

# HOW TO OPTIMIZE RESULTS FROM ACCOUNTS PAYABLE AUTOMATION



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Accounts payable leaders don't have to be sold on the benefits of automation.

Eliminating manual tasks and processing invoices in a single stream is proven to reduce operational overhead, virtually eliminate errors, and free staff to focus more time on higher-value activities.

But competing priorities, a lack of resources, limited capital budgets, and concerns that suppliers will not adapt to automation have frequently stood in the way of moving ahead with automation.

The new reality has changed the calculus for accounts payable automation.

The sudden shift to remote working and the unrelenting pressure for businesses to become more agile and to do more with less, has made it imperative that accounts payable departments automate now.

Seventy-one percent of accounts payable leaders say they plan to automate their departments further<sup>1</sup>. Even accounts payable departments that are "largely automated" plan to deploy more technology.

What's more, senior management is more enthusiastic about accounts payable automation<sup>2</sup>.

Sadly, many departments will never achieve the results they expected from accounts payable automation. It isn't because these accounts payable departments didn't line up the right stakeholder support, or because the technology is unproven, or the business case for automation is weak.

The biggest reason that accounts payable departments don't get the results they expected from automation is that they chose the wrong solution or the wrong technology provider.



## The wrong invoice processing solution or the wrong technology provider can result in:

- Strained supplier and stakeholder relationships
- Time wasted redeploying technology or resolving processing issues
- A poor return on investment
- A loss of trust from senior management

If an accounts payable leader is going to stick their neck out and propose automation, they must find a solution and a technology provider that gives them the best chance of meeting their business case.

This white paper details proven strategies that accounts payable leaders can use when evaluating and implementing automated solutions and partners to ensure their department achieves optimal results.

## How to get the solution that you need

The process of choosing the right automated solution can make the most tech-savvy accounts payable leader feel overwhelmed, fearful, or intimidated. It is not that accounts payable leaders are not used to high-pressure situations. It is that they know there is a lot at stake in choosing the right solution.

Following the strategies below will ease the stress of choosing an accounts payable solution:

- **Enlist the help of prospective technology providers in determining payback.** If you dread the thought of building a business case for accounts payable automation, you are not alone. Many automation projects never get off of the starting blocks – or struggle to win senior management approval – because accounts payable leaders are unsure of how to calculate the return on investment (ROI) on their automation investments. This is a big reason to find a technology provider with a proven track record in accounts payable automation. Leading technology providers can draw on their experience and expertise to assist in developing a solid business case. For instance, some technology providers offer prospects access to a tool that compares a payables department's current metrics to industry benchmarks to determine anticipated cost savings, improvements in accuracy and operational efficiency, and potential reductions in fraud. These types of insights can get an automation project off to a good start and help hold your technology provider accountable as you deploy their solution.

1 Institute of Finance and Management (IOFM) Virtual Town Hall Meeting, 2020

2 Institute of Finance and Management (IOFM) Survey, September 2020

- Validate any claims about data capture accuracy.**

The desire to eliminate the manual keying of invoice header and line-item data is a big driver of accounts payable automation projects. While the benefits of using optical character recognition (OCR) to automatically extract and validate invoice data are clear, the eye-popping claims made by some technology providers can make it hard to determine reasonable expectations for data capture accuracy. Only best-in-class technology providers can achieve data capture accuracy of greater than 99%. Automated data capture represents too big a part of the business case for automation to take claims of nearly flawless capture at face value. Make sure to validate the accuracy of prospective data capture solutions by providing technology vendors with test documents for them to process using their solution. The results a prospective vendor achieves in processing some of your toughest documents in a test environment will help you set expectations for live performance.



