

The logo for Edenred Pay, featuring the word "Edenred" in white text inside a red circle, followed by a vertical red line and the word "Pay" in red text. A large, thick red curved line arches over the logo from the top left towards the right.

Edenred | Pay

The Complete Guide to Invoice Automation Solutions

Automation is a top priority for accounts payable leaders. But determining the best way to optimize the processing of supplier invoices can overwhelm even the most tech-savvy finance professional.

That's why Edenred Pay created this comprehensive guide to invoice automation solutions.

It will provide you with everything you need to know to find the right invoice automation solution for your needs to have a successful project and achieve an optimal return on investment.



WHY DEPLOY AN INVOICE AUTOMATION SOLUTION?

There are lots of reasons that more finance departments are deploying invoice automation solutions.

1. Manual and semi-automated invoice processes are expensive. It costs highly automated AP departments less than one-fourth as much to process an invoice as their less automated peers.
2. Manual and semi-automated invoice processes are slow. It takes highly automated AP departments one-fourth as long to approve and post an invoice as their less automated peers.
3. Manual and semi-automated invoice processes waste lots of time. Highly automated AP departments process over 11 times as many invoices per worker as their less automated peers.
4. Manual and semi-automated invoice processes make it hard to capture early pay discounts. Highly automated AP departments capture 7 times more early payment discounts (as a percentage of overall corporate spending) as their peers with little or no automation.
5. Manual and semi-automated invoice processes are risky. Electronic payments to suppliers are far less likely to result in fraudulent transactions as paper check payments.

Inefficient and ineffective invoice processing creates problems across the accounts payable lifecycle – from operations and supplier management to working capital optimization and spend management.

Here are some signs that it is time for your organization to deploy an invoice automation solution:

- Stacks of paper everywhere
- Lost or misplaced invoices from suppliers
- Late payments and missed early payment discounts
- Poor AP staff morale and frustration from stakeholders in other departments
- Inadequate visibility into the status of invoices
- Manual report generation and/or difficulty forecasting cash
- Poor integration between systems
- No way to measure KPI's in order to improve financial operational efficiencies
- Lots of phone calls and e-mails from suppliers about the status of invoices
- Onerous reconciliation and lengthy financial close processes
- Audit and compliance issues

If you are experiencing any of these challenges, an invoice automation solution may be the answer.

WHAT DOES AN INVOICE AUTOMATION SOLUTION DO?

Invoice automation solutions digitize and simplify the approval of invoices received from suppliers.

Invoice receipt. All paper and electronic invoices sent by suppliers – including those sent through the mail, e-mail, fax, File Transfer Protocol (FTP) upload or self-serve supplier portal – are collected through a digital mailroom and aggregated onto a single platform for processing.

Invoice data capture. OCR for AP and other technologies and processes are used to capture invoice header and line-item data such as the invoice number, invoice amount and due date. The best invoice automation solutions can capture the data from invoices without requiring buyers to set up templates for each supplier's invoice format. The best invoice automation solutions also use Artificial Intelligence (AI), Machine Learning (ML) and Robotic Process Automation (RPA) technology to deliver better capture results over time with guaranteed accuracy.

Invoice validation. The data captured by an invoice automation solution should be validated for guaranteed 99.5 percent accuracy and matched against PO and Vendor Master data residing in an ERP.

Invoice exception resolution. Unmatched invoices that require exception handling are automatically routed to the right person to resolve as quickly as possible.

Invoice approval. Invoices that require approval (such as high-dollar invoices) are digitally routed to the appropriate person based on pre-set business rules that automate decision making and get invoices approved faster.

Invoice status. AP managers can instantly see the status of invoices and historical data.

Invoice upload. Approved invoices are uploaded directly to an ERP or accounting system without the need for manual keying or other human operator intervention.

Invoice archival. Invoice images and data are digitally archived based on the organization's business needs and made instantly available to authorized users across the globe 24/7. No need for manual storage or time-consuming and error-prone physical filing of invoices. Invoices are backed up with a secure infrastructure and configurable user privileges.

The best invoice automation solutions provide all these capabilities on an integrated platform. Accounts payable processing requires unique skills and the system needed to support AP must be 100% focused on AP. Just as job functions and skills for AP differ than those of purchasing; purchasing and expense management require different systems to then integrate into the ideal accounts payable solution.

These capabilities result in a fully electronic invoice automation environment where invoices are received and posted straight through and AP staff only need to intervene when necessary.

HOW CAN INVOICE AUTOMATION SOLUTIONS IMPROVE SUPPLIER MANAGEMENT?

The best invoice automation solutions provide suppliers with self-service options through an online supplier portal – strengthening supplier relationships and reducing the amount of time that AP staff spend collecting supplier information and responding to supplier inquiries and resolving problems.

The supplier portal built into invoice automation solutions enables suppliers to:

- Update contact information
- Securely provide banking details
- Upload tax forms and other documents
- Electronically submit invoices
- Instantly see the status of invoices and payments
- Review historical invoice and payment information
- Communicate with AP staff

Invoice automation solutions reduce the hassles associated with managing supplier relationships.

And a supplier portal can be customized with a buyer's branding and logo.

CAN INVOICE AUTOMATION SOLUTIONS SUPPORT GLOBAL OPERATIONS?

Global commerce is increasingly common these days.

Invoice automation solutions support finance and AP operations across town or across the globe, making them ideal for businesses with international suppliers or global shared services operations.

