



## 3 Steps to Build Your Business Case for Dynamics 365 Invoice Automation



Technology is constantly evolving to meet the needs of rapidly changing businesses. These advances have enabled people to network across various electronic platforms to streamline and automate processes all at a rate of speed unparalleled by the outdated workflows of the past.

At the same time, accounts payables departments remain challenged by a blizzard of paper and document-based invoices hindered by slow, costly and cumbersome manual processes. Creating an error-prone environment with limited visibility and control.

In this digital age, it seems companies would be quick to embrace a technology that not only increases productivity, but also increases cash yield, reduces fraud risk and dramatically improves accountability, compliance and reporting. In a time when technology evolves faster than the mindsets of key stakeholders who cling to outdated and inefficient processes, a clear case must be made to demonstrate the value of automation.

Research suggests that more executives would embrace invoice automation if they could quantify the return on investment. This white paper will make the case for automation in 3 steps that businesses can take to transform their invoice processes in their Microsoft Dynamics 365 environment.



## STEP 1:

# Reduce Paper and Drive Cost Savings

AP professionals can easily cite a variety of drawbacks to paper-based workflow processes, including:

- Invoices that go missing or are difficult to find
- Lengthy processing and approval cycles
- Failure to capitalize on available early payment discounts
- Unnecessary charges due to late payments
- Limited tracking, reporting and auditing
- Employee time dominated by data entry, scanning and other cumbersome tasks
- Human error
- Paper storage and retention costs

The reliance on paper processes and manual workflows has resulted in the average time to process a single invoice over 11 days - while making real-time visibility into invoice approvals, payments and cash flow difficult.<sup>1</sup>

According to Ardent Partners, AP departments can reduce invoice processing costs by 80% by automating manual processes such as keying, paper handling and filing. But invoice automation can impact businesses beyond cost savings alone. Faster processing time, quicker approvals, improved use of man hours and reduced human error and risk are just a few additional benefits organizations can realize through automation.



Organizations can achieve an 80% reduction in invoice processing costs by eliminating manual tasks including keying, paper handling and filing.

STEP 2:

Assess Invoice Processing Costs

There’s an old saying that a company can manage only what it can measure. That makes the second step towards building a business case for invoice automation in Microsoft Dynamics 365 getting a handle on your invoice processing costs. Incredibly, 33% of AP professionals did not know the processing cost per-invoice at their company.<sup>2</sup> Without this information, how can anyone determine the real impact automating invoice processes?

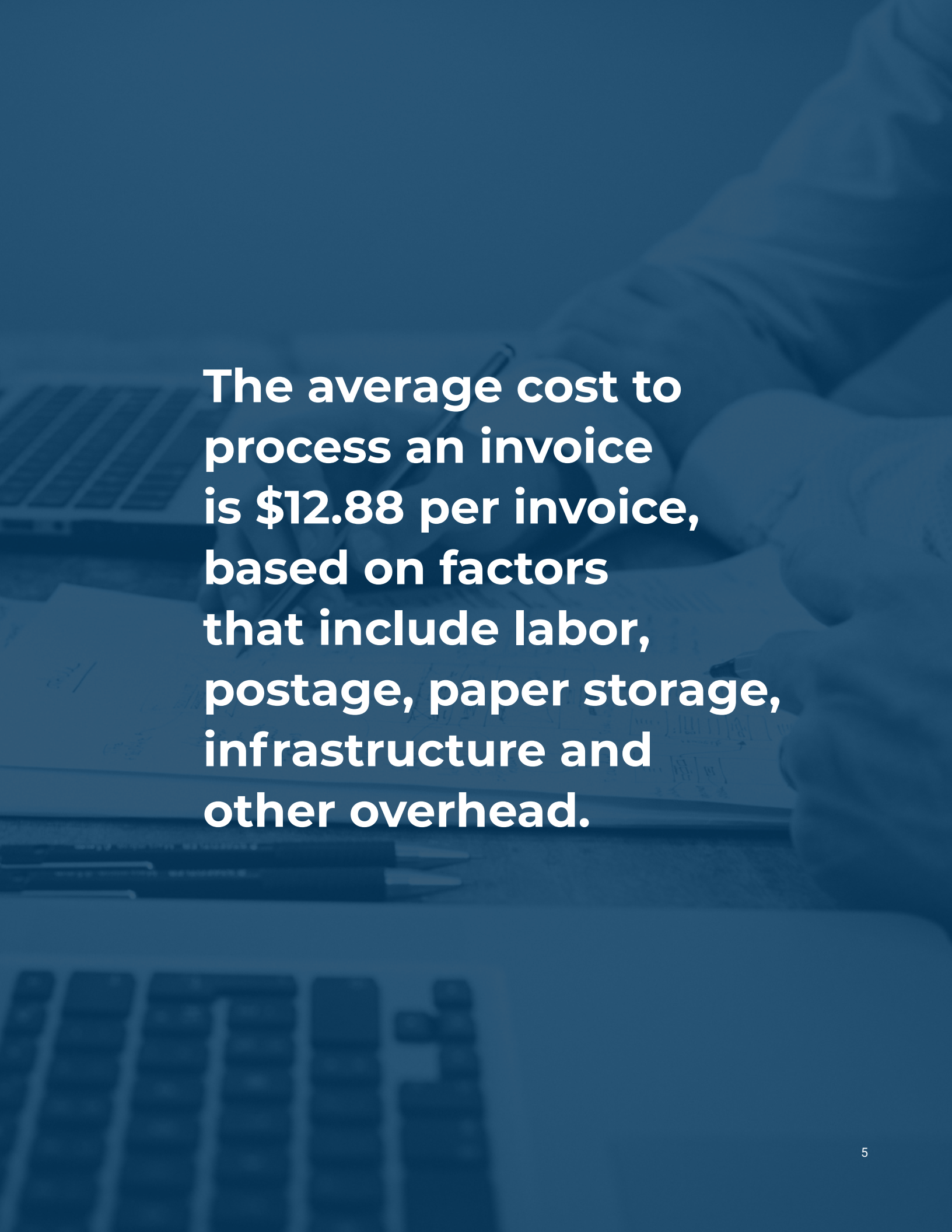
According to Ardent Partners, the average cost to process an invoice is \$12.88 per invoice, based on factors that include labor, postage, paper storage, infrastructure and other overhead. Here’s how it might play out for best-in-class organizations versus those without any kind of streamlining: even for a mid-size company near the low end and spending \$4 per invoice to process 10,000 invoices a month, the outlay is \$480,000 annually. For a company spending \$15 each, the tally is a staggering \$1.8 million a year.