**Make technology providers show you their OCR results for your documents.**

- Check references like a boss.** Reference checks can be an invaluable resource for validating vendor claims and gathering unbiased opinions on a vendor's strengths and weaknesses. But the perspective provided by a reference can be skewed by the length of time they have used the solution, the size of their organization and department, their industry and invoice volume, and other factors, regardless of how honest or well-intentioned they are. For instance, a long-time user may have a different opinion of a solution than a newly installed user that is still figuring things out. Ask vendors for references that represent a mix of new and long-time users that share some of the same attributes as your accounts payable department. Do not be shy about asking references pointed questions such as whether they achieved their business case. And insist on speaking with references over the phone so you can dive deeper into issues most important to you. Also consider asking technology

providers if they can provide a contact or two from organizations that did not select their solution. While this is a bold request, leading technology providers offer references from organizations that valued their sales approach and solution, but ultimately chose something different. The insights provided by the right reference can be a major step in ensuring that you choose the right accounts payable automation solution.



**When requesting references from a technology provider, be specific about the types of organizations that you would like to speak with.**

- Ask vendors to “put it in writing.”** Claims about operational performance are only as good as the guarantees that an automation provider is willing to put behind them. Ask prospective automation providers whether they offer Service Level Agreements (SLAs) for critical metrics such as turnaround times. Also inquire about how you can cancel your service agreement with a technology provider if you are dissatisfied with their accounts payable solution.



**SLAs should be measurable and practical.**

- Do not skip the demos.** If a picture is worth a thousand words, as the old saying goes, a product demonstration is worth even more when it comes to evaluating an accounts payable automation solution. Yet many accounts payable departments choose an automated solution based on a single demonstration. Many departments select an automated solution without the firsthand observations of key stakeholders. Some departments settle for a “canned” product demonstration that does not reflect their documents, workflows, or business rules. There is no question that coordinating schedules for a product demo can be challenging. But you

should never purchase a solution without seeing that it meets the needs of your department and key stakeholders. Do not hesitate having to have multiple demonstrations to accommodate the schedules of key stakeholders. Some vendors offer high-level product demonstrations on their website that busy stakeholders can view at their convenience. Best-in-class technology providers also will tailor demonstrations for upper management and other stakeholders.

- **Look for complete, adaptable pricing.** No one likes unpleasant surprises. But hidden fees and unexpected implementation costs can turn a budget for automation on its head, and potentially put an accounts payable department in a bind. Fixed automation costs also can become a burden if invoice volumes fluctuate due to changing business conditions. Look for a technology provider that offers all-in pricing that adjusts to changes in invoice volume.

These strategies will help ensure that you get the accounts payable solution that you need.

## How to get the results that you want

Finding the right solution and partner is only the first step in getting the full results of automation.

Achieving optimal results from accounts payable automation can be an uphill battle unless a department chooses a solution and a technology partner that help ensure a smooth implementation.

Drawn-out implementations, ineffective training, poor user adoption, and cumbersome reporting can undermine the best technology.

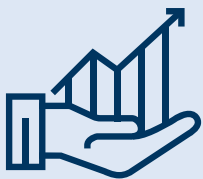
Here are some strategies for ensuring you get the results you want:

- **Look for tailored solutions.** The landscape of automated accounts payable solutions is a lot like the story of Goldilocks and the Three Bears. At one end, you have solutions that are customized from the ground-up to meet the needs of each user, requiring considerable time, effort, and money. At the other end, there are “out-of-the-box” solutions that require departments to adapt the way they work

to the rigid processes and procedures built into the solution. Tailored solutions are the approach that is “just right” for most accounts payable departments. These solutions combine proven baseline functionality built on best practices with workflows that can be easily configured to meet the unique business needs of an accounts payable department. Eschewing complicated customization projects and inflexible software for a solution that is tailored to your department’s requirements will help keep your business case on track.

