

# The Business Case For Bottomline's AP Automation for Real Estate Solution

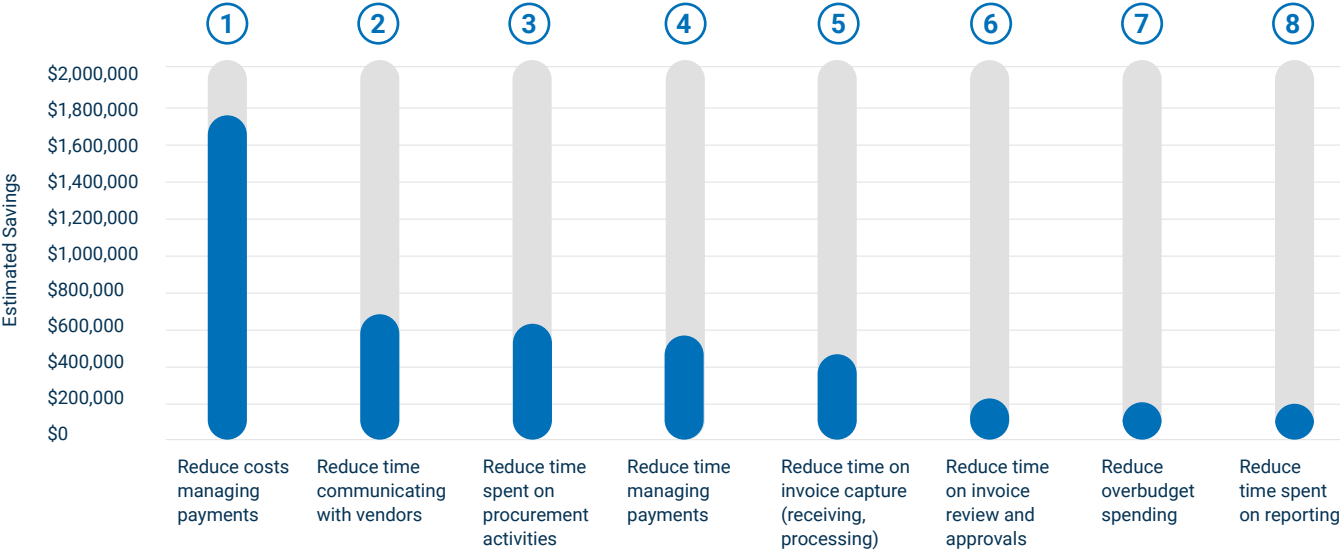
Paper-based AP processes are long and labor-intensive. They involve a lot of paper shuffling to manually receive and process invoices, get approvals, cut checks, and communicate with vendors. They also have blind spots along the way that can lead to over-budget spend.

Hobson & Company, a leading return on investment (ROI) research firm, explored the time and cost savings realized by automating those paper processes with Bottomline. It interviewed a cross range of Bottomline's current retail, CRE, and multifamily clients, including those who had also used other automation solutions.

# The AP Automation for Real Estate Solution Generates Significant Time and Cost Savings

Based on its analysis, Hobson found that investing in AP Automation for Real Estate software has a substantial payoff. By automating with Bottomline, an average decentralized multifamily management company with 100,000 invoices per year, 200 FTEs who participate in the AP process (whether it be submitting invoices, coding them, or processing them), and \$7m in annual purchase orders would see a payback in 4.8 months and generate an ROI of 201%.

## This ROI Was Realized Through the Following 8 Benefits:



Overall, the value of each benefit changed depending on the volume of invoices, the number of FTEs, the number of purchases (if applicable), and the use of electronic payments for paying vendors (if applicable).

Additionally, the ROI is based on data provided by Bottomline customers, various assumptions and estimates, and specific solutions only. The actual ROI realized by customers may vary from the estimates provided.

# Benefits of Using Bottomline's AP Automation for Real Estate

These are the 8 benefits quantified by Hobson.

## ① Reduce Time on Invoice Capture (Receiving, Processing)

Multifamily and commercial real estate companies interviewed confirmed that using Bottomline software reduced time on invoice capture by managing the entire invoice receiving process. The automated software receives invoices in digital format through API/electronic file transfer from suppliers, eliminating the need to scan, index, and code invoices, and integrates with the top real estate GLs.

