D365/AX security, so no additional security is needed.
- + **Uptime:** AP automation is covered by the Microsoft Azure SLA, and is housed in the same data center with the same uptime as D365.
- + **Support:** IT does not need to take on any additional support responsibilities since the invoice automation system is implemented as one package in LCS, which provides a standardized way to deliver D365 extensions. With responsibility falling almost entirely on the AP department, the role of IT is even less than it is for implementation.

D365/AX Upgrades

So, you've transitioned to AP automation in the cloud and everything is running smoothly, but what happens when it's time to upgrade your D365/AX system? The good news is that nothing much changes – and IT isn't required to do much:

- + When you upgrade to a newer version of D365, it's as easy as it can be. You simply get a new plug-and-play compatible version of your AP automation software from LCS in the cloud.
- + When you purchase your AP automation solution, make sure it's compatible with D365/AX so you can avoid the time, effort and cost of customizing it. But if you do require customization, you can outsource any compatibility issues to your ISV.
- + And, even a major upgrade from AX2012 to D365 is easy because LCS automatically delivers compatible versions to the invoice automation system. Similarly, upgrades – or any D365/AX customizations for that matter – won't impact AP automation in the cloud. You can continue using your automation system seamlessly as always, and the user interface will look and feel the same. The upgrade takes minimal IT time and resources.
- + Security and support: No additional security or support is needed because everything is implemented through LCS.
- + While IT and the AP department would work together on an upgrade, the role of IT is minimal.

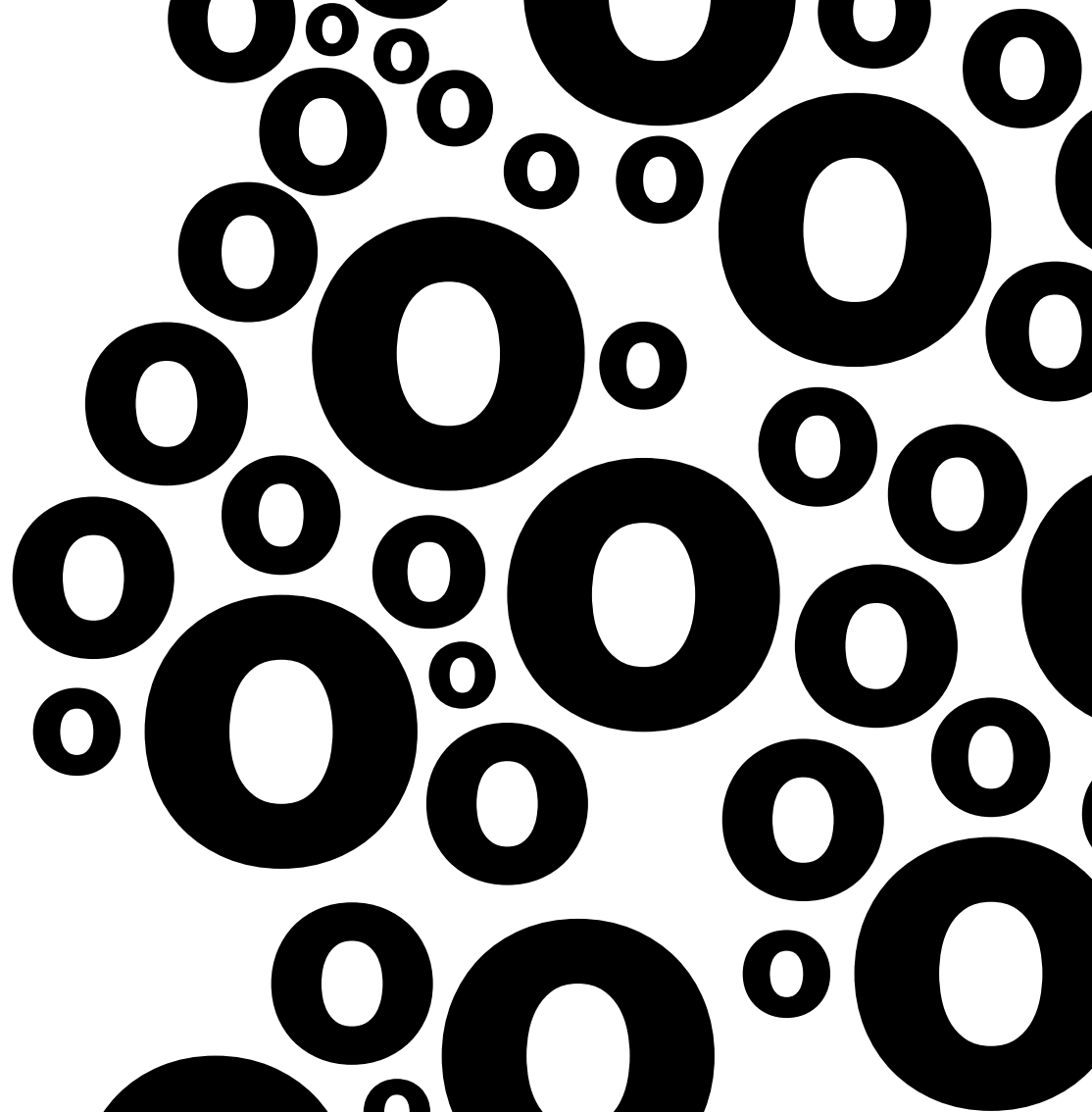
AP Automation:

