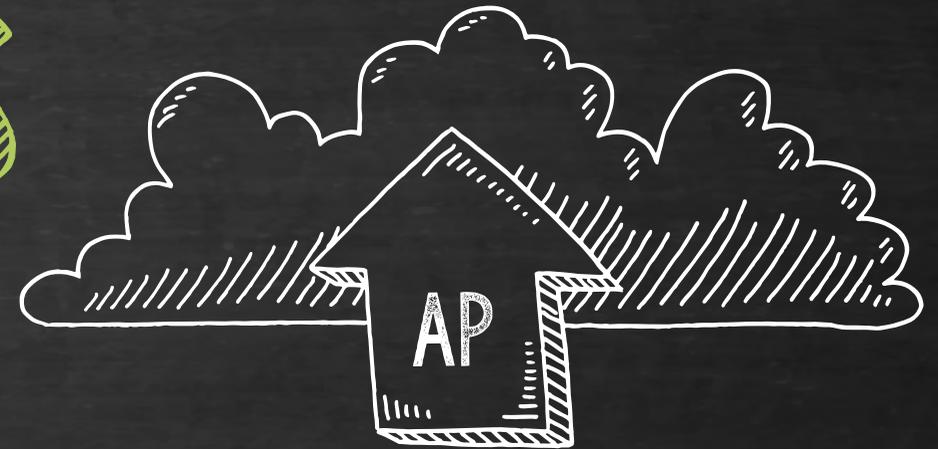


AP AUTOMATION

AS A SAAS

SOLUTION



WHY IT'S CRAZY NOT TO GO TO THE CLOUD
A GUIDE FOR AP PROFESSIONALS

PURPOSE OF THIS GUIDEBOOK.

This guidebook was created for accounts payable (AP) professionals and decision makers.

Its goal is to paint a clear picture of the advantages that AP automation as a cloud service can offer companies both large and small.

There's a lot to learn, but this isn't a textbook. Rather, it's a handy resource that allows busy people to get acquainted with a beneficial and often overlooked technology in a short amount of time.



KEY TERMS.



Before starting, we recommend checking out the terms below, which will be referenced in this guidebook. These are industry terms that can vary in usage so this is our way of making sure we're all speaking the same language.

AP AUTOMATION

Refers to a solution that automates AP processing, whereby tasks that were previously manual (data entry, approval, archiving) are made electronic.

CLOUD

Broad term used to describe any configuration of software servers that communicate via the Internet rather than from a piece of physical hardware.

KPIs

Key performance indicators (KPIs) are measurements used to track how effectively a business process is achieving its objectives.

OCR

Stands for optical character recognition, a technology used by AP automation solutions to automatically extract data from an invoice image.

P2P CYCLE

Also referred to as the procure-to-pay or purchase-to-pay cycle. Represents the stages that occur between purchase requisition and vendor payment.

SAAS

Stands for software as a service. Refers to an application that operates as a cloud service, and is offered via subscription by a solution provider.

SSC

A shared services center, or SSC, is a title given to an independent entity that standardizes critical business processes in an organization such as AP.



