

**Toolkit for Accounts Payable Leaders**

# **GET THE GREEN LIGHT FOR AP AUTOMATION**

Win Executive Support for Your  
AP Automation Project.

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## Introduction:

# Convincing Your Team of What You Already Know

**A**s an Accounts Payable professional, you know that the value of AP in a business is more than just processing an endless flood of invoices. The AP process affects your entire accounting department and critical processes like month-end closings. The data collected and processed by the AP team is key to the financial success of a business and helps deliver accurate reporting and forecasting. You know you can increase the power of the AP department with automation, but you just have to convince company stakeholders. This toolkit is designed to help you do just that.

More than 80% of small businesses still enter their accounting data manually, compared to only 22% of large enterprises, according to *Accounting Today*. While SMBs are not adopting AP automation as quickly as large corporations, research shows that even small businesses stand to see huge efficiency gains in their accounting processes with automation.

In this booklet we are going to help you prove your case to your organization so you can move your automation project forward. It's time to simplify your job and find more joy in your work.

Let's start by looking at some of the common reasons businesses don't automate.

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**80%**  
of small  
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Part 1:

# Why Some Companies Resist AP Automation



## 1. Perceived Costs

In the pre-cloud days, owning software licenses and maintaining solutions on servers was the only way to get enterprise-level automation. This came at a high cost and didn't make sense for many SMBs. That has all changed with cloud computing. The software-as-a-service (SaaS) model makes it possible for businesses to increase data power without investing large capital expenditures into building data centers and purchasing software. Instead, a monthly subscription makes it possible to get up and running without up-front investment. There are even **free AP automation** solutions to get started.

“The software-as-a-service (SaaS) model makes it possible for businesses to increase data power without investing large capital expenditures.”

## 2. Believe AP Is Not a Priority

When competing for operating budget dollars with customer-facing processes, operations or marketing, accounts payable often takes a back seat. But with an increased focus on data in recent years, accounts payable is poised to become an important part of strategic management in many businesses. The right software can help AP departments generate insights and thought leadership.





### 3. Believe they Don't Need It

Many owners and top leadership continue with manual AP management simply because that's how they've always done it. In some cases, SMBS are small enough that the time and resources spent on AP processing are not viewed as a significant burden. But with efficiency gains of automation, businesses stand to save significant amounts of money by adopting a new solution. Plus, with automation in place, accounting teams can spend less time focusing on fixing errors and chasing down signatures and more time on delivering strategic insights.

### 4. Compatibility Issues

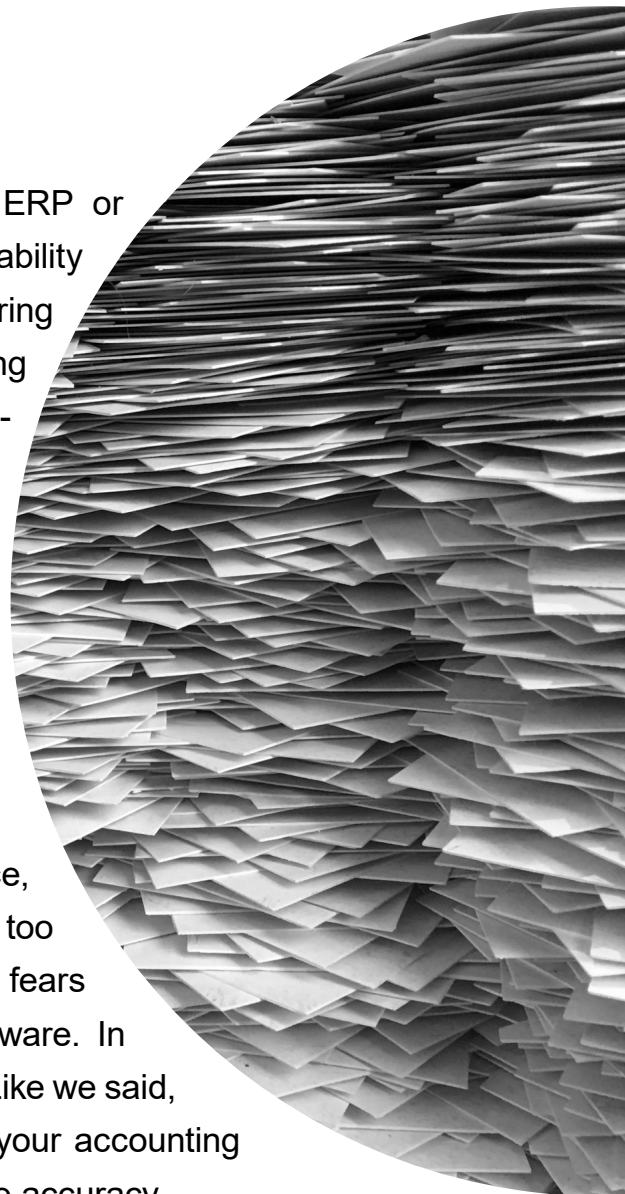
Many companies are already using enterprise resource planning (ERP) software. Some may fear that rubber banding a new tool onto an already complex accounting system is asking for pain and failure. See the section below on AP software selection to help ease these fears and ensure seamless integration.