The best invoice automation solutions support global commerce with:

- Multi-language and multi-currency support
- A cloud architecture that provides 24/7 accessibility
- Compliance with VAT and other international regulations
- Scalability to support rapidly growing invoice volumes

These attributes make invoice automation solutions critical in today's global marketplace.

ARE INVOICE AUTOMATION SOLUTIONS AN IT BURDEN?

Cloud-based invoice automation solutions are easy to deploy and manage. They also:

- Can be deployed quickly, even when staff Work from Home
- Do not require the installation of hardware or software
- Will not require a big expenditure for internal IT support
- Do not require AP departments to wait until IT resources are freed up
- Are accessible 24/7 to users from any location, on any device
- Ensure that you are always using the current version of software
- Seamlessly integrate with legacy ERP and accounting systems, including those from SAP, Oracle, Sage, Microsoft, Advantage, HudsonMX and more
- Include rich reporting, eliminating the need for custom ERP reports
- Have built-in controls such as user privileges and audit logging
- Ensure business continuity

These are some of the reasons that the cloud is the standard for invoice automation solutions.

And they also are the reason that organizations achieve a fast payback from cloud-based solutions.

WILL AN INVOICE AUTOMATION SOLUTION INTEGRATE WITH MY COMPANY'S ERP?

The ERP is the financial nerve center of the business.

It is critical that finance systems connect with the ERP. Otherwise, a business will experience manual processes, inaccurate or incomplete data, information latency, and a poor ROI.

The best invoice automation solutions seamlessly integrate with any legacy ERP, including:

- SAP
- Ariba
- Oracle
- Oracle NetSuite
- Coupa
- Lawson
- JD Edwards
- Sage
- Microsoft
- Advantage
- HudsonMX
- And more!



By tightly integrating an invoice automation solution with an ERP, AP departments can reduce costs, accelerate cycle times, gain 360-degree visibility into transactions and supplier relationships, and more easily configure their processes to meet their current and long-term needs.

HOW DO INVOICE AUTOMATION SOLUTIONS MITIGATE THE RISK OF FRAUD?

The operational disruption caused by the shift to remote working has increased the risk of fraud.

Some businesses have been forced to choose between established checks and balances and getting suppliers paid. Paying suppliers with paper checks further increases the risk of payment fraud.

The best invoice automation solutions mitigate the risk of fraud by:

- Restricting access by user, role or system function
- Ensuring segregation of duties and chain of custody
- Preventing invoices from being intercepted or misrouted
- Providing managers with real-time visibility into the status of invoices
- Tracking all actions taken on an invoice and keeping audit logs
- Encrypting sensitive data
- Executing payments electronically
- Reconciling transactions in real-time

Invoice automation solutions ensure that data is handled in a secure and traceable manner.

WHAT ARE THE BENEFITS OF AN INVOICE AUTOMATION SOLUTION?

Invoice automation solutions provide a wide range of operational and strategic benefits.

- Effortless receipt of all paper and electronic invoices
- Significantly lower invoice processing costs
- No more keying of invoice data and make sure the vendor guarantees 99.5 percent invoice data capture accuracy
- Streamlined processes and higher staff productivity
- More time for staff to focus on higher-value activities like data analysis
- Improved staff morale and higher stakeholder satisfaction
- Stronger supplier relationships and less chance of supply chain disruption
- Fewer supplier phone calls and e-mails regarding the status of invoices
- Touch-free posting of invoices to any ERP or accounting system
- Simplified global and shared services operations

By eliminating manual, repetitive tasks such as invoice data entry, paper shuffling, and chasing down information, AP can transform itself into a strategic powerhouse that drives growth and value.

HOW DO I CONVINCING MANAGEMENT TO DEPLOY AN INVOICE AUTOMATION SOLUTION?

Invoice automation solutions offer compelling benefits to stakeholders across the enterprise:

CFOs:

- Instant insights into cash flow and corporate spending
- Assurance that AP is operating as efficiently as possible
- More timely cash forecasting and accrual reporting
- Potential card rebates and more early payment discount opportunities
- Peace of mind that risks are being mitigated

CPOs:

- Real-time spend visibility
- Visibility into spending by supplier, business unit, and category
- Less chance of supply chain disruption through faster cycle times

Budget owners:

- Better visibility into spending against budget
- Timely spend analysis and forecasting

Emphasizing these benefits of an invoice automation solution will win over key stakeholders.

WHO OFFERS THE BEST INVOICE AUTOMATION SOLUTION?

Edenred Pay offers a best-in-class alternative to manual and semi-automated invoice processing.

Our cloud-based invoice automation solution has helped prominent organizations across the globe reduce costs, accelerate cycle times, eliminate duplicate payments and other errors, optimize their working capital, tightly manage corporate spending, and strengthen supplier relationships.

Our invoice automation solution has helped organizations of all sizes and across many industries, including healthcare, property management, media and advertising, banking, and more.

Let Edenred Pay help make your automation project a success

If invoice automation, payment automation, or invoice-to-pay automation is on your accounts payable department's agenda, we want to speak with you. Edenred Pay's integrated technology and decades of experience help prominent organizations successfully automate their accounts payable processes.

Contact us at ERPay_info@edenred.com or call 1-866-998-0437 to arrange a no-obligation online demonstration of our invoice-to-pay automation solution.