Easy to implement, operate and upgrade

AP automation on D365/AX is easy and requires minimal IT involvement. The master files, security, upgrades, and more are all implemented through Microsoft's LCS in the cloud, so the IT department is freed up to focus on other activities.

The ease and flexibility of the cloud – not to mention easy access to your AP automation solution from anywhere, anytime – makes it an ideal solution for IT and AP departments alike.

Are you ready to make your work easier, more efficient and better?
Hop on the cloud with us!



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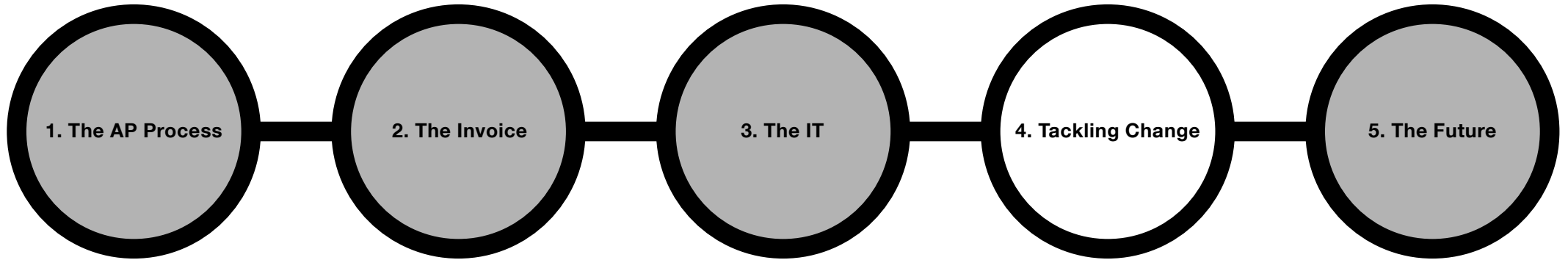
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The Road to AP Automation

