IS PROCURE-TO-PAY AUTOMATION WORTH THE HYPE?

5 STRATEGIC BENEFITS THAT PROVE IT IS

ESKER®

WHAT'S THE BUZZ ABOUT?

Everything comes at a cost. And in today's ever-evolving and increasingly competitive landscape, businesses are feeling the pressure more than ever to drive cost and time savings to become more agile and stay competitive. What business leaders are finding is that procure-to-pay (P2P) automation is more than just a buzzword — it's the most effective way to reduce costs and improve efficiency, productivity and profitability.

We made this quick and to-the-point eBook to give senior decision-makers a high-level look into the strategic benefits of digitally transforming end-to-end P2P cycles.

A LOOK AT WHAT'S AHEAD

SO, WHAT EXACTLY IS PROCURE-TO-PAY?

When we talk about the P2P cycle, we're referring to all of the activities that go into requesting, receiving and paying for goods and services. So, let's start with the basics! Here are the processes that start and end a complete P2P cycle.

SUPPLIER ONBOARDING

Upon email invitation, suppliers provide the information & documents required using a self-service portal.

PURCHASE REQUISITION

Employees select items from an online catalog of approved vendors & create purchase requests.

REQUISITION APPROVAL

Purchase requisitions are routed to managers for approval, ensuring internal policy compliance.

PURCHASE ORDER (PO) CREATION

Purchase requisitions are automatically converted to POs & routed to suppliers.

ORDER RECEPTION

Upon goods/ services reception, users enter goods receipts & can attach additional notes or supporting documents.

INVOICE VERIFICATION & PAYMENT APPROVAL

Invoices are automatically matched with corresponding POs & goods receipts.

01 PROCESS CONTROL & EFFICIENCY

These advantages are by far the most obvious. And even though they appear to only skim the surface of the value P2P automation can provide for businesses, their results play the important role of paving the way for more strategic benefits to be capitalized on.

FEWER MANUAL TASKS

- Invoices processed quicker, more accurately
- Automated invoice approval workflow
- Reduced errors & points of contention

SIMPLIFIED IT ENVIRONMENT

- System consolidation (even in multi-instances)
- Fewer resources to govern systems
- Continuous software upgrades

"HARD" COST SAVINGS

- Less $ on document processing costs
- Less $ on overtime/new hires
- Less $ on late payment penalties

GREATER VISIBILITY & OVERSIGHT

- Instant access into any PO, invoice, etc.
- Customizable KPIs for P2P reporting
- Complete audit trail recorded

ON-THE-GO ACCESS

- 24/7 access to invoices & documents via mobile app
- Instant access to key data & performance indicators
- Ability to approve, hold or send back invoices anytime, anywhere

01 PROCESS CONTROL & EFFICIENCY

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Culligan®

90% of invoices processed

IN JUST ONE CLICK,

without any human intervention

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02 SPEND MANAGEMENT & COMPLIANCE

One of the biggest pain points of P2P operations is managing spend and all spend-related activities. Knowing when, where and how capital is spent can have very different effects on a company's financial health. Luckily, an automated P2P cycle can create a robust spend management process and ensure compliance with these benefits.

STANDARDIZED PURCHASE APPROVAL WORKFLOWS

- Online requisition forms eliminate paper & need for filing
- Invoices always paid on time with pre-approved POs
- Correct level of authorization is ensured
- Ability to review budgeting information before approving on-the-go via mobile app

GUARANTEED INVOICING COMPLIANCE

- Quality & integrity of internal control & processes (SSAE 18 & ISAE 3402)
- Protection of sensitive health information (HIPAA & HITECH compliance)
- Data protection between U.S. & EU (Privacy Shield)

VENDOR CATALOGS

- Easily accessible to staff
- Pre-approved vendor catalogs that prevent maverick spending

VALDESE
Weavers

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Achieved

$40-50,000 IN ANNUAL SAVINGS

thanks to drastic reductions in paper and postage costs and $18,000 in annual savings thanks to less time spent on manual tasks.

STANDARDIZED PURCHASE APPROVAL WORKFLOWS

- Online requisition forms eliminate paper & need for filing
- Invoices always paid on time with approved POs
- Correct level of authorization is ensured
- Ability to review budgeting information before approving a large expense

GUARANTEED INVOICING COMPLIANCE

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- Privacy of sensitive health information (HIPAA & HITECH compliance)
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- Easily accessible to staff
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03 IMPROVED EMPLOYEE & SUPPLIER EXPERIENCE

Comparable to the importance of process efficiency is the quality of experience had by all staff and suppliers that interact with the P2P cycle. Here are some of the ways automation can create a seamless experience for everyone.

EMPOWERED STAFF

- More time for value-added activities
- Greater control & planning over daily activities
- Increased mobility & career-pathing

"SOFT" COST SAVINGS

- $ saved from increased productivity
- $ saved avoiding downstream visibility issues
- $ saved from higher staff retention
- $ saved from lower vendor & employee churn

STRONGER SUPPLIER RELATIONSHIPS

- Invoices paid accurately & on time
- Supplier self-service access to any invoice, payment status, etc.
- Faster dispute creation & resolution
- Supplier information management tools centralize vendor data & simplify onboarding

EASIER COLLABORATION

- Better company-to-supplier communication
- Harmonization across departments & subsidiaries
- Increased accountability on individual/team level

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maxim integrated™

EMPOWERED STAFF
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- Greater control & planning over daily activities
- Increased mobility & career growth

Achieved

95% ON-TIME

invoice payment rate, which has helped improve vendor relations and enhance company reputation.

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04 BUSINESS AGILITY & INTELLIGENCE

When you combine the cumulative effects of the enhanced cost savings, productivity and experience with the heightened visibility and access to key metrics that P2P automation provides, organizations can be better equipped for lean organizational growth and making smarter business decisions.