### 5. Believe They are Automated

As we said above, many SMB owners already have ERP or other accounting software. This often gives them some ability to automate the AP process, like auto populating recurring or predefined invoice values, some tracking and reporting and even purchase order creation. Some have home-grown automation solutions. However these solutions only scratch the surface of what automation can do. With an advanced AP automation solution, a business can improve data insights and remove even more manual steps, especially when it comes to multi-entity accounting.

### 6. Technophobia

Maybe it's about a fear of technology due to compliance, maybe it's fear the change of implementation will cause too much strain or will be wrought with failures. All of these fears can be calmed with due diligence when selecting software. In many cases, implementing AP automation is an easy lift. Like we said, the right AP automation software integrates easily with your accounting solution. It should also be easy to use and should improve accuracy.



## Part 2:

# Pain Points, Scoping & ROI

Start by building a list of solution requirements--what pain points are you going to solve by implementing the solution? Understanding exactly what your AP team needs and doesn't need from the solution is critical to scoping the project. Scoping the project early will help you present a credible expectation for return on investment.

Decision makers will want to feel confident that the solution will deliver a return on investment as soon as possible, so it's also important to gather data such as your existing invoice volume and average time and cost to process each invoice. This information will help you estimate potential savings and time to value as well. We will cover this in detail below.

While accounts payable is the department which the solution is designed to improve, it is also important to consider the goals of other business functions so you can align your pitch with the benefits AP automation will bring to the rest of the organization. We will also cover this more in our next section on Pitching to Your Audience.



About **93%** of companies are in the process of digitizing their accounting functions while **75%** are focused on digitizing payments, according to PYMNTS.com



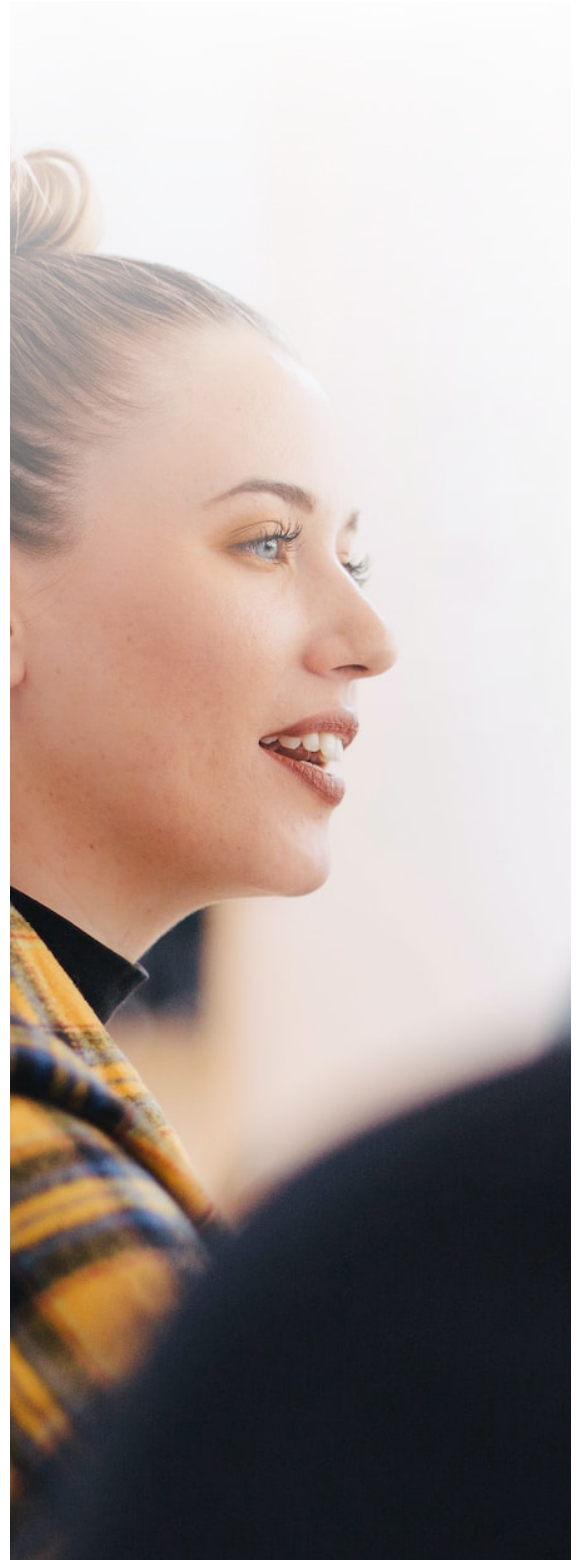
# Predicting & Pitching Cost Saving Potential

