



do more with less.

# The 4 phases of your invoice process that you can automate

## How to use workflow automation to cut data entry and reduce time to approval

### Introduction

Improving the effectiveness and efficiency of accounting processes are not arbitrary goals for a finance department. These gains directly impact a corporation’s bottom line.

Studies from the American Productivity and Quality Center show the differences between a world-class and second-class invoice process can lead to stark variances in employee productivity and expenses. Their research calculates a cost discrepancy of \$7.50 per invoice,

plus processing delays of 4 days per invoice. For example, if your company processes only 200 invoices per month, that “inefficiency tax” adds up to \$1,500 per month or \$18,000 per year. This puts companies with second-class processes at a distinct disadvantage.

APOC, BLUEPRINT FOR SUCCESS AND SUSTAINABLE PROCESS TRANSFORMATION IN FINANCE & ACCOUNTING	SECOND CLASS (BOTTOM PERFORMERS)	WORLD CLASS (TOP PERFORMERS)
COST PER PROCESSED INVOICE	\$ 12.50	\$ 5.00
CYCLE TIME TO CORRECT AN INVOICE ERROR	7.0 DAYS	3.0 DAYS

### What is the difference between a second-class and world-class invoice process?

Financial processes vary widely across companies, but a key factor in performance variance is whether a company still processes documents manually – or has digitized and automated those processes. For years, advanced automation was beyond the reach of many small to medium organizations. This is no longer the case. With advances in machine learning and cloud software, the power of enterprise-class automation

software is not only affordable, but usable for any member of the finance team.

In fact, there are four phases of the invoice process that companies like yours have automated with extremely successful results. This streamlining and automating transforms your business into a top performer.

# The 4 phases of invoice automation

## 1 Capture

### Capture your invoices and import their data

The first step to a world-class invoicing process is to digitally capture incoming invoices regardless of their original source and format. An invoice automation solution will import invoices into the system directly via email, XML streams, shared network folders, desktop drag and drop, mobile phone scans, network scanners, multifunction printers (MFP) and more. Once the invoice is in the system, intelligent indexing – based on sophisticated machine learning – automatically extracts key data such as supplier name, invoice number, date and the amount to match against purchase orders. This cuts manual data entry by 95% while substantially decreasing processing time.\*

## 2 Validation

### Validate vendors and invoices before approving

The second step to transforming an AP process is automatically validating the invoice data. Is the vendor legitimate? Are there duplicate invoices anywhere in the system? Are any mandatory fields missing? Automation software empowers AP departments to check and answer all these questions instantly by proactively cross-referencing the vendor database while extracting any split-code general ledger bookings and payment terms. Before an invoice even starts its approval journey, a world-class system verifies the accuracy of the invoice (for example, by automatically confirming the costs on a vendor invoice with the relevant packing slip and PO). In this way, automation handles the heavy lifting of verification and alerts your AP team to any discrepancies.

## 3 Approvals

### Digitize your approval workflow process

A world-class AP process will also route invoices to the appropriate contacts needed for approval with pre-programmed workflows, including automatically approving validated invoices below a set cost threshold. In addition, top performing AP departments use invoice processing automation for exception handling with features such as instant flagging of non-standard invoices, automatic and flexible routing to the necessary decision makers, and the ability to incorporate easy annotation and notes directly onto the digital invoices themselves.

## 4 Posting

### Integrate invoices into your financial system

Lastly, to reap the full benefits of a streamlined invoice workflow, your automation software needs to integrate with your financial application of choice (QuickBooks, Sage, Microsoft Dynamics, SAP Business One, etc.) This means you will be able to easily post transaction and approval data back to your ERP, reference the digitized versions as needed with direct links, and maintain compliance through a complete audit trail with versioning, encryption and automatic folder filing.



\* Source: [Docuworx Webinar](#)

## Avoid the excuses and pitfalls

Invoice automation is one of the most powerful ROI stories in the document space, yet many organizations continue to struggle with manual and bottom-performing invoice processes because of their seemingly complicated nature. Perhaps you've heard something like this from your executive leadership? "Sounds good, and we'll get to it sometime, but for now we have other priorities and we'll just leave things the way they are." The good news: some cloud-based SaaS solutions can get you up and running in a little as a few days, so it's not as heavy of a lift as you may think.

Alternatively, some executives turn to narrow, single-purpose SaaS solutions to solve AP workflow problems, realizing they can be deployed quickly and with minimum IT assistance. However, the bad news is that while this eliminates the short-term processing pain, the software they chose may not directly integrate with other key processes within compliance, accounts receivables, contract management, sales and more. The result is a short-term fix that leads to long-term problem – the creation of information silos and cross-departmental systems that don't speak to each other. All of the gained efficiencies in the new invoice workflow get diverted back into manually solving for new problems. In other words, a solution should be able to expand and grow with the team's needs and the "big picture" of the company.

## Conclusion

The way to ensure your AP process is optimized and creates efficiencies in both the short and long term is to double check that your invoice processing solution features 1) the quick ROI and set-up time of a SaaS process solution AND 2) robust, cross-departmental database and records functionality. This gives you a relatively painless place to start – an escape to the "we'll do this someday" trap – while also providing a foundation upon which to build on and expand when you choose to do so. In this way, you are future-proofing your business. For example, imagine the productivity gains in a scenario where your company could work with a single entity to handle its AP workflow processing, HR document management, digitized document archives and more.

In addition, the combination of accelerated invoice processes and clear cross-department data accountability allows you to quickly prepare audits without worrying about unrecorded data or manipulation, gain deeper control over cash flow management and improve your relationships with key suppliers by potentially taking advantage of early pay discounts.

This is how to transform your invoice process. This is what a world-class workflow system looks like.

### About [Docuworx for Invoice Processing](#)

When looking to create a world-class invoice processing, Docuworx empowers your business to meet all of the requirements needed to become a top performer. Our cloud-based SaaS invoice processing solution allows you to get set up and transform your AP process in just 3 days. In addition, Docuworx has a suite of cross-departmental document management and workflow solutions – helping you build bridges instead of silos while future-proofing your processing, digitization and storage solutions. Ready to see where you can save?

[Contact](#) one of our automation specialists today to set up a personalized demo.