applexus
innovate to transform

applexus
InSITE
Transforming Account Payables

# Transforming Accounts Payable Work Flow

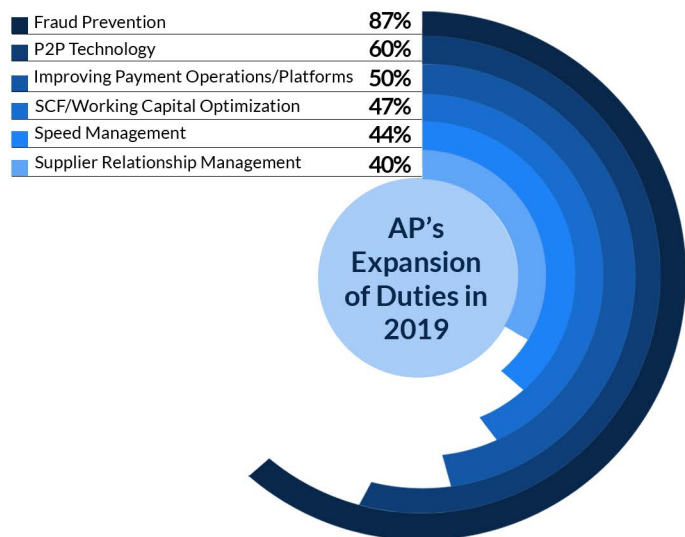*An Accounts Payable Solution with an Intelligent, Automated & Easy to Manage Process Flow*

# Introduction

Enterprise invoicing begins with the verification of purchase bills to the release of payment on time. This process involves a couple of quality practices such as data accuracy verification, bill validation, compliance, and timely invoices processing.

Thus a streamlined accounts payable process is crucial to overseeing the cash flow of enterprises of all sizes. The high number of invoices and the diversified modes of inflow have been turning into a challenging process. Often, organizations experience sizable disruptions in their accounts payable workflow due to an insurmountable amount of work. Thus they fail to close the payments before the due dates and suffer inadequate payment processing cycle.

| | |
|---|---|
| ■ Fraud Prevention | **87%** |
| ■ P2P Technology | **60%** |
| ■ Improving Payment Operations/Platforms | **50%** |
| ■ SCF/Working Capital Optimization | **47%** |
| ■ Speed Management | **44%** |
| ■ Supplier Relationship Management | **40%** |

**AP's Expansion of Duties in 2019**

(Role of AP Today)

*By 2025, 50% of business-to-business invoices worldwide will be processed and paid without manual intervention.*

Today's account payable departments are more of a financial control center of organizations coordinating and analyzing critical business processes. Successively, accounts payable of this age account for enhanced quality assurance, policy compliance, analysis, and reporting inside organizations.

Applexus introduce InSITE for the intelligent invoice processing that transforms enterprise accounts payable workflow smart and easy. Accompanied by AIDER (Applexus Intelligent Data Extraction and Recognition) technology, InSITE eliminates the manual process and automate the accounts payable tasks with high data quality and accuracy.

This whitepaper gives you better insight into what Applexus InSITE can and how it can add value to your business processes

Image is uploaded → Automated quality check → Automated data extraction using AIDER → Reviewing manaully → AP process completed

# High Process Cost, Sluggish Payment Process, & Inadequate Data Quality are the haunting challenges in the manual Accounts payable process.

## 3.6%

**In manually entered invoices, there is a chance of a 3.6% data error.**

*Accounts Payable Association

(https://www.ap-association.com/facts-statistics/)

## 24.7%

**Only 24.7% of invoices are submitted electronically.**

*Ardent partners

(https://www.prgx.com/wp-content/uploads/2019/02/Ardent-Partners-AP-Metrics-that-Matter-eBook-PRGX-FINALa.pdf)