Guidebook **no 4.** Harnessing Change

A Guidebook to Move Your
Invoices from Paper to Digital

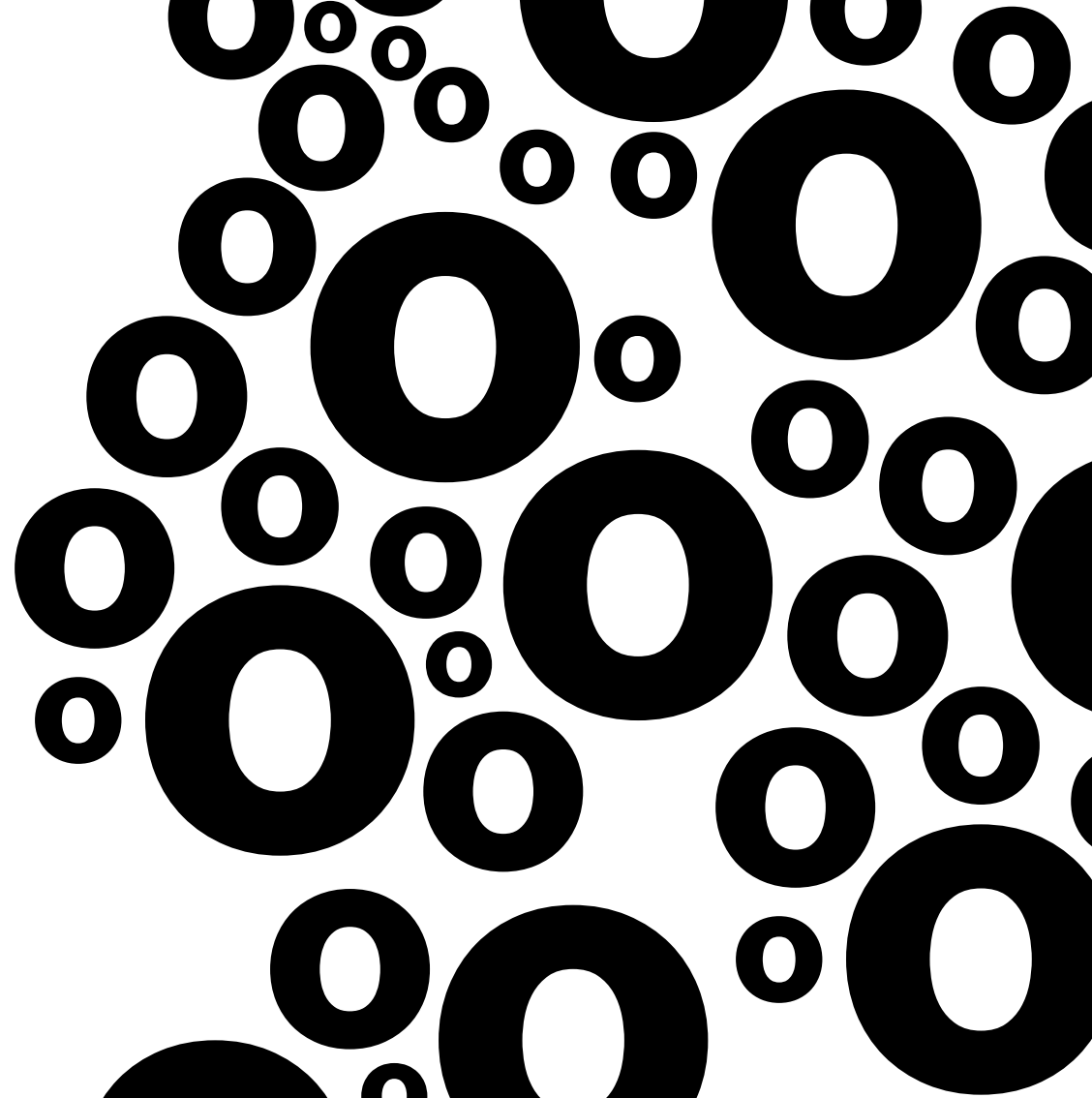
The Road to AP Automation



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Harnessing Change – Bringing the Value of AP Automation to Your Organization

Don't Overlook the Importance of Change Management
Process Development as Part of the IT Department
The Changing AP Function
Tips for Providing Better Service to the Organization
Tackling Organization-wide Change



Congratulations!

Yes! Finally you made the decision to move to invoice automation and benefit from streamlined processes, efficiencies and reduced costs. The next step is figuring out how to successfully make the transition.



A key challenge you face: people just don't like change.

While change can seem difficult, it doesn't need to be. This guidebook lays out the steps for moving from paper-based, manual processes to automated ones in the easiest, most effective way. It also provides tips on how to engage the AP department and others on this journey to bring them along with you.

Don't Overlook the Importance of Change Management

Let's face it, people often resist change. We are all creatures of habit, and how people react can be a key factor in whether or not a new technology will be successful. Even with the best, most advanced technology in the world, if people don't use it, or don't use it correctly, then the value of the technology can't be realized.

Making the move from manual processes to automation can feel like a big change. But if you can get users on board, you can make the transition smoother.

There are three key strategies to help your AP staff embrace automation:

1. Engage Users Early and Often

Help users see what automation will mean for your organization. Before you talk specifics, talk about the "why" – why you are introducing new technology

and processes, what you are hoping to accomplish, and what problems you are trying to overcome. You need to explain how this will make the life of AP professionals easier and better.

2. Establish a Sense of Trust

It's important to gain the trust of users. AP staffers need to feel confident that the new system will work well and will provide valuable benefits. They need to know that they can rely on the system, and that their documents will be kept safe and accessible in the digital archives.

Trust comes from knowledge and understanding. Set up system training so your staff can learn how the system works and its functionality. And, provide opportunities early on to allow them to jump in and experience automation for themselves. This will go a long way to getting them on board.

3. Explain What the Change Will Mean for Them

With any type of change, users want to know what it will mean for them. Make sure you address that issue so they know what to expect.

