

# The AP Automation Playbook

## **4 Essential Practices for End-to-End AP Efficiency**





## Introduction

For Accounts Payable (AP) departments, plowing through invoice scanning or keying, paper or email-based approvals, and last minute check runs can lead to late or duplicate payments, supplier frustration, and unnecessary costs. Plus, manual AP processes result in poor visibility for CFOs and Controllers and stressful month-end closes.

**By adopting key practices described in this playbook, you will:**

- Save money and increase efficiency
- Get full visibility into your entire AP process
- Improve month-end close
- Enjoy better relationships with your suppliers

Ready to take control of your AP? Read on.

# 1

## Eliminate the Hassle of Invoice Scanning and Manual Data Entry

### **Get Ready for a Paperless Desk**

Imagine if your Accounts Payable (AP) team could eliminate the time-consuming tasks of invoice scanning and manual data entry. These manual processes often cause delays and errors and create bottlenecks that harm supplier relationships. Ultimately, manual keying or scanning add significant operational costs to AP.

Most providers use Optical Character Recognition (OCR) in their automation platforms. This is mistake as OCR has an inherent error rate. Choose one of these platforms and you're choosing to touch every invoice forever.

Instead, knowledgeable customers automate AP with AP automation platforms that don't use OCR. The best AP platforms process invoices digitally and include the added feature of a Digital Supplier Network. With Transcepta, you'll benefit from 100% accurate invoice data, complete with every field you need to pay invoices timely and efficiently.

So say goodbye to manual keying and scanning and hello to AP efficiency with Transcepta.





# 2

## Automate 2- and 3-Way Matching

The benefits of automating 2- and 3-way matching are massive:

- No need for manual approval of invoices
- Great efficiency for AP, buyers, procurement, supply chain and vendors
- Shorter invoice approval cycle time
- Stronger supplier relationships

Here is how AP automation empowers your AP department to excel at 2- and 3-way matching:

- AP automation ensures that invoices are matched with purchase orders and receiving data, verifying the accuracy and validity of each order.
- The best AP automation platforms don't rely on OCR to capture invoice data from suppliers. Common issues like "read errors" and the need to update "OCR maps" mean AP has to touch every invoice. This defeats the goal of 2- and 3- way matching. The most effective approach to OCR? Skip it entirely. Make sure to choose an AP platform that doesn't rely on OCR for invoice capture.
- The best AP automation platforms use Digital Supplier Networks, which create a feedback loop with suppliers, allowing the supplier to resolve invoice issues before they even reach your AP inbox. This means invoices will straight-through process and arrive "ready to pay" into your ERP.



# 3

## Automate Non-PO Coding and Accelerate Approvals

Processing and paying non-PO invoices requires Accounts Payable teams to manually enter invoice data, apply GL coding, and follow up on invoice approvals.

But what if you could automate this process and eliminate the associated cost and headaches?

By automating GL coding, you streamline your AP process, liberating your team from manual work and coding errors. Instead of having AP teams waste time on data entry, AP automation platforms do the heavy lifting.

The best AP automation platforms use AI to automatically code your non-PO invoices and route them to the appropriate approvers. Every invoice that passes through the platform feeds it more data to apply GL codes and resolve other invoice errors before they reach AP. Automating AP not only saves time but also reduces the risk of human error, ensuring that invoices are coded correctly and sent to the right people for approval.

Once an invoice is coded, the AP automation platform sends it for approval based on your organization's structure, budget authority, and predefined approval limits. The entire process is tracked and reportable, providing complete visibility at every stage.

With AP automation, chasing down approvers and fixing coding errors becomes a distant memory. Approvals are routed automatically, and any potential issues are flagged before they become problems, keeping the process running smoothly and efficiently.

By implementing an AI-powered AP automation platform, you eliminate manual tasks, improve accuracy, and ensure invoices are processed quickly and accurately.





# 4

## Make Remittance Advice a Part Your Payment Process

Sending detailed remittance advice along with payments to your suppliers ensures clarity, fewer questions from suppliers, and a more efficient AP department.

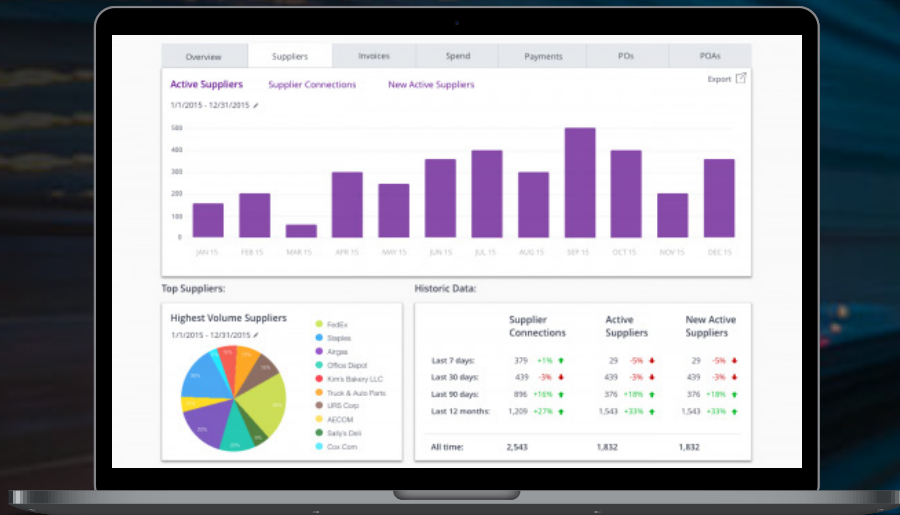
Remittance details are sent after an invoice has been paid. It's not mandatory but beneficial. Here's why:

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- Clean and detailed remittance advice clears up the confusion of complex transactions by offering payment documentation. This transparency helps both the AP department and the supplier to stay aligned and avoids you having to do the work of statement reconciliation because the supplier can't figure out what invoices you paid.
- When it comes to month end reporting or an audit, having a clear trail of remittance data offers a straightforward way to verify that payments have been made and correctly recorded.
- When a supplier reports a missing payment, remittance advice helps pinpoint whether the payment is delayed in process or actually has been paid. For the AP department, it provides a way to prevent and clear up confusion.

Even though you're not required to send remittance advice to suppliers - it's just smart business because:

- It builds trust with suppliers by proactively informing them of the details of payment.
- It clears up any potential confusion about payments. Suppliers don't need to reach out to confirm payment status, saving time for AP departments.



## Automate and streamline accounts payable

Founded in 2005 and based in Aliso Viejo, California, Transcepta combines AI and its global Supplier Network to deliver best-in-class solutions to the Office of the CFO. Transcepta automates the accounts payable (AP) process, end to end, so organizations can reduce costs, control cash flow, and make better data-driven decisions. With the Transcepta Platform, AP leaders move beyond slow, error-prone, unscalable processes and transition to a fast, accurate online system that is easy for everyone to use.

Visit [transcepta.com/demo](https://transcepta.com/demo) to request a platform demo