# 11 Questions to Ask AP Automation Providers

## So you've made the decision to automate your accounts payable process – congratulations!

As you consider all the choices you now have to make, think about these industry stats that show how automating the end-to-end invoice to pay process is helping organizations like yours improve efficiencies, reduce fraud risk, and transform AP into a valuable part of your organization:

- 74% faster invoice processing (from 14 days to under 4 days)[1]

- 10X less fraud with electronic payments than paper checks[2]

- 69% of businesses view smarter systems as key to next level AP success[1]

Choosing an end-to-end AP automation solution is a big decision and you'll soon find that not all technology offerings are created equal or will meet your company's unique business requirements.

To help you evaluate options and make the best decision for your accounts payable needs, here are eleven questions you should ask prospective AP Automation providers to be sure you get what you need *and* realize long-term benefits you may not have even been thinking about.

**You can use the worksheet on the last page of this paper as a tool to help you organize and keep track of the information you gather when evaluating solution options.**

1. Ardent Partners
2. IOFM

## 1

## Do you offer an end-to-end AP solution that spans the complete invoice to pay lifecycle?

The majority of technology providers that service AP organizations only offer point solutions that solve a portion of the accounts payable lifecycle. Consider the benefits of working with a single provider whose solution spans the end-to-end AP lifecycle, from invoice receipt through capture, matching, coding, approvals, and payment. Automating the complete invoice to payment process with a single vendor will not only eliminate potential fragmentation and increase accountability, but also improve efficiencies and enhance end-to-end visibility. Be sure to get answers regarding just how robust a potential partner's solution truly is.

## 2

## Do you have experience with organizations like mine?

Many vendors focus on providing AP solutions for organizations of a specific size or industry. For example, some solution providers specialize at servicing small to mid-sized companies, but are not scalable or flexible enough to handle the high volume of invoices, complicated exception handling workflows, approval routing processes, or storage requirements that are common in medium to large businesses.

Ask potential AP automation partners about their experiences working with organizations like yours, especially in terms of business size, industry, and most importantly, your ERP system. Beware if they are unable to provide case studies, key solution differentiators and customer references that are similar to your organization.

## 3

## How will you minimize my exposure to AP payment fraud?

Minimizing manual processes and paper documents such invoices and checks 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. Look for an AP automation solution that maximizes your end-to-end visibility with an audit trail of all activities, status changes, approvals, and user comments. Ask potential providers to explain how they maximize security with fraud-resistant automated workflows and if they minimize risk by securing critical bank data in a secure network monitored by government regulators.

A good partner will also support your AP department by handling the onerous task of vendor bank account authentication and maintenance, which can virtually eliminate fraud and impersonation attempts when done correctly. Partners who mix a high level of fundamental security features like multi-factor authentication with advanced tactics like geofencing card payments are an even better fit. Ask payment network providers what their process is for validating that bank details provided by vendors are accurate, how often they confirm accuracy, how and why they flag suspicious activity, and how many fraud attempts they've prevented versus how many have been successful.

# 4

## How will your solution integrate with our ERP system?

You'll want a partner that can integrate quickly and easily with your ERP, becoming a seamless addition to your existing accounts payable processes and workflows.

You'll find that most technology providers tout their widespread ERP integration. However, don't take vendor claims about their ERP integration at face value. You may be asking yourself if there are benefits of working with a vendor that has significant experience integrating with your ERP, or if there really is a difference between an AP Automation solution that keeps your ERP as the centerpiece of invoice processing activities versus one that works around your ERP and tries to take over as the system of record.

Look for an AP Automation solution that truly embraces the multimillion-dollar investment you've made into your ERP selection by offering smart integration and allowing for easy transfers of invoice and payment data between your ERP and solution.

