

8 Questions to Ask

About Your Accounts Payable System





Choosing the right accounts payable (AP) system can feel overwhelming.

There are many cloud vendors who promise to digitalize everything and streamline your processes. How do you know which to consider and how do you compare the differences?

Here, you'll find 8 questions to ask about your organization's AP system. With the answers, it will be easier to determine which software vendors can help your organization achieve its business outcomes.





1

What is the role of my AP staff?

More than half (65%) of financial and IT decision-makers say increasing operational efficiency and productivity is a top business goal.¹ Are you paying your staff to scramble seeking approval for paper invoices? Are they managing stacks of paper or answering repeated calls from vendors looking for 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 reputation with your vendors and cash cycle are dependent on them. With the right technology to help automate your AP process, your people have more time to find efficiencies, make process improvement recommendations, and deliver insights.

2

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

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

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.

3 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, leading to increased costs and poor forecasting.

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 see ROI in as little as 7 months ² when you consider the value from increased productivity, redirection of AP staff, or the prevention of fraud or compliance risks.



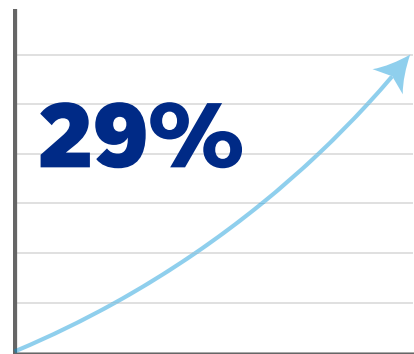
ROI in as little as **7 months** with an automated invoice solution²



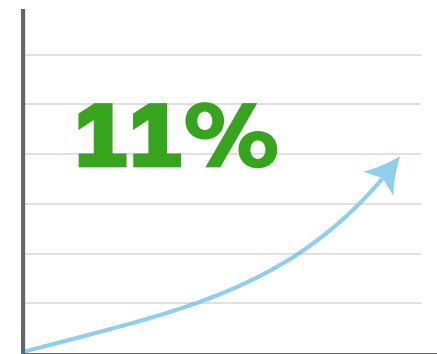
4

How do we pay our vendors?

Manually managing payments for all your vendors is complex, time-consuming, and sometimes risky. If vendors are looking for late or missing payments, your AP team gets bogged down searching for a specific check or ACH transaction. And what about taking advantage of early payment discounts or verifying uncashed checks? The AP process includes your payment system – why not seamlessly integrate these? Doing so will drive tighter financial controls as well as bottom-line savings. Automating your AP process can result in a 29% improvement in the time it takes to capture invoices, as well as 11% cost savings through supplier negotiated rates and discounts.³



improvement in invoice capture time³



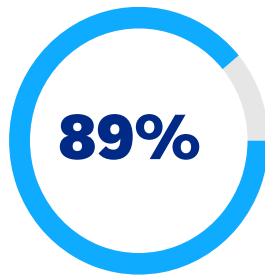
cost savings through supplier negotiated rates³

5

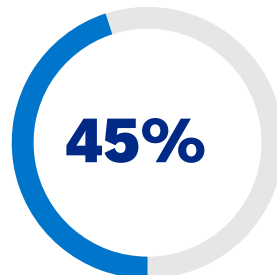
How does my AP process fit into my organization's broader cloud strategy?

The macroeconomic climate of the past several years 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. 89% of business leaders say that implementing new technologies is key to resilience.⁴

However, AP processes are often lagging, with 45% of invoices still being received manually.⁵ 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.



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6

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 and quicker 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

An automated approach also 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. This all leads to a smoother audit overall.

7

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.





8

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 continuous improvement.

Choosing a vendor that can partner with you along the way to help you with your business objectives now — and well into the future — can help you keep ahead of the competition, improve, grow, and make the most of your resources.



Don't know where to begin measuring the efficiency of your AP process? Start with our **Invoice ROI Calculator.**



How SAP Concur 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.

With the largest amount of customer data in the travel and expense space, we can use that data to help our customers improve their business outcomes by benchmarking data against others in your industry and company size. As a customer, you will receive regular business reviews to ensure that we are exceeding your expectations of us as a vendor, holding us accountable for actively improving your business.

Learn more about how SAP Concur solutions can help make your AP team ready for anything.

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Sources:

^{1,2,3}Analysys Mason 2022, Travel, Expense, and Vendor Invoice Management Study
⁴The Economist Group and SAP - Ready, Set, Grow April 2020
⁵Ardent Partners, Metrics that Matter in 2022, February 2022

