OVERCOMING THE TOP 5 PROCURE-TO-PAY CHALLENGES

HOW TO INCREASE PROFIT & PRODUCTIVITY WITH PROCESS AUTOMATION

ESKER®

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INTRODUCTION

In today's increasingly high-tech and efficiency-driven business landscape, procure-to-pay (P2P) processes are prime candidates for modernization. Traditional, paper-based methods of procurement and accounts payable (AP) are linked to high costs, low visibility and long processing times — all barriers that ultimately impede business progress and success.

DOESN'T MY ERP APPLICATION ALREADY OFFER A SOLUTION?

The thought may have crossed your mind: Doesn't my ERP/business application vendor already offer something that could eliminate these challenges? The answer is, the added features offered by a best-in-class automation solution (e.g., data capture, machine learning, analytics, audit trail, etc.) are simply not a priority — particularly for bigger, license-based systems.

A good way to identify what's lacking is to ask yourself if you have:

- Staff dedicated to manually sorting and handling paper documents?
- Excess paper, transportation and physical archiving expenses?
- Trouble accurately capturing data regardless of invoice format?
- Low, or no, visibility over spend and invoice or purchase requisition status?
- Limited analytics, reporting and audit trail capabilities?
- Difficulty taking advantage of early payment discounts?
- Inability to approve and process purchase requisitions outside of the office?

If you can answer "yes" to any of the above questions, there's a good chance your ERP or business application could benefit from enhancement. An AI-driven P2P solution helps fill these gaps and drive greater value organization wide.

WHY AUTOMATION IS THE ANSWER

Though most organizations understand the detriments of manual methods, P2P processes remain inundated with paper. The best way to overcome the obstacles associated with paper-based methods is with an end-to-end automation solution. By eliminating the silo mentality by digitally transforming P2P cycles of AP and procurement teams, organizations streamline their P2P workflow and maximize their potential.

REAL RESULTS THAT DRIVE SUCCESS

P2P automation is not a new development. For years, companies have relied on its many advantages to drive business success. Some of the results achieved by Esker customers include:

- Lowered P2P costs by 40-60%
- Accelerated average processing time by up to 65%
- Improved accuracy by up to 99%
- Boosted visibility to 100% and heightened security
- Streamlined workflow and complete audit trail

CHALLENGES OF MANUAL P2P PROCESSES

When your P2P cycle is inundated with manual touch points, you're bound to encounter problems that impact financial and operational integrity.

The problems start when P2P personnel have to spend too much time on low-value tasks like scrambling to enter invoices in the ERP system, hunting down the necessary signatures for payment approval and retrieving paper documents from file cabinets. While this paper chase used to be tolerated, today's businesses simply cannot afford to miss out on savings or put their credit ratings or regulatory compliance standings at risk.

TOP 5 OBSTACLES PREVENTING P2P SUCCESS

In Esker's experience, there are five primary obstacles that stand in the way of procurement and AP departments accomplishing their goals:

Slow invoice processing time

Manual routing, processing and sign-off procedures slow down the P2P cycle and make it difficult to capture early payment discounts, lead to late payment penalties, and can even damage your supplier relationships.

Reduced accuracy

Risk of error is inherent in any process involving paper and manual data entry. This is critical because of its impact on working capital and the fact that transactions are subject to scrutiny by external audits for regulatory compliance.

High costs per invoice

Processing errors require resolution, which drives up the cost per invoice and impede employee productivity. The cost of storing physical copies of invoices and purchase orders (POs) in the office or in off-site warehouses can also add up quickly.

Lack of visibility

Quick access to information on whether an invoice has been received, processed or paid brings a level of stability, control and oversight that is absent in a manual system. Visibility also makes it easier for companies to assess P2P operations and develop necessary strategies for improvement.

Difficult data retrieval

From audits to vendor inquiries, finding information quickly can be virtually impossible when invoices and POs are stored and retrieved manually.

OVERCOMING P2P CHALLENGES WITH END-TO-END AUTOMATION

Automation is a proven tool for overcoming the challenges of traditional procurement and AP processes, but a successful outcome hinges on the effectiveness of the strategy. By taking a holistic approach to automation, goals of the business as a whole are addressed, as well as those of everyone involved.

