Quick Guide

ACCOUNTS PAYABLE

Thinking of Automation?

Let's **DO** it in just 4 weeks

The journey of convergence between Intelligent Automation and Accounts Payable

Automation is not new. In a way to help and augment human capabilities that only humans can do, we invented automation. Since the mid-20th (1940's onwards) century, we have been using it in various ways and means in various parts of the world in varied intensities. Since the advent of technology, machines are becoming more and more intelligent. We started to feed intelligence to machines which is the paving way for the inception of Intelligent Automation. And now we are at a stage where intelligent automation is a part and parcel of every human's life eg – Automobiles, E-commerce, Financial Processes, Trading, Healthcare, etc. Earlier, automating processes were constrained due to three limiting factors,

- Digitization of corresponding documents
- Limitations in connecting related applications and
- Limitations in writing complex scripts.

Accounts Payable (AP) is one the primary and most important part of any financial process. AP is a part of every organization in the world be it a small organization or a huge corporate. Accounts Payable handles invoices, PO's, contracts and numerous hard copies from multiple sources. The AP process collates and receives data and docs from multiple systems across multiple departments of an organization that may/ may not be stand alone. . That's the concept of E-invoicing was introduced and businesses started to use it comprehensively. However, one of the main challenges that most companies faced when using E-invoicing is that companies could not technologically enhance and equip their vendors with the pace. So some businesses did not see a wide success.

With advent of modern integration technologies, RPA and ML enabled cognitive abilities of digital tools Accounts Payable automation is becoming the new normal. Businesses have started to realize the huge benefits of it. In fact, this kind of crisis (CoVID 19) has made AP automation inevitable.

Burst the Myths of Accounts Payable Automation

Laborious Work: People may think that automation is a laborious set of tasks and may need a lot of resource time. But, in reality every automation tool provider gives simplified methods for assessment, design and delivery which makes it quite straightforward and fast. There are already best practices that are followed to make the implementation easy.

Complex Technology: Automation tools are complex and need skilled resources to work on it. However, today's RPA tools are quite visual and have a plug & play libraries. The tools and platforms are created in such a way that even an amateur tech person with basic technical knowledge can implement it successfully with very little practice.

Longer Cycle Time: Implementation cycles are now shorter with advent of new age tools and discovery of new age software development lifecycle methodologies. It can be completed in a few weeks when we follow the right implementation methodology.

Automation is Expensive: Automationa are now more flexible. Every solution/service can be customized based on the requirement that makes the implementation more affordable. Businesses are now talking about democratizing AI and automation resulting in faster and impressive ROI. There are a lot of stories with > 200% ROI.

Cannot handle Physical invoices: Few years back, extracting information from physical invoices and images were a big challenge. OCRs were used with limited capability. No more such issues since today's machines are more intelligent and have self-learning capabilities. Tools and technologies like Computer Vision, Machine Learning, Deep Learning opened a whole new paradigm of capabilities. Computer Vision and ML models which can work even offline and pick targeted text so accurately.

Need to modify legacy applications: RPA tools are non-intrusive and there is no need to modify any of your existing applications.

Challenge of connecting with external applications: Accessing and integrating with external systems is much easier with APIs.

Automation results in Job cut: Matured companies view automation as a baby step to Digital Transformation and focuses on efficiency building, enhanced customer interface and new revenue channels. All these need your existing employee's business knowledge and experience to handle the new tasks from Digital Transformation. So people end up doing more value added tasks than just doing mundane repeated tasks.

The 4 week model of implementing Accounts Payable Automation

RPA OEMs have devised proven implementation cycle frameworks. They are rigid to make the implementation systematic at the same time and allow a lot of varying custom needs within this framework. It is a simple 4 step process, much similar to a typical Software Development Life Cycle. Let us see these steps.

Week 1

Process Assessment

Capture requirements: Each organization might have few custom variations of Account Payable Process. Just map the whole process involving the business users and stakeholders. Just listen to their pain points and wish list.

