EchoVera

2019

# AP Automation ROI
FACT SHEET

ROI

AP Automation ROI

Key Questions & Data Used for ROI Calculation

The following data is collected in order to determine an AP Automation ROI. Although not exhaustive, it gives an idea of the type of information that is used to create a comprehensive business case.

Invoice Volume & Format

- What is the current annual invoice volume?

- Of the invoice volume stated above, the percentage of invoices arriving in paper form are?

- Percentage of invoice volume that is email?

- Percentage of invoice emails that are image PDFs (instead of data PDFs)?
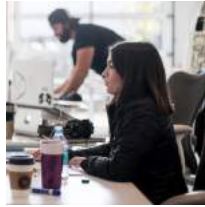
AP Employees

- Number of full time employees who process invoices ?

- Number of part-time employess who process invoices ?

- The annual fully loaded cost per full time AP employee?

- The annual fully loaded cost per part time AP employee?

Approvers

- For approvers who are not employed in AP, the average annual loaded cost?*

  * If an approver is making $75,000 per year, and spends 2 hours reviewing an invoice or hunting for information, this adds to the total cost of manual invoice approval across the organization.

Time Tasks Used for Cost Calculation

- Opening mail and sorting invoices

- Printing emailed invoices

- Distributing invoices for approval

- Data entry

- Invoice Filing

- Invoice Searching

- Emailing hard copy invoices to data capture email account

- Verifying/validating captured data

- Filing/receiving info for PO invoices

- Pulling receiving info for PO invoices

- Attaching email approvals/ verifying non-PO invoice coding

- Coding & verifying invoices

- Vendor Inquiries

- Internal Inquiries

- Approver invoice handling, review and distribution

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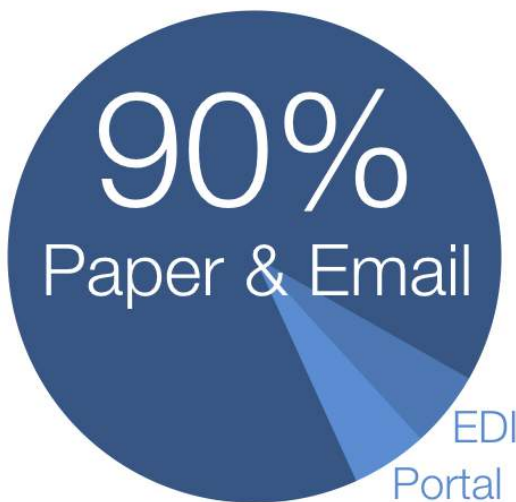
AP Automation ROI

## Industry Stats for Capturing & Entering Invoice Data

Third party reports from the field confirm the challenge organizations face when capturing invoice data. 80% to 90% of invoices received by both medium and large size companies is either paper or email.

As well, a larger proportion of companies still input invoice data manually.

How Companies Receive Invoices

90%
Paper & Email

EDI
Portal

How Companies Enter Invoice Data

75%
Manually
by AP Staff

Other
Methods
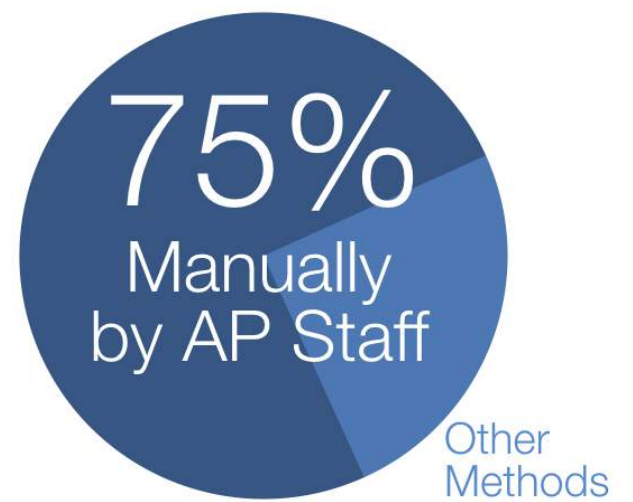
Industry Stats for AP Automation

According to research conducted by many third party analysts, the cost to process one invoice averages $12. In general, AP automation technologies reduce that cost by about 75%.

