KIWI SYSTEMS
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Revolutionising Accounts Payable: Cutting Costs and Boosting Efficiency with Automation.

A White Paper


Save AP Team Time


Cost Saving


Fraud Prevention

Executive Summary

In a landscape where financial precision and operational efficiency are paramount, traditional accounts payable (AP) processes are increasingly outpaced by modern demands. Inefficiencies, errors, and fraud risks are common pitfalls that threaten to derail even the most well-oiled financial departments.

This white paper addresses these critical challenges and introduces a transformative approach to AP management. By leveraging advanced technologies such as ABBYY products, the Connectfy.net Integration platform, and Enterprise Content Management (ECM) solutions integrated with various ERP systems, businesses can overcome these obstacles.

The paper demonstrates how these technologies streamline AP processes, enhance cash flow forecasting, reduce fraud, and boost overall efficiency. This comprehensive solution promises to not only address existing pain points but also revolutionize the way AP departments operate, setting a new standard for financial management excellence.

MBIE estimates the cost of invoice processing is NZD 26 per Invoice

Why Accounts Payable Automation is Necessary for the AP Team



Easy Statement Processing



Prevent Errors

The Pain Points of Manual Processing

Accounts payable (AP) is a vital function of any business, but it can also be a source of frustration, inefficiency, and risk if it is not managed properly. Many AP teams rely on manual processes that involve paper invoices, data entry, approval workflows, and payment methods. These processes are not only time-consuming and error-prone, but they also limit the visibility and control of the AP team over the cash flow and compliance of the organization. If you are still using manual processes for your AP, you may be facing some of these pain points:

- Do you spend days sorting, scanning, and entering invoices into your ERP system?
- Do you struggle to track the status and approval of invoices across multiple departments and locations?
- Do you face late payment penalties, missed discounts, and duplicate payments due to human errors and delays?
- Do you have difficulty managing cash flow and forecasting due to lack of real-time data and reports. Same for all your outstanding liabilities?
- Do you risk violating tax laws, regulatory requirements, and internal policies due to poor documentation and audit trails?
- How do you prevent duplicate payments and detect fraudulent invoices?

Definitions Explained

E-Invoicing (Electronic Invoicing)

E-Invoicing is the electronic exchange of invoice documents between businesses and their clients. Unlike paper invoices or unstructured formats like PDFs, e-Invoices are sent in a standardized electronic format, making it easier for the receiving business to process and integrate them into their accounting systems.

The Pain Points of Manual Processes - Continue

- How do you verify that the prices and quantities on the invoices match the purchase order line items and the goods or services delivered?
- How do you update and verify your supplier information and ensure secure payment transactions?
- How do you prioritize and optimize your payment strategies based on supplier terms and relationships?
- How do you reconcile your invoices and payments with supplier monthly statement and your accounting system and generate accurate reports?
- How do you leverage data and analytics to identify opportunities for improvement and cost savings?

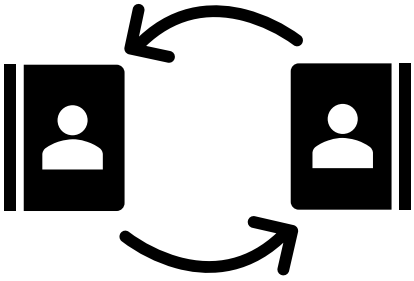
If you answered yes to some of these questions, you are not alone.

Numbers show you are NOT alone

- According to a survey by the Institute of Finance and Management (IOFM), 49% of AP professionals say that manual processes are their biggest challenge? Does this resonate with your experience?
- Levvel Research reports that 38% of organizations struggle with high error rates in their AP processes. Have you faced similar issues?
- The same report by Levvel Research highlights that 30% of organizations experience long invoice approval times as a top challenge. How often do you encounter delays in your approval process?
- According to a survey by the Aberdeen Group, 47% of organizations report poor visibility into invoice and payment data as a significant pressure. Does your team struggle with gaining clear visibility into your AP data?

