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## ACCOUNTING & AUDIT

# How Cloud-Based AP Automation Supports Business Continuity

Cloud-based AP is becoming an essential ingredient in modernizing and digitally transforming financial operations, while also insulating companies from business disruption, so companies can stay afloat...

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Over the years, cloud computing has proven its cost benefits, competitive advantages, flexibility, and efficiencies over the traditional way of running a paper-chase enterprise. Nearly three-quarters of businesses are already using cloud automation in one form or another while others are preparing for its adoption. In the cloud, no local data storage is required and everyone has access to information in real-time from their computers or mobile devices, regardless of time zone and location.

Working in the cloud ensures business continuity to keep businesses up and running, by safeguarding the data – the business lifeblood — against scenarios that threaten to disrupt operations. Innovative applications and software, such as a cloud-based AP system, make it possible to access large amounts of data over a secure online network.

This has become particularly important in the face of natural disasters – or, more recently, during unprecedented scenarios such as the COVID pandemic. After Hurricane Maria in 2017, businesses relying on cloud technology in Puerto Rico used the cloud to continue to move forward despite the disaster conditions around them; likewise, companies following social distancing measures due to the COVID outbreak have been able to leverage the cloud to work productively in their homes or via remote locations.

### **All-Weather Protection of Company Data**

Each season brings its share of hazardous weather conditions. From earthquakes and blizzards to hurricanes and floods, these natural disasters can bring down buildings, destroy data, and displace a workforce of hundreds or even thousands of employees. These losses can put a company out of business and/or lead to dire financial circumstances, such as bankruptcy.

When Hurricane Maria came knocking down Puerto Rican doors, companies benefited from the cloud. Despite the devastation that decimated the island's infrastructure and brought about a dire loss of life, there was a glimmer of positivity as both large and small Puerto Rican businesses began to pick up the pieces. In instances where data was secured in the cloud, it remained available and accessible, so teams could collaborate even if physical work locations were inaccessible.

AP automation also hardens systems against post-COVID era fraud. During the pandemic, a host of new suppliers and new orders flooded AP departments while also unwittingly subjecting them to greater fraud risk. AP automation can assist with fraud mitigation by helping flag duplicate invoices while assisting with

reconciliation by acknowledging inventory receipts via three-way matching. Moving forward, it will be important for companies to have consistent controls enforced by AP automation such as multi-factor authentication, which requires users to verify their identities with at least two types of credentials.

### **Cloud Flexibility Ensures Business Continuity and Competitive Advantage**

The business world moves faster and becomes more competitive every day – cloud-based operations enable organizations to be more agile and nimble. Plus, adopting modern cloud-based technologies that streamline access to data and workflows helps attract millennial talent to help companies become even more competitive. In addition to attracting new talent, companies operating on cloud-based systems have the advantage over competitors working with on-premise data management methodologies when it comes to dealing with issues that may arise due to staff changes, policy updates, and more.

In the financial process, every role – from valued AP team members to the C-suite – is vital to keep the business running smoothly. However, there will always be times when people get sick, travel, or leave the office for extended periods of time. In more severe circumstances, events such as natural disasters and pandemics can leave teams completely displaced. Cloud-based AP automation can mitigate these business continuity and collaboration concerns since data is instantly accessible via an Internet-enabled computer, laptop, mobile device or smartphone. For example, with AP automation software, necessary approvals can be immediately completed, ensuring timely payments and the ability to take advantage of early-payment discounts.

AP automation can also assist businesses in immediately identifying suppliers in affected areas as well providing access to reports on invoices from critical suppliers and how outstanding liabilities affect current cash flow status. Having access to this data helps companies mitigate the impact of disasters close to home or afar.

### **Cost-Effective Operations to Weather Any Storm**

AP automation tackles mundane manual tasks to improve the working conditions and strategic position of everyone in the AP department. This is beneficial even during periods of “business as normal.”

Financial storms are inevitable for even the most successful organizations, due to the many business and market factors as well as changes in tax regulations that may

impact the bottom line. Savvy businesses can prepare to weather any type of storm with cloud-based AP automation. As well, organizations can save money by reducing the use of paper and manual tasks associated with old-school data processing methods as well as improving accuracy and improving both transparency and predictability into the business's core financial data.

In this way, cloud-based AP is becoming an essential ingredient in modernizing and digitally transforming financial operations, while also insulating companies from business disruption, so companies can stay afloat – even when everything tangible has washed away.

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