AP automation primarily impacts the following stakeholders:

+ AP and financial management personnel. As automation makes paper-based processes and time-consuming routine tasks become a thing of the past, it changes how AP and financial professionals work and what they do. Now, these

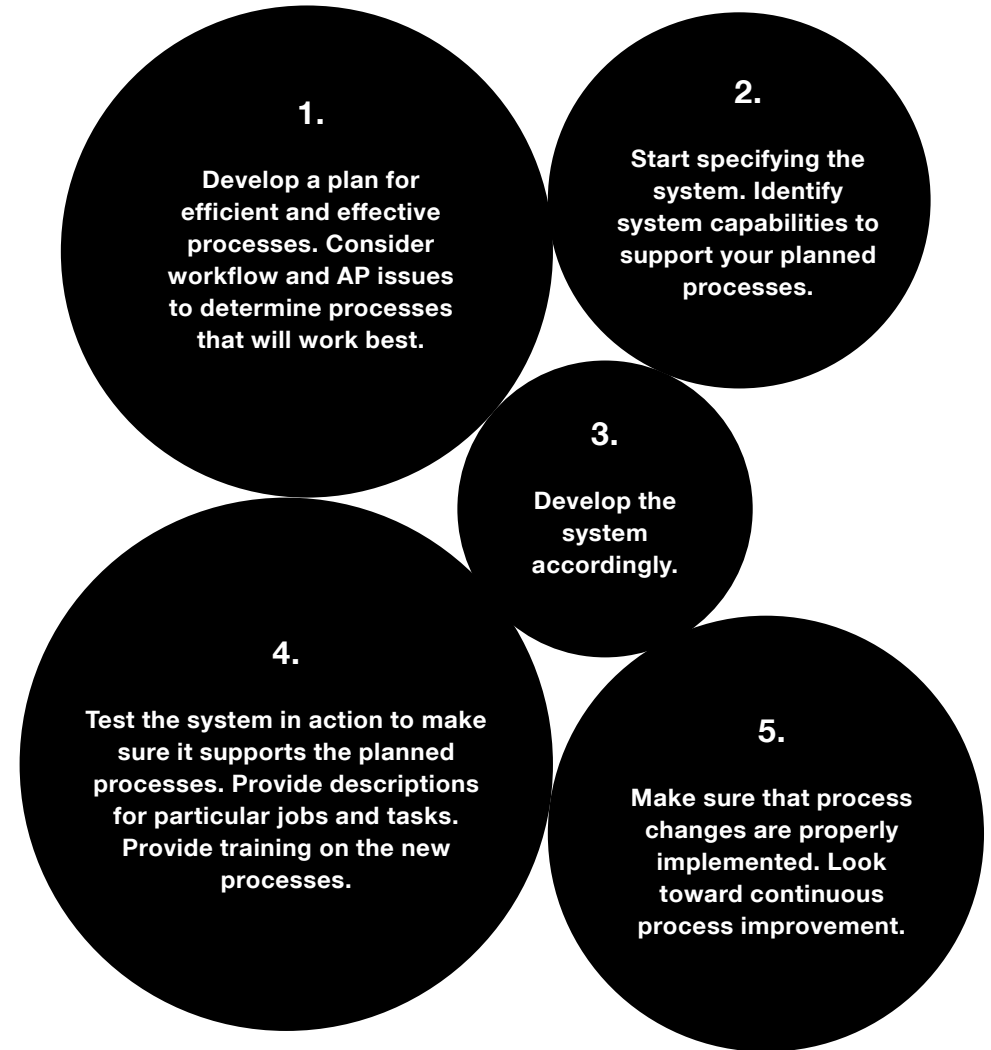
professionals can use their time to focus on exception handling and provide better service and support to the greater organization. You can help them by making user interfaces and processes as easy and streamlined as possible to improve their user experience.

+ Invoice reviewers and approvers across the organization. While reviewers/approvers only deal with invoices periodically, they can be an unwelcome interruption to their work. Try to simplify invoice review and approval so these professionals can focus on their core responsibilities instead of financial management.

Process Development as Part of the IT Department

Thoughtful planning and a holistic view of process development every step along the way will provide the best results. Consider the invoicing process and workflow before you begin developing the specifics of the system so you can maximize the benefits users will realize from the new digital system.

There are five key steps to integrating process development with the IT process:



The Changing AP Function

Changing business needs, along with the availability of advanced invoice technology, is transforming the very role and function of AP professionals.

Here are two ways that is happening:

1.

Elevated role of AP. Thanks to automation, AP is no longer a back-office function performing routine tasks, but is fast becoming a respected and integral partner to other departments in the organization, including finance and accounting. At the same time, AP professionals are assuming more strategic responsibilities, including reporting and analysis, rather than focusing on recording and reviewing all transactions.

2.

Strategic focus on AP. Automation provides an exciting opportunity for organizations to review and refresh the entire AP “job description.” As they embrace automation and let go of time-consuming manual tasks, AP professionals can turn their sights on strategic priorities where they can add critical value to the business.

Tips for Providing Better Service to the Organization

Another benefit of streamlining AP processes is that it enables AP to provide greater support and service to the organization as a whole. The reality is that the people outside of AP also spend

a significant amount of time on financial management. Automation presents an opportunity for AP to reduce the time and burden of these financial tasks in the organization as a whole.

