

The Upside of AP Automation



Manual processing of AP, with its paper and mailing costs and labor-intensive workflows, is time consuming and expensive. And without clear audit trails, it leaves organizations at risk for non-compliance with government regulations.

AP automation uses multifunctional peripherals to bridge paper and physical environments with scanning, optical character recognition, routing, tracking, archiving, and electronic invoicing.

The Pitfalls of Traditional AP Process

2.8 days
to Manually Validate and Process an invoice¹

The average cost of processing an invoice with a low level of automation can be up to **20 times higher** than the cost of processing with a high level of automation along with inability to capture early payment discounts.²

On average, **3.6% of invoices have errors**³

The more times an invoice is handled, the greater the chances of it being lost or misfiled.

Cost of finding a lost invoice: \$125⁴

Cost to replace a lost invoice: \$225⁴

Other issues associated with manual AP processing:



Inquiries & Remediation

Higher number of vendor inquiries on status and more time spent remediating disputes. Without automated filing and archiving, this is even more of a challenge.



Duplicate Payments

Higher incidence of duplicate payments, particularly in organizations with fewer than 250 employees.



Fraud

Usually the result of inadequate process controls.



Manual AP

VS.

Automated AP⁵

11.3 days



TIME

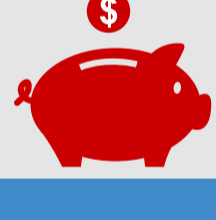
3.7 days

\$21.31



COST

\$4.34



Average savings to process an invoice with a best-in class automated solution versus a manual process⁵

\$16.97



Time for an AP automation solution to **achieve ROI**⁶

Less than 1 Year

The Advantages of Automated AP



Increased Efficiency

Faster processing helps reduce overhead.



Improved Financial Information

Data is available in near real time, has fewer errors, and can help to better manage overall finances.



Reduction in Data Entry Errors

Accurate data delivered into accounting or ERP systems.



Early Payment Discounts and Avoid Late Fees

Reduced delays and errors so payments are made on time.



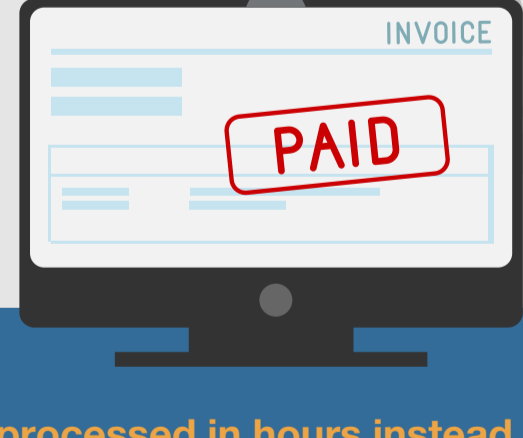
Improved Access to Information

Digital data is more quickly accessed than hard copies.



Increased Security

Unlike paper processes, automated AP helps to secure data and enables disaster recovery.



Automating data capture in AP leads to **one day's worth of invoices being processed in hours instead**. This can lead to savings in labor cost, reduced backlog, and faster processing for early payment discounts.

TAKE THE PRODUCTIVITY CHALLENGE

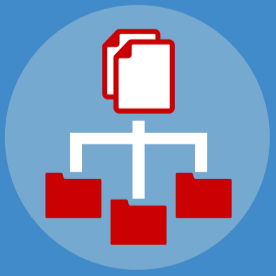
This web-based document workflow assessment tool from Canon Solutions America helps you evaluate business process performance in 5 KEY AREAS:



Document Management



Print Management



Document Distribution



Accounts Payable



Sustainability

Benchmark your performance against other organizations and find out where to focus your efforts for the most impact.



productivity-challenge.com

SOURCES:

¹ From the AP Shadow to the Forefront: AP Automation and the Strategic Vision, October 2013
² IOMA's AP Department Benchmarks and Analysis 2014
³ Institute of Management and Administration, AP Department Benchmarks & Analysis, 2014
⁴ Aberdeen Group, July 2014
⁵ E-Payables, Payments Automation for Operational Excellence, 2015
⁶ Overcoming the Top Pitfalls of Manual Invoice Processing (AIMM), 2014