## 39%

**Invoices take a long time to approvals and create a bottleneck.**

*Ardent partners

(https://www.prgx.com/wp-content/uploads/2019/02/Ardent-Partners-AP-Metrics-that-Matter-eBook-PRGX-FINALa.pdf)
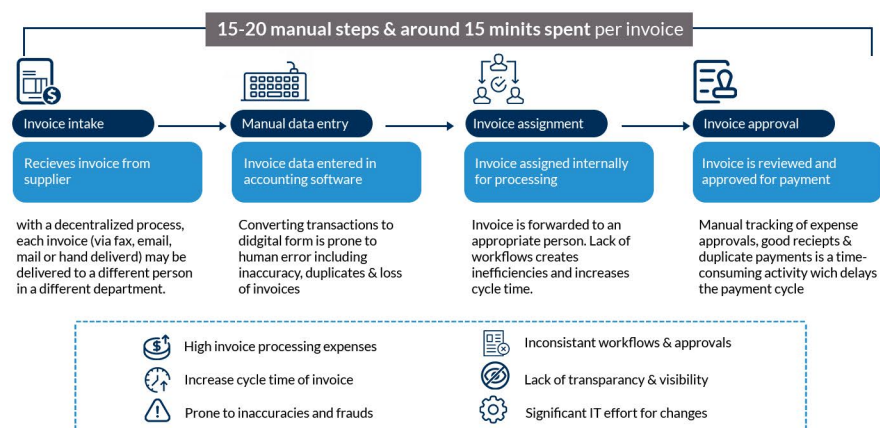
# Problem

The manual accounts payable process poses myriad challenges such as cost overhead, quality instability, low speed, and inadequate efficiency to organizations.

- AP team spends significant time sorting, scanning, and entering data from paper/electronic invoices

- Converting transactions to digital form is prone to human error, including inaccuracy, duplicate payments & loss of invoices

- Lack of workflow approvals leads to inconsistency in the invoice processing

- The multi-staged approval process requires multiple reminders, which delays payment

- Late payments result in missed vendor discounts

- Invoice fraud remains an ongoing issue in theaccounts payable

- Medium businesses are exhausting their efficiency and resource capacity

- Remote work is complicated for the employees working in payables operations

- Invoice error resolution requires significant cost, effort, and time

- A single invoice has to undergo 15 manual steps to post

* Gartner How Supplier E-Invoicing Software Product Managers Can Use a Value Map to Gain Competitive Advantage (How Supplier E-Invoicing Software Product Managers Can Use a Value Map to Gain Competitive Advantage (gartner.com)

## Challenges with Standard Ap Process

**15-20 manual steps & around 15 minits spent per invoice**

**Invoice intake**
Recieves invoice from supplier

**Manual data entry**
Invoice data entered in accounting software

**Invoice assignment**
Invoice assigned internally for processing

**Invoice approval**
Invoice is reviewed and approved for payment

with a decentralized process, each invoice (via fax, email, mail or hand deliverd) may be delivered to a different person in a different department.

Converting transactions to didgital form is prone to human error including inaccuracy, duplicates & loss of invoices

Invoice is forwarded to an appropriate person. Lack of workflows creates inefficiencies and increases cycle time.

Manual tracking of expense approvals, good reciepts & duplicate payments is a time-consuming activity wich delays the payment cycle

- High invoice processing expenses
- Increase cycle time of invoice
- Prone to inaccuracies and frauds
- Inconsistant workflows & approvals
- Lack of transparency & visibility
- Significant IT effort for changes

*Manual review process explained*

# Next-generation AI-powered Accounts Payable Automation Solution.

## 56%

**AP teams believe advanced analytics and reporting tools can improve the process holistically.**

*Ardent partners

(https://www.prgx.com/wp-content/uploads/2019/02/Ardent-Partners-AP-Metrics-that-Matter-eBook-PRGX-FINALa.pdf)

# Now Available at SAP Store

Available on **SAP Store**

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## Get InSITE

Applexus InSITE (Applexus Intelligent Supplier Invoice Transformation & Enablement) goes beyond the standard accounts payable process. It fully automates vendor invoice processing from receipt to payment while resolving exceptions and approvals. Applexus InSITE offers preconfigured invoice management processes based on best practice and offers suppliers multiple channel options for their invoice submission.

This AI-enabled Accounts Payable Solution with an easy-to-use user experience within SAP simplifies the process. It helps the accounts payable executives to streamline more than 15 manual steps involved with a typical invoice processing and helps bring down the time associated from 20 days to just three days.

