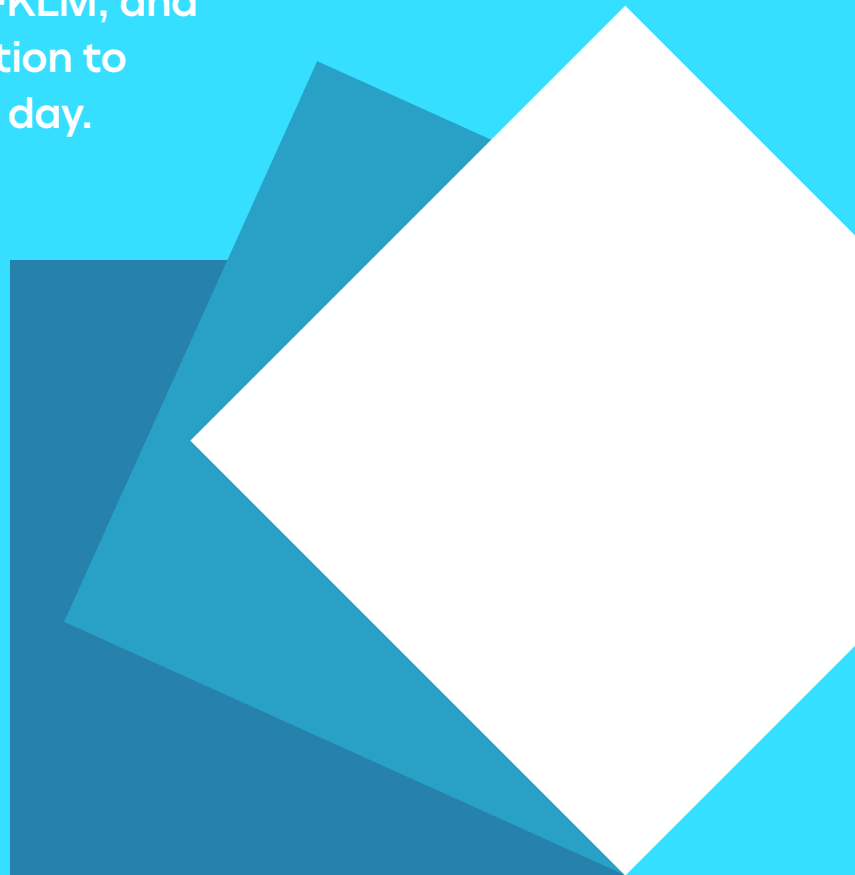Tradeshift®

Accounts Payable (AP) Automation Software

Tradeshift is the fastest growing networked accounts payable automation platform in the world. Buyers at businesses like DHL, Air France-KLM, and Volvo use our AP automation solution to settle thousands of invoices every day.
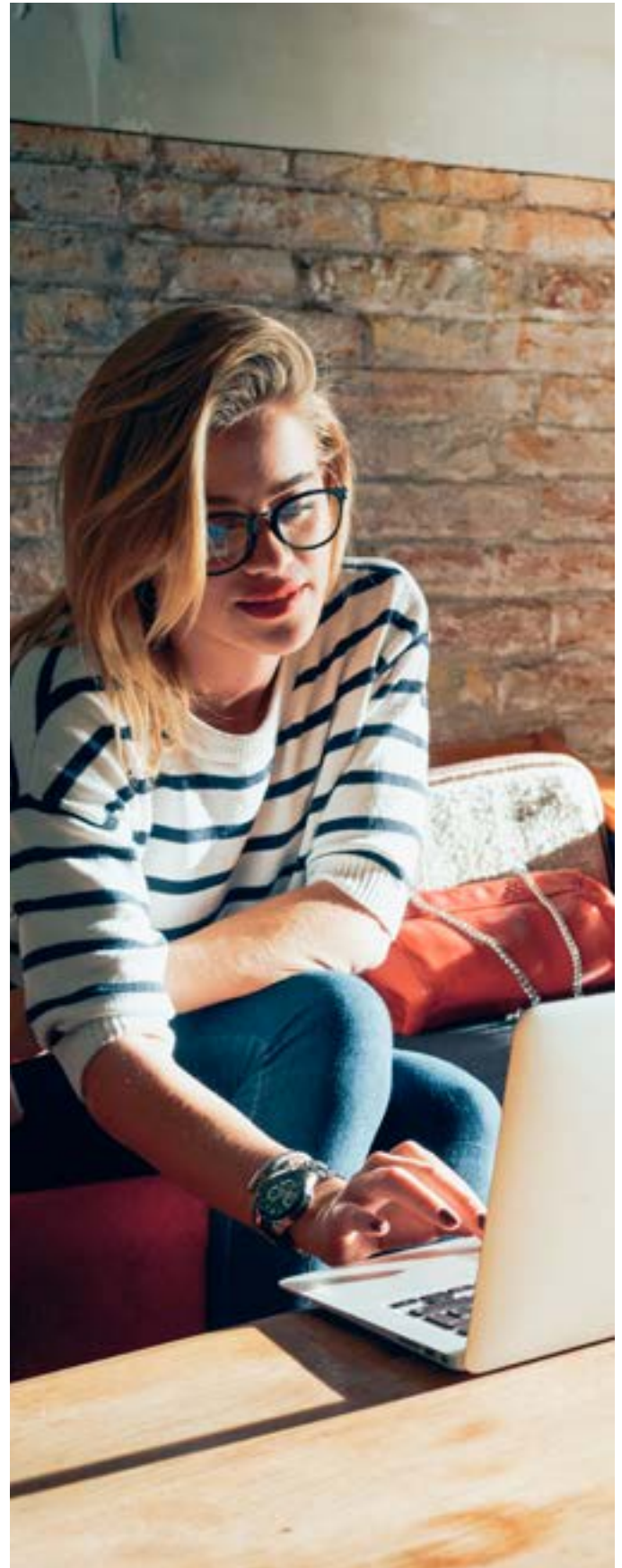
What is AP (Accounts Payable) Automation Software?

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AP automation or accounts payable automation is one result of digital transformation and it's made possible by cloud-based software solutions that digitalize the accounts payable process. The starting point is typically moving from a manual invoice handling process where all tasks are manual, to an electronic process where data entry is reduced and finally, to an automated process, where tasks are eliminated. With increasing levels of automation, accounts payable teams can focus on more strategic imperatives.

Essentially, AP automation significantly reduces the time and labor involved in paper-based manual accounts payable invoicing, as well as reducing the risk of costly human errors. Better control, increased visibility and higher efficiency are the goals of accounts payable automation.

Accounts payable is one of the most essential functions in any organization and as such, the team resources should not be wasted on low value tasks. Your skills and financial knowledge go way beyond filling in spreadsheets and checking whether invoices have been paid. Too many businesses waste time hunting down invoices and using skilled accounting staff on data entry. AP automation puts an end to all of the monotonous "busy work" and frees up financial talent for more strategic work.

How accounts payable automation helps your company to succeed

With AP Automation, you can modernize your accounts payable process with improved control, better visibility and increased efficiency. All of these lead to lower transaction costs and cost savings.

AP automation software solutions give you a single environment where you can see every invoice and every payment at any time. This means you can keep better, more accurate tabs on your invoice approval process and any potential bottlenecks to on-time payment.

Visibility into payments and payment automation similarly provide many benefits. Without doubt, digital payments offer lower costs over payment by check. Digital payments may even become a revenue source if/when payment is made by vCard. Most importantly for your AP team, payment visibility can be given to your suppliers thereby eliminating the likelihood of having to spend time handling supplier inquiries (as much as 25% of an AP manager's time can be spent taking calls from suppliers).

What are the main benefits of AP invoice automation?

1 **Lost invoices** — Invoices with the wrong PO number, sent to the wrong address or inbox, with the wrong supplier information creates hours of lost time.

2 **So. Much. Paper.** — Most companies still have to process archaic paper invoices. This leads to bottlenecks, missing invoices, manual data entry, and a time-consuming (and expensive) audit process when paper invoices are archived.