Processing time is also reduced with AP automation.

If PO matching technology is used, processing time can decrease even more substantially, given that the average time devoted to manually matching just one supplier invoice is 15 minutes.

BEFORE
AP Automation

9
DAYS TO PROCESS
ONE INVOICE

$12
COST TO PROCESS
ONE INVOICE

AFTER
AP Automation

3
DAYS TO PROCESS
ONE INVOICE

66%
REDUCTION
IN TIME

$3
COST TO PROCESS
ONE INVOICE

75%
REDUCTION
IN COST

15 minutes   AVERAGE TIME IT TAKES TO MANUALLY MATCH ONE SUPPLIER INVOICE TO A PURCHASE ORDER OR GOODS RECEIPT

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How The **AP Automation Process** Works

1 **Intelligent OCR:** AI and automated processes scan both paper and emailed invoices (in any format), capturing all relevant data.


Supplier Invoices

Intelligent OCR intuitively detects/learns unique supplier invoices based on their respective layouts, and then scans/imports the data. It also intuitively performs field mapping and tags each field, storing the information in a database.

2 **AP Workflow:** Invoices are gathered into a central dashboard, and can be automatically sent to managers to code and/or approve.
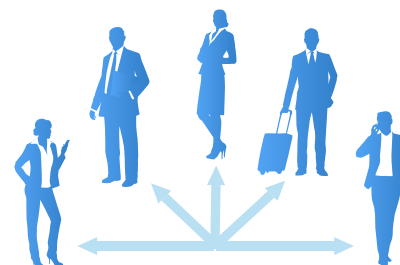

Administrators can also do ad hoc workflow routing – no coding! Invoices or line items are flagged if necessary. Once approved by the user, invoices are sent for recording in your ERP.

3 **3 Way PO Matching:** Internal and external purchase orders, supplier invoices, and goods receipts are automatically matched.

Invoice   **3**   *Purchase Order*

Goods Receipt
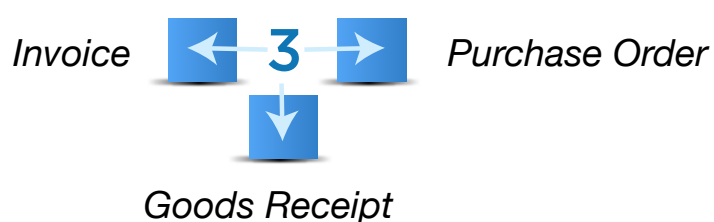
Exceptions are flagged for reconciliation and routed to the appropriate approver. An audit trail keeps track of each step in the process.

4 **Recurring Invoices:** Repeat invoices are matched to account numbers or contracts, posted to the proper charge codes and sent for recording in your ERP.
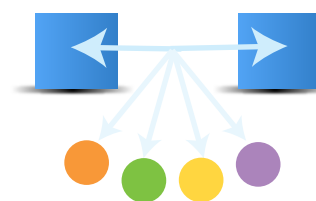
Reminders are sent when a contract is about to expire. If required, expenses are split amongst different departments.

5 **Archive & Audit:** A step-by-step documented history of all invoice transactions are recorded, including communications between internal staff and suppliers.

A powerful searchable archive provides a historical reference for auditing purposes.

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>AP Automation

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Seamless Integration
with Your ERP

EchoVera solutions integrate with over 50 popular ERPs
including NetSuite, SAP Business One, SAP, Oracle E Business Suite,
Infor, Intacct, Sage, Dynamics, Epicor and more.

Recommend Rating
★★★★☆ **95%**
Palette Software

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