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Your accounts payable team's core mission is to ensure all your company's suppliers get paid on time and in full. But getting that job done regularly becomes a challenge if you've got multiple payment workflows. All the variables that you face when it comes to invoices, approvals, and payment methods can make your payment process a truly convoluted task.

Invoices keep coming in

Your payment process starts when your AP department receives an invoice—or hundreds or thousands of them. They're delivered by email, fax, or snail mail to your

office, and then perhaps reach the AP team by inter-office mail or otherwise dropped

Invoices can always get lost during this process. Temporarily missing invoices can slow down your payment process, and permanently lost invoices delay payment while an AP team member contacts the supplier to get a replacement.
If your process for receiving and dispersing these important documents isn't fully streamlined, each new invoice can present an organizational challenge. More and more companies have integrated automated document-management software solutions into their ERPs in order to both lessen their AP teams' paper-handling burden and improve payment timeliness.

Chasing approvals

Your payment approvals process may present its own headaches. Without clear guidelines for who's authorized to approve which invoices, that process can become a time-consuming mess.

Getting payments out the door can take a lot of work. In order to create a full payment record, an AP worker often needs to verify both the originator of the order and its accuracy, then track down an authorized approver by email or in person.

If you have integrated automatic approvals applied to some, most, or even all of the recurring invoices in your system, it may seem well-streamlined. But it can also pose high risks if an invoice happens to be either inaccurate or not approved by the supplier's billing team.

Madness of the methods

After approval, it's time to send the actual payment, for which you likely use one of three methods—credit card, ACH, or check—depending on your supplier's preference.

You certainly know the drill when it comes to paper check payments. For any single

If you think ACH payments are the perfect answer, think again. Between taking time to set up suppliers for payments, managing their payment data, and protecting against payment failures and fraud on an ongoing basis, ACH has lots of potential hidden-cost pitfalls.

Payments predicament

So what do your payment workflows look like?

Maybe you send out paper check payments for certain emailed invoices that were signed-off by only one authorized approver.

Maybe you need to make an ACH payment on a snail-mailed hard-copy invoice that you've already lost twice in the office and for which you need two approvals. Or perhaps you key in credit card info for a couple of payments as a special request for premium suppliers.

Maybe you do all of the above. That's a lot for you and your team to track—and that's not taking into account the occasional hazard of duplicate or late payments. Finally, if your company has multiple locations or ERPs, or deals with more than one bank, it all gets even more convoluted.

The bottom line

Even if your team copes with just one of the above payment workflow conditions, you're spending time enabling inefficiency and unnecessary costs. Payment automation lets you simplify your process by consolidating all your workflows into one. All the variables connected to invoices, approval rules, payment methods, multiple locations and more get handled more easily for every one of your payment runs. If you're not considering automated payments, it may pay off to explore what's holding you back.

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