

White Paper

5 Signs It's Time to Automate Accounts Payable

Is it time for your organization to implement a payment automation solution?



Table of Contents

- 1** We're All Busy
 - 1** Volume Has Increased Due to Rapid Growth
 - 2** A Veteran AP Employee is Retiring
 - 2** Your Last Audit Didn't Go So Well
 - 3** Your Organization Has Been a Victim of Fraud
 - 3** Your Internal Controls Aren't Up to Par
- 4** About Corpay Payment Automation

We're All Busy

No matter our career path or industry, we all have massive undertakings and side projects that prevent us from completing our normal daily tasks. It's just as true in life outside of the office. Think about the last time you got an oil change, or had the tires rotated on your vehicle. If you're like most people, you probably have a propensity for putting off "big picture" things because you're dealing with the minutia of day-to-day life.

For those in the accounts payable space, it's easy to say, "We've got a lot of irons in the fire right now, but automating our payment strategy is definitely something we'd like to do eventually — maybe next year!" It's tempting to hold off on implementing a solution until after that next big project. However, you are probably always going to have a big project on the horizon. You'll always be busy no matter what time of year it is.

While it's easy to put off AP automation until later, some companies fail to realize that certain events within the life of a company make it the perfect time to automate. In this white paper, we'll highlight five signs that it's time to automate your accounts payable process. If you're familiar with even one of these scenarios, then it's time to talk to your boss about implementing a payment automation solution. If you've witnessed multiple signs, then it should be a priority for your entire department.

1 Volume Has Increased Due to Rapid Growth

What would happen if company's current invoice volume doubled or tripled due to growth? Thanks to the recovering economy, many accounts payable departments are seeing invoice volumes increase, which is both a blessing and a curse. More invoices mean more revenue, but also more challenges for AP teams that are still bogged down in manual, paper-based processes.

For example, a major real estate company in Henrico County in Richmond Virginia quadrupled in size over five years without adding AP staff. Their invoice volume increased from 10,000 to more than 14,500 each year, and the team was completely drowning in their inefficient, paper-based processes. After implementing a complete automation solution, the AP team was able to pay thousands of invoices with a couple clicks of the mouse.

Automation creates scalable processes that enable companies to effectively manage increased payment volume and ePayables without hiring additional staff.

38%

SURVEYED

Organizations that cite eliminating paper and reducing manual tasks as a top priority for AP.

Source: Ardent Partners State of ePayables Report 2020.

2 A Veteran AP Employee is Retiring

According to research by Robert Half, baby boomer retirements are accelerating, and more finance professionals are leaving the field than entering it. Furthermore, companies with outdated paper processes will find it increasingly difficult to attract and retain millennial-generation AP professionals who expect to do everything electronically.

If you have a seasoned veteran on your team who is retiring soon, you may lose decades of valuable knowledge about your organization's accounts payable process. These experienced employees have their own shorthand for coding invoices, which would be important to capture before they leave.

In addition to solving for their growth problem, the real estate company mentioned above also had to plan for one of their longest employee's retirement. The only job she'd ever had was with the firm, and over the years she had become a vault of accounts payable information. When an invoice came in, she automatically knew how to code it, and the company realized that it would be impossible for her to impart all of the knowledge that she had gained to a new employee.

When implementing an automation solution, you can create a customized automated process that mimics your current process, translating a veteran employee's knowledge built into business rules and intelligent approval workflows. While you may lose a co-worker, you won't lose their expertise!

3 Your Last Audit Didn't Go So Well

We all know that audits aren't fun. Often an auditor will spend two or three days with a company, searching through drawers spilling over with paper invoices. In an automated system, however, it may only take two or three hours for an auditor to complete their task. Auditors who are allowed read-only access to your online portal can quickly search at random for any invoices they'd like to review and see the audit trail immediately.

Automation provides greater visibility into the entire audit process. There's no need for a paper trail! You log into your portal to see the entire history of any invoice – from receipt through payment – which makes it easier on your auditor(s). More importantly, the auditing process becomes easier for you. Cloud-based AP automation solutions enable employees to access all data and applications anytime, from anywhere, using any device.

4 Your Organization Has Been a Victim of Fraud

In a paper-based environment, your company's documents are constantly at risk. Physical copies of sensitive information can be easily misplaced, altered, or destroyed. If these documents are lost or tampered with, you no longer have access to the data necessary to effectively operate your business.

Research shows that paper documents and checks are leading sources for fraud, because data is not protected. According to the 2019 AFP Payments Fraud and Survey Report, 70% of organizations that have experienced fraud say their check payments were the most subject to attacks.

On November 18, 2021, KYTV reported the federal indictment of 51-year-old Carrie Leigh Long for embezzling more than \$362,000 from Springfield KY luxury vehicle manufacturers Executive Coach Builders and Executive Bus Builders. Over four years, Long allegedly used her position as in-house accountant, and her access to the companies' check stock, to regularly write checks against the companies' bank accounts for unauthorized payments to herself. Long is alleged to have filled in unauthorized amounts on some pre-signed checks and making such checks payable to herself. Long also allegedly stole money from the companies by forging signatures on the companies' checks, filling in unauthorized amounts on the checks, and making such checks payable to herself.

This deceptive and damaging turn of events could have been avoided with AP automation. Automation enforces strict adherence to business rules, reducing opportunities to commit fraud. Manual processes rely on post-payment review to detect deviations from business rules. By the time you've discovered an issue, the fraud has already occurred. An automation solution ensures that every invoice you process is legitimate before it's introduced into your accounting system.

5 Your Internal Controls Aren't Up to Par

Organizations often become subject to fraud because their internal controls aren't up to par. Internal controls are checks and balances put in place to prevent mistakes, embezzlement and fraud. Segregation of duties is a common control used to prevent employees from performing certain combinations of functions.

Paper payments don't allow for the flexible yet fortified checks and balances that automation provides. Electronic payments are so much more secure than a paper check ever will be. With automation, you can add additional approvals to the process and create reports that check for duplicate invoices. Automation solutions track who enters an invoice, who approves it, and who batches it to the accounting system — and it can't be the same person for each task, which stops collusion in its tracks.

48%

SURVEYED

Organizations that cite high percentage of exceptions as a top challenge for AP.

Source: Ardent Partners State of ePayables Report 2020.

About Corpay Payment Automation

Corpay Payment Automation transforms the way enterprises pay their domestic and international vendors. Through our intelligent payment automation platform, organizations can pay their invoices electronically in the same unified workflow. The solution is designed to handle enterprise complexity while meeting industry-leading security standards. With Corpay Payment Automation, finance teams can rest easy as they outsource the liability of payments, enjoy ongoing vendor support and activation, superior vendor services, and rebates, unlocking value in the payment process.

Corpay Payment Automation is part of the Corpay suite of payment solutions, which also includes Corpay Commercial Cards, AP Automation, Corpay One, and Cross-Border. As a part of Fleetcor Technologies, Corpay is part of one of the largest payment companies in the world, and is the largest commercial issuer of Mastercard in North America. Fleetcor's 8,000 employees partner with companies in 53 countries to manage more than 1.9 billion transactions annually.