HOW ESKER'S P2P SOLUTION WORKS

Esker's AI-driven automation solution integrates with any ERP interface or business application, allowing you to automate every phase of the P2P cycle — from receipt of goods to the creation of an accounting book entry. With end-to-end automation capabilities, businesses can address the challenges of manual data entry and routing along with the lack of coordination and transparency within traditional P2P processes.

1 — PURCHASE REQUISITION — Quickly create electronic purchase requisitions.

2 — APPROVAL WORKFLOW — Purchase requisition automatically enters an approval workflow.

3 — ORDER GOODS/SERVICES — Order is finalized and placed with the vendor.

4 — RECEIVE — Upon goods and services reception, goods receipt is entered in the system.

5 — PROCESS INVOICE — Reconcile invoices with purchase order and goods receipt.

6 — TRACK & E-COLLABORATION — Monitor process compliancy and efficiency.

Electronic purchase requisition. Requesters connect to the solution to create purchase requisitions for goods or services. They can select items from an online catalog, create the purchase requisition directly from a quotation, or ask buyers for a quotation. Requesters are informed in real time how their request is progressing.

Approval workflow. Based on the company's buying policy, the request is placed into an approval workflow. The solution automatically routes the form to the appropriate person(s) for approval. The system allows approvers to budget-check the expenditures for each cost center and GL account for a given accounting period while approving the spend request. Cost center and business unit owners can ensure spend is within the approved budget line.

Purchase order. Once the purchase requisition has been approved, the buyer is able to convert it to a proper PO. Buyers can also create POs from a list of approved items to order.

Goods or services receipt. Once goods are received, the recipient enters the goods receipt in the PO form so that when the invoice is received it can be processed on time. They may update the PO with received quantities at any time, either for part or all of the order.

Invoice processing. Once the invoice is received, it is immediately and accurately entered into the system with machine learning technology. Because orders are pre-approved, all invoices become PO-based and can easily be matched with the corresponding PO and goods receipt. After processing, the invoice is automatically dispatched for approval and archived for easy, anytime access.

Tracking and e-collaboration. The PO (and all related processing information) is readily available for reporting and analysis. Detailed audit trails for each purchase requisition and invoice include all steps and dates from purchase requisition to invoice processing. A supplier portal allows vendors to view and accept orders online, as well as exchange messages with their customer; and when necessary, clarify any order-related questions.

KEEP AN EYE ON THE PULSE OF YOUR BUSINESS

Your current system may allow you to see what was paid, but Esker gives you instant access to invoices, purchase requisitions, POs and goods/services receipts. This type of enhanced control and monitoring allows companies to monitor important Key Performance Indicators (KPIs), like:

- Procurement cycle time
- Processing cost of each invoice
- Cost savings and cost avoidance
- Timeliness of payments
- Number of documents processed per month or per employee

Esker dashboards provide every user with readily available information needed to perform daily tasks, monitor performances and spot problems or opportunities as soon as they arise. Packaged KPIs and dashboards remove all possible headaches for IT. Looking for additional, more specific indicators? Esker makes it simple: The easy-to-use interface allows you to choose what you want to display and to which user or profile. And you are free to remove, edit or add other indicators to your dashboards.
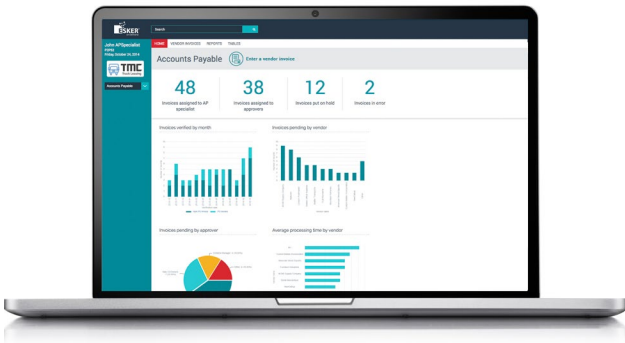
Measure efficiency, resolve issues and accurately forecast

From the online portal, custom reports can be run to see: how many pending invoices and purchase requisitions are awaiting processing and how much cash they account for, invoices and purchase requisitions by status, number of invoices processed by full-time employees, etc. You can also schedule automatic reports, only needing to define when, at what frequency, and to whom a report be automatically emailed.

Get peace of mind regarding Sarbanes-Oxley Act compliance

A complete audit trail is kept of every touch point within the P2P cycle, giving you insights into who did what, when and where, and the ability to monitor whether or not the proper checks and validations took place.