It's important for you to have a solid understanding of how many IT hours are needed to support implementation, what file format is required for payments, and whether you can talk to several of their existing customers who uses the same ERP as you do. Make sure you understand integration options such as:

- ERP connectors that allow for easy scheduled or on-demand synching of data or file-based uploads of simple, standardized file formats into your ERP

- Data transmission allowing for the automated delivery of invoice and payment data

- APIs that allow for data synching in unified fashion using a provider's developer portal
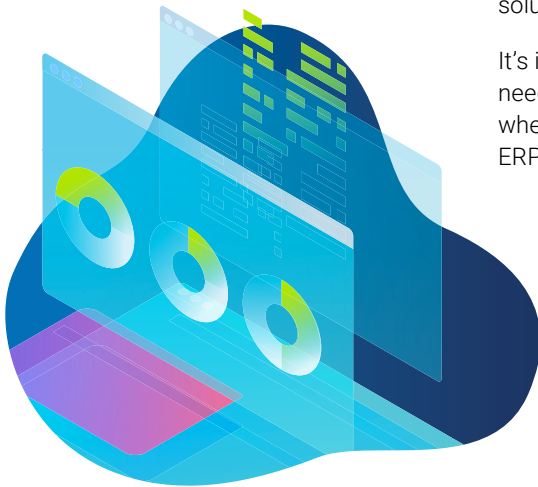
Vendors that deliver seamless ERP integration coupled with an implementation team that has deep specialized knowledge of your accounting systems is the winning combination that will save you countless implementation hours and ongoing usage headaches, as well drive visibility and maximize efficiencies.

## 5

### Do you provide vendor onboarding and enablement services?

Enrolling vendors into an electronic payments program is perhaps the most challenging aspect of reducing paper checks. However, traditional approaches to electronic payments can be time-intensive, requiring your organization to outreach to vendors one at a time and ask for their consent to receive electronic payments, collect and manage each of your vendor's bank account numbers, and ensure you've set them up for their preferred payment type.

Ask potential providers about how their vendor enrollment team will eliminate the need for your staff to sell vendors on the benefits of getting paid electronically, gathering bank account information, and keeping it up to date. Get details about their approach, such as how they'll prioritize outreach to vendors, communicate results back to you, and ensure success over the long term. Above all, make sure you're protecting yourself by choosing a partner who collects, stores, and re-authenticates vendor data whenever necessary.

## 6

### How many of our vendors are already enrolled in your payment network?

Some AP automation solution providers offer the concept of a payment network, where member businesses have already agreed to transact electronically thereby speeding invoice and payment automation. In fact, the recent growth in payment network adoption coincides with the Ardent Partners State of ePayables research report, which shows that 45% of best-in-class organizations use a payment network, nearly double the adoption rate of their peers.

However, much like the invoicing side of the house, not all payment networks and providers are created equal. That makes it important to do your due diligence in evaluating the vendor population of any network you are considering and potential overlap with your vendors. In this case, size does matter, as it is a clear indicator of a provider's stability and success in working with the vendor community. The bigger the network, the more likely your vendors are already enrolled and the easier it will be for your organization to hit the ground running. Some networks specialize in a particular industry, though, so it is important to request a match against your specific vendor list.

## 7

### Can I control the payment methods used to pay my vendors or do you decide?

It's also important to be cautious about working with electronic payment providers who take over management of your outbound payment file and decide which payment type—ACH, card, check, and wire—is used to pay each vendor. While this sounds helpful, it can be challenging for organizations who want full visibility to settlement methods used, or that prefer to maintain control over their payment strategy to align it with organizational goals for working capital improvements.

Ask potential AP Automation providers to explain how decisions are made about the way your vendors get paid, and how much visibility you have to your payment mix throughout the process. As you strive to automate the majority of your payments on card and ACH, you'll likely have some checks left over. You will need to decide whether you want to print checks in-house or outsource that remaining check stack, so be sure to also ask potential providers about which options they offer and the costs involved.

## 8

### Can you handle both my B2B and B2C payment needs in a single solution?

The need to make secure, streamlined B2B payments is apparent, but organizations like yours often need a business-to-consumer payment solution as well. The right potential provider should be able to offer the ability to pay both businesses and consumers using a single solution.

Ask potential providers if they can consolidate all of your disbursements into a single stream to centralize and automate all B2B and B2C payments. You should look for the same level of sophistication in B2C payments as B2B, including what a provider offers for fraud protection, how they allow you to create a positive payee experience, and whether you'll be able to accommodate each payee's preferred payment type. At every step, understand how you'll be able to automate and streamline traditionally cumbersome manual B2C payment processes.