“We used to have 2 FTEs in AP who focused only on invoices and now we only have 1 FTE who does both invoices and payments. We also increased the number of invoices processed by 20%.”

- Manager, Lease Administration

## ② Reduce Time on Invoice Review and Approvals

Customers noted that Bottomline software manages the entire invoice review and approval process workflow by routing invoices electronically to the right approvers to gain approval automatically and linking directly to suppliers through an online portal where they can upload their own invoices and check status.

“The accountants can approve a batch of invoices much easier and there is so much more transparency. We now cut checks twice a week rather than only once per week.”

Customers interviewed reported:

# 50%

**Reduction in time on invoice capture**

Customers interviewed reported:

# 40%

**Reduction in time on invoice review and approvals**

### ③ Reduce Time Communicating With Vendors

Customer interviews confirmed that Bottomline's self-service portal enables suppliers to upload invoices and submit directly to their customers for approval. They can also submit, receive, and track other data and documentation (such as insurance policies), and receive/track detailed payment data.

"Vendors love using Bottomline because they get paid quickly and they know where the payments are. It has freed up the managers who barely get any calls because the vendors look up information themselves."

- IT Consultant

### ④ Reduce Time Spent on Reporting

Customers benefited from Bottomline's AP Automation for Real Estate's standard and custom reports that help users view data on POs, receipts, invoices, payments, job costs, and purchases. Users can compare to budget with data synced automatically from their GL, see how properties are managing cash flow, and automatically create CAM reports.

"With Bottomline, all we need to do to create a CAM report is to click a few buttons and we get a PDF in a few minutes, with invoice back-up included."

- Manager, Lease Administration

### ⑤ Reduce Time Spent on Procurement Activities

Customers confirmed that AP Automation for Real Estate standardizes the PO process to purchase goods and services by enabling users to select items from multiple catalogs and place in master shopping cart for easy checkout. Users can create purchase orders with a click, and then they'll automatically get routed to the correct approvers, who can then view whether the purchase is within budget and identify how much is left in budget for each property.

"With AP Automation for Real Estate, everything works. We create purchase limits, and invoices are linked directly to a PO and then forwarded directly to accounting to be processed. There is tremendous time savings getting POs from the properties to Corporate to Accounting."

- Director, Training and Compliance

Customers interviewed reported:

# 75%

**Reduction in time communicating with vendors**

Customers interviewed reported:

# 90%

**Reduction in time spent on reporting**

Customers interviewed reported:

# 70%

**Reduction in time spent managing payments**

## 6 Reduce Time Managing Payments

Customers noted that AP Automation for Real Estate's outsourced, electronic payment system automates every aspect of disbursements - pulling funds directly from existing bank accounts, sending electronic notifications to suppliers that payments are sent, and displaying payment status and reconciliation information through an online portal.

"Everything is automatic, and we no longer have to wait for checks to print and stuff them in envelopes."

-Account Operations Manager

Customers interviewed reported:

# 50%

**Reduction in time spent managing payments**

## 7 Reduce Costs Managing Payments

Customers noted that AP Automation for Real Estate's outsourced, electronic payments eliminate hard costs such as check printers, check stock, ink, toner, postage, etc. Instead, Bottomline issues payments electronically through virtual card or ACH (or, in some cases, outsourced checks - which cost customers less than if they were issuing checks in-house).

"It is cheaper to use Bottomline than if we did it on our own since we don't have to pay for envelopes and stamps."

-SVP, Chief Accounting Officer

Customers interviewed reported:

# 40%

**Decrease in costs managing payments**

## 8 Reduce Overbudget Spending

Customers confirmed that AP Automation for Real Estate's electronic processing of invoices and purchase orders improves visibility into budget/actuals by allowing them to track spending against budget. In addition, they can always pull reports that compare invoices against budget, accurately track expenditures, and set limits on spending.

"AP Automation for Real Estate shows us which line items in each category are over budget during the month. As a result, we have now eliminated going over budget since there are limits in place by category. There is no surprise spending."