Modifications history helps quickly identify the user who made changes should questions arise. A record of all users' invoice data changes is kept; no modifications can be made without leaving a trace.

From purchase requisitions to invoices — track every document

Because invoices and purchase requisitions are visible as soon as they arrive and easily tracked, you can immediately check approval status and respond to payment status calls from vendors.

APPROVE INVOICES & PURCHASE REQUISITIONS ON THE GO

Esker Anywhere™, Esker's mobile application, delivers faster purchase requisitions and invoice approval, improved efficiency and on-the-road accessibility for managers who review and approve goods requests or supplier invoices prior to payment. Users can leverage the mobile app to:

- **View the list of invoices and purchase requisitions** pending approval, on hold or approved.

- **View invoice images** received by the accounting department or an original quote from a supplier.

- **Instantly access key data** you need, including comments from previous requesters and approvers.

- **Change coding and review budget information** for each invoice line before approving.

- **Approve, hold or send back** invoice or purchase requisition to the previous approver or AP specialist, with the option of writing a comment at each step.

- **Monitor P2P performance indicators** and other important process metrics anytime, anywhere through the mobile application.

UNIFY WORKFLOW IN MULTIPLE ERP INSTANCES

Esker's Accounts Payable solution uses intelligent data capture, automated workflow and electronic archiving capabilities to process and transfer invoices electronically while providing 100% visibility of exactly where they are in the approval process and a complete audit trail through reporting capabilities. Approvers are notified and invoices get the necessary approvals to generate the information in the ERP system and book payment as quickly as possible.

Advantages of unified P2P workflow

- **Anytime, anywhere access:** Users can approve, check, comment on, add to or reject invoices and purchase requisitions from anywhere, at any time via a web-based solution and mobile application.

- **Don't have to be an ERP user to manage invoices and purchase requisitions**, letting companies share P2P data across applications and departments, extend workflow and view audit trails outside the ERP/business application.

- **Simplified set up of shared services centers** in a multi-ERP environment with a cloud service constantly monitored by the provider, allowing enterprises to include locations in different time zones.

ACCESS SUPPLIER INFORMATION QUICKLY & EASILY

Esker's Supplier Information Management module creates a 360° view of suppliers for companies. From invoices to regulatory and financial documents such as contracts, all transaction information is easily accessible from the supplier information cockpit. P2P stakeholders get real-time visibility into committed spend, supplier performance and issues that require immediate action.

WORK SMARTER WITH AI & RPA–DRIVEN AUTOMATION

Built on a set of technologies designed to mimic human intelligence, Esker's AI Engine can extract and analyze data from quotes, orders, invoices, shipping notices and more to sort, route, notify and manage P2P cycles efficiently with as little user intervention as possible.

CONCLUSION: THE FUTURE OF P2P AUTOMATION

As AP and procurement departments continue to endure the pains of manual processing and automation technologies continue to emerge, it is inevitable that an increasing number of organizations will move towards more modernized forms of business technology. The numerous benefits P2P automation offers are too great to ignore.

The future holds a host of developments for automation and the rapidly advancing technologies powering digital transformation. Smart companies are continuing to discover that by automating core business processes and digitally transforming their operations, they can streamline workflows, achieve higher levels of efficiency and make their organization more agile, productive and profitable than ever.

As with any new technology, there will always be skeptics (i.e., those that think they cannot adapt to new technology). Automation is no exception: When considering unique workflows and organizational complexity, upgrading to an automation solution can be an intimidating idea. However, with an experienced vendor and the right solution, change can be introduced and managed at the right pace and optimal level for your organization's specific P2P needs.

ABOUT ESKER

Esker's cloud-based document process automation software helps organizations of all sizes create an efficient P2P cycle. From a mobile app to a complete audit trail, we deliver the tools needed to unify AP and procurement departments. It's never been easier to do away with ineffective manual methods.

Offering a suite of solutions ranging from order management to fax services, improving business processes is our forte. With over 30 years of experience under our belt, organizations around the world rely on our solutions to keep their business running smoothly. Contact us and let's talk about how we can help you.

GLOBAL EXPERTISE

Founded in 1985, Esker's solutions are used by over 6,000 customers globally, from small to mid-sized businesses to large corporate entities. Esker operates in North America, Latin America, Europe and Asia Pacific with global headquarters in Lyon, France, and U.S. headquarters in Madison, Wisconsin.

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WP-P2P-US-004-B