

# Elevating Your AP Performance with Complementary Technology

# Elevating Your AP Performance with Complementary Technology

Many accounts payable (AP) departments have automated their invoice processing, but for most AP departments, the promise of full automation remains frustratingly out of reach. The limitations of traditional technologies used by many AP automation solutions are largely to blame. These technologies weren't built to handle the increasingly complex requirements of today's AP function.

But AP departments don't have to settle for middling results from automation.

Emerging technologies such as robotic process automation (RPA), predictive general ledger (GL) coding, mobile approvals and artificial intelligence (AI) can complement legacy AP automation technologies and elevate the performance and return on investment that departments can achieve.

This whitepaper shows you how.

## What is AP Automation?

AP automation solutions eliminate the manual, repetitive tasks that bog finance teams down.

Here's how most AP automation solutions work:

- **Invoice receipt.** Electronically submitted invoices are collected from email, supplier portals and secure file transfer landing sites and aggregated onto a single platform. Supplier invoices sent through the U.S. Postal Service are opened and converted into a digital format.



**49% of AP departments currently use automation<sup>1</sup>.**



**38% of AP leaders say that automating manual processes is their greatest concern. Another 38% of AP leaders are concerned about improving processes<sup>2</sup>.**

---

## 59% of AP departments that have deployed automation have automated the way they receive invoices<sup>3</sup>.

---

- **Invoice data capture.** Optical character recognition (OCR) and other technologies are used to convert images into a machine-readable format. The supplier's name, invoice number, invoice data and line-item details are then extracted without the need for manual keying.
- 

## 62% of AP departments that have deployed automation have automated their invoice data capture<sup>4</sup>.

---

- **Invoice matching.** Invoice details are matched against purchase orders, delivery receipts and/or contracts in the buyer's enterprise resource planning (ERP) application or accounting software package. Matched invoices can be posted directly to the system of record, without the need for human operator intervention (often referred to as straight-through processing).
- 

## 64% of AP departments that have deployed automation have automated their invoice matching<sup>5</sup>.

---

- **Approval routing.** Unmatched invoices or invoices requiring review and approval — such as invoices from new or strategic suppliers or invoices for a high-dollar amount — are digitally routed to an individual based on preconfigured business rules. Approvers are notified of invoices awaiting their approval and alerted when an invoice requiring review is approaching its due date. Unreviewed invoices can automatically be escalated based on predefined rules.
- 

## 69% of AP departments that have deployed automation have automated their invoice approvals<sup>6</sup>.

---

- **Posting.** Approved invoices are seamlessly uploaded to the buyer's system of record.
- 

## 23% of AP department that have deployed automation have automated the way they reconcile invoices<sup>7</sup>.

---

- **Visibility and reporting.** Graphical dashboards provide staff with real-time visibility into the status of invoices and key performance indicators (KPIs). Drill-down capabilities enable AP staff to dig deep into invoice data to uncover trends and identify the source of problems. And a secure, centralized, cloud-based archive eliminates paper filing and enables authorized users to instantly retrieve images and data at any time, from any location, using any device.

- **Control.** The user access permissions, segregation of duties, systematic workflows, audit logging and data encryption built into AP automation solutions protect sensitive data.

AP automation solutions that include these capabilities enable AP departments to reduce costs, increase staff efficiency, improve accuracy, accelerate cycle times and strengthen supplier relationships.

## Hungry for Even Bigger Benefits?

There's no question that the benefits of AP automation are proven and compelling.

But AP automation solutions that rely on traditional technologies may leave AP leaders wanting even more. Consider that 60% of AP leaders expect their department's processes to be more automated five years from now, but still require human operator intervention<sup>8</sup>. The problem is that traditional technologies can't keep up with the increased complexity of modern AP departments.

Here are some of the limitations of traditional technologies used for AP automation:

1. **Limited scope.** Many AP automation solutions were built to automate part of the invoice processing cycle. Other systems aren't equipped to handle non-standard invoice formats.
2. **Limited data capture capabilities.** It's not uncommon for traditional AP systems to struggle with invoices that are poorly formatted, contain handwritten text or have complex layouts. These limitations may result in errors or require manual intervention to enter the correct data. Some AP automation solutions require buyers to painstakingly set up templates for each invoice that they receive, so the system knows where to locate the data it needs to capture.
3. **Rigid workflows.** Traditional AP automation systems may have rigid approval workflows that are tricky to set up and hard to adapt to buyers' ever-changing business rules. Some systems may require the solution provider to configure the workflows. Others use the same approval process for every invoice, regardless of the supplier or the amount of the invoice.
4. **Poor integration.** Traditional AP automation systems may not integrate well with ERP applications or accounting software packages. Weak integration can result in unnecessary rekeying of invoice data, inefficient manual uploads of data and potential data latency.