**Y**ou know automation will make your job easier, but cost-saving is invariably the most important selling point to getting stakeholder buy-in on AP automation implementation. Companies that process invoices manually in paper-format tend to spend more than \$10 per invoice, while companies that have little to no manual steps in their AP process spend \$2 or less per invoice, according to data from the American Productivity & Quality Center.

That means if you have not automated your payments process, you could potentially reduce your AP overhead by 80%.

While averages like the above make an impactful statement, it is also important to present an accurate cost per-invoice analysis for your business to build a compelling case for return on investment. Below are some of the factors to consider in your analysis, along with some cost estimates for each factor.

**Savings up to  
\$8 per  
invoice  
compared to  
manual processing**



# Key Factors for Calculating Cost Per Invoice

## **Data Entry: \$1 to \$3 per invoice**

Manual data entry can take about 5 minutes per invoice. Depending on the pay rate of AP clerks, this can easily cost \$3 per invoice.

## **Processing and Approvals: \$1 to \$3 per approval**

Factoring the time of chasing down managers for signatures and depending on the pay rates of each desk in your approval process, this can cost about \$2 or \$3. If a CFO or other executive is involved in the process, it can dramatically increase the cost.

## **Materials Costs: 15 cents to 75 cents per invoice**

This includes the cost of paper, ink, and envelopes. If you are mailing paper checks, the cost of U.S. postage at the moment is \$0.60 per stamp.

## **Storage: \$200-\$300 total (Starter Package)**

Invoices stored in off-site storage companies incur additional costs. Storing them locally takes up valuable space and puts you at risk of losing those records. These costs can vary widely, but a starter plan for off-site data storage starts at roughly \$200-\$300 per month for all your data. For paper storage, the cost per square-foot dramatically impacts storage costs, and if you're storing invoices in high-rent areas like Los Angeles, Chicago or New York, it can become a major cost burden.

## **Errors and Late Payments: \$0 – \$\$ Hundreds per invoice**

Manually processing an invoice is more prone to error penalties, late payments and fraud. This depends greatly on your vendors' policies, but errors can get very costly very quickly.



# Measuring ROI Beyond Financial Value

It's widely known that accounts payable automation can streamline invoice processing and vendor payments, but the value of AP automation goes beyond financial benefits. Let's look at a hypothetical story to explore the financial and human value of digitizing vendor invoice processing and streamlining payments. This scenario is designed to give you some ideas of how to build a case that is specific to your company.

## **A Hypothetical Story About AP Automation Value**

An accounting director for a small business is growing increasingly frustrated with a sluggish paper-based vendor invoice process that's costing about \$9 per invoice. As the company grows, problems with this process grow too. The accounting director wants to save time and costs, but just as importantly, they want to find more joy at work by eliminating a major pain point. It's time to find a solution to digitize vendor invoice processing and the entire accounts payable process.

"Decision makers will want to feel confident that the solution will deliver a return on investment as soon as possible"

## Financial Value

The accounting director implements an AP automation solution with integration to ERP. Their new system includes the following:

- 1,000 Monthly Invoices
- Optical Character Recognition (Data Capture)
- 3 administrator users
- 20 approvers
- 2 approvals per invoice

Based on this case, the company's average cost per invoice would drop to just \$2.28, almost a 75% decrease. The company would also save 275 hours and about \$6,600 per month.