Here are several strategies for achieving this:

- + **Centralize** as many of the tasks as possible with the finance team – e.g. coding and tax handling.
- + **At the same time**, it is more efficient to centralize invoice processing in a Shared Services Center than in multiple areas across the organization.
- + **Minimize** the number of invoices requiring approval through automatic matching against purchase orders and contracts.
- + **Don't waste time** on low-value or unnecessary tasks. For example, there's no need for four people to review a travel plan, and then several more approve the travel costs. Consider what tasks make sense, which can be eliminated or streamlined, and the value they provide vs. the time and cost of implementing them.
- + **Train the organization** to use the new automation tools efficiently to get the most out of them.
- + **Use your time** to deliver further benefits through reporting, faster payments to suppliers, taking advantage of early-payment discounts etc.

Tackling Organization-wide Change

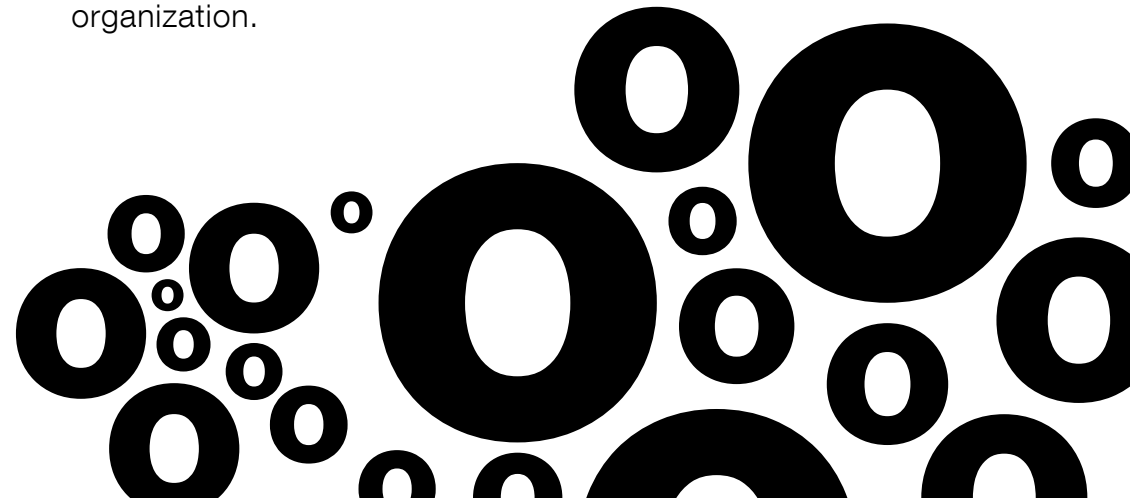
The success of invoice automation also depends on how well you are able to get reviewers/approvers to review the invoices on the system in a timely manner. To encourage that, make things as easy and intuitive for them as possible.

Here are six tips for simplifying automated invoice review and approval:

- + **The easier invoice** approval is, the better results you will get. Automatic matching and approval of PO-based invoices will reduce the number of invoices you need to handle. It helps if the system gives approvers an easy view into previous invoices from the same supplier or the same category.
- + **Make sure** the system offers mobile capabilities to support remote work.
- + **Offer** automatic approval of contract-based invoices.
- + **Route only invoices** that require approval before payment (avoiding, for example, intra-company invoices or consumption-based invoices).
- + **Handle** minor purchases within the travel expense process.
- + **Avoid splitting** approvals between several persons.

While change is something people typically shy away from, it provides a great opportunity for process improvement. And it doesn't have to be hard as long as you take advantage of key tips and best practices.

The benefits that AP Automation provides to all stakeholders are significant – making their jobs easier, more streamlined and interesting. By having a change management plan in place – and taking advantage of key strategies and best practices – you'll be well on your way to bringing the value of automation across your organization.



5

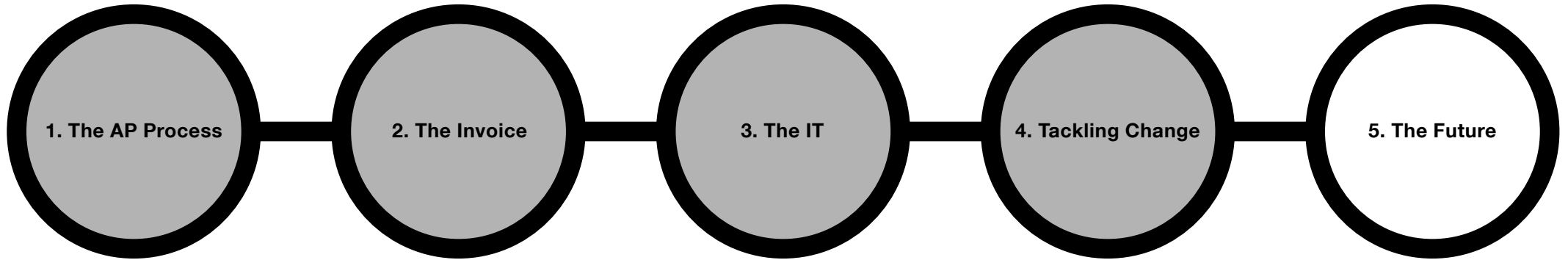
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The Road to AP Automation