3 **Manual, tedious, and redundant work** — Paper-based processes mean that time is wasted on tasks like data entry instead of using that time to be strategic and proactive.

4 **Confusion about payments** — Approximately 25% of an AP Manager's time is spent handling supplier inquiries about payments. This can be eliminated when suppliers have self-service access to their invoice process status.

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Is the status quo of accounts payable really that bad?

The way we look at the accounts payable function in a business has changed.

Cutting edge technology like artificial intelligence (AI), process automation, and analytics are empowering forward-thinking enterprises to transform their accounts payable department into strategic partners and even revenue centers.

Best-in-class accounts payable organizations are already using automation to their advantage and are planning for new ways to automate manual or repetitive processes to generate additional efficiencies. But of course, many accounts payable departments today struggle with outdated modes of doing business.

The top AP challenges businesses face with their AP processes include:

- High percentage of exceptions

- Invoice/payment approvals take too long

- Too much paper!

- High invoice processing costs

- Lack of visibility into invoice and payment data

The majority of AP professionals express a desire to transform their accounts payable process by moving towards digital transformation, but it doesn't appear to be happening as fast as they'd like. What gives? Most companies view AP as extremely valuable to their business, but AP professionals are having difficulty getting executive buy-in. Though the business case for automation of the accounts payable process on paper is quite straight-forward, in the real-world, it's more complicated. Building the business case is a unique effort for each company but thankfully, there are more than enough examples of companies of all sizes in all industries who have made the leap and are reaping the rewards..
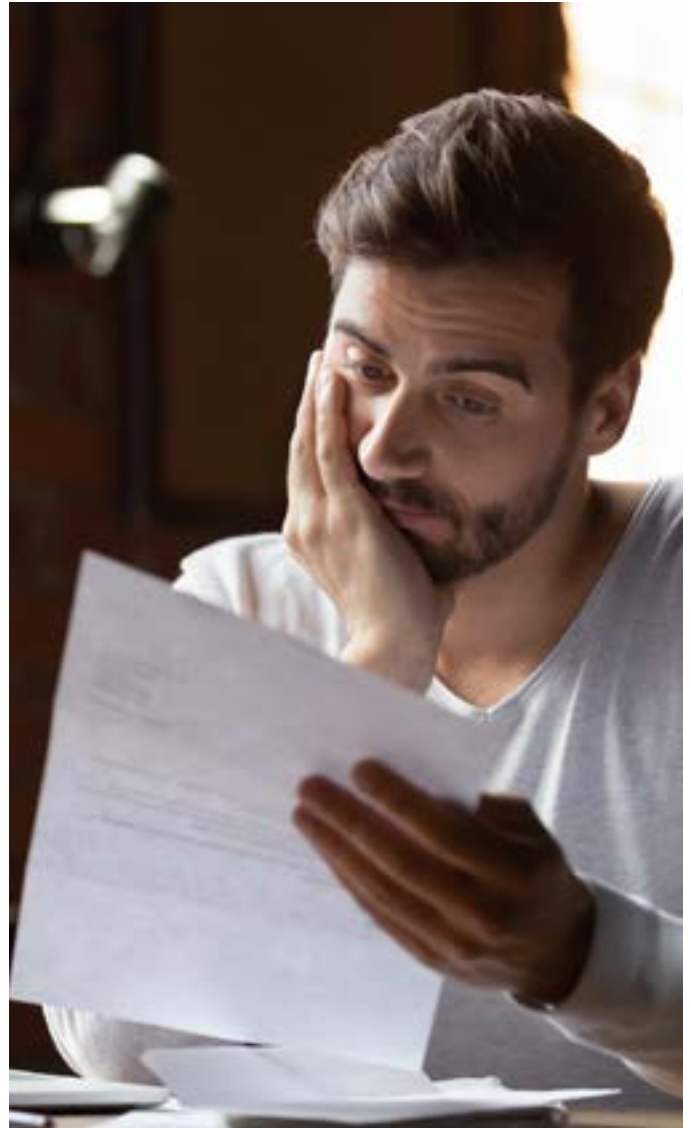
To build a compelling argument for automation with leadership, AP automation solutions need to prove that they can provide:

- Cost savings - either through lower transactional costs or reduced FTEs

- Improved Controls and Compliance - serious stuff when you think about the liability of the CFO in a financial audit

- Lower invoice cycle times opening the door for early payment discounts

- Better data leading to informed decision making

- Less time spent (by senior management) approving invoices

Automation takes your Accounts Payable from reactive to proactive

AP departments are often siloed, buried under paper, slow, and disconnected. Often, Accounts Payable waits for handoffs from other stakeholders before processing reams of paper invoices from different business units, the result is a predictably slow invoice approval process with poor on-time payment rates.

With modern AP automation solutions, each stakeholder has a corresponding level of access and control to their invoices within the process. By giving Suppliers, AP Managers, Cost Center Owners, Purchasers and Senior Leadership different views into the same process, the AP Team becomes much more efficient. Ultimately, accounts payable automation allows for greater efficiency and control. This translates into more early payments, better collaboration with suppliers and procurement, and one centralized hub for a clear view of financial information and analytics.

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How does AP automation fix invoice-related communication problems?

What does it take to create the efficient, productive, and strategic AP department you want?

Best-in-class Accounts Payable departments have digitization and automation champions who are:

Changemakers dedicated to AP change management — Best-in-class accounts payable teams look at change holistically and strategically to build a roadmap for digital transformation. The first thing they do is recognize a need for modernization. Then they do the research with a goal of building a business case for change and investment. Along the way, they evaluate different technologies and solution providers, identifying what would be most beneficial, both strategically and financially, for the long-term success of the accounts payable department structure and the company as a whole.

Innovators embrace change — Transforming and automating your accounts payable department means taking a hard look at the way it functions. Best-in-class departments are willing to make widespread changes to significantly increase the performance of their teams. As a result, the best AP departments have adopted new processes, supported by new technology. It's no surprise that best-in-class AP teams are 48% more likely to make electronic payments and 56% more likely to receive e-invoices.

Committed to accounts payable standardization — Best-in-class teams are 52% more likely to standardize accounts payable processes across the company. It sounds basic, but a ton of departments still struggle to manage a standard process for invoice approvals. Whether that's because the process is paper-based, decentralized, or just old, the outcomes are still the same: little effective control, lost efficiency and process bottlenecks. Because these issues result in high costs and increased risk, organizations all over the world are transitioning to e-invoicing and investing in systems for accounts payable automation.

Customer-centric — Best-in-class accounts payable teams realize the importance of a positive departmental image. They've adopted a mentality of collaborating and working positively with both suppliers and internal stakeholders (we see you Procurement). While that may not sound like traditional accounts payable job descriptions, it sets up the team's groundwork to be a strategic partner to multiple stakeholders across the organization. That plays out in the stats: best-in-class teams are more than twice as likely to use their digital insights to partner with procurement and treasury.

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Accounts payable automation is the future of business

Pay

AP automation aims to eliminate paper from your process. When this is done, many manual or repetitive tasks can be reduced or eliminated entirely. With the goal of AP Automation being to bring as much automation as possible to the process, different stakeholders will find their tasks reduced or eliminated. Straight through processing means no review or approval. No invoice coding, no manual workflows and no chasing individuals for approvals. The automation also reduces errors while raising the amount of quality data in the system. The knock on effect is improved reporting and even predictive analytics. On top of that, as buyer-supplier relationships are digitized, whole supply chains become more collaborative and agile.
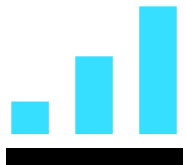
AP automation: your strategic sidekick

Automation is like a great sidekick, doing all the work on the back end to make you a much more strategic partner to the CFO. With a modern AP automation system, reporting and analytics can take data from invoices, purchase orders, corporate spending, supplier information, and almost any electronic data source, and gives you instant access to the information you need to make strategic decisions—resulting in an immediate impact on your ability to forecast, budget, and plan.