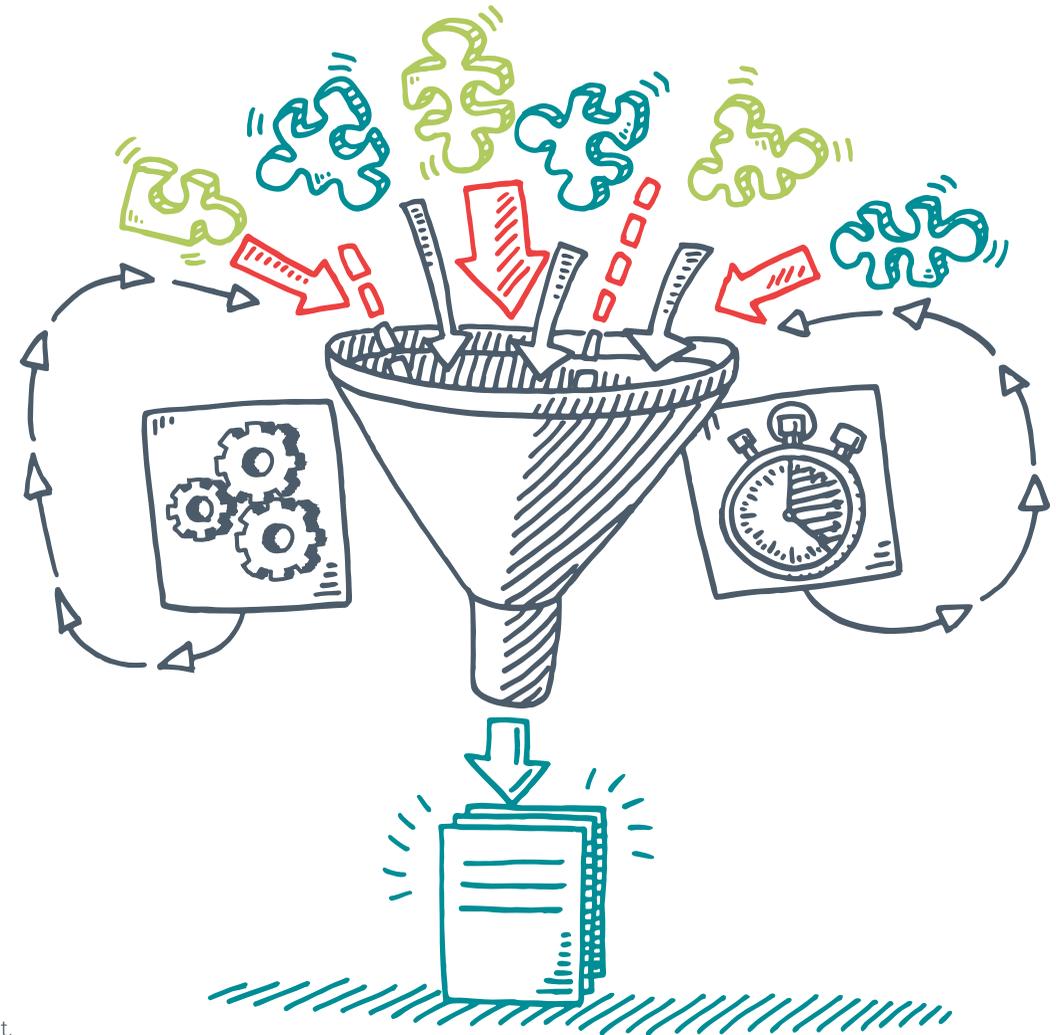
WHOYA CALLING CRAZY?

Albert Einstein defined insanity as doing the same thing over and over again and expecting different results. Which brings us to the current state of AP ...

According to findings from a recent Institute of Finance & Management survey¹, only one-third of AP departments have automated their AP processes, while a measly one-eighth have a cloud solution in place.

This raises a curious question.

With all that companies have to lose from poor AP performance, **why do so many continue to go against their best interests?**



¹ Invoice Processing Automation & Cloud Solutions: Trends & Levels of adoption, July 2013. The Institute of Finance & Management.

BREAKING THE MANUAL MINDSET.

Any company can come up with a reason NOT to automate AP in the cloud. But the reality is, **the role of AP has changed.**

Pressures to improve financial planning and maximize efficiency have forced AP to function as a strategic business process rather than a back-office afterthought.

What used to be practical reasons to remain manual are getting harder to defend, especially given the availability of mature technologies like SaaS solutions.

COMMON EXCUSES FOR NOT AUTOMATING AP IN THE CLOUD:



WARMING UP TO AP AUTOMATION & SAAS.

Companies know that automation is a tantalizing alternative to processing AP invoices manually. They're well aware that less paper and fewer manual touch points can add up to competitive advantages across the board. Most even know the benefits of using AP automation via a SaaS model.

What AP professionals don't have is clarity. All the misinformation out there has many questioning whether or not an automated solution is more trouble than it's worth.