Further, it eliminates manual data entry, prone to human errors by using intelligent data extraction and automating invoice validation and exception handling. InSITE enables accounts, payable executives to detect and remediate errors like duplicate invoices early in the invoice process flow without going through the multi-level approval.
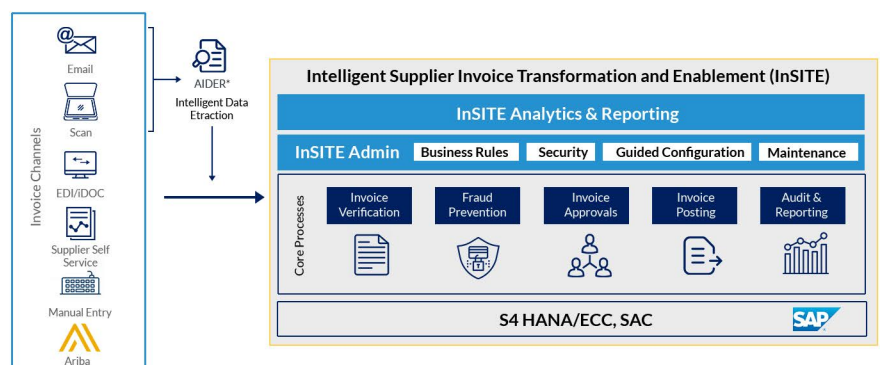
## Leader's thought about InSITE

"InSITE offers an automated end-to-end supplier invoice management solution. It has a simple and intuitive user experience within SAP, which makes it easy for business users. A true transformation opportunity for accounts payable ."

**Maha Teresa Feghali,**
Executive Advisory, Intelligent Enterprise Architecture, SAP

## Applexus InSITE - Architecture



Invoice Channels: Email, Scan, EDI/iDOC, Supplier Self Service, Manual Entry, Ariba

AIDER* Intelligent Data Etraction

**Intelligent Supplier Invoice Transformation and Enablement (InSITE)**

**InSITE Analytics & Reporting**

**InSITE Admin** | Business Rules | Security | Guided Configuration | Maintenance

Core Processes: Invoice Verification | Fraud Prevention | Invoice Approvals | Invoice Posting | Audit & Reporting

**S4 HANA/ECC, SAC**

*AIDER - Applexus Intelligent Data Etraction and Recognition

- *Touchless Invoice Processing*

- *Line to Line Level Invoice Matching*

- *Automated Exception Handling*

- *Level Based Approvals*

- *Intelligent Duplication Check*

- *Inteliigent Fraud Prevention*

## Enable Enterprisewide Consistent AP Process

### 71%

**Of Functional Collaboration can be enabled with other departments using an automated AP system in place.**

*Ardent partners

(https://www.prgx.com/wp-content/uploads/2019/02/Ardent-Partners-AP-Metrics-that-Matter-eBook-PRGX-FINALa.pdf)

# Key Feature

InSITE comes with remarkable features to offer a hassle-free Accounts payable process. Unlike the payment process's conventional methods, InSITE automates the end-to-end payment cycle with minimal human intervention. Besides, InSITE offers high accuracy and process efficiency with AI technology integration.

- Fully automated intake of invoices from multiple sources (paper, electronic, and interfaces)

- Validation routines designed to flag errors earlier in the process

- Multiple invoice processing options: PO-based, non-PO based, credit memo, lease invoices

- Applexus Intelligent Data Extraction and Recognition (AIDER) for unstructured data

- Per diem and down payment processing support

- Automated bulk approval workflows

- Support for multi-language, multi-country, and global

- Tight integration with financial systems such as SAP accounting regulations

- Automated parallel approval workflows

## Benefits

InSITE offers streamlined process flow using Intelligent Data Extraction with automated exception handling and approval workflows for vendor invoice payment processing.

- **Reduction in labor, processing costs & cycle time**
(InSITE can save over 60% on invoice processing costs)

- **Elimination of duplicate invoice settlements and overpayments**
(InSITE detects duplicate invoice payments at early stages without going through the entire workflow)

- **Reduce time & expense associated with audit processing**
(An organization (>100M) spends between $1-5M every year in auditing fees)

- **Improve productivity** for finance operations and enhance collaboration with key suppliers by improving the speed and accuracy

- **Strengthens control** to minimize invoice routing, approvals, and payments.

- **Leverage vendor discounts through awareness, tracking & visibility**
(1-2% cost can be saved on the invoice amount if paid within 10-15 days of a net 30 invoice as a discount. InSITE ensures 100% of invoices get this benefit)

- **Strict adherence in accounting processes reduces non-compliance fines**
(InSITE helps in reduction in fines by 20-50%)

# Accompanied by AIDER (*Applexus Intelligent Data Extraction and Recognition*) Technology.

- **Intelligent Data Extraction using AI**

- **Self-learning Invoice Processing Engine**

- **Minimal Human Dependency**

- **Easy User Adoption**

- **Intelligent Invoice Assignment & Easy Substitution Management**

- **Simple & intuitive UX & UI Experience**

# Technology

InSITE features industry best practices supporting the entire accounts payable lifecycle, whether the invoice is received in paper or electronic format with structured or unstructured data.

