


Improve Your Business: 4 Benefits of Accounts Payable Automation



Accounts Payable (AP) is arguably one of the most critical departments of any company, regardless of industry. Accounts Payable processes often involve paper-intensive tasks including invoice processing, three-way matching and the overall management of payment records. Working with paper-based files and invoices can cause AP employees to capture data inefficiently and incorrectly. Paper records can also build up quickly, causing data entry processes to become very cumbersome, especially if your company has a large number of invoices.

Document management software provides users with powerful automation as an ongoing process, to streamline AP processing requirements, while simplifying transactions between your company and its suppliers. Accounts Payable automation increases the efficiency of accounting departments, where invoices and other important business documents are frequently received. Is your organization ready to implement an Accounts Payable solution? Let's explore the top four benefits of Accounts Payable automation.

1. **Eliminate Manual Data Entry & Lower Costs** - Manually processing paper invoices can lead to lost data, entry errors, and invoice duplicates, creating a high cost per invoice metric. The goal of automating the Accounts Payable department is to streamline these processes which ultimately reduce costs. Through the power of document management solutions, Accounts Payable automation allows users the ability to capture data at high-speed. This is possible through [web based requisition forms](#), email, batch scanning and integration with [accounting software](#).

When receiving paper invoices, users can scan them into document management software with [Optical Character Recognition \(OCR\) assisted indexing](#) to eliminate a high percentage of manual data entry. Automated solutions provide the ability to extract high value information quickly and efficiently, creating a streamlined, fully digital invoice management process.

2. **Streamline Invoice Approval** - An Accounts Payable department is responsible for managing and processing invoices to ensure they are approved, recorded and paid. This process is time-consuming and costly when working with paper, as invoices must go through the company's respective manual business process in order to be paid properly.

Why not take processes digital? After an invoice eForm has been filled out online and submitted, it will [automatically route by email](#) to the designated approving manager. The manager can then immediately review the requisition and approve for further routing, without waiting for a physical copy of that invoice. With the manager's approval of the requisition, a workflow process will then automatically generate a purchase order for vendor distribution via email. Document management systems handle the routing, matching, approval and distribution of both purchase orders and invoices, streamlining AP tasks while providing real-time visibility into the course of processing.

3. **Automate Three Way Matching** – Electronic invoicing allows records to be submitted digitally, automatically indexing, routing and processing for the three-way match. During the indexing process, users automating AP processes with a document management system in place have the option to apply cost centers and General Ledger codes to the invoice line items for accurate bookkeeping. The system will then match your incoming invoices to their respective purchase orders and packing slips. After the three-way match is performed and confirmed, the document management system will route the invoice for final approval and payment. This allows your Accounts Payable department to work on tasks of higher importance, while letting workflow software finish processes automatically, in the background.
4. **Financial System Integration & Compliance** – Accessing and taking action on invoices instantly becomes much simpler with AP automation. As invoice data is captured, document management software can automatically feed that information into an existing financial system, such as QuickBooks or Microsoft Dynamics. This type of integration is highly advanced and cost-effective, streamlining and facilitating your accounting processes with the seamless ability to process invoices and distribute documents in tandem with your company's accounting software. Once your process is complete, the records are then archived for future reference in full compliance with all IRS mandates. Finally, when these records are no longer needed, they are promptly queued for removal under the proper record retention regulations.

Bottom line, automation delivers the tools for your AP department to achieve faster, more precise invoice processing. No matter how you receive invoices – fax, mail, email, etc. – an Accounts Payable automation solution captures, organizes and delivers those documents to the appropriate individuals for review, coding and approval. So what are you waiting for? Revolutionize your Accounts Payable department with AP automation, simplifying processes so you can get more done in less time.