METRICS	ALL COMPANIES
Cost to process a single invoice (all-inclusive cost)	\$12.88
Time to process a single invoice	11.7 days
Invoice exception rate	27.3%
Percentage of invoices processed “straight-through”	21.2%
Percentage of suppliers that submit invoices electronically	25.2%
Percentage of invoices linked to a Purchase Order (PO)	44.3%

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Some costs are difficult to quantify. For example, inefficiencies in a paper-based system may result in missed opportunities for early payment discounts, which can add up to huge savings over the course of a year.

It’s important to quantify as many costs as possible in order to transparently present invoice automation’s advantages. One way to do this is to determine what might go away, and put a price tag on it.

The background of the slide is a dark blue overlay on a photograph. The photograph shows a person's hands working on a desk. One hand is holding a pen over a document, while the other is near a laptop keyboard. The image is slightly blurred, giving it a professional and busy feel.

**The average cost to process an invoice is \$12.88 per invoice, based on factors that include labor, postage, paper storage, infrastructure and other overhead.**

### STEP 3:

## Measure The Intangibles

There are other improvements, in addition to controlling expenses, that can help build a compelling business case for invoice automation. These include:

**Immersive and Real-time Dynamics 365 Integration.** Easy to implement and simple to use with the right partner, integrations make data flow and usability a priority. With the right solution, AP staff can continue to work within their familiar D365 workspace instead of suffering portal fatigue by having to log into yet another invoice processing solution.

**Visibility.** Decision makers want accurate information and they want it now. In fact, 48% of AP professionals view reporting & analytics that enhances visibility as their number one priority.<sup>3</sup> By providing a real-time lens into processes, automation ensures that key stakeholders have insight into all activities.

**Accuracy.** With automation, data validation eliminates these costly errors while freeing up staff time to focus on higher level tasks which boost productivity and operational efficiency.

**Capture more available early payment discounts.** Best-in-class accounts payable organisations can process invoices nearly 75% faster than their peers with automation.<sup>4</sup> These efficiency gains increase the potential to capture more early payment discounts, positively impacting ROI and strengthening vendor relationships.