- Deep integration with finance and procurement ensuring timely and accurate error handling

- Comprehensive audit trail and access traceability capabilities

- Easy Cloud-Based deployment and support

- Secure, scalable, and easy to monitor process flows

- A flexible architecture allowing for fast and reliable integration of new mergers and acquisitions

- Seamless, customizable validation routines aligned to AP validation

- End-to-end process transparency from invoice initiation and through financial reconciliation
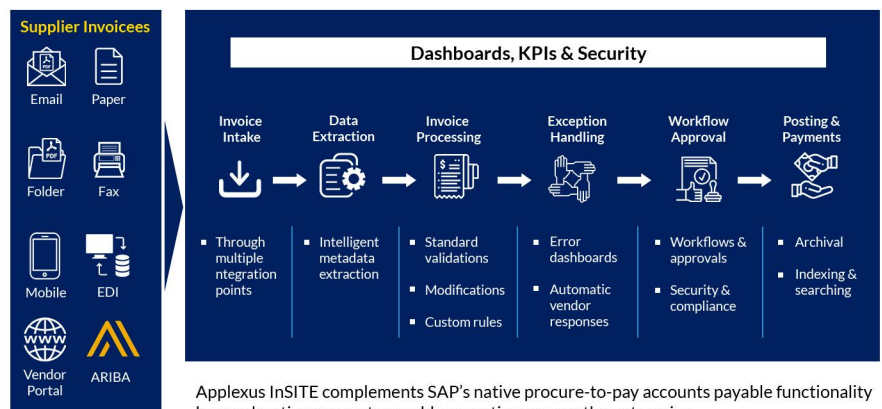
# Business Impact:

Real-time AP auditing has the most direct impact on the finance, treasury, and compliance parts of the organization. Complex spend policies are much easier to enforce when all transactions are automatically reviewed compared to manual spot-checking.

*Gartner- Hype Cycle for procurement and sourcing solution, 2020 (2020 Hype Cycle for Procurement and Sourcing Solutions (jaggaer.com))

**InSITE integrates with SAP S/4 HANA and ECC and delivers end-to-end automated vendor invoice processing capabilities to customers**

## Applexus InSITE - Fully Integrated & Automated Invoice Processing



Applexus InSITE complements SAP's native procure-to-pay accounts payable functionality by accelerating accounts payable operations acress the enterprise.

# Business Benefits

- Offers easy, intuitive tracking of invoices from receipt to payment execution, financial reconciliation, and retrieval

- Provides end-to-end visibility throughout the invoice process lifecycle

- Improves vendor management compliance, maximizing alignment between vendor negotiations and payments

- Automates invoice review, approval, and exception handling early in the payment process

- Facilitates internal and external financial auditing and reporting

- Eliminates duplicate invoice settlements, reduces processing costs, and facilitates discrepancy resolution

- Improves visibility into the procurement lifecycle, leveraging available discounts and reducing late fees

- Provides real-time analytics and reporting supporting agile decision-making and realignment of expense management when required

- Links AP and the finance departments to provide a complete financial view for CFOs while delivering a single interface for users to manage their workflow

\* Gartner, Inc. Accounts Payable Automation-(benefits of AP automation solution) [Link: Accounts Payable Invoice Automation (gartner.com)]

# Case Study

A full-service grocer based in the southeastern U.S. was looking to streamline and automate their accounts payable vendor invoice processing. The company had a massive influx of invoices through various mediums, including paper, fax, email, etc. Once received, invoices were manually entered into the accounts payable system, which resulted in increased time, cost, data entry errors, duplicate payments, and late payments.

Applexus implemented SAP S/4 Finance along with Applexus InSITE to transform the company's financial processes. Applexus InSITE enabled the company to completely automate the accounts payable invoice processes along with enhanced invoice tracking and posting, automated validations, approvals, exception handling, and comprehensive reporting and analytics.
To know more on how InSITE dramatically reduced their time and effort spent on invoice processing and improved operational efficiency, download the case study.

## About Applexus

We are an SAP Gold Partner and a global technology leader in business consulting and SAP services. Our vision of enabling innovation in business through technology, coupled with our core values of customer first, innovation, and leading with principles, propels us to develop products tailor-made to our customers' needs and capable of achieving and surpassing their expectations.