

Top 5 Signs

IT'S TIME FOR MICROSOFT DYNAMICS USERS TO AUTOMATE AP



INTRODUCTION

In these unprecedented times, finance pros should now be making improvements and investing wisely to prepare for a prosperous future.

A smart place to start is by identifying telltale signs that your business needs to start automating its payment processes.

There are dozens of these persuasive signs, but some are more important than others in affecting your company's future performance.

With this in mind, we have selected the top five:



01. Business and Invoice Growth

Imagine your company quadruples in size in five years and during that period the number of invoices to be processed rises. Your accounts payable (AP) team becomes bogged down in manual processes that rely heavily on paper.

The Wilton Companies ran into this problem from 2003-2008. As the company's invoice volume increased from 10,000 in 2003 to more than 14,500 in 2008, the AP department, still dependent on manual processes, struggled to keep up.

But after implementing a complete automation solution, the same-sized AP team paid thousands of invoices with a few mouse clicks.



The company's invoice volume increased from 10,000 in 2003 to more than 14,500 in 2008, the AP department, still dependent on manual processes, struggled to keep up."

02. Payment and Invoice Delays

If you start to notice an increasing number of payment and invoice delays, it's probably because your finance professionals are having difficulty managing and organizing the paperwork involved.

If this is the case, they will often be taking too much time looking for information on paper documents and chasing down people to approve them.

That's a strong clue you should consider automating your payment processes.

Q: | Why?

A: | Because when payments and invoices get delayed, customer and supplier relationships become strained.

When you have to make phone calls and send emails to specific people who need to approve an invoice, you're not operating as efficiently as you could. When people don't get paid as quickly as they would like, it's a problem for you.

You put your company at risk of those people losing faith in your ability to pay them on time. Your brand can't afford that hit to its reputation.

To avoid these situations, automate your processes. It will cost you less to make this shift than the price of losing customers. Your number of delayed payments and invoice approvals will decrease. Your relationships with customers and suppliers will improve.



03. Veteran AP Employee Nears Retirement

Now is the time to find out if your company has a seasoned financial expert who will be retiring soon. If so, tap into that person's expertise before their last day. You want to retain some of the valuable knowledge about your AP process.

Retiring Professional: A Vault of Accounts Payable Knowledge

The Wilton Companies faced this retirement challenge when one of its most valuable and longstanding employees neared her last day of work.

Working for Wilton had been her only job. She had become like a vault of AP information, insight and knowledge. When an invoice came in, she automatically knew to which property it should be associated.

These experienced employees often have their own shorthand for coding invoices. Find out the methods they've used to execute AP efficiently.

As this transition of know-how takes place, it's a good idea to translate a retiring employee's expertise into business rules and intelligent approval workflows.

04. Your Last Audit Didn't Go So Well

Audits can be tedious and time-consuming. It's not uncommon for an auditor to spend two-to-three days at a company's office searching through drawers overflowing with paper invoices.

Contrast that with the mere two-to-three hours it requires for an auditor to complete the task using an automated payment system.

Provide Auditor With Read-Only Access to Your Online Portal

Q: | So what should you do?

A: | Using AP automation, you can provide an auditor with read-only access to your online portal. The auditor will then be able to quickly search at random for any invoices they want to check out to review and see the audit trail immediately.

During the entire audit process, automation gives you better visibility into the status of payments and invoices. You and the auditor can look into your portal to see the whole history of any invoice from receipt through payment.



Paper Checks Often Lead to Fraud

But that's not all. Unprotected data on paper documents and checks often leads to fraud. Cyber criminals steal the data and use it for financial gain.

This is a widespread problem. A report issued this year by The American Banking Association reveals that check fraud accounted for 47%, or \$1.3 billion, of industry deposit account fraud losses, closely followed by debit card fraud losses at 44%, or \$1.2 billion.

47% of industry deposit account fraud losses are a result of check fraud

Automation helps prevent check fraud. It routes electronic payments digitally from one bank to another through paperless payment systems. Most automated systems have fraud monitoring tools to flag suspicious activity and avoid duplicate payments and invoices.

Unlike paper check payment methods, automated payments get controlled from start to finish and are therefore less susceptible to fraud.

Most automated systems have fraud monitoring tools to flag suspicious activity and avoid duplicate payments and invoices.

05. Your Organization Has Been Victimized By Fraud

When your company uses paper for payments and invoices, it's a high-risk proposition. Paper copies of sensitive information can be easily misplaced, altered or destroyed.

If these documents get lost or tampered with, you may no longer have access to the data necessary to effectively operate your business.