These statistics highlight common pain points, but there is a solution: accounts payable automation. By addressing these challenges, you can transform your AP function and achieve greater efficiency and accuracy. Are you ready to explore how automation can make a difference in your organization?

The Limitations of B2B (EDI Integration) and E-Invoicing



Introduction to B2B and E-invoicing

While B2B integration and e-Invoicing are often touted as technological advancements, they come with their own set of challenges. B2B, or business-to-business integration, facilitates direct electronic communication between companies, ideally streamlining operations. However, this system shines only when all suppliers are equipped to connect via B2B or e-Invoicing platforms. In an ideal scenario, this would work flawlessly, but reality paints a different picture.

Challenges Of Implementation

The transition to B2B can be costly and time-consuming, with significant resources needed to bring suppliers onboard. Not all suppliers may be willing or able to absorb these costs.

Ongoing Necessity of Traditional Processes

Furthermore, traditional checks like the three-way match—verifying that invoice details align with goods received and purchase orders—are still necessary. This, along with managing monthly supplier statements, accounts for a substantial portion of the workload.

Complexity in Supplier Collaboration

Suppliers might hesitate to collaborate if they're not prepared for the technical demands of B2B integration. It requires a certain level of digital infrastructure, and integrating new suppliers can be particularly complex.

Conclusion

In essence, relying solely on B2B or e-Invoicing is not the silver bullet for managing accounts payable efficiently and effectively. A more comprehensive approach is needed to address the diverse needs of accounts payable management.

Definitions Explained

B2B Integration (Business-to-Business Integration)

B2B Integration is the strategic coordination of a company's internal systems with its suppliers, partners, and customers to streamline workflows and improve efficiency. It involves the use of technologies like EDI (Electronic Data Interchange) to automate the exchange of business documents and data in a standard format, eliminating manual processes and enhancing collaboration

Benefits of Accounts Payable Automation

Automation in accounts payable offers numerous benefits that can significantly improve the financial health and operational efficiency of your business. Consider these key advantages:

1 Improved Cashflow Forecast

- Real-time financial data allows for more accurate and timely cash flow predictions.
- Better predictability in managing your cash reserves impacts your ability to fund critical operations and investments positively.
- Accurately finding actual vendor balances and cash flow needs

2 Fraud Prevention

- Enhanced control and visibility over transactions makes it easier to detect and prevent fraudulent activities.
- Ending duplicate invoicing, validating invoice PO numbers and amounts, and confirming receipt of goods safeguards your organization against potential fraud.

3 Cost Savings

- Cutting down on operational costs and reducing the need for manual intervention saves money.
- Avoiding overdue payment fees and improving relationships with suppliers through timely payments benefits your bottom line.

4 Increased Efficiency And Accuracy

- Reducing manual data entry and minimizing human errors speeds up processing time.
- Employees can focus on more strategic tasks, thereby improving overall productivity and benefiting your organization.

Want a trial at automating your accounts payable process? More information on Connectfy.net!

How to Automate Your Accounts Payable Process

If you are convinced of the benefits of accounts payable automation, you may wonder how to get started with implementing it in your organization. Here are three important steps you can follow to automate your AP process:

Implementation Strategy

Assessment:

- Assess your current AP process and identify the pain points, inefficiencies, and risks that you want to address with automation.
- Conduct a thorough analysis to understand specific needs and requirements.
- Choose the AP automation solution that best suits your needs, budget, and goals.
- Define the scope, timeline, and objectives of the automation project, and communicate them clearly to all the stakeholders involved, including your team, management, and suppliers.

Phased Approach:

- Develop a phased integration and deployment strategy to ensure smooth implementation.
- Start with pilot projects to assess and refine the system before full-scale deployment.

Implementation Strategy

- ✓ Assessment
- ✓ Phased Approach
- ✓ Training and Support

Training and Support:

- Provide comprehensive training for the AP team to ensure they are well-versed with the new systems.
- Offer ongoing support to address any issues and continuously optimize processes.
- Monitor and measure the results of automation, such as processing time, error rate, cost savings, cash flow forecasting, and fraud prevention, and adjust your strategy as needed to optimize the outcomes.