## 9

### How will you provide my vendors with the remittance details and benefits they need?

Electronic payments not only streamline your payables process, they can also help streamline your vendors' receivables processes as well. Lack of remittance information in a format that works for your vendors is almost always cited as a major hurdle to electronic payment adoption. You'll want to make sure your vendors will be provided the option that works best for them to easily apply cash. Leading payment network providers offer frequently requested remittance formats such as CTX, custom AR files, email, PDF and more. Payment networks may also have portals where your vendors can go to access payment details and reports instead of calling your AP team, as well as significant value in accounts receivable tools like digital invoice delivery, mobile apps for processing incoming payments, and other critical tools.

## 10

### We aren't sure if we want to continue to receive invoices and scan them ourselves or outsource that to a partner. Do you offer both options?

A big decision to make when defining what the ideal AP Automation solution looks like for your organization is whether you prefer to receive invoices at your location and conduct automated invoice scanning and data capture in-house, or if you prefer to outsource that entire process to a partner as a managed service.

The question of whether to outsource invoice handling or keep the process in-house is one that weighs heavily on many AP leaders, Controllers, and heads of Finance. The right answer differs from organization to organization based on a multitude of factors: volume of invoices, resource availability, and cost structure, among other considerations. Some feel they need the physical control of managing all aspects of AP processing at their location whereas others opt to go the outsourced route as a way to simplify internal processes and conserve AP resources.

There are certainly pros and cons of both approaches for you to consider, but beware of technology providers that push you one way or the other and don't give you the flexibility to decide which approach works best for your organization. Another factor to consider is that your preference (and resource availability) to handle invoices in-house versus outsourcing receipt, scanning, and data capture to a partner may evolve over time. Make sure to understand the choice options that each potential provider offers – and consider not only your near-term requirements but also the benefit of future-proofing your selected solution with the flexibility to be able to convert to a managed service at some point in the future with the vendor your choose today.

# 11

## What can I expect in terms of cost savings and ROI?

It's critically important that you not only understand how a potential solution has proven to reduce processing costs and reallocate staff to other tasks at other similar companies, but also how it has enabled those organizations to be more productive, avoid late payment fees, capture more discounts, and earn cash-back rebates on electronic payment spend.

Some solutions also provide your AP department with the opportunity to earn financial incentives such as rebates on card and ACH transactions. Ask the providers you are considering to share examples of how their solution has successfully transformed AP organizations from a cost center into a profit center. Beware if they can't share success stories about how the efficiencies gained and rebates earned from using their solution has resulted in clients earning a positive ROI on their total investment in AP automation.

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**ACCESS WORKSHEET**

# Worksheet

## 11 Questions to Ask AP Automation Providers

| Questions to Ask: | Bottomline Technologies | Vendor #2 | Vendor #3 |
|---|---|---|---|
| **1. Do you offer an end-to-end AP solution that spans the complete invoice to pay lifecycle?** | | | |
| **2. Do you have experience with organizations like mine? (e.g. size; industry; ERP)** | | | |
| **3. How do you protect payments from outside threats? (e.g. audit trail; anti-fraud workflows; vendor and bank validation)** | | | |
| **4. What are the options to integrate with our ERP system?** | | | |
| **5. What vendor onboarding and enablement services do you provide?** | | | |
| **6. How many of our vendors are already enrolled in your payment network?** | | | |
| **7. Can I control the payment methods used to pay my vendors or do you decide? (e.g. ACH; card; check; wire)** | | | |
| **8. Can you handle both my B2B and B2C payment needs in a single solution?** | | | |
| **9. How will you provide my vendors with the remittance details they need? (e.g. PDF; email; CTX; custom formats)** | | | |
| **10. Do you offer the choice between handling invoices in-house or as a managed service?** | | | |
| **11. What can I expect in terms of cost savings, earned rebates, and ROI?** | | | |

# Explore how Paymode-X can fit your AP needs.

**LEARN MORE**

All stats used sourced from:
Ardent Partners State of ePayables Report
Strategic Treasurer B2B Payments ReportIOFM.

**Bottomline**

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### About Bottomline

Bottomline (NASDAQ: EPAY) makes complex business payments simple, smart and secure. Corporations and banks rely on Bottomline for domestic and international payments, efficient cash management, automated workflows for payment processing and bill review, and state of the art fraud detection, behavioral analytics and regulatory compliance solutions. Thousands of corporations around the world benefit from Bottomline solutions. Headquartered in Portsmouth, NH, Bottomline delights customers through offices across the U.S., Europe, and Asia-Pacific.

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