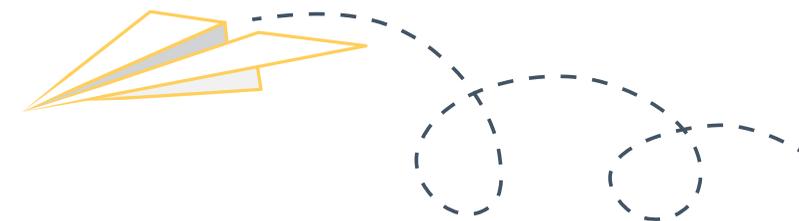
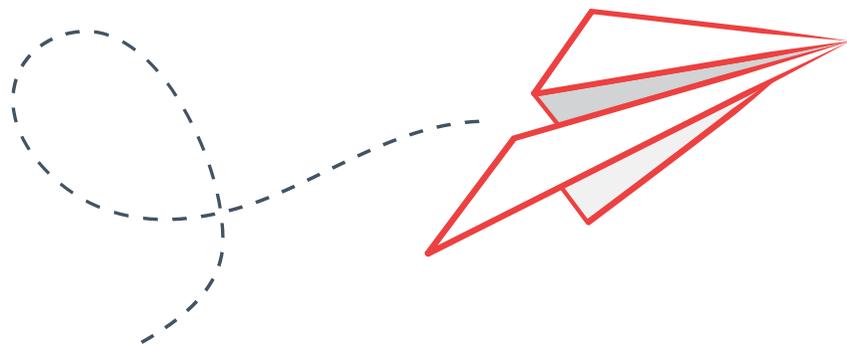
Let's put your mind at ease, shall we?

BENEFITS OF AP AUTOMATION

- Lower processing costs per invoice
- Faster reconciliation & P2P cycles
- Higher rates of vendor satisfaction
- Lower rates of duplicate payments
- Reduced risk of late charges
- More early payment discounts captured
- Enhanced reporting & analytics
- Strengthened credit rating
- Support for regulatory compliance

BENEFITS OF SAAS

- Rapid deployment
- Rich functionalities
- Lower cost & risk
- Better scalability
- Little IT investment



GETTING STARTED IS QUICK AND EASY.

A scanner and an Internet connection. That's all it takes to meet the requirements of a SaaS AP automation solution. Setting up users and permissions, uploading data, and training staff is all done via the provider.

Because there's no hardware or software setup and the solution resides outside of the ERP application, everything can be up and running ASAP. This leads to **faster ROI, simplified training, greater user acceptance and maintained business continuity.**

System integration is always a sticky subject when it comes to new solutions. Fortunately, today's leading providers offer technology that's compatible with a wide range of business systems – no matter how diverse the landscape.

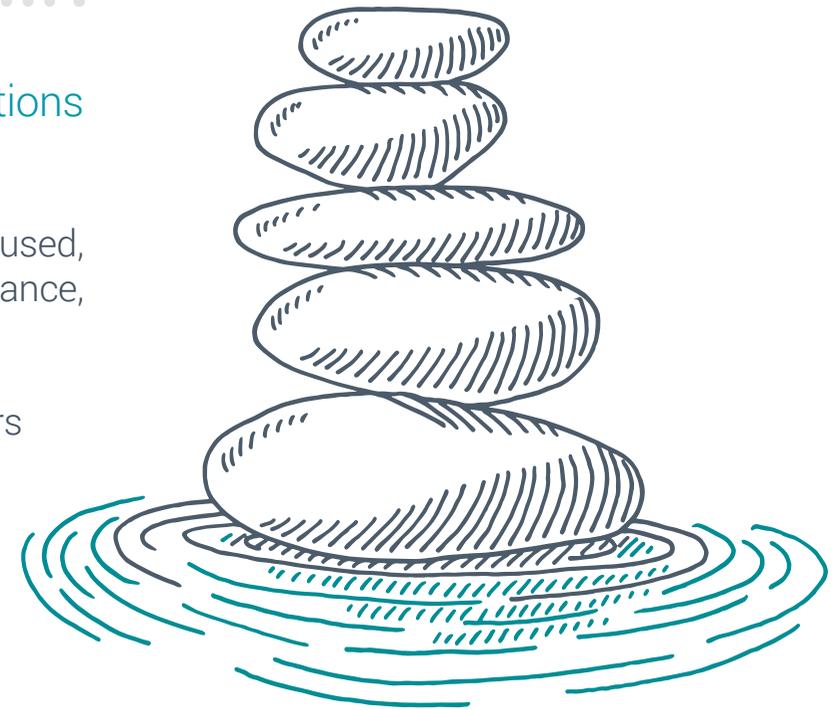


SURPRISES AREN'T PART OF THE DEAL.

Companies like predictability. And that's exactly what SaaS-based AP solutions offer compared to their on-premises counterparts.

Most follow a pay-per-use pricing model that only charges for the amount of service used, which is ideal for companies with fluctuations in invoice volumes. As for ongoing maintenance, there is none. Upgrades and enhancements are made automatically by the provider.