Guidebook **no 5.** The Future of AP Automation

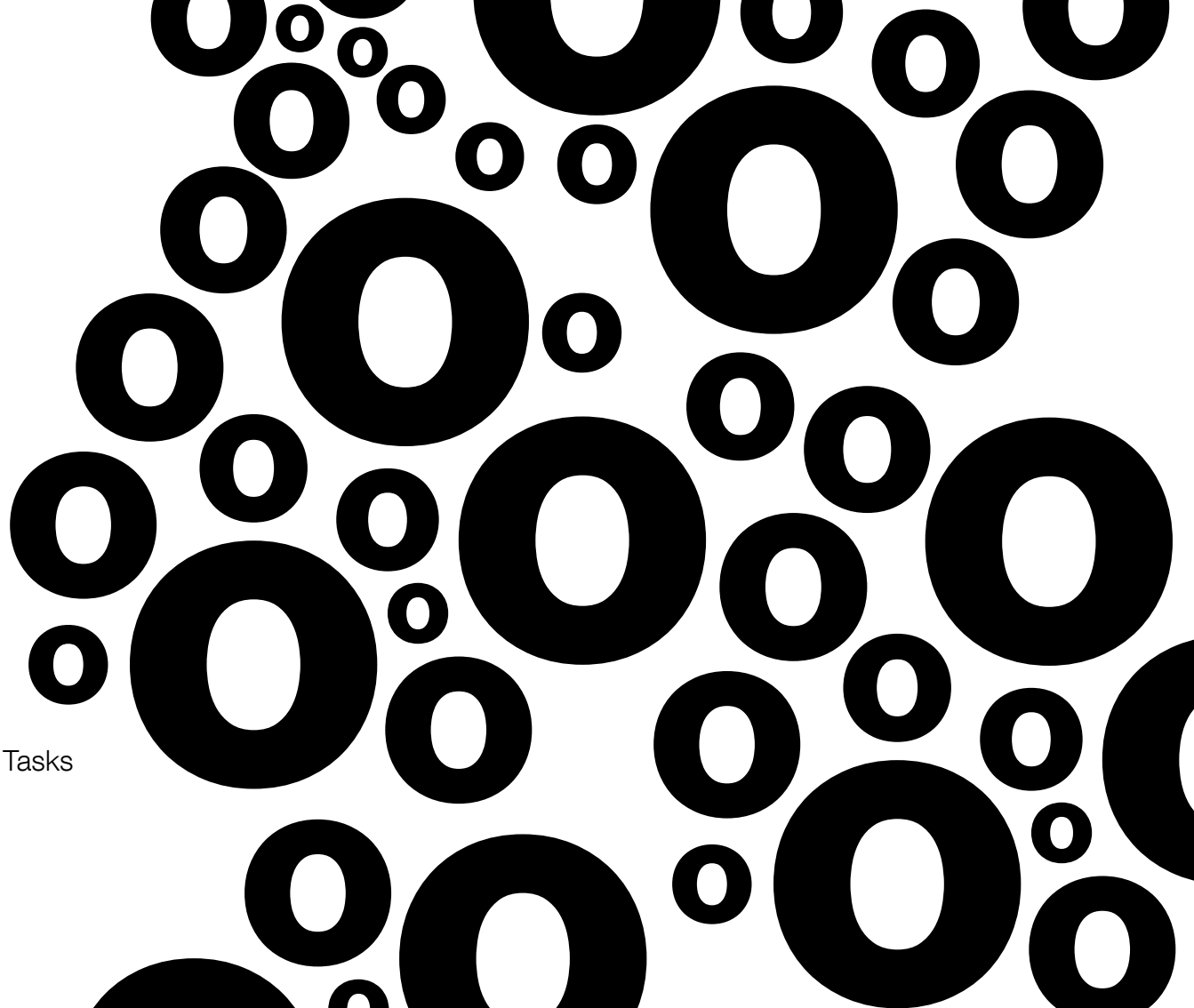
“A Promising Road Ahead”

