Bottomline™

You Can't Manufacture Time

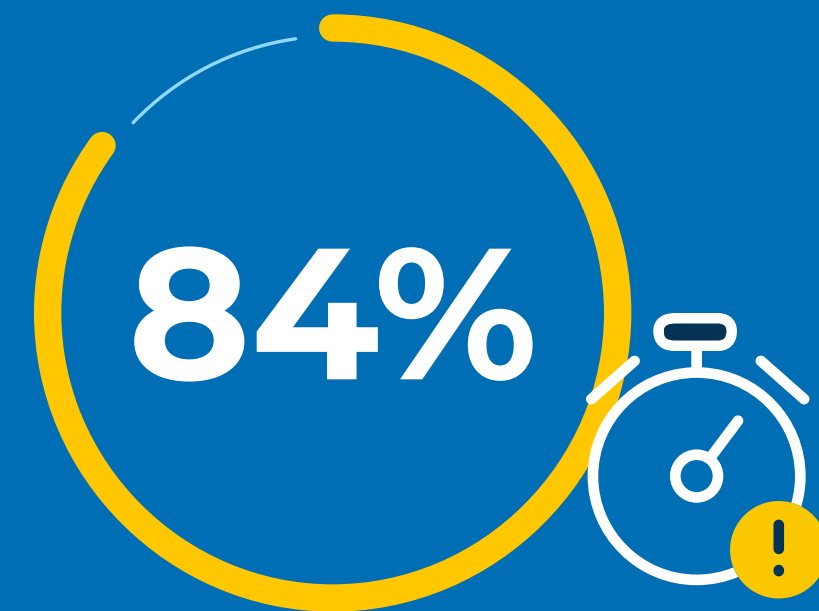## AP Automation Will Make You Feel Like You Can

Manufacturers Have to Run Lean, Efficient, and Smart

You live in an industry where profit margins are tight and even small delays can have downstream impacts that reverberate for weeks or even months, so you know very well how important it is to always be looking for efficiencies.

The problem is that this efficiency ethos has rarely extended to accounts payable. In manufacturing and in many other industries, some estimates put the volume of B2B check payments being made at 40% of all payments.

Those are costly—and paper invoices even more so, **costing businesses upwards of $20 to process**—but the true cost can be measured in seconds and minutes.

Think about what your accounts payable function could do with more time in their days, time that isn't being spent on the most tedious tasks that don't add value to the business. Think about that now in particular, because as you read this the world is being wracked by crises big and small, from supply chain issues to inflation to a crunched workforce.

84%

Of an AP staffer's time is wasted on manual processes

Let's take a closer look at the scope of the problem.

The Clock is Ticking ...

Manufacturing businesses need more time, but that time is nearly impossible to come by. That's because you're facing off against several intersecting problems, both short-term and long-term.

Fighting all these problems on all these fronts requires more time and more strategic thinking than you might be able to give. Simply trying to work with existing suppliers or enlisting new ones in the face of delays and rising costs can chew up an enormous amount of your time, and relationships can be strained by delayed product and delayed payments.

SUPPLY CHAIN ISSUES

60% of American consumers have not received something they've ordered owing to supply chain issues, and nearly 60% have experienced shipping delays.

SKILLS GAP

2.1 million jobs will be unfilled by 2030 owing to retirements and lack of skilled workers looking to enter manufacturing.

INFLATION

7% inflation is expected by the time you read this, a level we haven't seen in over 30 years.

DELAYED AUTOMATION

Only 31% of businesses had automated at least one process in 2020, leaving too many manufacturers catching up in a time of crisis.

Thankfully, there's an opportunity in front of your business to save considerable time for accounts payable, giving them the hours and days necessary to tackle your business's most pressing problems and take care of smaller issues that may have been festering for years.

