Future-Proofing Hospitality Finance

Solving Staffing Challenges with Invoice-to-Pay Automation

Finance and accounts payable leaders in the hospitality industry know firsthand the strain that staffing challenges can place on your operations. Whether you're managing a hotel, resort, or restaurant group, you're likely grappling with the realities of a reduced workforce and high turnover, all while trying to maintain financial efficiency and meet the demands of suppliers.

These staffing shortages don't just impact front-line service – they have a significant effect on back-office functions like accounts payable (AP), where manual, time-consuming processes can quickly overwhelm your already stretched team. Relying on traditional, manual AP processes is no longer sustainable. Paper invoices and checks, slow approvals, and data entry errors can lead to payment delays, strained vendor relationships, and costly mistakes. But there's a solution: AP automation.

By automating your invoice-to-pay processes, you can alleviate the burden on your team, streamline your workflows, and improve the accuracy and speed of your payments. Invoice-to-pay automation doesn't just solve short-term staffing challenges – it helps future-proof your finance operations by allowing your team to focus on strategic tasks that drive a hospitality business forward.

This eBook will show you how invoice-to-pay automation can transform your finance operations, making it easier to navigate staffing challenges while improving efficiency and profitability.

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Key Staffing Challenges

Staffing shortages are a widespread issue in the hospitality industry, affecting nearly every department, including finance and accounts payable. With fewer team members available to handle the growing demands of processing invoices, managing vendor relationships, and ensuring timely payments, finance leaders are under increasing pressure to maintain efficiency with limited resources.

Here are the most common staffing challenges that hospitality finance leaders face:

High turnover rates.
The transient nature of hospitality jobs leads to high turnover, which means that finance departments must continually train new employees. This takes time and resources away from focusing on more strategic tasks.

Seasonal workforce.
Seasonal fluctuations in business volume often mean finance teams must quickly scale up or down.
This inconsistency creates a strain on AP, especially during peak times when invoice volume spikes.

Burnout and reduced productivity.
When finance teams are forced to manage large volumes of paperwork manually, it often leads to burnout. Exhausted staff are more likely to make mistakes, leading to delayed payments and strained relationships with suppliers.

With labor shortages, the burden of manual AP processes becomes even heavier.

Common AP Inefficiencies

Manual invoice-to-pay processes are notoriously time-consuming and prone to errors. From handling paper invoices to chasing approvals and manually entering data, manual processes can slow down your team and lead to costly mistakes. With limited staff, these inefficiencies become even more pronounced, putting additional strain on your operations and impacting vendor relationships.

Time-consuming data entry. Manually entering invoice data into systems not only takes a significant amount of time but is also prone to human error. These errors lead to additional work for staff, further delaying payments and creating a cycle of inefficiency.

Paper invoices and checks. Physical invoices must be received, sorted, and processed, leading to delays in payment approvals. In addition, the reliance on paper increases the likelihood of documents being lost or misfiled, requiring extra time to track down missing paperwork. Paying suppliers with paper checks adds to the inefficiency and increases risk.
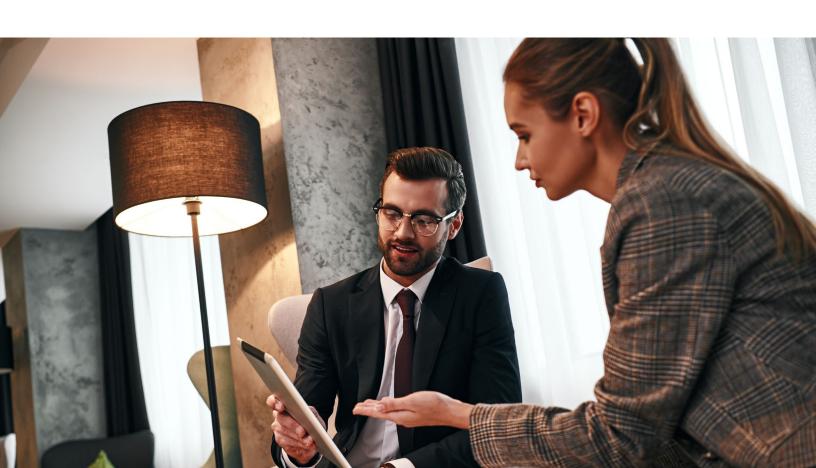
Lengthy approval processes. In a manual environment, invoices often sit on desks or in email inboxes waiting for approval, creating bottlenecks that slow down the entire AP process. These delays can lead to missed payment deadlines, resulting in costly penalties and more calls and emails from suppliers inquiring about where things stand in the process.

Limited visibility. Without invoice-to-pay automation, it's difficult for finance and AP teams to track invoice and payment statuses in real-time, leading to poor cash flow and spend management and last-minute scrambling to meet invoice and payment deadlines.

These inefficiencies can significantly impact operations.

How AP Automation Can Solve Staffing Challenges

Automation can relieve many of the staffing pressures and operational inefficiencies that plague hospitality finance departments. By digitizing and streamlining routine tasks, automation allows your team to focus on higher-value activities and reduces the risk of errors and delays.

Here are some of the benefits of invoice-to-pay automation.