The Road to AP Automation



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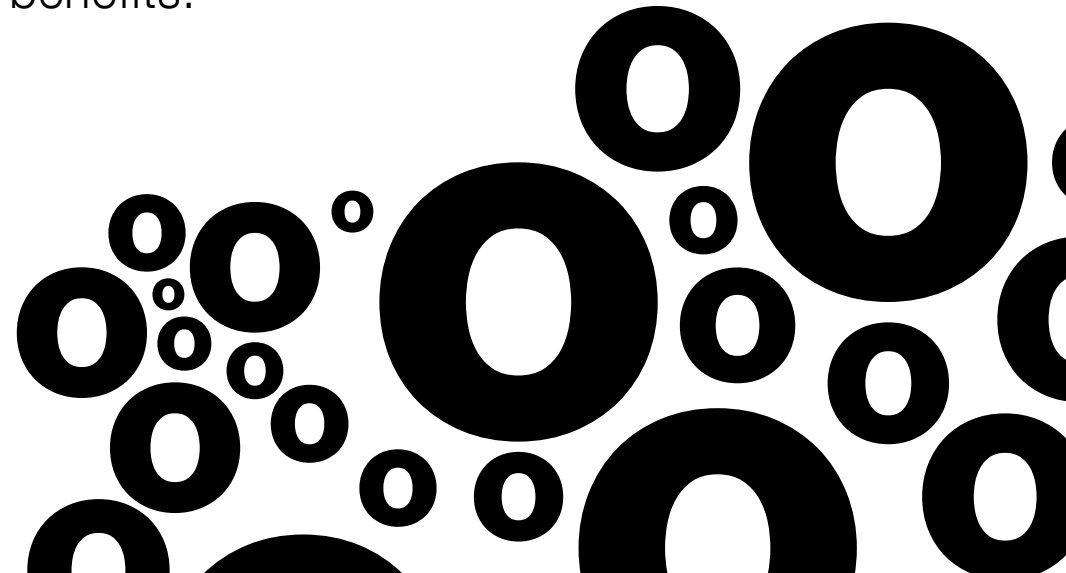
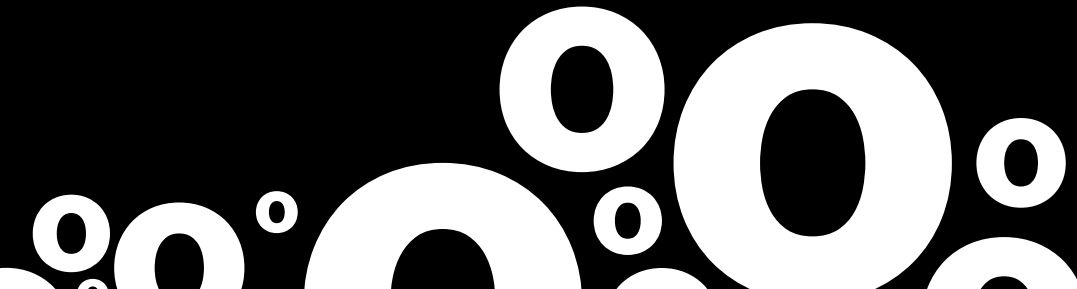
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Congratulations!

Congratulations! You've reached the last guidebook on the Road to AP Automation. During this journey, we've provided you with insights and key information to consider when implementing AP automation, as well as specific practices that can elevate your AP process to the next level – even before you automate. But to reach our final destination, we need to take a look at what the future holds for Accounts Payable to be in a good position to take advantage of it.

This booklet focuses on key trends impacting AP in the future. It provides insights to help key decision-makers, such as CFOs, CIOs, Controllers and AP Managers, stay on top of the key AP developments to leverage the latest technologies and gain critical business benefits.



E-invoicing can Revolutionize the Way We Work

E-invoicing is one the most important initiatives impacting Accounts Payable and Finance today. By allowing businesses to get rid of paper and manual-based processes that are costly, error-prone and slow down operations, e-invoicing can provide tremendous efficiencies and cost savings, while enabling payment processes to become more strategic. In short, it can revolutionize the way invoices are sent, received and managed.

While there is still much work to be done, countries across the globe are making strides in the adoption of e-invoicing. The EU, for example, passed the European e-invoicing Directive, requiring public entities to be prepared to receive and process e-invoices as of April 2019.

In the U.S., three federal departments – the Department of Veteran Affairs, the Department of Defense and the U.S. Treasury – are implementing invoice processing systems. The Federal Reserve has established The Business Payments Coalition and its e-Invoice Work Group, to promote B2B e-invoicing, among other goals.

