

5 WAYS TO ELEVATE AP PERFORMANCE AND SIMPLIFY OPERATIONS IN 2022.





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Create a High-Performance AP Team Today

Get Started Today

INTRODUCTION.

The past 24 months have been disruptive, transformative and chaotic. Expectations remain sky high despite the economic uncertainty, persistent labor issues and ongoing supply chain problems. The new year promises more of the same.

This chaos led Deloitte to declare that operational efficiency is now king – even more so than cost savings. Given the ongoing labor, inflation and supply chain challenges, which affect everything from supply availability, costs and revenue to the ability to deliver for customers and stakeholders, pressure to improve operational efficiency is mounting. The evolution of accounts payable as an efficient machine that delivers value, visibility and status updates without depending on a person to move things along is well on its way.

As companies scale in this environment, improving AP performance becomes business-critical. Here are five tangible steps to take in 2022 to combat the market challenges and elevate AP operations.



01 AUTOMATE INVOICE CAPTURE AND PROCESSING.



According to the Institute of Finance and Management (IOFM), two thirds of AP teams reported an increase in invoice volume in Q4 2021.

One in five teams reported an increase of more than 10%. Similarly, 70% report that the size of the invoices they manage has also increased.

That's a tough landscape for organizations not made to scale – especially those that are struggling to hire. When invoice volume and complexity increase at a faster pace than internal capacity and technology, accounts payable errors and inefficiencies snowball.

The amount of time it takes to manually process an invoice averages 10 whole days, according to Ardent Partners.

The right automation solution can cut that down drastically – and we're not talking by a matter of days, hours or even minutes. It can take just eight seconds to automatically process an invoice with the right tech.

The majority of CFOs recognize this opportunity. According to Deloitte's Q4 2021 CFO Signals Report, 92% of CFOs see opportunities to embed technologies and automation into their organizations' operations. The reasoning is simple: Automating invoice capture and processing results in better financial outcomes, simpler processes, increased control, hyper efficiency and flat out eliminates work for your AP team.

How is that possible? Accounts payable invoice automation (APIA) technology automates the entire process, including invoice scanning and processing (even in different formats, such as paper, email, mailroom and more), coding, routing and approvals – all with very little to zero human intervention.

“The average time to process a manual invoice is 10 days”

The right technology leverages AI to learn in a short time, constantly identifying opportunities to save more time through automated data capture, exception handling, coding, approvals, and risk analysis. It can even eliminate non-PO invoice pain by accurately extracting and mapping the invoice data from various formats and layouts, and intelligently analyzing, coding and routing the invoices for approvals as appropriate.



02

EMBRACE MODERN TECH TO ATTRACT & RETAIN TALENT.

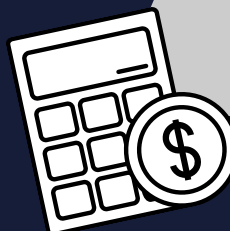
In the midst of the great procurement and AP resignation, AP teams have more responsibility than ever – with fewer employees to share the workload. This leads to burnout. A recent IOFM survey on staff engagement revealed that nearly 60% of AP managers are burnt out. Building off that, Deloitte’s CFO Signals Survey reports that talent, labor and retention issues will be a top risk to financial performance in 2022.

Today’s finance and AP leaders must ensure their processes and tech stack are built to attract and retain talent. Let’s face it – no-one wants to manually code invoices, update spreadsheets or chase approvals. The answer, again, lies with automation. Automating the AP process makes your team’s lives and jobs easier and reduces the amount of AP effort needed to manage increasing invoice volumes. Automation and getting the right people in the process when needed enables organizations to grow and scale faster. We are seeing the evolution where the “back office” is becoming more connected to suppliers, partners, and customers.

The right tech stack also allows your employees to thrive in the modern workplace. Employees value flexibility now more than ever. In fact, recent research found that 52% of hybrid workers say they'd rather quit their jobs than be forced to go back to the office full time. Leaders must embrace technology that enables their AP and finance teams to work from anywhere, on any device, and manage the invoice-to-pay process remotely.

