
Your Quick-Start Guide to Implementing AP Automation

More than half of AP organizations rely on manual processes for invoicing and payments, leading to added costs, risks, and inefficiencies.¹

Automating the payables process can give your company more visibility into your financials and greater cost control, while also helping your AP team save time and reduce errors.

Though transforming your payables process requires careful planning and may take some time, the benefits are well worth it. Use this seven-step guide to get started.

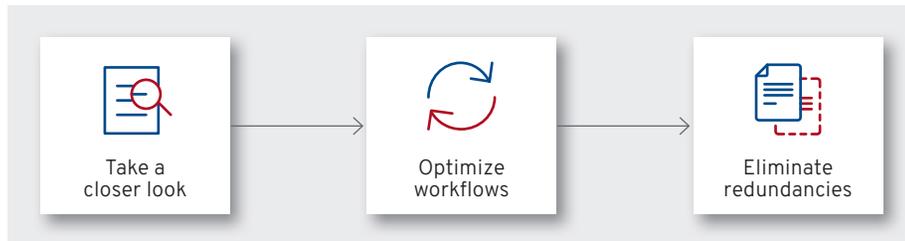
¹ Ardent Partners, "State of ePayables 2020" Report, pg. 11



1. Identify the Problem

Before you can come up with a solution, you need to identify the problem. The first step involves understanding the current pain points. You may still be making the majority of your supplier payments using paper checks, and your AP team may spend too much time on redundant, manual tasks. You may have experienced payment fraud attempts. Invoice approvals may be taking too long, and your suppliers may be asking for a more modern payment experience. Additionally, you may be leaving money on the table by missing out on the opportunity to make credit card payments and earn cash back rebates.

True payments transformation is about more than digitizing your current processes. It's about optimizing your workflows and eliminating redundancies, so you must first pinpoint the bottlenecks in your existing process and map out a strategy to solve for these challenges.



2. Get Organizational Buy-in

Convene key stakeholders to develop your AP transformation strategy. With competing business priorities, you may have to build a compelling case for why your company needs to invest in payables modernization now. Sell your organization on the benefits of automation by doing an analysis and presenting data on how much your company spends annually on paper-based invoicing and payment processes, the potential cost savings of going digital, and projected working capital optimization capabilities that will be possible by making these changes.

Bolster your case by touting flexible payment options for suppliers, improved business continuity, and increased payment security.

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Modernizing your payments experience also can give your company access to real-time analytics that detect suspicious activities and anomalies. This can help you prevent a breach and combat fraud. Better reputation, risk management, and financial performance are all compelling arguments that can help you build buy-in within your organization, even in the C-suite, and develop a successful transformation strategy.

3. Assess Technologies

As you develop your strategy, you'll need to map out your existing AP processes and decide whether you want to tackle invoice automation, payment automation, or both.

Once you figure out which parts of your process to automate, identify technology solutions that address your business' specific pain points. Integration capabilities are also crucial. As you assess solutions, make sure they are capable of integrating with and transferring data from mission-critical systems like your ERP.

4. Do Your Due Diligence

Once you've identified potential solutions, compare them.

Our treasury and payment solutions have robust fraud-management capabilities, including:



The cloud: Cloud-based solutions are scalable, secure, and easy to integrate with your ERP/accounting system to provide information to the bank to execute your payment process. A solution should enable the secure transfer of payment and remittance data, accept all file formats for different payment types, streamline the vendor enrollment and enablement process, and feature robust fraud-detection tools.



Invoice automation: The solution should be equipped to handle automated data capture and approval routing, while providing multi-layer security and an audit trail that allows your team to have more control over your AP process.



Payment automation: Leading payment automation solutions enable your business to make all payment types—virtual card, ACH, check, and wire—while providing the opportunity for your business to earn rebates, so you get a greater return on your spend. Solution providers should help you identify which of your vendors are already accepting electronic payments, and also help you onboard vendors to your electronic payment program. The option to outsource check printing, processing, and mailing can also be helpful in a remote work environment, or to reduce in-office overhead.

5. Prepare Your Organization



Modernizing AP doesn't just require process transformation—it **requires cultural transformation.**

After you choose a solutions provider and get finance approval, continuously communicate your vision and the value of automation. Work with your commercial banking partner to provide virtual training and educational materials. Create a feedback channel, such as a dedicated email address or internal self-service portal, to gather ongoing input from various users. Consider developing internal power users who can help troubleshoot issues or contact your banking partner for assistance.

6. Test and Learn

Transforming your AP process isn't a one-time event. You'll likely need to make adjustments along the way.

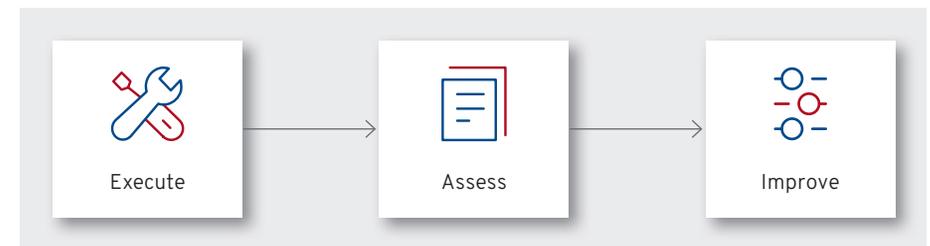
You may choose to conduct a small pilot test within one area of your business before rolling out a new system to your entire company. For example, onboard 10 suppliers, gather their feedback on the new payment process, and make adjustments based on their input.

Taking the insights from this test and fine-tuning your strategy can ensure your company-wide rollout is a big success.

7. Execute, Assess, Improve

Once you implement your new process, track results. Gather financial data, including spend data, information on ACH and card adoption, and assemble qualitative and quantitative feedback from your suppliers and your AP team about the time and cost savings they've generated so far. These metrics can help you make the case for future investments.

By working with your commercial banking partner and relying on their expertise, you can optimize payables processes, maximize efficiencies within your organization, and leverage modern solutions that innovate and transform your payments experience.





Visit People's United Bank's treasury management resource center for more helpful information, or to talk to our team about transforming payables at your organization.

 www.peoples.com/getstreamlined