-EVP, Chief Administrative Officer

Customers interviewed reported:

# 0.5%

**Decrease in overbudget spending**

## Summary

The value of AP Automation for Real Estate software is immediate and demonstrable. For the sample company (a multifamily company with 100,000 invoices per year, \$7m in purchase order spend, and 200 FTEs who play a part in the AP process), an initial investment of \$260,000 generates a positive return in 4.8 months with annual benefits exceeding \$993,000 per year. The 3-year net present value (NPV) and return on investment (ROI) are strong at \$1,386,000 and 201%, respectively. The key financial metrics for the sample company were calculated by standard methods and are shown below. The NPV calculation assumes a 10% cost of capital.

**Initial investment: \$260,000**



- **NPV: \$1,386,000**
- **ROI of 201%**
- **Payback in 4.8 mos.**

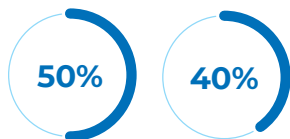


**Operational efficiencies and reduced costs yield \$993,000+ annually**

While actual ROI may vary (depending on FTES, invoice, purchase, and payment volume), Bottomline has a demonstrable effect on saving time/money, and improving visibility and control.

Bottomline clients generally realize the following savings over paper-based processes and other automation systems.

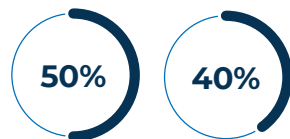
### Invoice Savings



Less time in invoice capture

Less time on invoice reviews/ approvals

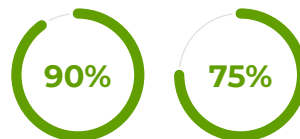
### Payment Savings



Less time on payment processing

Reduction in cost of processing payments

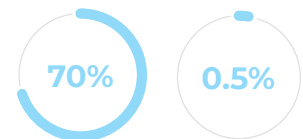
### Administrative Savings



Less time on reporting

Less time communicating with suppliers

### Procurement Savings



Less time on procurement activities

Reduction in over-budget spending

## About Hobson & Company

Hobson & Company helps technology vendors and purchasers uncover, quantify and validate the key sources of value driving the adoption of new and emerging technologies. Our focus on robust validation has helped many technology purchasers more objectively evaluate the underlying business case of a new technology, while better understanding which vendors best deliver against the key value drivers. Our well researched, yet easy-to-use ROI and TCO tools have also helped many technology companies better position and justify their unique value proposition. For more information, please visit [www.hobsonco.com](http://www.hobsonco.com)

**Disclaimer:** The Return-on-Investment (ROI) and other financial calculations performed by this tool are based on data provided by Bottomline customers and various assumptions and estimates only. The actual ROI realized by customers may vary from the estimates provided. Bottomline offers this tool to assist customers with evaluating procure to pay platforms, however, Insurity and Hobson & Company (the firm that created the tool) are not responsible for the accuracy of any estimates.

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### About Bottomline

Bottomline helps businesses transform the way they pay and get paid. A global leader in business payments and cash management, Bottomline's secure, comprehensive solutions modernize payments for businesses and financial institutions globally. With over 30 years of experience, moving more than \$10 trillion in payments annually, Bottomline is committed to driving impactful results for customers by reimagining business payments and delivering solutions that add to the bottom line. Bottomline is a portfolio company of Thoma Bravo, one of the largest software private equity firms in the world, with more than \$130 billion in assets under management.

For more information, visit [www.bottomline.com](http://www.bottomline.com)



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REV US053124LM

**Corporate Headquarters**  
100 International Drive, Suite 200  
Portsmouth, NH 03801  
United States of America

Phone: +1-603-436-0700  
Toll-free: +1-800-243-2528  
[info@bottomline.com](mailto:info@bottomline.com)

**Europe, Middle East, Africa Headquarters**  
1600 Arlington Business Park  
Theale, Reading, Berkshire RG7 4SA  
United Kingdom

Tel (Local): 0870-081-8250  
Tel (Int): +44-118-925-8250  
[emea-info@bottomline.com](mailto:emea-info@bottomline.com)