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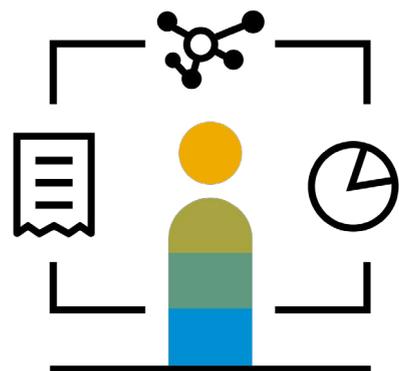
## Questions to Ask

About Your Accounts Payable System



THE BEST RUN





Choosing the right AP system can feel overwhelming. There are a lot of cloud vendors out there promising to “digitize everything” and streamline your processes. How do you figure out which to consider and how do you compare the differences?

This document highlights **eight questions** that you should ask about your organization’s AP system. Once you ask yourself the answers to these questions, it will be easier to decide which software vendors align with your organization’s business outcomes.





**What is the role of my AP staff?**

More than half of the CFOs in a 2020 Deltek Clarity Survey indicated that they are seeking a more strategic role for their finance staff.<sup>1</sup> Are you paying your staff to scramble seeking approval for paper invoices? Are they managing stacks of paper or answering repeated calls from vendors seeking status updates on their payments? If so, be a champion for your AP staff's time and valuable resources.

Quality AP staff are a resource worth empowering. Your D&B score, reputation with your vendors, and cash cycle are dependent on them. With the right technology to help automate parts of your AP process, your people will surprise you with their ability to find efficiencies, make process improvement recommendations, and deliver other insights you may not have thought of yet.



**How many individual systems are a part of my AP process?**

Many steps go into processing invoices in a compliant fashion. Organizations typically introduce point solutions to address each of these steps – often at different times. This can result in a complex web of technology of processes, admins, logins, and integrations for finance to maintain. Just think about it: invoice data must enter the system, be parsed, cost-coded, and routed for approval. Approvals must then be received, recorded, and then matched and sent. Copies of the invoices are retained as part of the audit trail. Talk about a massive headache!

Working out a plan to start consolidating systems and evaluate one that considers all parts of employee spend – not just AP – can help simplify processes to help your organization run smarter.



### What is my investment?

You invest money to handle every AP invoice that comes through your door. Exactly how much money can be difficult to track when manual steps and various software vendors are involved. The challenges of managing costs like software licensing, labor, digital or physical storage, and the downstream impacts of lost revenue from vendor discounts or payment provider rebates all need to be taken into account as they can impact your bottom line.

The risks of remaining paper-based extend far beyond lost vendor discounts. Errors from manual entry can add up, drive up costs, and lead to poor forecasting – **only 22 percent of organizations can forecast their mid-term cash flow within five percent accuracy.**<sup>2</sup>

If you consider how automation could help improve visibility, then you could help save your organization's bottom-line and get a better idea of your overall investment. Automation pays off in the long run – some ROI pays off in three years or less when you consider the value from increased productivity, redirection of AP staff, or the prevention of fraud or compliance risks





### How do we pay our vendors?

Manually managing payments for all your vendors is complex, time-consuming, and sometimes risky. Your vendors are always looking for late or missing payments, bogging down your AP staff as they try to track a specific check or ACH. And what about managing those vendor early payment discounts or verifying uncashed checks? The AP process includes your payment system – why not seamlessly integrate the process with the system? Doing so will drive tighter financial controls as well as bottom-line savings. **Automating your AP process can result in at least a 13% improvement in the time it takes to pay vendors** – a valuable time saver.<sup>3</sup>



### How does my AP process fit into my organization's broader cloud strategy?

The COVID-19 pandemic has allowed business leaders to rise to new challenges and left those unwilling to change behind. Adopting new technologies is just one way organizations are pushing forward and turning their attention to how to thrive beyond the crisis. **89% of business leaders say that implementing new technologies is key to resilience.**<sup>4</sup>

However, AP processes are often lagging, with **70% of invoice processing globally remaining paper-based.**<sup>5</sup> The truth is, manual processes simply won't cut it in a world that is increasingly moving to the cloud. So, it is wise to consider AP as part of your overall business transformation strategy.





### **Can it help me when it comes to an audit?**

Whether conducting an internal or external audit, ensuring you have the right data is critical. Automation and digitization of accounting records like invoices make it easier to retrieve the data that's needed during an audit – no more sorting through messy file cabinets and piles of paper.

An automated AP system can:

- Validate purchases and approvals
- Store and retrieve electronic documents
- Help to prevent fraud
- Check for duplicate payments
- Provide ease of access for staff
- Improve compliance and reduce exceptions

In addition, an automated approach ensures that you have a system with compliance and best practices built-in from the beginning with a configuration that is right for your business leading to a smoother audit overall.

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## What should I look for in a technology vendor?

When evaluating which vendor might be the right choice for your organization, it is important to consider:

- Is the user experience intuitive and easy for managers and employees to use?
- Can the configuration be adjusted to accommodate your organization's unique workflows, regulatory requirements, and cost allocations?
- Does the vendor understand and have expertise in your industry or with like-minded companies to ensure they can accommodate your industry's unique nuances?

A vendor that supports your organization in achieving its unique business goals will help ensure the longevity of the solution you use and limit the risk of buyer's remorse.





### **How do I benchmark my KPIs against my peers?**

Even in this highly connected world, it is easy to focus on the day-to-day and lose sight of the big picture. Your financial processes should offer the opportunity for executives to review not only the internal performance of your company, but how those performance figures stack up against the competition. Mining and summarizing your data is great, but contextualizing that information is the key to insight and continual improvement.

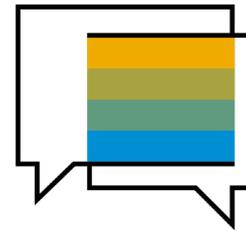
Choosing a vendor who can partner with you along the way to not only help you with your business objectives now, but well into the future, can help you keep ahead of the competition, improve, grow, and make the most of your resources.



## How SAP® Concur® solutions can help

Our expertise comes from over 25 years in the spend management business with over 20 years as a SaaS provider. SAP Concur solutions has over 46,000 customers and 46.5 million end users globally – meaning you will have access to a community of peers to share best practices.

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### Sources:

- <sup>1</sup> Deltek Clarity Government Contracting Industry Report, 2020
- <sup>2</sup> The True Costs of Paper-Based Invoice Processing and Disbursements, IOFM Special Report, 2017
- <sup>3</sup> SAP Concur Facilitates Automated Management of Financial Operations, IDC, May 2020
- <sup>4</sup> The Economist Group and SAP - Ready, Set, Grow April 2020
- <sup>5</sup> Billentis, International Market Overview and Forecast on E-Invoicing and E-Billing, March 2018

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