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## FIRM MANAGEMENT

# How Technology Can Empower Firms to Cut Costs and Future-Proof Business During Tumultuous Times

As economic conditions continue to unfold, investments in digital transformation, including back-office automation, continue to rise. Organizations of all sizes realize they can't afford to rely on the old ways of doing business and are turning to ...

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*By Kelly Vicknair.*

Recent news of [hiring freezes](#) and rumors of a looming recession have firms taking a closer look at how they run their business.

While [record](#) high inflation and economic uncertainty may compel them to make rash, sweeping decisions (like dreaded lay-offs), there are more powerful ways to protect the business by controlling operating costs. It's all about optimizing the back office and leveraging advanced technologies to create efficiencies that help firms do more with less.

Here's a look at how automation technology can transform the back office by modernizing the time and labor-intensive accounts payable (AP) processes your firm relies on to run the business, saving significant money while also helping to future-proof during these economic woes.

### **Transforming the back office with AP automation**

The importance of modernizing the back office came into the spotlight during the early days of the pandemic when many AP departments were forced to work from home and learned first-hand how critical their responsibilities are to business continuity.

Without access to offices—and the file cabinets, mail room and printers AP staff relies upon—vendor and supplier payments are at risk for delay, leading to higher processing costs, lost opportunities for early payment discounts, and strained relationships.

Firms that turned to cloud-based, automated AP solutions to ensure access to their invoices and enable prompt payments from anywhere, at any time, realized technology provides not only real-time, remote access, but also improves the business by creating efficiencies, improving accuracy, providing tighter security and control, and offering better visibility.

Automated AP solutions work by leveraging artificial intelligence (AI) and optical character recognition (OCR) to replace manual, time-intensive invoice processing and bill pay tasks and eliminate the procedural pain of the paper-based processes—no more keying in data from volumes of invoices, chasing approvals or stuffing envelopes to mail checks.

Integrated within existing accounting software, end-to-end AP automation matches invoices to purchase orders and receivers and executes fast accurate payments. The finance department, and anyone else who can benefit from access, has real-time visibility into payment status, from a central location, empowering them to better manage their organization's cash flow and help guide important decisions about its future.

### **The economic benefits of back-office modernization**

In addition to these benefits, automating AP offers cost savings in multiple ways. It saves firms the hard costs associated with processing paper payments—including the costs of checks, envelopes and postage for payments—as well as soft costs, including the time it takes employees to manually enter data and manage approval workflows for scores of invoices each month.

**Goldman Sachs** estimates that automating the work can whittle the average total cost per invoice from approximately \$22 when handled manually to just under \$7 when automated, roughly 60-70 percent in net savings.

Automated solutions also provide more cost-efficient alternatives to paper checks, saving up to **\$26** per check issued, offering e-payment options like ACH and virtual cards to pay suppliers quickly and securely.

There's also economic benefit to be had from enabling AP staff to take on greater workloads without the need for additional headcount, which enables growth. Freeing employees from manual tasks also empowers them time for more strategic work, like strengthening supplier relationships and identifying new opportunities. They can also take advantage of the increased visibility automated solutions provide to help their firms create more accurate forecasts and optimize working capital, ultimately helping improve the bottom line.

## Automating for the future

As economic conditions continue to unfold, [investments](#) in digital transformation, including back-office automation, continue to rise. Organizations of all sizes realize they can't afford to rely on the old ways of doing business and are turning to technology for help.

Technology can play a powerful role in strengthening business and counteracting economic conditions that are out of our control, helping firms avoid life-changing decisions like lay-offs by creating efficiencies to cut costs. They'll also benefit from better visibility to monitor cash flow and guide decision making and will empower their teams to do more with less while becoming more strategic advisors to their organizations.

You can kickstart or accelerate modernization by partnering with a trustworthy technology provider who offers expertise and a commitment to helping your business solve today's problems and address future challenges as they evolve. Transforming the back office is a powerful place to make a difference.

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