Here's what your AP process could look like:

1 Capture + Store Invoices

2 Automate Workflows + Approvals
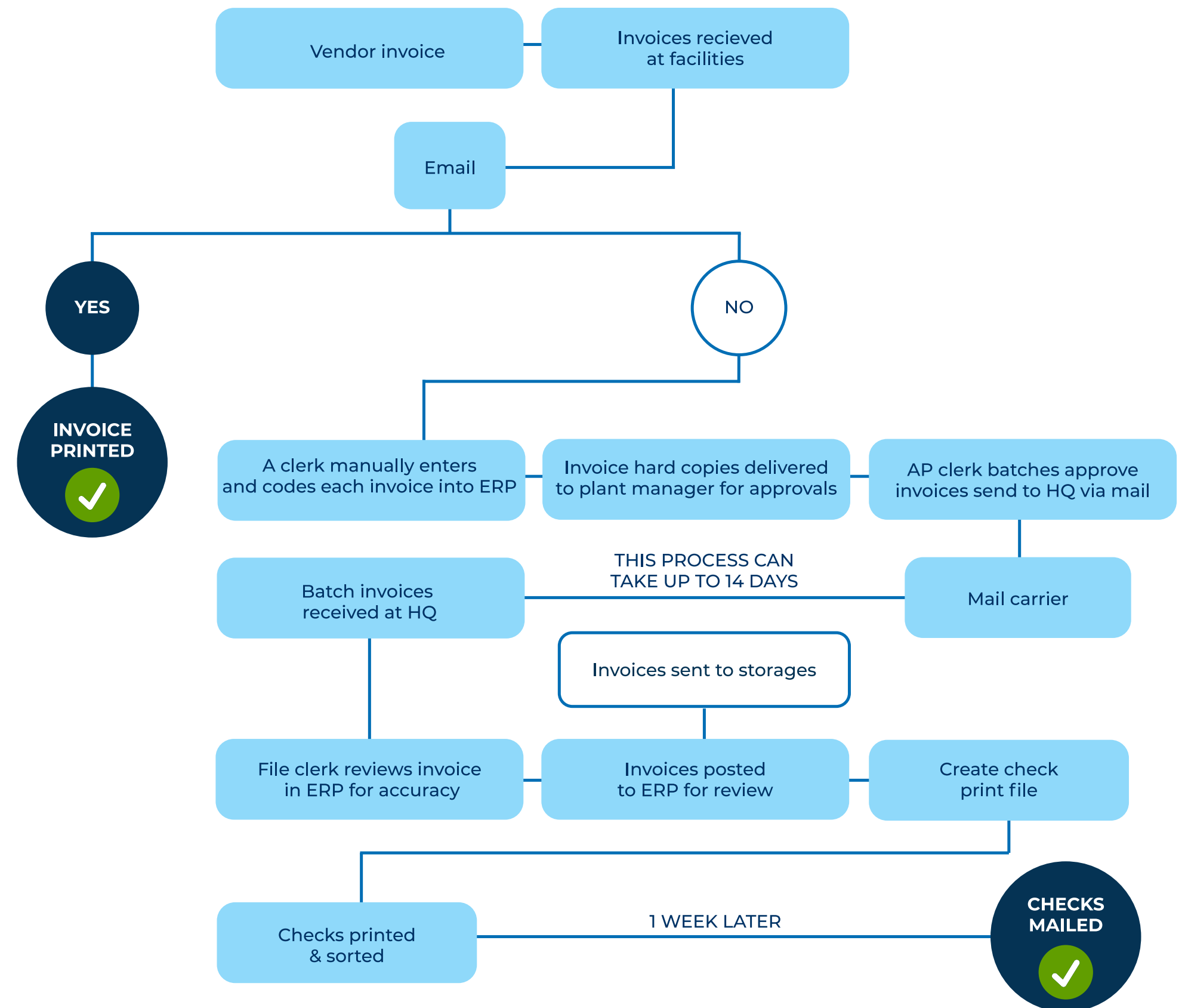
3 Automate Payments

Convolution & Confusion

This is by no means your accounts payable process, but it is an illustration of just how complex and inefficient this process can get. If you find yourself nodding or wincing at any point in this diagram, you probably recognize how convoluted, confusing and tedious your current process is.
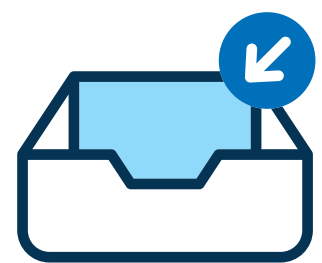
Now let's look at this exact same process with accounts payable automation, which burns (not literally) your paper invoices and eliminates (more literally) check payments.
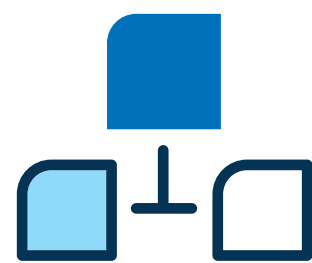
BEFORE IMPLEMENTING AP AUTOMATION