You can run a similar scenario for your own company and predict your potential savings using our free, no commitment

**AP Automation ROI Calculator »**



## The Human Value

With lost invoices, stalled invoices and frequent errors, the accounting director has often been stressed out, particularly at month-end closing time. Finding joy in their work has become increasingly out of reach without automation.

By eliminating these problems, they are able to improve morale within the accounting department.

Now with the ability to work remotely, the team is able to avoid traffic and improve their work-life balance. With time saved and less pressure, they find more joy in their jobs

## KPIs to Consider in Your Data Gathering Phase

- Average Time Per Invoice
- Cost Per Invoice
- Number of Invoices Processed by Each Employee
- Exceptions per Month
- Number of Steps in Your AP Process
- AP Employee Satisfaction





## Part 3:

# Pitch to Your Audience

Depending on whether you are making a case to your CIO and other IT decision makers, or your CFO and other financial leaders, your message is going to be different. Build your pitch on how the solution will deliver value to their role. It will also be important to get your entire AP team to champion the project. Having the end-users on board will assure stakeholders that the project will have a quick time to value and a quick return on investment.

You will want to evaluate your own leadership's specific priorities, but the list below will give you an idea of what is most important to top roles in any business.

### Priorities to Consider by Role

#### Owners & CEOs

- Growth
- Profit
- Market Share
- Cost Management
- Operations
- Company Valuation
- Brand and Organization Mission
- Legal

#### COO

- Efficiency
- Company Standards and Policies
- Budgeting
- Administration & staffing
- Risk and Compliance
- Resource Allocation
- Legal

#### CFOs & Controllers

- Cash flow
- Cost Management
- Budgeting
- Profit
- Growth
- Reporting
- Risk and Compliance

#### CIO and CTO

- Security & Compliance
- Self-service Reporting
- Integration with other systems
- Ease of Implementation
- Ease of Use
- Uptime & Reliability
- Maintenance Requirements
- Accessibility

## Part 4:

# Comparing AP Automation Solutions



Your C-suite and upper management will want to see you have done your due diligence before signing off on any software project. Often, these leaders don't want to be mired in the details of choosing software. Rather, they want to feel confident you have done the hard work ahead of time and are presenting them with the right solution. When choosing the best AP automation solution for your company, there are a few factors to consider in addition to ensuring it provides the AP functionality you need.

### 1. Ease of Use

Now is the time to test-drive the software. You want to see how the interface works. Is the UX simple to use and similar to the software you already use? Ease of use is critical to rapid adoption and will impact time-to-value and return-on-investment for the solution. Learn more about the importance of a live demo in the next section.

### 2. Accounting Integrations

If you are using an enterprise resource planning (ERP) or other accounting management software, it is critical to get an AP automation tool that integrates seamlessly with your ERP. While many AP automation software providers offer integration to a variety of accounting systems, it's important to get a solution that was designed for your accounting system. You want to be able to run all your accounting processes from one place, and only a truly seamless integration can make that possible. Learn more: [Why ERP Integration Matters...](#)

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### 3. Pricing

This is obvious, but it also can't be left out of this list. And it probably goes without saying that pricing is truly understood as value. While a large one-size-fits-all vendor can offer competitive pricing, they might not offer concierge level support, or the solution might not be purpose-built for your specific accounting system. It's up to you to strike a balance between price of the solution, and the value of the service offering and integration. It's also common for pricing structures to be confusing, with separate licensing fees per location or entity. Straight forward pricing is key to predictable costs.