Should issues arise, companies aren't left stranded. In fact, most top-tier SaaS providers offer 24/7 year-round support to resolve issues rapidly.



DEBUNKING THE TOP 5 MYTHS OF AP AUTOMATION IN THE CLOUD



MYTH #1: IT'S TOO EXPENSIVE.

Far from it, actually. Cloud-based AP automation requires no software, hardware or maintenance fees, and employs a pay-per-use pricing model as to avoid large upfront costs, future upgrades and unpredictable pricing.

MYTH #2: SECURITY IN THE CLOUD IS QUESTIONABLE.

The security of invoice data is not compromised in the cloud. The ISAE 3402 and SSAE Type II reporting standards validate that a provider's processes, procedures and controls have been formally reviewed and are in compliance.

MYTH #3: WE DON'T HAVE THE RESOURCES TO HANDLE IT.

Upgrades and enhancements to SaaS AP automation solutions are made in the cloud, meaning little involvement is required from IT departments. Plus, most cloud solutions offer 24/7 tech support for convenient issue resolution.

MYTH #4: AUTOMATION TAKES A LONG TIME TO IMPLEMENT.

Because there is no server or desktop computer setup (only a scanner and Internet connection is required) for a cloud-based AP automation solution, companies gain immediate solution access resulting in a more rapid ROI.

MYTH #5: OUR PROCESSES AND BUSINESS APPLICATIONS ARE TOO COMPLEX.

Top-tier cloud providers are compatible with virtually all types of business systems because their solutions operate outside a company's infrastructure, including instances of operations spread across different ERP applications.

INVOICE PROCESSING IS MADE PAINLESS.

Getting rid of the manual aspects of AP processing is, after all, the primary reason for making the move to automation. Entering data by hand, hunting down approval signatures and finding room to store all that paper? That's all over.



INVOICES ARE IN AND OUT FASTER AND MORE ACCURATELY.

Rather than rely on human intervention, AP invoice data that's sent to the SaaS solution is immediately captured via OCR and used to create an electronic document in the ERP/business system.



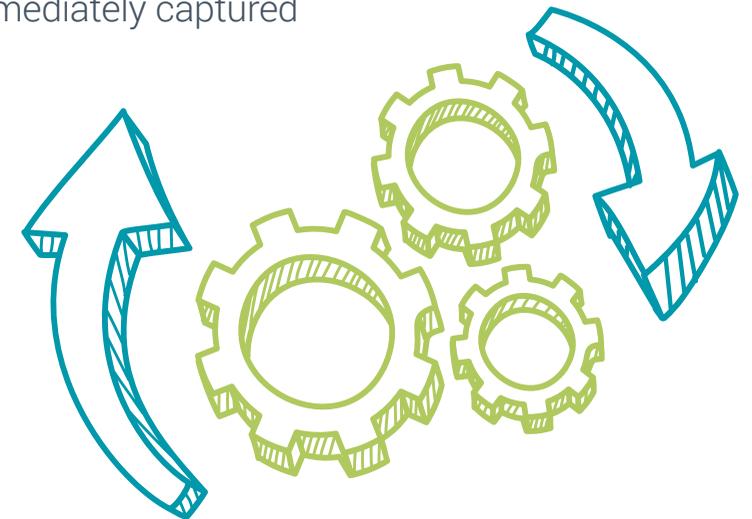
THE APPROVAL PROCESS IS CLEAR AND COORDINATED.

Invoices are processed based on predefined criteria and automatically sent down the appropriate workflow path. Users can manage and monitor invoices at their fingertips.



STORING INVOICES NO LONGER INVOLVES FILE CABINETS.

Electronic copies of invoices are accessible to all authorized personnel at any time, from any location, for as long as needed. (Read: faster dispute resolution and lower data storage costs).



THERE'S SO MUCH MORE TO SEE & DO.

Run a report on how many pending invoices are awaiting processing. Pinpoint who did what, when and where on any given invoice. Get an overview of the AP department's cash flow and budgetary control.

Name an action — cloud-based AP solutions can deliver valuable KPIs and analytics at the touch of a button, including from mobile devices.

Because it's all electronic, **invoices are 100% visible and traceable** throughout every phase of AP processing. Easy-to-use dashboards enable everyone from CFOs, Managers and Cost Center Owners to keep an eye on what matters to them most.