Core Components of Accounts Payable Automation

The key components of automating accounts payable include invoice processing, goods receipting, vendor statement processing, and the generation of vendor reconciliation reports. Among these, vendor statement processing is the most complex and often overlooked by AP providers due to its intricacy. Additionally, the reconciliation report, which heavily relies on accurate statement processing, is frequently deferred to the ERP team, despite its critical role in ensuring the accuracy and completeness of financial records.

Invoice Processing

- Automates the capture and processing of invoices received via vendor email.
- Provides real-time tracking of invoice status from receipt to approval and ERP posting, ensuring transparency and accountability.

Invoice Line Items Matching with Purchase Order

- Ensures invoices match purchase order line items by verifying quantities and amounts to prevent discrepancies.

Cost Centre Allocation and Invoice Split by Department

- Automatically allocates costs to proper cost centres and departments, facilitating accurate financial reporting and budgeting.

Goods Receipting

- Automates the confirmation and documentation of received goods, linking directly to purchase orders and invoices.

Vendor Statement Processing

- Streamlines the handling of vendor statements, ensuring all transactions are reconciled promptly and accurately.

Supplier Reconciliation Reports

- Produces comprehensive supplier reconciliation reports to ensure all accounts are balanced and discrepancies are addressed efficiently.

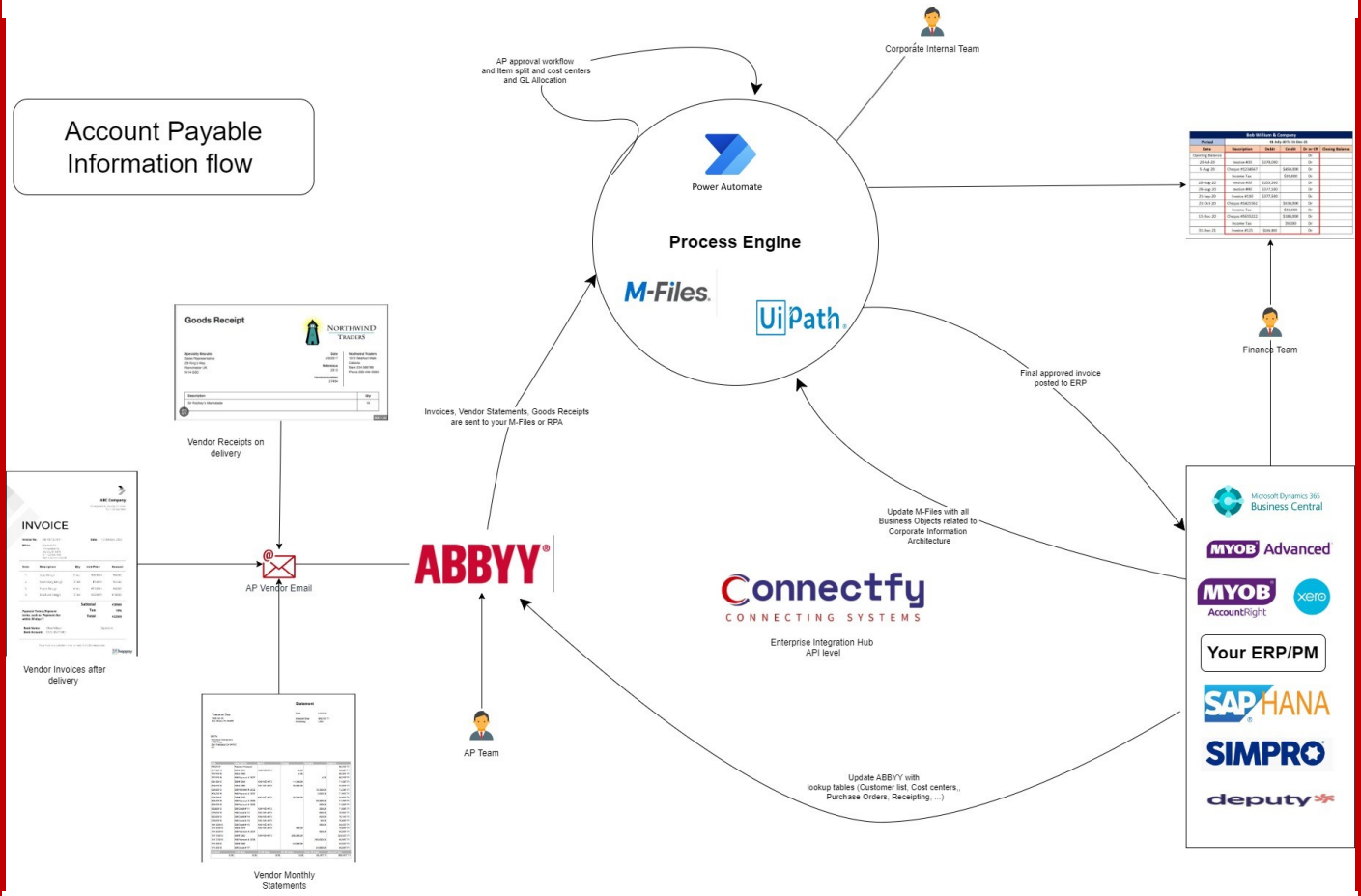
Technology Overview

Intelligent Document Processing:

ABBYY Vantage and FlexiCapture are designed for intelligent document processing, enabling accurate data extraction from invoices and other AP documents. For more information (ABBYY Vantage) (ABBYY FlexiCapture)

Integration Hub:

Connectfy.net acts as an enterprise integration hub, facilitating seamless communication between various business tools, including ERPs, CRMs, and CMSs. For more information Connectfy.net



Enterprise Content Management

Provides robust document management and automation capabilities, ensuring efficient handling and storage of AP documents. This could be M-Files

To Utilizes robotic process automation (RPA) to handle repetitive AP tasks, such as data entry and approval workflows, improving efficiency. This could be either UiPath or Power Automate