The Best of The Rest

You now know the top five signs that you should automate your automated payment processes. But there are other strong tip offs and clues to watch for that will help you decide when to automate. Here are the best of the rest signs:

Too Many Duplicate Payments

As a finance pro, you know you can't tolerate too many cases of duplicate payments. It will spike up production costs and increase mistakes. And you could lose revenues if you pay the same person twice for the same work.

You don't have to worry about duplicating payments using AP automation because the technology immediately recognizes when a duplicate invoice gets entered by vendor name and invoice number. This system prevents duplicate payments from being made.

Q: | How does this work?

A: | During this process, when the payment transaction occurs, it gets posted and applied to the corresponding invoice within the AP automation platform. With the correct check number, the payment also gets synchronized to your company's accounting system.

The AP automation system also sends payment remittance details to the vendor including payment and reconciliation dates. These specifics give your company and the vendor visibility into when the payment was made so there's no confusion and potential for duplicating payments.



Employee Productivity Falls Off

When you notice the AP team's productivity decline, that's a strong clue that something needs to be fixed.

There's a good chance what's wrong is employees feel as if they are buried in paperwork and can't harness all the invoices and payments in a simple and organized way.

Automation will boost their productivity because they will spend less time searching for paper payments and invoices and will be less likely to make errors.

Lack of Visibility

You will know you should consider automation when your accounting team suddenly can't figure out where payments and invoices are and how these documents should be processed. They won't be able to see how the overall process is progressing nor what they should do to make things run more smoothly.

The finance team won't be able to see what's coming in and going out with enough clarity and precision to make accurate and smart decisions about when to release payments and invoices.

They may start saying things like, "I can't get a handle on how many payments we will need to make this month because I don't know how many customers and suppliers we have anymore. The business has become too big and intractable."

To fix these problems, digitized AP and payment processes allow remote, 24/7 access to data in a centralized, cloud-based hub. Finance pros gain deeper visibility and insights into historical invoice data, unpaid invoices and liabilities.



I can't get a handle on how many payments we will need to make this month because I don't know how many customers and suppliers we have anymore. The business has become too big and intractable."

To be quick in spotting the telltale signs that you need to automate your payment processes, it's best to be thinking about fast trends moving up and down. If your business is growing fast and you're processing a lot more invoices than you were a few months ago, that's a signal that something is amiss and needs to change.

When you notice the number of errors rising, or duplicate invoices and payments increasing, that should tell you change is needed. You can't keep accepting these same mistakes because you will slow business performance and miss target goals.

Notice Slowdowns

If you notice a trend moving in the opposite direction, a slowdown in payments and invoices, that should tell you something needs to be done. Slowdowns are signs of business fluctuations, and you need to be vigilant to react to them quickly. Often, automating your processes will shorten those delays or end them altogether.

Other types of slowdowns, such as lower employee productivity and less visibility into the payment process, are also key tip offs to you that your business may need to automate.

If your business is growing fast and you're processing a lot more invoices than you were a few months ago, that's a signal that something is amiss and needs to change.



Summing Up: Signs to Watch For

Get Ahead of Imminent Changes

Imminent changes are also clues you need to change especially if one of your most experienced accounts payable pros is going to retire soon. Get ahead of that situation and learn all you can from that person before they leave. That person can give you all sorts of smart ideas on how to simplify the payment process.

Ultimately, this is about figuring out what's going on in your business and noticing when activities spike up or down to a large extent or change suddenly from normal patterns or will be soon. That's when you know you should be preparing to automate your payments.

When you make this shift, you will be preparing your company to come out stronger in the exciting days ahead.

WANT TO LIBERATE YOUR AP? WE CAN HELP.

At AvidXchange, we provide a complete AP and payment automation solution to help Microsoft Dynamics users liberate your AP from the endless paperchase of manually paying bills.

Our combination of cloud-based software and dedicated service teams provide you 24/7 access to more efficient, secure and profitable invoice and payment processes.

With AvidXchange for Microsoft Dynamics, you can take advantage of awesome benefits like:

- **Reduced processing costs**
 - Leverage a unified solution for both invoices and payment.
 - Eliminate the costs associated with paper invoices and checks.
- **Scalable growth**
 - Increase invoice and payment volume without hiring additional personnel.
- **Improved control and visibility**
 - Offer suppliers flexible payment options like checks, Mastercard or enhanced direct deposit.
 - Configure workflows to fit your current processes.
 - 24/7 visibility into invoice and payment statuses, complete with actual invoice images.

If you'd like to learn more about our services and solutions, or just keep up with our thoughts on financial technology, come visit us at www.avidxchange.com.