The end-to-end digital process helps you connect with key stakeholders along the whole procure-to-pay spectrum. You'll be able to support your peers in procurement by including suppliers to the process (as they should be). And when digitally connected, you have real-time collaborative opportunities with supplier so that you can build stronger relationships not only with your suppliers but with your procurement function.

This information allows your AP department to be a key player in the greater organization strategy. By automating menial tasks and gaining intelligent insight into spend data, AP can find a seat at the strategy table.

Chat with BigCo

Invoice #36185

Not all AP automation solutions or tools are created equal.

When it comes to AP automation, "electronic" is not the same as a digital, as in a cloud-based software solution that is everywhere, all the time.

An AP automation solution like Tradeshift Pay, is designed with a native digital experience in mind. The goals of improved control, increased visibility and lower costs are all central to the core purpose of our platform and the commerce network it serves. Tradeshift takes a holistic approach to digitization of B2B commerce - our vision is literally to connect every company in the world and while we may have a long way to go, we are the fastest growing B2B commerce network in the world with companies in over 160 countries all connected and transacting - these are modern companies, participating in a modern world.

Tradeshift is the world's largest cloud-based accounts payable platform. Buyers at businesses like DHL, Air France-KLM, and Volvo use our AP automation solution to settle thousands of invoices every day. Tradeshift provides a cutting edge AP automation solution.

At Tradeshift, we realize that shift happens.

With turbulent markets and quickly changing industries, organizations need the reliability of a strong, secure platform that can adapt alongside their needs. As software built for adaptability, Tradeshift is the reliable partner that you can count on throughout periods of disruption.

To learn more about Accounts Payable (AP) Automation & how it can streamline your business reach out to our team of experts.

Accounts payable automation - FAQ

What is AP automation?

Accounts payable automation is a cloud-based software solution that reduces the amount of manual tasks involved in processing invoices giving accounts payable teams more time to spend on higher value tasks.
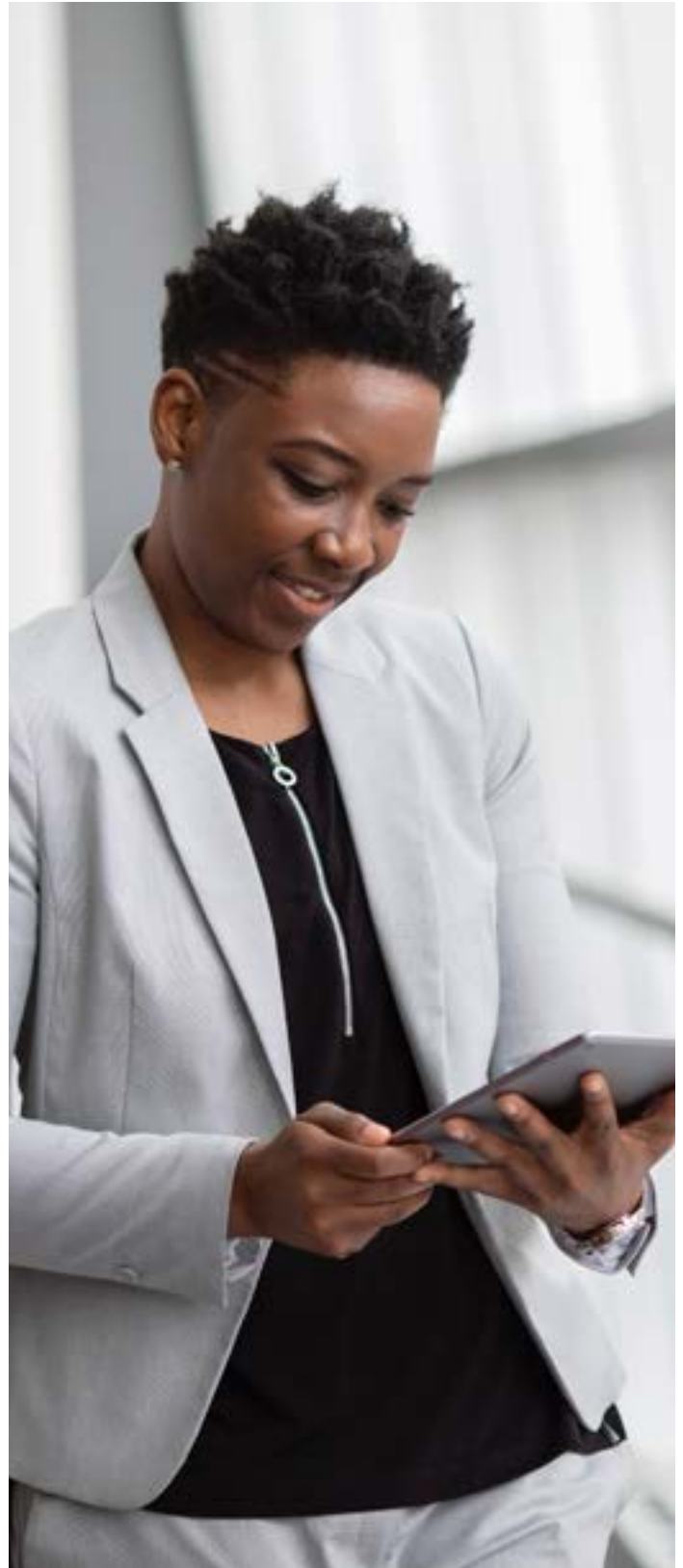
What are the benefits for AP automation?

