8 Ways to Add More Value to the Task of Supplier Invoice Processing

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Introduction

When we think of adding value to a business, the type of thing that comes to mind is the show we put on, in other words, the products we sell, our marketing, our sales and our frontline people. We rarely consider the basic back office functions of a business.

Yet these functions can make or break a business.

So when we talk about adding value to a business, we should consider all aspects and functions that keep the organisation functioning.

Improving the efficiency and effectiveness of back office operations can add significant value to your business. This e-book looks at the back office operation of supplier invoice processing and shows how automation of this operation can add value in to the task and ultimately to your business — in 8 simple ways.

1. Capture

The first way to add value to your business, and to the task of supplier invoice processing, is to **automate the capture**. This means whenever an invoice arrives, automated capturing will read the invoice and the information provided on it whether it has arrived via an email attachment or by post and has been scanned.

However, any business that is setting out to add value to this process will encourage all of their suppliers to send their invoices by email, cutting out paper all together.

Automate the Capture

2. Interpretation

To achieve the greatest value from automated capturing, it is important that there is a **non-template based** system in place that will interpret the information provided on the invoice.

A template based system will require the input of AP Managers in order to extract information from individual styles and formats that different suppliers will send. A non-template based system will identify key words and phrases and will automatically extract the information with no dependence on style, format or layout.

AP Managers can gain the greatest value at this stage of supplier invoice processing by investing in an intuitive, non-template based automated system.

Non-template Based

3. Validation

Automating the capturing and interpretation of the invoice with a non-template based system, while two very important steps towards adding value, are defunct without **invoice validation**.

Invoice validation identifies such problems as duplicate invoices, out of date invoices and mispriced invoices. By implementing automated supplier invoice data validation means that the system is not just blindly reading the information and moving it along, it's identifying the problems we rely on human ability to do and it's doing it more efficiently and consistently, therefore minimising error.
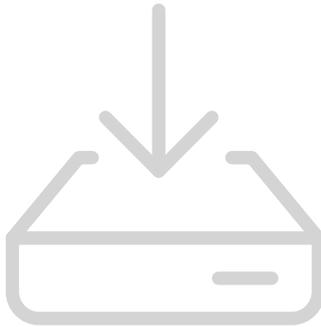
Invoice Validation

4. Filing

This is plain and simple, if you have automated capturing invoices, implemented an intuitive interpretation and validation system, then **automatic filing** is the next logical step.

To start printing invoices off at this stage for a paper-based filing system, minimises the value gained from undertaking the previous three steps. Automatic filing allows for better storage, security, easier access, saving AP Managers both time and money.

Automatic Filing

5. Registration

Registration is the transfer of all interpreted and validated invoice data to the incumbent accounts, meaning that you are registering the liability of the received invoice. Without doing this, the invoice is not recognised as being received and has potential to put the business at financial risk due to late or missed payments.

Automated registration ensures invoices are never missed, it acknowledges that the invoice has been received and is awaiting approval for payment and can move to the next stage of the process.

Automated Registration

6. Processing & Workflow

Implementing **system managed processes combined with approved workflow** and system based activities can add significant value to your business.

By systemising, for example, checking for invoice types, assigning invoices to users for approval, automated matching of purchase order and goods received data to supplier invoice data, your business can achieve shorter processing cycle times. This will also provide the AP Manager with powerful accounts payable and expenditure reporting data.

System Managed Processes Combined with Approved Workflow

7. Posting

Registration puts a hold on the invoice until it is approved or matched, posting takes it off this hold status and accepts the liability pending payment.

To **automate posting** means that you will have a greater ability to control billing discrepancies and overpayments. There is more in depth review of invoices, meaning that discounts can be recognised, contracted payment terms are instilled and there are few late payment fees.
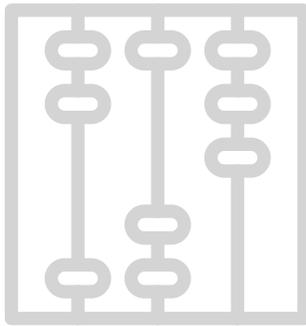
Automate Posting

8. Archiving

Automated archiving allows your business to store invoices for the long term, securely, and provides access to all Accounts Payable related documents. This provides a full audit trail due to improved storage, searching and retrieval capabilities.

Automated Archiving

Conclusion

Are you seeing the potential value in automating your supplier invoice processes? Even from the most fundamental operations, value can be gained - even from supplier invoice processing.

You're simplifying your systems, so let us make things even simpler for you. AdestAP automation will take these 8 ways of adding value to the task of supplier invoice processing, and implement software that tackles every last one of them to give your business back the value it has been missing out on by using old, traditional methods.

Do you want to know more about how our solutions to AP Automation can add value to your business?

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