

Three Ways Small-to-Medium Businesses Can Benefit with AP Automation

Introduction

Accounts Payable (AP) is a fundamental activity for all businesses. No matter what industry you are in or how big or small your organization is, you can bet that there is an AP function at work paying the bills. As a result, nearly all organizations share a common opportunity; and that is to automate and streamline their accounts payable activities. Improving the process through automation is a benefit that all organizations can capture.

As a result, more and more business owners and financial managers are looking to digital transformation to help transform their accounts payable process with automation. According to the [AIIM 2019 State of the Industry Report on Content Services](#), 34% of the companies we surveyed said that they would be focusing their digital transformation efforts on their accounting and finance functions. And 22% are actively evaluating pre-packaged core business applications for AP, HR, and contracts.

Which processes are the focus of your Digital Transformation efforts? (check as many as apply)



We most often evaluate the benefits of AP automation in terms of saving time and reducing manual labor costs. But is there more opportunity to be found by examining how you can use AP automation to capture more revenue and bring additional value to the organization?

Here are three ways small and medium-sized businesses can benefit with AP automation that you may not have considered.

1 Early Pay Discounts

How much money is lost to your organization each year by the inability to capture these discounts? Automation enables quicker payment, within 30-60 day discount windows, that unlock an additional stream of revenue that would be lost to the organization otherwise. As a result, AP automation works to increase profitability by taking advantage of early pay discount incentives with greater predictability. And the reduction or elimination of late payment penalties is also another profitable reason to automate.

2 Improve Supplier Relations

All companies depend on their vendors and suppliers. As a result, your approach to suppliers

needs to be part of your digital transformation plan. Almost every business, whether product- or service-oriented, is dependent on partners and suppliers. AP automation helps ensure vendor satisfaction by managing and processing accounts payable faster and with more accuracy. A happy customer is a repeat customer, and the same holds true for the suppliers who help keep your business running.

3

Business Intelligence and Insight

AP automation allows small and mid-sized businesses to more accurately predict financial outcomes because it provides greater visibility into the process. AP professionals are better able to eliminate invoice processing bottlenecks, focusing on those accounts that need attention and improve cash flow. Owners and executives have a clearer picture of where the business stands financially and can respond with increased agility and success to the strategic and market demands of the business.

Is there more opportunity to be found by using AP automation to capture more revenue and additional value?

From a Cost Center to a Value Center

Small and mid-sized businesses are finding advantage in automating core activities like Accounts Payable, Human Resources, or Contract Management. The goal is not to simply eliminate headcount; but to instead empower knowledge workers to transform their teams from a cost center to a value center. Automating AP is a good example and it makes good business sense for companies to

invest in technologies and methodologies that will remove undue administrative burden and empower their employees to perform in ways that bring more value – and untapped revenue – to the organization.

Moving Forward

How can you capture the benefits of AP automation? It will take the right tools and the right focus to be successful. The good news for SMBs today is that developers and suppliers are offering niche solutions that are designed specifically to automate accounts payable and other core business processes. These next-generation solutions combine the power of document and data capture with process automation and case management capabilities that really make a difference... and don't require enterprise-sized budgets and support teams. Look for providers and partners with the right mix of expertise, experience, and vision to enable you to make the most of AP automation.

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