



# Accounts Payable: 5 Reasons Why You Must Go Paperless



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## Introduction

“It’s time to go paperless” — this is all everyone is talking about in accounts. But what does going paperless actually mean for Accounts Payable?

The Accounts Payable function within an organisation can be time and resource intensive for SMEs. There is a reliance on paper handling and manual processing that creates inefficiencies, inaccuracies and unnecessary costs.

So how can we fix it? Get rid of paper.

One of the greatest benefits of paperless invoicing is its ability to reduce costs and increase efficiencies but there is so much more to paperless invoicing than that.

Accounts Payable as we know it is in a process of change and the first step is to take paper out of the equation. In this ebook we outline the top 5 reasons why you must go paperless in your business.

# 1. Time Management

Manual payment processes are often bottlenecked by a single person whose job it is to receive the invoice, initiate approval and make the payment. After payment, the invoice then needs to be printed, filed away appropriately, requiring more labour time and more storage, therefore more costs and more room for error.

Paperless invoicing reduces the time it takes to carry out the process of invoice management. When an invoice is received by email it can quickly be processed by Accounts Payable software without having to print anything out — no leg work, no phone calls, no photocopying or faxing, just a simple email processed by simple software.

The invoice can then be matched to electronic purchase orders, passed for online invoice approval and then **automatic posting** to your financial application. This is all done without paper.





## 2. Improved Payment Cycles

Businesses usually pay their suppliers in 30, 60, or 90 day cycles. This significantly slows down cash flow for both parties, it reduces the opportunity to receive early payment discounts and it results in missed payments or late payments. While these may be considered the cost of doing business, they can negatively impact upon supplier-buyer relationships.

The length of time it takes to process an invoice, from when it is sent from the supplier to when it is paid, can be significantly reduced if paperless invoicing is adopted. It removes delivery time, the amount of people involved and allows for immediate response to disputes so that issues that arise can be corrected quickly and payment can be made sooner.

With paperless invoicing, alerts can be generated when invoices arrive, payments are due or when payments are close to being late. Dependence on specific staff members or having enough staff available is reduced, because an **automated system** is in place to reduce error and inefficiencies.



## 3. Automating Filing in an Instant

Once paper is taken out of the equation, the benefits are immediate. Yes — immediate! Everything is automatically filed in the system as soon as it arrives in, giving Accounts Payable the power of retrieval and information, e.g. how many invoices arrived this week, how many arrived in today and so on.

Gone are the days of invoices piled high because someone is on holiday and the team haven't gotten round to filing them — all the information is at the touch of a button.

With a paperless invoicing system, much greater volumes of invoices can be stored, meaning invoices can be kept for much longer in a secure manner and without requiring additional resources.

With multiple invoices, at least, being received by any organisation on a daily basis, tracking invoices as they are processed through correct channels can be difficult and at times, lost in the chaos.

Paperless invoicing software tracks invoices through every stage of the process. In other words we can easily find out who currently has a particular invoice, when it should be approved and payment made. It can help to identify who is holding up the process, or if a supplier has been missed, ensuring that it can be pushed through with accuracy and efficiency.



## 4. Reliable Auditing

In a manual, paper-based invoice process and payment system, the invoice path can require many people, many signatures and several individuals to approve before payment can be made and the invoice can be filed. Not only is this time consuming, it can lead to mistakes, irregularities and makes financial management more difficult.

A paperless invoicing system creates a digital trail, allowing auditors to identify with greater ease and much more accuracy, where things went wrong, where irregularities were created or where a payment was approved and should not have been. It helps protect the financial department against fraud and allows for inefficiencies to be identified.





## 5. Love Your Job

You don't have job satisfaction because of paper. You are unnecessarily picking up a piece of paper, ticking a box to make sure this was received, that was received, this was the right price — that's an unnecessary task.

Accounts Payable software should be picking that up, presenting it to you and presenting the issues so that you can quickly resolve the problem, get the results you need and go home at 5 o'clock.

Spending time on traditional systems of handling paper and checking boxes takes your focus from more important issues like getting pricing right the first time. For example, if your prices are always wrong, you have the time to find out why are the purchasing department sending out purchase orders with the wrong information and solve the problem.

Stop staying late and working weekends to process invoices. Say goodbye to the paper and start using your time better.







## Conclusion

Accounts Payable needs to change. There are so many inefficiencies in the traditional methods that could be transformed through automation. Accounts Payable needs to move from paper invoicing to automation of paperless invoices, better procurement, getting the pricing right first time, getting the delivery mechanism right first time and better analysis of core tasks.

Accounts Payable as we know it is transforming — are you ready for it?

Adest offer solutions to companies seeking to automate their Accounts Payable process. With AdestAP, invoices are automatically captured (hardcopy & softcopy) and then immediately system managed via the process required. This means if the requirement is they are to be matched with electronic purchase orders, passed for online invoice approval and posted to your financial application, AdestAP can do this for you.

Thanks for reading.

Want to learn more about AP Automation?

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