KOFAX

10 Compelling Reasons to Automate Accounts Payable

Manual processing has its drawbacks: It's slow. It's obscure... and you lack control. You don't really know where invoices are in the process or what outstanding liabilities are involved. It takes a lot of manpower and there is always a risk for clerical errors.

Still, an overwhelming number of companies suffer through traditional accounts payable processing—despite research that shows automation has proven its worth and that timeand cost-saving options for process automation have been available for more than a decade.

According to a 2014 report, a greater percentage of companies report "lower average costs using electronic invoices, rather than paper ones" and that "greater adoption of automation also appears to be playing a key role in reducing error rates in invoice entry and payments."[1]

If you're clinging to manual processing in your accounts payable, it might be time to take another look at automation.

Here are 10 tremendously good reasons to change.

Visibility and Control

You have all invoice information at your fingertips: supplier data, amount to be paid, taxes, line item details, workflow status, audit trail and invoice images..

Improved Bottom Line

Early payment discounts, in combination with the elimination of late payment penalties, double payments and fraudulent invoices—make a substantial contribution to the improvement of your bottom line.

Timely and Correct Financial Reports

You have immediate access to every kind of statistic you require, in charts, graphs and tables, such as discount reports, production volume reports and lead-time reports.

SOX Compliance Support

Invoice automation provides the complete audit trail that is fundamental for compliance with the Sarbanes-Oxley Act.

Reduced Headcount

Advanced OCR eliminates the need for manual keying. Manual input is only required for verification of the few invoices that have discrepancies.

No Late-Payment Penalties

An automated accounts payable workflow typically reduces the invoice cycle time by 50 to 80%, which gives you ample time to work within payment terms.

Early Payment Discounts

With the automated approval of most purchase order invoices and a smooth workflow for the rest, you often can negotiate a number of favorable payment terms and price lists.

Improved Cash Flow Management

Visibility and control, along with timely and accurate reports, enable healthy cash flow decisions. You avoid late payment penalties while taking advantage of payment discounts.

Fewer Errors

Automated input eliminates errors. Automated determination of invoice amounts will highlight any clerical error on the part of the supplier. A check against the purchase order in your database will pinpoint any deviation.

Reduced Fraud

Because every invoice is checked against AP data, no unknown supplier will have a chance to slip by. Invoice number control stops any invoice from being entered twice.

Discover more about automating accounts payable at kofax.com

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