Vendor invoice — Invoices recieved at facilities

Email

YES

NO

INVOICE PRINTED ✓

A clerk manually enters and codes each invoice into ERP

Invoice hard copies delivered to plant manager for approvals

AP clerk batches approve invoices send to HQ via mail

THIS PROCESS CAN TAKE UP TO 14 DAYS

Batch invoices received at HQ

Mail carrier

Invoices sent to storages

File clerk reviews invoice in ERP for accuracy

Invoices posted to ERP for review

Create check print file

Checks printed & sorted

1 WEEK LATER

CHECKS MAILED ✓

AFTER IMPLEMENTING AP AUTOMATION

Streamlined Processes End-To-End

CAPTURE & STORE INVOICES

AUTOMATE WORKFLOWS & APPROVALS

AUTOMATE PAYMENTS

- Self-Serve Scan & Capture
- OCR, machine learning and ERP validations capture invoice data
- Optional service for invoice scanning and data capture
- Storage of invoices and supporting documents

- Configurable workflows
- 2-way and 3-way PO matching (header, line-item)
- GL code entry and approval of non-PO invoices
- Flexible approval paths with notifications and reminders
- Mobile review and approval

- Domestic and International
- Premium ACH
- Extended network
- Business-to-consumer
- Outsourced checks
- Managed checks

30%

Of AP professionals said eliminating checks is their top 2022 priority

Simple, right?

You see the difference, don't you?

57% of businesses said last year that invoice and payment approval processes took too long, a challenge which automation eliminates through routing and rules. Considering **66%** of businesses have not fully automated invoice processing and **67%** haven't fully automated payment processes, chances are you're among the companies who have not truly explored the degree to which you can tighten core processes.

AP Automation Punches the Clock ... Right in the Face

Here's a high-level look at how AP automation helps companies become more efficient and save time.

A lot of time.

Controllers have historically described AP as the most time consuming function

HAND OFF VENDOR AUTHENTICATION AND ONBOARDING
Cut staff time responding to suppliers in half

Think about all the times AP staff have to pick up a phone or respond to an email about an error, a late payment, or an account detail change. With the right AP automation partner, onboarding, authentication and account changes are all handled by the solution provider and the vendor, taking time and hassle out of every single workday.

AUTOMATE INVOICE RECEIPT AND CAPTURE
Cut invoice processing time by 8 days

Digitize the entire invoice lifecycle, which is a fancy way of saying that you can ensure invoices come in electronically, are processed primarily through automation, and then are routed via email or your ERP to an approver. The time you save manually processing invoices is significant, but so is the potential to eliminate errors, which is in and of itself a time saver.

SWITCH TO DIGITAL PAYMENTS
Make payments more quickly

A switch to ACH and virtual card instead of checks carries obvious rebates to security and cost-savings, but time savings are often not remarked upon enough. Businesses who can set routing and rules around payments under a certain threshold can almost fully automate regular payments to supplier, saving an enormous amount of time, and payments above can still be done in less than half the time it takes to print, stuff and send checks.

What's involved?

Surprisingly little, assuming you choose the right partner.

You'll need to pull key stakeholders together from your executive, accounts payable and information technology teams to work closely with your AP automation solution provider and ensure your ducks are in a row (possibly on an assembly line). If you choose the right company, you can have a full invoice-to-payment automation solution up and running within as little as 45 days.

You can expect the time savings to begin immediately once you're set up and running. Invoices will come in and be scanned, processed, and routed for approvals automatically, payments can be managed easily and seamlessly alongside or within your ERP and you can outsource your supplier enrollment efforts to your partner.

As we said earlier, you can't manufacture more time for your manufacturing business. What you can do is save as much of it as possible by automating manual accounts payable tasks and putting your team to work on the most pressing issues facing your business, both now and tomorrow.

[1]IOFM, 2020, [2]Powder & Bulk Solids, 2021,[3]Fannie Mae, 2021,[4]Modern Materials Handling, 2021,[5]Ardent Partners, [6]Ardent Partners

Want to learn how AP automation can save not just time, but money and fraud-related headaches?

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