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ACCOUNTING & AUDIT

How to Become a Vendor Whisperer Using SaaS for Payables Management

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One of the many critical activities that company executives and business owners must deal with is the accounts payable department, as it is closely related to both vendor satisfaction and the bottom line. AP systems and workflows are becoming more and more automated, which is both a blessing and a curse for vendors. More automation means less errors and faster processing, but it also means less face-time and less personalized business.

The solution to this conundrum is cloud-based automation. With web-based services, the software can be accessed from any computer with the proper credentials and the information is always available and updated in real time. This not only allows for quick access to invoices and other vendor-related documents, but it also allows more than one party to be working with the vendor at once, if need be.

A surefire way to gain your vendors' attention to mend strained relations and even become a preferred customer is to bring them in closer and have them feel like they

have as much vision into your AP process as they have into their own organization's processes, maybe even more!

According to PayStream Advisors, Inc. 2012 Invoice and Workflow Automation Adoption Benchmarking Survey, 40% of companies said that manual data entry and inefficient processes are still some of the biggest challenges in the invoice [management process](#). This survey also noted that the top financial automation goals include establishing an automated approval workflow for invoices and increasing electronic invoicing. This shift towards the goal of automated approval as the most important financial goal can be attributed to AP professionals recognizing that imaging and workflow automation serve to provide viability and improve everything from cash management to vendor relationships.

Cloud-based AP Processing

Change isn't easy and switching to an automated or cloud based system requires different departments, and often times third party suppliers to get involved. Cloud based systems remove the inefficiencies that exist between companies by allowing users to easily send and receive invoices and payments, collaborate effectively, and easily share and access the information for common business processes like billing and AP.

Why is this better for your bottom line?

The financial benefits of SaaS AP processing are widely known and rarely contested. Among the most significant are:

- Faster Approvals & Processing
- Fewer Errors
- Improved Cash Flow Management
- Increased Staff Productivity

Simply, because of the time savings associated with automation, it takes fewer staff to process invoices and, consequently, you're more likely to capture discounts. According to the Aberdeen Group 2011 E-payables report, it takes the average company 10.2 days to [fully process an invoice](#). Reducing the time spent waiting for items to come in and receive approval allows the staff to focus on more thought-intensive projects that cannot be automated and add value to your organization.

Digital invoicing also reduces the chances of error, which happens frequently with paper-based AP workflows, by eliminating the human elements. Since results are

instantaneous in a cloud-based system, when mistakes do occur they can be caught and corrected quickly.

Why is this better for vendor relationships?

The importance of vendor relationships cannot be understated. If friction occurs with a vendor, organizations can be forced to spend resources on identifying and negotiating with other vendors simply to receive the equivalent working deal. However, when managed correctly, there can be significant benefits. Cloud automated AP processing removes much of the guess work and frustration that both you and your vendor may experience during the process.

SaaS AP processing solutions allow you and the vendor to have access to information 24/7. If there is ever a question with an invoice, you (or anyone in your department) can pull up the documentation on demand. This is especially useful while traveling and visiting vendors. Cloud technologies change the way you and your vendors share and collaborate throughout the process.

Digital invoices also prevent the backlog that is often associated with paper invoices. Since paper invoices are often mailed, there is a delay in receiving the invoice, progressing through the necessary workflow, and subsequently rendering payment. With a cloud-based system, this process is sped up, improving internal information flow and on-time payments.

Vendor and customer engagement is easier than ever using cloud technologies. Imagine a workflow in the cloud where a simple mouse-click can immediately alert your vendor that there is a missing delivery ticket, or an incorrect invoice amount and, instantly, they can securely log in to your AP Invoice processing system to add a copy of their delivery ticket or supply a new invoice. Then you receive an alert that you can continue processing the invoice, you review it, and off it goes for payment! No missing paperwork and no hold ups due to missed emails or calls.

Cloud-based automation of AP processing may sound intimidating but the reality is that it has revolutionized our ability to “share” and “collaborate” not only internally, but also with vendor and customer organizations. In essence, it is the glue that keeps the AP, vendor relationships, and bottom line together and operating successfully. Consider the switch from manual AP processing to an automated cloud-based AP solution, you’ll see the benefits of making information more accessible, improving workflow, and minimizing unnecessary costs today.

Jeff Frankel is Vice President of Business Development and Marketing at DocStar, a B2B software firm specializing in cloud content management and [business process automation](#). He has more than two decades experience in corporate business development, working with industry-leading firms including Authentidate Holding Corp, Med-Flash, Health Focus of NY, and Ernst & Young. Jeff offers innovative perspectives on streamlining business for improved efficiency and productivity. You can follow Jeff and the DocStar team on Twitter, [@docstarsoftware](#).

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