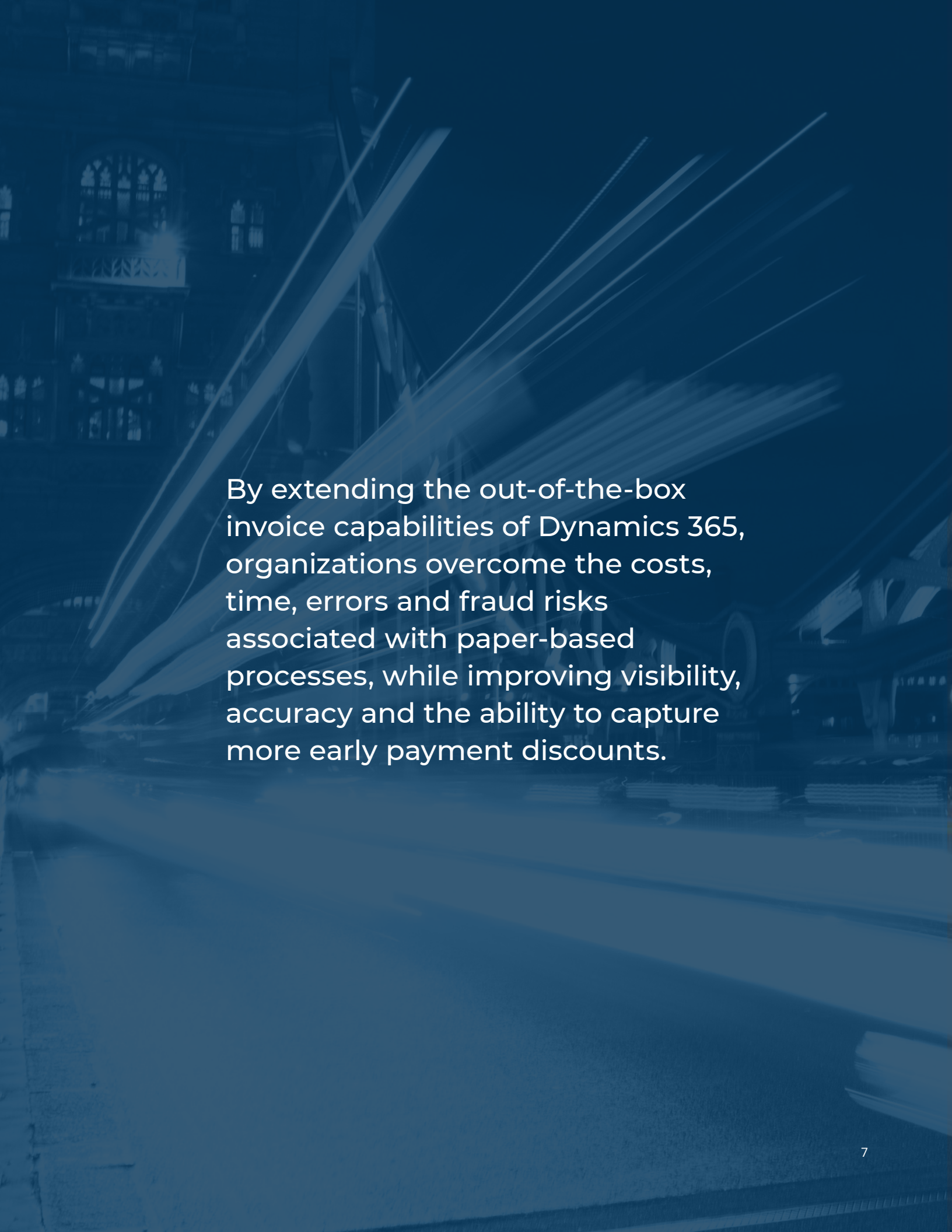
**Minimize the impact of fraud.** According to Strategic Treasurer, half of all businesses experienced an increase in fraud attempts in the past year.<sup>5</sup> Minimizing manual processes and paper documents such as invoices will improve your AP efficiencies and reduce errors. Equally important, automating processes will also reduce your exposure to invoice and payment fraud risk, which is critical when businesses lose an average of \$300 million per month due to business email compromise fraud per FinCEN.

By extending the out-of-the-box invoice capabilities of Dynamics 365, organizations overcome the costs, time, errors and fraud risks associated with paper-based processes, while improving visibility, accuracy and the ability to capture more early payment discounts. As an added bonus, the right solution allows for immersive user experiences and allows AP teams to share the same workspace.

# 86%

**of firms have experienced payment fraud over the past two years.<sup>5</sup>**

3, 4. Ardent Partners State of ePayables.  
5. Strategic Treasurer Treasury Fraud and Controls Survey Results Report



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## Conclusion

Making the business case for invoice automation has shifted to become a top priority for industry leaders in recent years. In fact, it was found that 63 percent of organizations identify reducing invoice-processing costs as a top driver for adopting invoice automation.<sup>7</sup> Due diligence will prove how invoice automation can create workflow efficiencies, save money, and reduce fraud through:

- Reduced transaction processing costs
- Improved accuracy
- Increased visibility
- Quicker turnaround times and accelerated approval cycles
- Improved metrics to understand and reduce exceptions
- More efficient use of AP staff
- Improved data capture for better control over spend
- Ability to capitalise on early payment discounts
- Real-time and immersive integration with your Microsoft Dynamics 365 ERP System

### About Bottomline Paymode Invoice Automation for Dynamics 365

Paymode Invoice Automation for Dynamics 365 helps AP departments streamline workflows, enhance governance, and gain operational visibility around PO and non-PO invoice processing.

Flexible approval workflows are easily maintained by business users and your workers can review and approve invoices from any device. Best of all, your ERP users continue to work within their familiar Dynamics 365 workspace.

**Explore Now**



#### 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 35 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 \$142 billion in assets under management.

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