FUTURE-PROOF GROWTH

- Fewer technological restraints when expanding
- Strengthened global security & compliance
- Automate other processes from same platform

SMARTER BUSINESS DECISIONS

- Access to metrics that help identify opportunities & problem areas
- Increased visibility into staff & process performance
- More accurate forecasting with custom reports

NEW OPPORTUNITIES

- Increased likelihood of new supplier relationships
- More savings for R&D investments
- Expansion into new markets

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Partstown

Achieved

30% GROWTH

without having to increase headcount.

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05 STRONGER BOTTOM LINE

After stacking all of these performance-enhancing, strategic advantages of P2P automation, there's one ultimate benefit that's achieved when it's all said and done:

HIGHER PROFITS & AN OVERALL STRONGER BOTTOM LINE

However, not all solutions are capable of helping your P2P operations reach their full potential. To give you a better idea of what we mean, keep reading and learn what to look for when choosing a solution provider.

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HIGHER PROFITS & AN OVERALL STRONGER BOTTOM LINE

Farmland

Reduced the number of outstanding AP accruals by $8 million, gaining an additional

$29,815 IN DISCOUNTS

and achieving cost savings equal to 3 FTEs.

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THE TECHNOLOGY BEHIND THE BENEFITS

Plenty of cloud-based solution providers revere their "unique" suite of P2P benefits, but if they aren't offering these technologies as a part of their automated toolbox, we recommend moving on to the next option.

ROBOTIC PROCESS AUTOMATION

Performs routine, repetitive tasks quickly, accurately & tirelessly, such as logging in to & retrieving invoices from portals & passing them to downstream processes.

ARTIFICIAL INTELLIGENCE

Intelligent data capture tool that extracts data from image files & recognizes invoices & other documents using machine learning & deep learning.

DASHBOARDS & ANALYTICS

Enables real-time, visual metrics to be displayed & customized according to the user.

ERP INTEGRATION

Standard connectors for SAP S/4 HANA, SAP S/4 HANA Cloud, Oracle EBS, JD Edwards & Microsoft Dynamics.

AUTOMATED AP WORKFLOW

Ensures that every spend request gets the required authorization & every invoice is matched with a PO.

ELECTRONIC INVOICING

Exchanging invoice documents between supplier & buyer in an integrated, electronic format, helping to optimize spend requests & goods/services ordering.
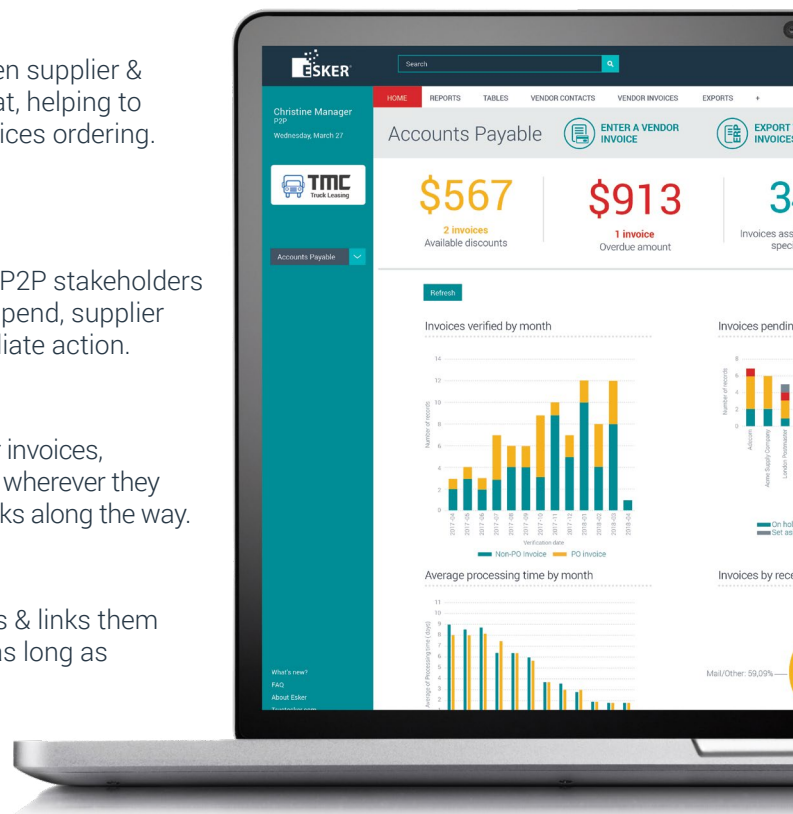
SUPPLIER INFORMATION MANAGEMENT

From the supplier information cockpit, P2P stakeholders get real-time visibility into committed spend, supplier performance & issues requiring immediate action.

MOBILE REACH

Managers can review & approve supplier invoices, purchase requisitions & expense reports wherever they are, at any time — removing all bottlenecks along the way.
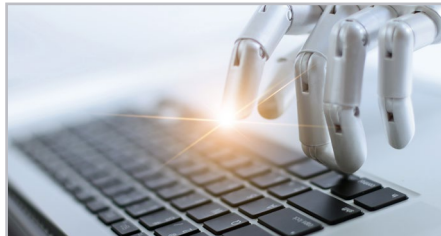
E-ARCHIVING

Automatically archives P2P documents & links them back to the ERP/business system for as long as necessary.

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ABOUT OUR COMPANY

We're Esker, and we're a leading global provider of AI-driven process automation software with 30+ years in the business and over 6,000 customers. But above all else, we understand the holistic nature of P2P business processes and what it takes to make every touch point as efficient, valuable and impactful as possible.

You can learn all about us at esker.com. If you're into blogs, we got one of those, too: blog.esker.com.