**39% of AP leaders say they are concerned that automation will require significant changes to their existing processes<sup>9</sup>.**

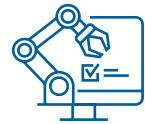


Don't let the limitations of traditional technologies hold your department back. Complementing your AP automation solution with emerging technologies can help your department achieve better results.

## Raising the Bar with Complementary Technologies

Complementing legacy invoice processing systems with emerging technologies such as RPA, predictive GL coding, mobile approvals and AI can help departments achieve even greater benefits from AP automation. Here is how emerging technologies help elevate a department's performance.

- RPA.** RPA uses software robots (often referred to as "bots") to eliminate the repetitive, rules-based tasks that might require human operator intervention in an automated AP environment that uses traditional automation technologies. RPA is ideal for performing routine tasks such as retrieving digital invoices from email, secure file transfer landing sites and/or supplier portals; transferring validated invoice data directly into relevant fields; gathering data and facilitating communication to resolve exceptions; exporting images and data to downstream systems; uploading invoice data into an ERP or accounting software package; and generating reports. Automating more routine tasks helps organizations achieve greater automation maturity in their AP processes and frees up AP staff to focus on higher-order activities.
- Predictive GL coding.** GL coding is critical for routing invoices for approval, tracking budget performance, reporting on the financial health of the business and reconciling transactions. But assigning the correct GL account codes to supplier invoices can be a time-consuming and error-prone task, even in automated environments that use traditional technologies. Complementary technologies such as AI with machine learning (ML) use sophisticated algorithms to predict and assign GL codes based on historical data patterns, relationships between invoice attributes and GL codes, and contextual information extracted from supplier invoices. For instance, machine learning models can be trained to predict the appropriate GL account code or expense category using preprocessed invoice data and the corresponding GL coding.



**22% of AP departments that have deployed automation currently use RPA<sup>10</sup>.**

Some AP automation solutions use natural language processing (NLP) techniques to analyze the descriptions of invoice line items and variables such as the supplier's name to predict GL coding. Confidence scores or probabilities are typically displayed alongside predicted GL codes to indicate the certainty of each prediction. Invoices with a confidence score that falls below a predefined threshold may be flagged for manual entry to ensure accuracy.

Predictive GL coding solutions can continuously learn from new data and user feedback to refine predictions over time. Complementing traditional AP automation solutions with predictive GL coding empowers AP departments to optimize their processes by reducing manual effort and errors, speeding cycle times and enhancing financial visibility.

- **Mobile approvals.** Traditional technologies used for AP automation make it hard for stakeholders to stay in the know while on the go. But mobile approvals enable authorized users to review and approve invoices anytime, anywhere using smartphones or tablets. Users can instantly view the supplier's name, the invoice date, line-item details and other critical information about invoices, as well as any associated notes or attachments. Users have the option to approve or reject invoices and add comments or annotations to provide context for their decisions.

AP automation solutions with mobile approvals digitally route invoices based on the decision made by the user. If an additional invoice review is required, these solutions can escalate the invoice based on predefined business rules. Users also can delegate their approval authority to designated individuals when they are unavailable. All actions taken on an invoice are logged to ensure compliance with internal controls, auditor guidelines and regulatory standards.

Approved invoices and approval records are seamlessly uploaded into the organization's ERP application or accounting software package. Complementing traditional technologies used by AP automation solutions with mobile approvals enables organizations to accelerate invoice approval cycles and increase stakeholder productivity.

---

## 84% of AP teams work remotely, at least part of the time<sup>11</sup>.

---

- **AI.** Few technologies have generated as much excitement, concern and fear among AP professionals as AI. The technology complements traditional AP automation technologies by automating cognitive tasks that typically require human operator intervention. For instance, NLP (a form of AI) may be used to interpret and extract line-item details, terms and other unstructured text within invoices — a task that's difficult for most AP automation solutions that use traditional technologies. AI algorithms also can be used to analyze historical data to improve the percentage of invoices that are automatically matched against purchase orders and good receipts. AI models with ML can learn from historical approval patterns to predict the optimal path for routing invoices. Furthermore, AI algorithms can analyze historical data to predict fluctuations in invoice volumes and to detect irregular patterns or variances in invoice amounts that might indicate potential fraud.

