



Manual Accounts Payable Is a Critical Issue for SMEs



Contents

Introduction	2
Chapter 1: Business Intelligence	3
Chapter 2: Capacity for Growth	5
Chapter 3: Cost	7
Conclusion	8



Introduction

It's not a secret that the Accounts Payable function can be a time-consuming and resource-intensive set of processes, especially within SMEs. But we never seem to ask why. The reason is we're still using manual accounts payable processes and there is no longer value to be gained by doing business in this way.

It's time to transform the Accounts Payable processes to be automated to give us back the time, resources and control needed to operate a successful business.

Many will view automation as a cost, particularly if there are cuts in labour but an expense for new technology. What is the real benefit?

We can't think of it as a cost. With accounts payable automation, businesses are making an investment in your operations and in your employees — an investment most businesses see a return on before they ever thought they would.

This e-book highlights how accounts payable automation can transform an SME's accounts department, before it becomes a critical issue.



1. Better Business Intelligence, Better Visibility

When using a manual accounts payable process it isn't a case of management having too much information to process, it's that they don't even know how much information there is to begin with.

How many invoices came in today, this week, or even this month? How many of those were acknowledged and processed? At what stage does liability become a concern? How many errors were made? Who has what invoice?

All of these questions can be answered quickly and simply with AP automation.

AP Automation will optimise visibility into your processes.

The system can tell you when invoices arrive in, when they were recognised, who and where they were sent to and where they currently are. This information can identify any inefficiencies, what departments are slow at processing invoices or where the weak links lie — giving AP Managers true business intelligence.

To get that “right first time” scenario every time, you need visibility as to where the issues exist in the process so this information can be used to find a solution that will strengthen and improve internal controls. Strengthening internal controls can help to prevent fraud and therefore avoid unnecessary losses.

Visibility also means an organisation can have a full audit trail, gaining a better understanding of cash flow and how to reduce loss.

1. Better Business Intelligence, Better Visibility

AP Automation will allow for better liability management.

Business intelligence and optimised visibility provides insight into the status of an invoice and the associated liability levels.

Lost invoices, missed invoices, duplicated invoices, overpaying, underpaying or simply keying the wrong information into the manual AP system can have great impact upon an organisation's liability.

With an automated AP process, invoices are automatically filed, information is taken directly from the invoice for greater accuracy, a status update allows users to see that the invoice has either just arrived, it is with someone for approval, or has been paid. It can also alert to invoices that are about to become a late payment or an incorrect payment.



2. Capacity for Growth, Even If You Aren't Growing

A manual accounts payable process requires a great deal of resources or time and effort. Often this department is bottlenecked by one or two people who have the authority to make an approval for payment, or delayed because certain employees are too busy or are off on leave.

From receiving the invoice, sending it for approval, and making the payment to making copies and filing it away, the amount of time and costs associated with one invoice is extortionate in comparison to costs of resources required for an automated AP process.

AP automation gives an organisation back time, not just for capacity but for operational flexibility, so they have the ability to strengthen their existing processes, even if they're not growing.

Operational Flexibility

The aim of AP Automation is to create value out of the old, manual processes of accounts payable. It untaps the potential that exists within this department, where there are individuals who are intelligent, but are carrying out tasks that do not require brainpower and could be completed by an automated system. The potential that AP automation untaps is the skills of those people who could be doing much more in their role but simply don't have the time.

2. Capacity for Growth, Even If You Aren't Growing

AP automation allows these people to move away from operational activities, and focus their efforts on operational forecasting. This will give the business more flexibility around operations and potential growth.

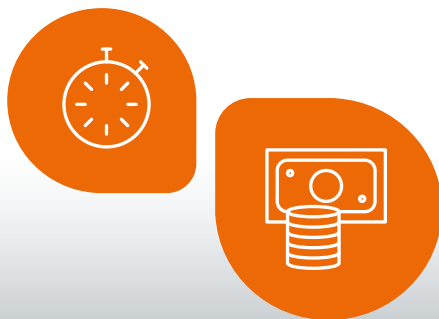


Time Management

AP staff can usually identify with working late towards Month End and audits. But with AP automation, accounts are made readily available with just a few clicks so there's no more looking in files or rummaging in filing cabinets. The efficiency automated systems brings to AP saves time which can be spent making efficiencies elsewhere in the business.

Cash Management

With better management of payment cycles due to increased visibility, SMEs will have more opportunity to take advantage of early payment discounts and develop better supplier relationships which could result in better pricing. Better pricing and discounts for an SME will allow them to share these benefits with their customers and potentially enhance their competitive advantage on price.





Conclusion

Manual AP is a critical issue for SMEs. It creates unnecessary costs, wastes time, leaves room for error and is the base business function that could cause your business to fail.

It's time to automate accounts payable. No more manual data entry, no more fog around the process, and no more late hours before Month End accounts are due.

Glantus 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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