ERP Integration:

Examples include Microsoft Dynamics 365, MYOB AccountRight, MYOB Advanced, and Xero, which ensure seamless integration with AP automation tools for a unified financial management system. Examples include (Microsoft Dynamics 365, MYOB AccountRight, MYOB Advanced, Xero)

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Increasing customer competitiveness by securing your suppliers cashflow



| Focus on Strategic Tasks



| Cashflow Control

Conclusion

Automating accounts payable processes with ABBYY products, Connectfy.net, M-Files, Laserfiche, and UiPath offers substantial benefits, including improved cash flow forecasting, fraud prevention, increased efficiency, and cost savings. These technologies streamline AP workflows and enhance compliance and audit readiness. Embracing these advanced solutions is a strategic move towards future-proofing financial operations and achieving greater business efficiency.

About Connectfy.net

Connectfy.net, a vanguard of digital integration, seamlessly unites business tools, enhancing communication and efficiency. Partnering with ABBYY, it offers smart document processing and data management, transforming intricate systems into streamlined simplicity. It's the nexus where data's potential is fully realized, propelling businesses towards enlightened decision-making.

For more information, visit Connectfy.

Call to Action

Businesses are encouraged to evaluate their current AP processes and consider the benefits of automation. For further consultation and to request a demo, please contact us Connectfy.net

(I have a dream)

About Kiwi Systems

Kiwi Systems specializes in intelligent document processing and accounts payable automation, offering cutting-edge solutions that enhance financial operations for businesses. With a focus on streamlining processes, Kiwi Systems integrates advanced technologies like ABBYY Vantage to automate and optimize AP workflows. Their comprehensive solutions, including the Smart Financial Suite, are designed to complement existing ERP systems, ensuring seamless, efficient, and accurate financial management. Kiwi Systems is dedicated to helping businesses reduce manual effort, improve cash flow, and maintain compliance through innovative automation.

For more information, visit Kiwi Systems.