Importantly, AI solutions continuously learn and adapt from new data inputs and user feedback, delivering better business outcomes over time. Some AP professionals fear that the tremendous efficiencies provided by AI could threaten their job. However, AP leaders see the technology freeing their staff from monotonous tasks, so they can focus more time on value-added activities that require human judgment.

These complementary technologies can significantly improve an AP department's performance.

## Take the Next Step Toward Peak Performance

Now is the time to rethink the way your AP department operates.

AP departments with traditional technologies are limited in their ability to not only minimize per-invoice costs, but also to increase efficiency, enhance reporting and decision-making, and mitigate the risk of fraud. Financial planning, supplier relationships, employee productivity and even regulatory compliance efforts may suffer from the limitations of traditional AP technologies.

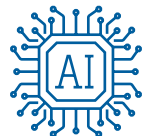
Complementary technologies such as RPA, predictive GL coding, mobile approvals and AI can overcome the limitations of traditional technologies used for AP automation.

- **RPA** can navigate different systems and user interfaces to eliminate swivel chair tasks.
- **Predictive GL coding** reduces manual tasks and ensures consistent coding practices.
- **Mobile approvals** expedite the approval process, no matter where staff work.
- **AI** improves data capture accuracy, even on those that are poorly formatted, including handwritten text or those that have poor image quality. Additionally, AI's ability to analyze data to create dynamic approval workflows and identify suspicious transactions makes organizations more agile.

Together, these complementary technologies create a more intelligent and efficient AP process while establishing a solid foundation that addresses the complex requirements of a modern AP department.



**23% of AP professionals admit that they don't know much about AI<sup>12</sup>.**



**27% of AP departments that have deployed automation currently use AI<sup>13</sup>.**

## About Hyland

Hyland's intelligent content solutions help organizations innovate boldly, automate seamlessly and streamline operations — effortlessly. Our end-to-end AP automation solution accelerates invoice cycle times, increases accuracy and reduces costs. From real-time metrics to expedited vendor access, we have you covered.

Learn more at [Hyland.com](https://www.hyland.com).



## ENDNOTES

- 1 Institute of Finance and Management (IOFM), *2023 Benchmarking Reports*
- 2 Institute of Finance and Management (IOFM), *2023 Benchmarking Reports*
- 3 Institute of Finance and Management (IOFM), *2023 Benchmarking Reports*
- 4 Institute of Finance and Management (IOFM), *2023 Benchmarking Reports*
- 5 Institute of Finance and Management (IOFM), *2023 Benchmarking Reports*
- 6 Institute of Finance and Management (IOFM), *2023 Benchmarking Reports*
- 7 Institute of Finance and Management (IOFM), *2023 Benchmarking Reports*
- 8 Institute of Finance and Management (IOFM), *2023 Benchmarking Reports*
- 9 Institute of Finance and Management (IOFM), *2023 Benchmarking Reports*
- 10 Institute of Finance and Management (IOFM), *2023 Benchmarking Reports*
- 11 Institute of Finance and Management (IOFM), *2023 Benchmarking Reports*
- 12 Institute of Finance and Management (IOFM), *2023 Benchmarking Reports*
- 13 Institute of Finance and Management (IOFM), *2023 Benchmarking Reports*

## About the Institute of Finance & Management

Accounting and finance professions have each undergone nothing short of a complete transformation since the Institute of Finance and Management (IOFM) was founded in 1982. Since then our mission has been, and continues to be, to align the resources, events, certifications, and networking opportunities we offer with what companies need from the accounting and finance functions to deliver market leadership. IOFM empowers accounting and finance professionals to maximize the strategic value they offer their employers.

Our enduring commitment to serving the accounting and finance professions is unmatched. IOFM has certified over 25,000 accounting and finance professionals and serves several thousand conference and webinar attendees each year.

IOFM is proud to be recognized as the leading organization in providing training, education and certification programs specifically for professionals in accounts payable, procure-to-pay, accounts receivable and order-to-cash, as well as key tax and compliance resources for global and shared services professionals, controllers, and their finance and administration (F&A) teams.

Learn more at [IOFM.com](https://www.iofm.com)