Want to know more about the value of automating AP and procurement operations within your organization?

Check out our ROI calculator and see for yourself.



03 DIGITIZE SUPPLIER COLLABORATION.

Suppliers have been grappling with longer payment terms since the start of the pandemic. According to the Hackett Group, large companies took an average of 58 days to pay suppliers in Q1 2021, up 5.5% compared to the same period the previous year.

Longer waiting periods and lack of visibility try a supplier's patience. As a result, AP teams spend approximately 25% of their time fielding calls and emails from suppliers who want updates on invoice and payment status. That's a poor use of time and talent. Digital marketplaces eliminate that burden and friction between suppliers and customers with shared updates, shared documents, and seamless communication that enable both parties to manage their time, resources, options, and cash. The real-time visibility and communication increases operational efficiency for both buyers and suppliers, enabling them to focus on the co-innovation that leads to stronger, more profitable, and strategic relationships.

If your AP team is still manually communicating with suppliers, resolve to automate and digitize the process in 2022. Your team – and partners – will thank you.



04 STAY ON TOP OF GLOBAL COMPLIANCE REGULATIONS.

As if AP didn't have enough to deal with in their operations, complicating the landscape further is that organizations must change and test processes to keep up with constantly changing eInvoicing and tax rules for each country in which they operate. Outside of the Fortune 1,000, very few companies have internal experts to keep track and manage all these variances and implement changes in real-time.

Hiring outside tax, compliance, and system experts can get costly. Keeping systems and processes up to date with the changes, such as configuration, testing, and implementation, can be very costly. Not to mention the penalties for non-compliance can be a significant cost in dollars and to your brand.

The new age of invoice automation solutions are built to manage global invoice formats and standards automatically, and ensure country invoices are cleared through tax authorities and verified by the buyers while maintaining the proper rules for archiving, integrity and origin.

Automation reduces the opportunities for human error, saves substantial time and money, and ensures compliance.

If global invoice and payment compliance isn't an issue for you now, it will be as you grow. More countries are moving to real-time clearance models so they can track transactions and ensure the accuracy of tax collections. Change is inevitable. Getting ahead of the complexity now makes scaling easier and reduces your risk.

05 DIGITIZE PAYMENTS.



It's 2022 – if you haven't modernized the way you pay, what are you waiting for?

Bank of America estimates that a paper check can cost anywhere from \$4 to \$20, depending on fees, how many checks you're processing and shipping costs. This doesn't factor in the time your team spends writing, mailing and reconciling payments or the time spent manually collaborating and communicating with suppliers on payment status.

Similarly, when you pay manually, it's harder to track and take advantage of value adds like early payment discounts or credit card rebates. Digital payments, however, can save organizations between 65-75% on payment costs. This savings is especially valuable as inflation continues to rise and finance and procurement teams look to cut costs wherever possible.

Digitizing business payments also enables improved financial control. AP teams have better insight into exactly who they're paying, how much and when. This visibility is critical to optimizing cash management, strengthening budget control, taking advantage of payment discounts and reducing fraud.

Combined with the right invoice management technology, digital payments eliminate costly mistakes like overpayments, duplicate payments, or payment errors, by ensuring you only pay for what was ordered, received and approved.

CREATE A HIGH-PERFORMANCE AP TEAM TODAY.

Amidst all the changes and uncertainty, successful AP teams embrace a digital and modern mindset that focuses on simplicity, visibility, automation and results. The key to elevating AP performance is to transform and modernize incrementally, with a focus on areas that will ream immediate returns.

Invoices are a high-value place to start, especially for growing mid-sized organizations because when automated, they reduce operational risk, improves cash management, and delivers a complete and accurate picture of spend.

The results will speak for themselves – lower costs, increased efficiency, reduced overhead, higher margins, improved working capital and more. And perhaps one of the biggest benefits of all – your team will be happier and more productive, and their lives will be simpler. After all, your biggest asset is your people.



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