Accounts payable automation provides more control over the invoice handling process. Visibility and efficiency are also improved, typically yielding cost savings.

Why choose AP automation?

Choosing accounts payable automation empowers your organization to improve productivity, save valuable time and money, and increase collaboration due to improved access and visibility for a broader stakeholder group.

How does AP automation fix invoice related communication problems?

AP automation helps solve invoice and payments related communication issues by providing a singular platform that allows controlled access by different stakeholders. This access offers visibility to the process, invoice status and invoice history. In general, this access is empowering and reduces the need to ask questions when the information is more freely available.

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What is AP automation software?

AP automation software is cloud-based technology that automates the functions of your accounts payable team to digitize that process. Almost always, the AP solutions are paired with efforts to transition away from paper-based invoices to e-invoicing.

How many businesses have AP automation?

As of 2022, only about 9% of accounts payable departments are fully automated, but these numbers are expected to skyrocket over the next few years.

How can AP automation save money?

AP automation reduces your invoice processing costs in three ways. By centralizing and standardizing the invoice handling process, overhead is typically reduced. By reducing or eliminating paper invoices from your process, transactional cost savings can be achieved.

Lastly, payment digitization lowers costs related to check issuing and can even yield rebates depending on payment method.

How to implement AP automation?

To implement AP automation, your organization should get clear on your goals, bandwidth, and budget. Once a plan has been established and approved, choose an AP automation provider through careful research, or just call us and start a conversation.
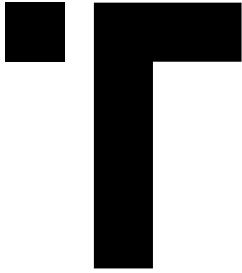
Who does AP automation benefit?

AP automation benefits not only the accounts payable department by automating some of their more mundane tasks, but also improving relationships between procurement and suppliers due to the increased collaboration and supplier self-service options.

How to select an AP automation vendor?

First, your accounts payable department should analyze their goals and budget before beginning the search for an AP automation vendor. When modernizing any process, it pays to keep an open mind to change. Making a manual process digital does not always make sense. What if you could avoid that process entirely?

About Tradeshift

Tradeshift is a market leader in e-invoicing and accounts payable automation and an innovator in B2B marketplaces and providing access to supplier financing. Its cloud-based platform helps buyers and suppliers digitize invoice processing, automate accounts payable workflows and scale quickly. Headquartered in San Francisco, Tradeshift's vision is to connect every company in the world, creating economic opportunity for all. Today, the Tradeshift Network is home to a rapidly growing community of buyers and sellers operating in more than 190 countries. Find out more at: Tradeshift.com

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