### 4. Support

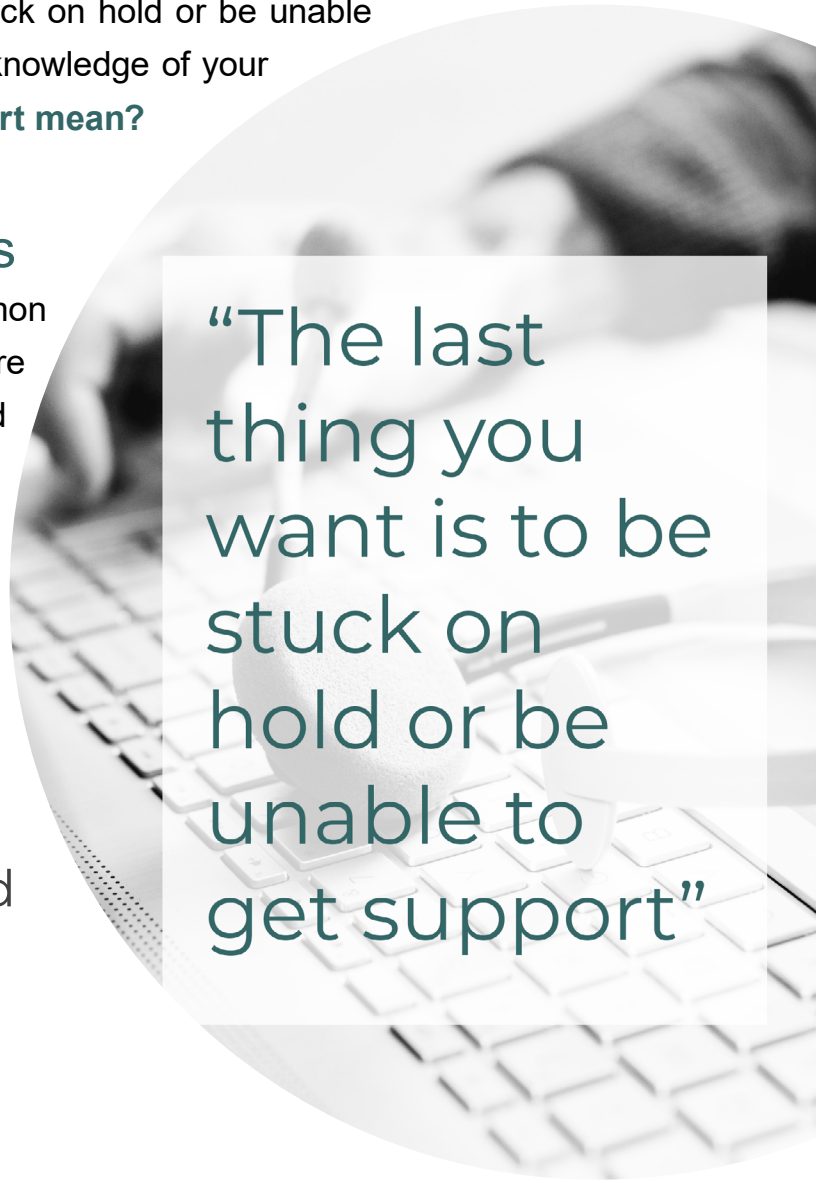
Inquiring about support is so important when choosing any software. While the obvious goal is to have a solution that works every time without ever having confused users, in the real world we know that isn't a practical expectation. When your team is going through a stressful year-end close, unreliable or hard-to-reach support can really compound that stress. The last thing you want is to be stuck on hold or be unable to get a support representative with deep knowledge of your solution. **What does everybody on support mean?**

### 5. Fraud Prevention Features

Payments fraud is one of the most common types of fraud impacting businesses. Software is key to preventing it, but not all vendors and solutions offer the same amount of fraud prevention. It's important to determine what your risk management needs are before you implement any accounting software.

**71%** of businesses reported actual or attempted payments fraud in 2021, according to APA and JP Morgan Research.

**Learn More »**



“The last thing you want is to be stuck on hold or be unable to get support”

## Part 5:

# Schedule a Live Demo & Test Drive

A live demo from the solution provider is critical to your business case for AP automation. This is because the software provider's team knows the solution better than you will and they are well versed in pitching it to decision makers. Odds are, if you are an Accounts Payable manager or general accounting manager, pitching isn't a skill you have mastered. The software provider's sales team has. They can help you do the heavy lifting of selling the features and capabilities of the software to your stakeholders. Also, during the demo, you will have an opportunity to learn more about user experience, integration with your ERP, options like OCR and support services offered by the provider.

Many software providers offer a test-drive solution. The ability to input your real-world data and actually process invoices out of a free test solution will be the ribbon on your final pitch package, proving that the solution will actually meet your needs.



“A live demo from the solution provider is critical to your business case for AP automation.”