Process Definition Document: Record your observation in a standard Process Definition Document. The expected result and benefit needs to be assessed and documented. Also include the judicious assumptions you make. Get it signed off with all the stakeholders.

Clarity on what is not covered: Though everything can be automated, there could be one or two steps that may be too tedious to automate. Make a conscious decision to skip. At the same time, have a clear plan on how to handle it.

This exercise could be completed even within a week's time.

4 Week Model

01 Process Assessment

02 Design

03 Build & Test

04 Deploy & Operate

AP AUTOMATION

Design

Design: Architect the solution based on the process definition document you have prepared. Select your RPA tool considering adequacy, future scalability and price. Carefully avoid over design. Do not pay for more than what you require.

Plug-ins: You may want to use a data extraction tool for physical invoices. Lot of tools claim to do the job but come with its own price tag. Most RPA OEMs have their technology partners bringing this capability. However, you always have an option to choose stand-alone tools that just provide the extraction capability you need with much more efficiency but costing you much less per invoice.

Integration: Integration design needs to consider availability of API. Please provide for additional time if there is a need for Custom developed APIs.

Build and Test

Convert the Design into a workable program using the development kit given by the Automation tool supplier. In addition to their libraries, most of the suppliers provide readily available task bot programs also. For example, there are bot programs for accessing email,

downloading an attachment, etc., Use them as much as possible to complete the build faster.
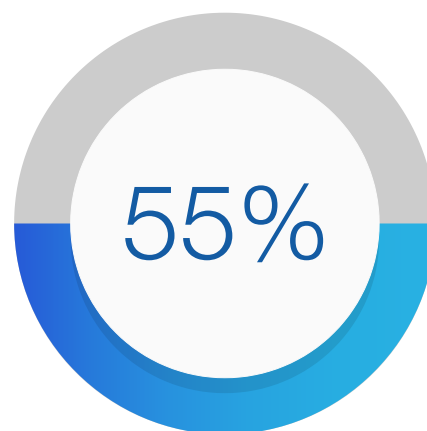
Create test cases covering all possible scenarios and carry out internal testing. Use stubs wherever required for simulating linked applications.

Training the data extraction tools may take time if the scenario is complex. Please plan for it.

Deploy and Operate

Install in a UAT environment and execute all the test cases carefully. Ask the real end users to carry out the test from their own point of view. After necessary refactoring, go for a production run.

55%

of businesses now see AP as "very" or "exceptionally" valuable to the enterprise as a whole

AP AUTOMATION

Why do some projects take more than 4 weeks?

All said and done, there could be situations where certain complexities could take more time and exceed planned 4 week. More varieties of physical invoice formats, hand written documents, non-availability of digital inputs, standalone systems which do not provide APIs, too many applications connected, etc., However, this additional time is worth spending as the benefit derived will be much more than simple processes.

In the current Digital age, the above scenarios are rare. And you will be able to complete within 4 weeks.

Cost to process a single invoice

$12.60
Manual

$2.18
Automation

Time to process a single invoice

10.8 days
Manual

2.9 days
Automation

There are several obstacles that AP teams need to overcome. A high percentage of exceptions during invoice processing is the top-ranking issue for AP teams, with **62%** *of survey respondents naming this the top AP*

Why and where can Changepond help you?

We are a 20 year old organization specializing in Digital Transformation and Software Services. Through our years of our experience and expertise in various technologies, tools and platforms, we have established our Centre of Excellence (CoE) in Intelligent Automation. Our CoE specializes in the full suite of automation helping businesses across domains, across business processes, across applications, across tools in their automation journey.

Our end to end services in Accounts Payable automation involves our expertise in tools and technologies like Artificial Intelligence – Machine Learning, Computer Vision, Robotic Process Automation, BPM, Integration Solutions, Data & Analytics and more. We do both consulting as well as implementation & support. Please reach out to us.

How to reach out to us?

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