

Corpay[^]

How Purchase
Order Automation
Can Drive Digital
Transformation



Purchase Orders: An Essential Component in Business Operations

Purchase orders (POs) are pivotal in maintaining efficient and organized business transactions. They are an essential component of the procurement process, serving as a formal request from a buyer to a supplier for goods or services.

However, inefficiencies in the PO process can hurt business performance and profitability. To overcome these issues, organizations are turning to PO automation solutions.

By understanding the importance of purchase orders and the challenges that manual PO systems bring, we can better appreciate the transformative potential of PO automation.

Differentiating: POs versus Invoices

Before discussing POs, it's helpful to understand the distinction between a purchase order and an invoice.

A purchase order is a proactive document generated by the buyer, initiating the procurement process. In accounts payable (AP) departments, POs are the foundation for transparent and streamlined transactions, facilitating effective communication between buyers and suppliers. This process ensures alignment between both parties regarding the transaction's scope, quantity, and cost.

On the other hand, an invoice is a reactive document issued by the supplier, requesting payment for delivered goods or services.

Challenges With Manual POs

Manually managing purchase orders can pose considerable challenges. Traditional, paper-based methods are prone to delays and miscommunications, which can result in disrupted supply chains and inaccurate financial reporting. According to a recent study by APQC, the cost of manually processing a single purchase order can reach a staggering \$506 (as of June 1, 2023).

Additional Issues With Manual POs Include:

- **Excessive Time Demands** – Manual PO processing comes with heavy paperwork demands and human involvement. This procedural approach often consumes significant time, and the frequent handovers within the process further contribute to a sluggish workflow.
- **Limited Process Transparency** – The large amounts of data in manual processes can create delays and errors that are challenging to control. This volume creates uncertainty in process-status tracking, impairing an organization's ability to make informed decisions and react promptly to shifts in supply and demand.
- **Human Errors** – Manual data entry frequently results in inaccuracies, including typos, missing information, and incorrect pricing. These errors lead to shipping and order fulfillment disruptions, eroding trust and damaging customer relationships.
- **Escalating Costs** – Manual handling of purchase orders incurs notable expenses due to the substantial time and resources required for management. Errors and delays bring supplementary financial burdens, such as expedited shipping or product returns.
- **Increased Fraud Risk** – Manual, paper-based processes create circumstances where fraud is easy to conceal. Billing and invoice schemes often rely on falsified documents that can easily deceive human processors, especially when dealing with a high volume of physical and electronic records spread across multiple departments.

Amplify Efficiency With PO Automation

How PO Automation Works:

PO automation is a digital solution designed to streamline and enhance the entire purchase order process. This technology integrates seamlessly with existing enterprise resource planning (ERP) systems and facilitates the electronic creation, approval, transmission, and tracking of purchase orders.



AMPLIFY EFFICIENCY WITH PO AUTOMATION:

How PO Automation Can Help Your Business

The advantages of adopting PO automation are profound. In addition to significant cost savings, PO automation offers numerous benefits, including:

Gain Real-Time Insight Into Committed Expenditure

Digital POs provide immediate visibility into all initiated POs, addressing the lack of awareness that is common in manual PO processes. This enables real-time budget management and ensures a more seamless cash flow.

Enhance Clarity for Employees

For many employees, manually constructing a successful purchase order necessitates training and guidance, leaving room for errors when using paper-based methods. PO software guides employees, eliminating mistakes with clear instructions and preventing the submission of incomplete or flawed POs.

Increase Data Transparency

PO automation comes with a centralized data source that gives finance teams easy access to comprehensive, up-to-date data.

Save Time and Reduce Errors

The foremost advantage of automated processes is the time saved. The bulk of processing tasks is efficiently managed by the software itself, allowing users to shift their focus towards more strategic activities. Automation also helps minimize the occurrence of human errors, which are a significant contributor to mistakes in manual processes.

Mitigate Fraud Risks

Automated processes implement strict authorization protocols, use validation technology, conduct regular internal audits, and deploy fraud detection safeguards.

Find the Optimal Automated PO Solution for Your Business

Selecting the right automated PO solution is crucial to fully realize the benefits of automation. Key factors to consider include compatibility with existing systems, ease of use, scalability, and integration capabilities with suppliers' systems. Additionally, integrating PO automation with invoice automation gives you three-way matching capabilities to provide an extra measure of protection against fraud. A comprehensive solution will also offer customization options to suit the unique needs of your business.



Best Practices for Successful Implementation

Implementing automated purchase orders requires a strategic approach. To ensure a successful transition, consider these best practices:

- **Thorough Training** – Train your team on the new system to maximize its potential and minimize resistance.
- **Clear Communication** – Inform all stakeholders about the change to encourage collaboration and understanding.
- **Regular Evaluation** – Continuously monitor the system's performance and gather feedback for ongoing improvement.



