Document Capture Solutions:
3 Key Benefits of Automated Invoice Processing

Even within the world of rapid technology advancement, paper isn't going away anytime soon. This is especially true in Accounts Payable (AP) departments. While the amount of invoices received differs based on company size, number of vendors and industry, AIIM research finds that invoices represent around 77% of business documents. A typical AP employee spends on average 30-40% of their time mining invoices for information, proving that manual data processing is an ineffective use of time and resources.

Data capture automation provides an efficient alternative to manual processing by providing benefits that not only help to significantly reduce costs, but also boost the productivity of your AP department. By utilizing built-in capture automation tools, features like character recognition engines, customized business rules and database lookups, can bring data accuracy levels up to 99.9%.

Need more convincing? Let's compare automated invoice processing to manual data entry and establish which method is more effective.

Costs

Manual Process: AP departments have many hidden costs – labor, invoice distribution, penalty payments and the recreation of lost or misplaced documents. In ten years' time, the average cost to manually process vendor payments has grown from $10.15 to $22.75.

Automation: The average cost of processing an invoice with capture automation can be up to 20x less than manual-based processes. Document capture solutions deliver automated document routing, where invoices are automatically sent to a network location, followed by automated notifications. This eliminates the need to spend money on mailing, printing and photocopying invoices to be shared for approval. Processing costs are significantly reduced as invoices can be approved and paid in a matter of minutes – getting to the right people, at the right time without holdup or mistakes.

Productivity

Manual Process: Nothing takes up more time than having to manually search and enter small bits of data. Before data entry even begins, someone has to identify and sort through documents to get them to the right person or department. This takes up time that could be better used doing something else. Additionally, data could be entered incorrectly, causing processing delays that result in costly consequences and ineffective collaboration.

Automation: Capture automation solutions automatically organize, extract, sort and distribute document data without any manual intervention. Not only does this work for electronic invoices, but multifunctional printers allow scanned documents to go through the same process. Automated Optical Character Recognition (OCR) technology extracts invoice numbers, total due, line item data and more, ensuring items are paid accurately and on time. Users can even create templates for common invoices, allowing the software to automatically detect key data based off its location on the document. The accuracy of data capture is then confirmed with automated validation processes. If a document does not pass a checkpoint it will be automatically emailed to an approving manager who can review the document before its routed to the next location. Throughout the process, capture automation software will also integrate with your existing Accounting applications, eliminating repetitive data entry.

Visibility

Manual Process: Filing cabinets full of documents can only mean one thing to an AP department – an extremely long paper trail. When a retention period comes, looking at all that paper can be extremely daunting and the search and retrieval process can be time consuming. Not to mention, managers don't have much, if any insight into who and what has been edited or looked at. This puts confidentiality, security, and compliance at risk.

Automation: As a web based platform, capture automation software provides instant visibility to documents and processes. It provides easy accessibility and robust security options for protecting the sensitive invoice information from unwanted viewers. Managers can oversee processing performance, view current status and address any errors or delays. Capture automation also allows your AP team to prioritize invoices for approval. Notifications can be set when there is a specific invoice that needs immediate attention, maximizing the potential for early payment discounts.

Achieving accounts payable productivity is a key element to improving your business. Data capture solutions can help companies to reduce invoice processing costs, boost efficiency and improve the availability of information. By utilizing capture automation software, data accuracy is increased, manual entry is eliminated and confidence can be instilled that captured information is error free.

Want to learn more about how to get started with capture automation software? Contact Square 9 today.

Digital Marketing Specialist, **Alyssa Anderson,** is the voice behind Square 9 Softworks's weekly blog articles. Committed to communicating today's common challenges in paper based processes, Alyssa provides in depth analysis into the document management industry and the solutions that accommodate the needs of end user communities. For additional information, please contact Alyssa at aanderson@square-9.com.