- **Be wary of vendors that offer limited training.** Changing the way that an accounts payable department operates can be hard for frontline staff, especially when staff work remotely. How well staff adapt to those changes will go a long way to determining the success of your automation project. That is why it is imperative that accounts payable departments partner with a technology provider that offers the training necessary to get staff up to speed fast, no matter where they work. Best-in-class technology providers offer live online training, tailored to the needs of different users (e.g. approvers and power users), as well as on-demand videos that users can access at their convenience to learn the system or get a refresher on certain functionality. The best technology providers also will offer to hold multiple training sessions during the onboarding process to accommodate the busy schedules of different types of users.
- **Choose a technology provider that will help you snatch low-hanging fruit.** There is a reason that many college football teams pack the front-end of their schedule with games against seemingly lesser opponents: Easy wins help teams work out their kinks while building confidence. The same is true in accounts payable automation projects. The best technology providers offer an approach to implementation that tackles straight-forward transactions and processes first – automating them in as little as few days, in some cases – and then tackles more complex work that requires additional time and resources to tailor the solution. This quick-start approach enables departments to achieve early wins and avoid having their project bogged down as their staff and the technology provider work to automate complex processes.

- **Remember that you can't manage what you can't measure.** Process improvement is the goal of accounts payable automation. Yet many departments purchase solutions without carefully evaluating the tools they offer for measuring and tracking operational performance. The best accounts payable automation solutions include built-in, easy-to-use, easy-to-understand, and easy-to-share analytics that help decision-makers closely monitor their operations and identify areas that need attention. Best-in-class solutions provide real-time insights in aging, invoice matching, and vendor not found. With these insights, a department can help ensure payback on their automation investments and achieve continuous process improvement.



**The analytics in best-in-class accounts payable solutions can help identify an area of improvement to focus on each month.**

- **Make sure a solution can stay ahead of change.** Whether it is new ways of working and new operational challenges, or new risks and new reporting demands, things are changing faster these days. Be sure to choose an accounts payable solution that can keep up. Understand how upgrades and bug fixes are prioritized and delivered, and what role your IT department must play in deploying them. Best-in-class solutions leverage a Software-as-a-Service architecture that make upgrades and support a breeze; upgrades can be deployed effortlessly, at any time, from any location. Also ask technology providers about their product roadmap. And lean towards providers with a proven track record of innovation in automation. Your department will be better positioned to achieve sustainable results with an adaptable solution.

Following the steps described above will help ensure that your department chooses a solution and a partner that will help you achieve the optimal results you want from accounts payable automation.

## How to get started

The business case for accounts payable automation is proven and compelling. But many departments will never achieve the full benefits of accounts payable automation because they chose the wrong solution or the wrong technology provider. The right technology and the right partner are critical to getting the solution a department needs and the results it wants. Following the strategies in this white paper will help ensure that accounts payable departments achieve the full benefits of automation.

## About DataServ

DataServ simplifies document and process automation for Accounts Payable & Accounts Receivable. Founded in 1994 as a SaaS company to change the way software is delivered, DataServ believes that clients deserve more value from their investments and has made it a goal to guarantee client success with shared responsibility. We believe that trust earned is trust kept, and we're proud that 72% of our clients have stayed with us for more than 10 years. DataServ subscribes to a tailored delivery approach to solutions that are pragmatic, sustainable, and affordable.

For more information, please visit [www.dataserv.com](http://www.dataserv.com).

## About the Institute of Finance & Management

Accounting and finance professions have each undergone nothing short of a complete transformation since the Institute of Finance and Management (IOFM) was founded in 1982 and since then our mission has been, and continues to be, to align the resources, events, certifications, and networking opportunities we offer with what companies need from the accounting and finance functions to deliver market leadership. IOFM empowers accounting and finance professionals to maximize the strategic value they offer their employers.

Our enduring commitment to serving the accounting and finance professions is unmatched. IOFM has certified over 25,000 accounting and finance professionals and serves several thousand conference and webinar attendees each year.

IOFM is proud to be recognized as the leading organization in providing training, education and certification programs specifically for professionals in accounts payable, procure-to-pay, accounts receivable and order-to-cash, as well as key tax and compliance resources for global and shared services professionals, controllers, and their finance and administration (F&A) teams.

Learn more at [www.IOFM.com](http://www.IOFM.com)