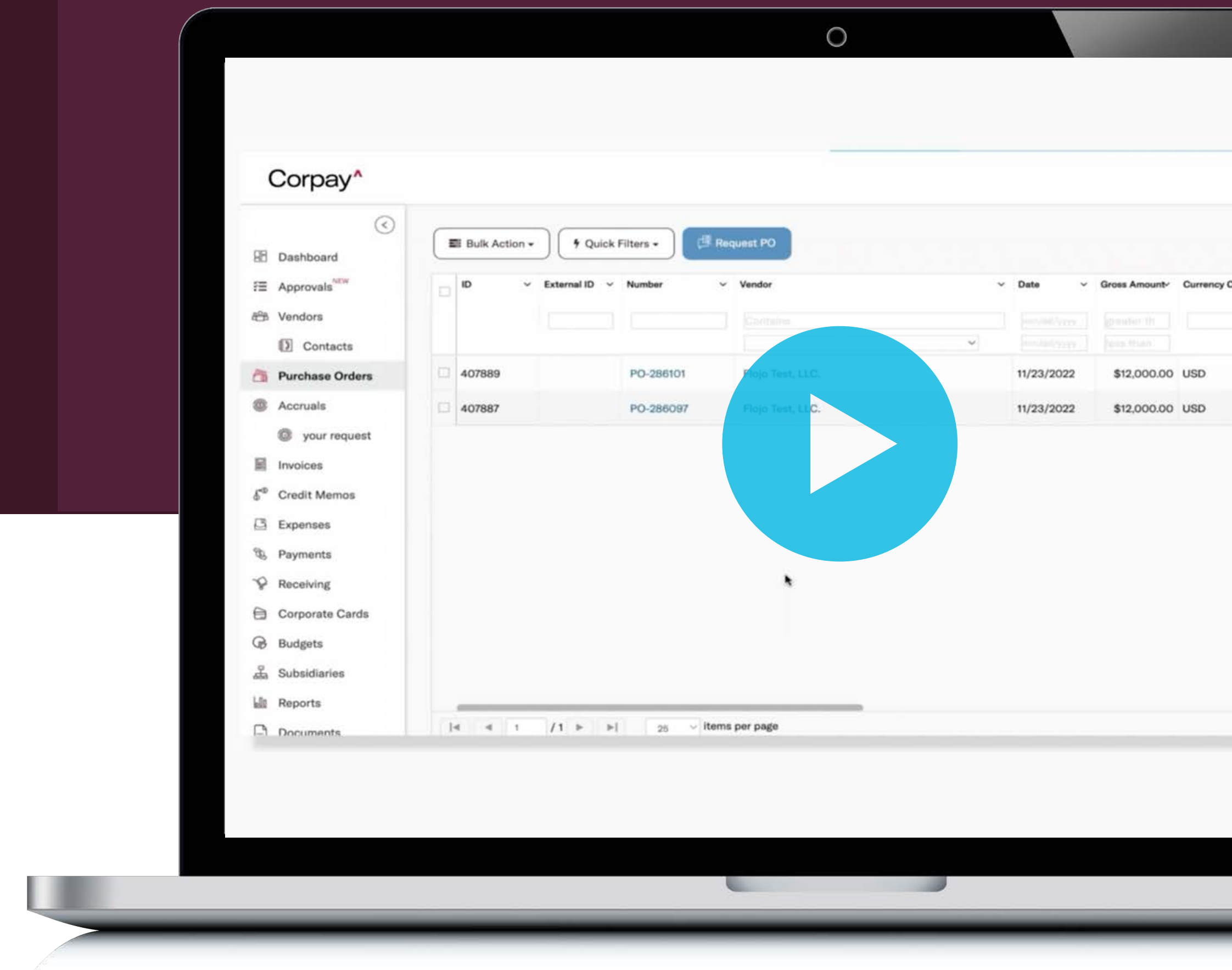
Corpay Offers a Uniquely Comprehensive, Scalable Solution

Unlike traditional banks or fintech companies, Corpay provides a uniquely tailored solution to meet your company's specific automation needs. Not only can our solution scale alongside you as you grow, but we also reduce the need for multiple vendor relationships when dealing with AP functions. We pride ourselves as the only provider offering a complete range of services, including front-end AP functions, payment execution, underwriting needs, credit cards, and more.

Take the first step toward a wholly streamlined AP. Contact Corpay's in-house PO experts today to discuss your specific challenges and future goals.

[Speak to an Expert →](#)

Experience our purchase order dashboard firsthand by watching the video:





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Corpay is a global leader in business payments, helping companies of all sizes better track, manage, and pay their expenses. Corpay provides customers with a comprehensive suite of online payment solutions, including Bill Payment, AP Automation, Cross-Border Payments, Currency Risk Management, and Commercial Card Programs. As the #1 B2B commercial Mastercard® issuer in North America, Corpay handles over a billion transactions each year. To learn more, visit www.corpay.com.