1. **Reduced manual workload.** With AP automation, the need for manual data entry is dramatically reduced. Invoices are automatically captured, digitized, and routed for approval, cutting down on the time your team spends processing paperwork. This frees up staff to focus on more important tasks, such as financial analysis or strategic planning.

2. **Automated invoice data capture.** Artificial intelligence (AI) and optical character recognition (OCR) capture the invoice amount, invoice number, supplier name, remittance address, line-item details and other data from invoices, eliminating the need for manual entry.

3. **Seamless integration.** Leading invoice-to-pay systems integrate with your legacy Enterprise Resource Planning (ERP) and accounting software, reducing duplicate entries and ensuring data visibility and accuracy.

4. **Streamlined payments.** Automation speeds up the entire invoice-to-pay process, from invoice receipt to payment. By reducing the time spent on administrative tasks, your finance team can ensure that suppliers are paid on time, improving vendor relationships, avoiding late payment fees, and creating more opportunities to capture early payment discounts.

5. **Faster approvals.** Automation digitally routes invoices to the appropriate individuals for review, reducing the bottlenecks caused by manual and email approval processes. Approvers are notified of invoices awaiting their review and alerted when invoices are approaching their due date. Mobile access enables purchasers to review invoices while on-the-go. Invoices that have not been reviewed within a preset amount of time are automatically escalated.

6. **Real-time visibility.** The dashboards built into leading invoice-to-pay solutions empower AP staff to track Key Performance Indicators (KPIs) and the status of invoices in real time. Drill-down capabilities enable staff to uncover trends and the source of exceptions. Mobile access keeps decision-makers in-the-know while on-the-go. Exports get information downstream fast. Business intelligence tools ensure that reports can be easily adapted. And cloud-based systems can be accessed remotely, making it easier to manage far-flung teams.

7. **Increased security and compliance.** The best invoice-to-pay solutions include user access permissions, automatic separation of duties, systematic workflows, complete audit logging, advanced data encryption, and other controls to safeguard financial data and assets. Some solutions also support virtual card payments, the most secure method of paying suppliers.

8. **Scalability**. As your business grows, the volume of invoices and payments will increase. Invoice-to-pay solutions enable AP departments to handle larger volumes without increasing your team's workload. Automated invoice-to-pay systems scale effortlessly, allowing you to process more invoices and payments without adding headcount or overburdening your team.

Your AP Automation Action Plan

Automating your AP process doesn't have to be overwhelming. By following a structured approach, you can ensure a smooth transition and begin reaping the benefits of automation quickly.

Step 1: Assess Your Current Process

Before implementing invoice-to-pay automation, take a close look at your existing processes. Identify pain points such as manual data entry, slow approvals, or errors. By understanding where inefficiencies exist, you can target automation to address your most pressing challenges. Look for steps in your AP workflow that take the most time or cause the most delays. And determine the financial impact of your current process, including late payment fees, lost discounts, and errors.

Step 2: Set Clear Goals

Clearly define what you want to achieve with invoice-to-pay automation. Are you looking to reduce invoice approval times? Mitigate the risk of payment fraud? Free up staff to focus more time on strategic activities? Setting measurable goals will help you gauge the success of your automation initiative. Establish KPIs such as invoice approval cycle time, error rates, or invoices processed per full-time equivalent (FTE). Ensure that your invoice-to-pay automation goals support broader organizational goals, such as improving cash flow management or enhancing supplier relationships.

Step 3: Choose the Right Solution

When selecting an invoice-to-pay solutions provider, look for features that align with your business needs. Key features to consider include invoice data capture technology, technology-assisted general ledger (GL) coding, automated workflows, and real-time reporting. Look for a cloud-based solution that offers flexibility, scalability, and remote access. And prioritize solutions that integrate with your legacy ERP and financial systems and can be tailored to your unique processes and workflows.

Step 4: Plan for Change Management

Introducing invoice-to-pay automation will likely require changes to how your team works. Be prepared to provide training and support to ensure a smooth transition. Clear communication about the benefits of automation will help ease concerns and encourage adoption. Ensure that your team has access to comprehensive training materials and support during the transition. Develop a plan for how to roll out the solution, identifying dependencies and potential roadblocks. And hold lunch and learn sessions or other periodic training classes to refresh staff on how best to use the technology.

Step 5: Monitor and Adjust

After implementing invoice-to-pay automation, monitor your KPIs to ensure that you're meeting your goals. Regularly review the performance of your system and adjust as necessary to optimize efficiency. Encourage feed-back from your frontline staff, stakeholders, and suppliers to identify any areas for improvement in the invoice-to-pay process. Work with your invoice-to-pay solutions provider to ensure your solution continues to meet your needs as your business grows and evolves.

Conclusion

Finance and AP pros in the hospitality industry are facing the dual challenges of maintaining efficiency while managing ongoing staffing shortages. These pressures can significantly impact your ability to process invoices, manage cash flow, and sustain strong vendor relationships.

However, by embracing invoice-to-pay automation, you can alleviate the burden on your team, streamline operations, and free up resources to focus on more strategic tasks. Invoice-to-pay automation offers more than just a temporary fix for staffing challenges – it's a long-term solution that improves accuracy, enhances productivity, and positions your hospitality company for sustained growth.

For more information on invoice-to-pay automation, visit
www.edenredpay.com.

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