A key part of these initiatives is to establish standards, which are critical to widespread adoption. Currently there are many different standards, which makes it difficult to conduct business. There are even different definitions of what an e-invoice is. While some may think PDF invoices are e-invoices, they are not. True e-invoices are transferred electronically in a machine-readable format, which requires invoice data to be sent and received in a structured format, such as XML.

As e-invoicing takes hold, it will open up greater opportunities for automation, freeing up AP staff to focus on exception handling, provide better service for their organizations and enable them to take on more strategic activities.

Robotic Process Automation Takes on Labor-Intensive Tasks

In recent years, Robotic Process Automation (RPA) has gained a strong foothold in a variety of industries, since software robots are well suited for repeatable, rules-based, labor-intensive tasks. Adoption of RPA technology will likely grow as organizations use it to handle more of these tasks to gain increased efficiencies and reduce costs, while increasing their level of automation.

Because Accounts Payable operations are rule-based, they are ideal for implementing RPA. By allowing software robots to handle the time-consuming and burdensome routine tasks, such as PO matching and invoice coding and routing, AP staff is freed to focus on more strategic activities, such as reporting and forecasting, which can have an impact on the bottom line and better serve the larger organization. In addition, by no longer requiring AP staff to handle tedious tasks, RPA can help improve overall job satisfaction.

Artificial Intelligence Makes AP Systems Smarter

Along with RPA, Machine Learning and AI will become widespread over the next several years and have a profound impact on our work, enabling us to achieve things that not too long ago seemed impossible.

Machine Learning enables systems to learn by themselves, for example by observing human actions or by studying historical data, continuously making the software more intelligent and accurate. In AP, for example, an invoice management system could review historical invoice data and make suggestions to an AP professional about how an invoice should be coded. Or better yet, if the system is able to predict the correct coding or routing with enough accuracy, increasing amounts of invoices could be automatically handled as the machine learns.



Machine learning falls under the larger area of Artificial Intelligence (AI) – intelligent systems that can mimic human behavior. Common examples of AI include speech recognition, learning, planning and problem solving. So, while machine learning allows systems to learn based on available data, more advanced AI, or Deep Learning, takes it to the next level. Machines equipped with such advanced AI technology are capable of cognitive thinking, enabling them to learn, work, and react like humans.

Future developments in AI will deliver greater benefits. For example, AP professionals could speak to an invoice management system that incorporates AI, and the system would not only understand but also be able to respond verbally. Or, for example, an AP clerk could tell the system to handle all the invoices from a certain supplier automatically. While we might imagine that these intelligent machines are still years away, the future might be closer than we think.

Usability is a Must-Have Capability

As consumers, we're all used to the simple, intuitive and beautifully designed apps we see on our phones and desktops. Unfortunately, this isn't typically what we see with business software. Most of the applications we use at work look and feel like a throwback to the 90's, instead of the 21st Century. And with poor or limited functionality, it is not user friendly or as useful as it could be. But luckily this is about to change.

Companies developing enterprise software have started to realize the role user interface design plays when it comes to user experience and satisfaction. Professionals today are not willing to settle for poorly designed software and instead demand the same kind of usability that state-of-the-art consumer applications offer. Their requests have been heard, and many companies have responded. Microsoft, for example, has focused heavily on the

design and usability of its Dynamics 365 enterprise software ecosystem to make it easier and enjoyable for users.

Yet, Dynamics functionality for AP is limited, and AP departments that want to improve efficiency, gain visibility into their invoices and save money are turning to third-party solutions. These solutions, which are making the user experience a key priority, not only make it more intuitive for users, but also increase adoption and discourage work-arounds.

Mobility Enables Productivity Anywhere, Anytime

A key part of the user experience is being able to access applications on all mobile devices, anywhere and anytime. Unfortunately, business software has lagged behind in this area as well.

Mobility is one of the trends that business software developers need to focus on. We will be seeing more mobile applications that offer excellent usability as well as access to all of the same functionality that the desktop versions offer.



Mobility is particularly significant for AP. With a mobile app, AP tasks no longer have to be tied to a specific time or place. Expect to see invoice automation solutions that offer both desktop and mobile versions with same functionality, so AP staff, reviewers and approvers can work flexibly and efficiently no matter where they are – even waiting to board a flight. Such flexibility will also help eliminate invoice processing delays and late payment penalties.

Getting Underway to Reap the Benefits

We're already well on our way to an efficient, intelligent and mobile invoicing future. Companies that have begun the automation journey are reaping significant benefits today and are first in line to take advantage of the greater functionality and usability that's down the road – in the not too distant future. Are you ready to join your peers on this journey, create a streamlined, efficient and cost-effective process and take advantage of all the exciting developments that lie ahead?



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