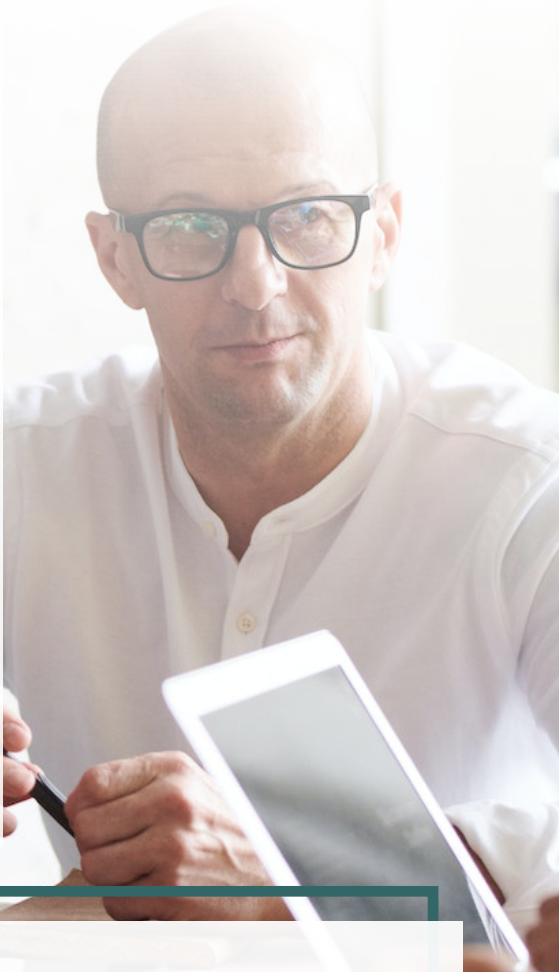


Conclusion:

## AP Automation is a No-Brainer

With many software solutions, like marketing automation for example, the cost of entry is high and the ROI is hard to prove. With AP automation, the exact opposite is true. When processed manually, accounts payable is among the most labor-intensive, error prone and cost-intensive back office functions. But when you automate AP processes, the cost is relatively low compared to other software implementations. Most important, the cost savings are potentially huge and return on investment can be proven within a few weeks.

With quick go-live time and measurable value, it's simply a matter of conveying this message. The reality is that we are nearing the quarter-century mark and processing vendor invoices in paper format is becoming increasingly outdated. It's time to bring AP into the future to improve your work-life balance.



“Cost savings are potentially huge and return on investment can be proven within a few weeks.”



You may be getting by without AP automation, but once you implement an AP solution, you'll be asking yourself why you waited so long. Let's take a look at what AP looks like without automation and how much better it is with automation:

## The AP Process Without Automation

- ✓ Re-keying invoice data into spreadsheets by hand
- ✓ Printing paper checks
- ✓ Waiting on vendors to cash paper checks
- ✓ Chasing down CFOs and managers for approval signatures
- ✓ Manual Collation
- ✓ Manual filing and paper file lookups
- ✓ Stuffing envelopes and waiting on snail mail

## The AP Process With Automation

- ✓ Automated capture of invoices
- ✓ Automated workflow for invoice & payment approvals
- ✓ Anytime-anywhere approvals
- ✓ Flexible payment method options including same-day ACH
- ✓ Audit traceability & Fraud prevention
- ✓ Simple lookups
- ✓ Multi-entity management integration
- ✓ Seamless integration into your ERP or accounting software

Reduce Time Per Invoice

**70% to 80%**

Compared to  
Manual Processing



# AP Automation for Microsoft Dynamics GP and Dynamics 365 Business Central

## About Fidesic AP

Automate your own way with a choice of simple self-starter or a tailored implementation with Fidesic's experts for specific industry or niche needs, including multi-location & multi-entity.

- ✓ **Automatic Entry into GP & BC**
- ✓ **Robust Approval Workflows**
- ✓ **Remote/Mobile-Ready**
- ✓ **One-click Approval**
- ✓ **Fully Managed OCR Capture**
- ✓ **Works with Binary Stream MEM**
- ✓ **Self-service Vendor Portal**



AP can be so much easier!

- **Save Time**
- **Simplify your process**
- **Never Lose Track of an Invoice**
- **Reduce Paper Shuffling**
- **Streamline Audits**
- **Grow without Adding Accounting Overhead**

Fidesic's current customers work in these industries:

- **Healthcare**
- **Nonprofit**
- **Food and Beverage**
- **Hospitality**
- **Franchise Operations**
- **Financial Services**

# **Accounts Payable Can Be So Much Easier.**

Find more joy in your job.  
Leave the busy work to us.

# Are you ready to automate your AP?

Contact us today to get started.

FIDESIC AP  
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Support for  
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