VALUABLE DASHBOARDS FOR EVERY USER

CFO	AP MANAGERS	COST CENTER OWNER / LOB MANAGER
<ul style="list-style-type: none"> Organization spend overview AP cash flow AP process metrics DPO 	<ul style="list-style-type: none"> Visibility over spend Spend by category, volume and supplier Accrual reporting Payment KPIs Process efficiency 	<ul style="list-style-type: none"> Requests pending approval Budget control and forecasts Spend analysis and trend

COMPARING ON-PREMISES VS. A SAAS MODEL.

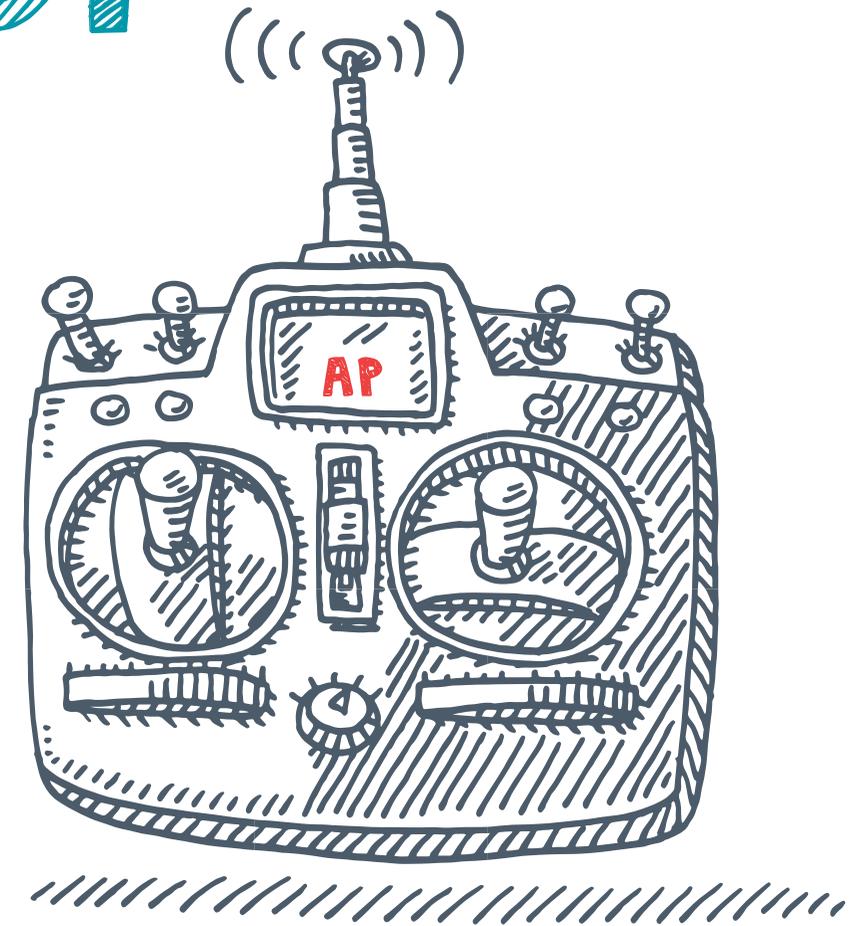
	 ON-PREMISES APPROACH	 SAAS APPROACH
COST	<ul style="list-style-type: none">▪ All costs are paid up-front when acquiring the software package.	<ul style="list-style-type: none">▪ Payments are based on a combination of monthly subscription fees and per-use charges.
INSTALLATION	<ul style="list-style-type: none">▪ Installing and setting up the software on-premises is the company's responsibility.	<ul style="list-style-type: none">▪ The software is installed for the company at an offsite location hosted by the software provider, while setup is performed by the provider's support team.
DATA BACKUP	<ul style="list-style-type: none">▪ Backing up data and software, as well as ensuring a copy of the backup is in a safe location offsite, is the company's responsibility.	<ul style="list-style-type: none">▪ The data and software are automatically backed up on a regular (at least daily) basis by the software provider at their hosted site.
SUPPORT	<ul style="list-style-type: none">▪ Technical support is generally available for an additional cost.	<ul style="list-style-type: none">▪ Technical support is included in the monthly subscription price.
UPGRADES	<ul style="list-style-type: none">▪ The company must purchase and install any upgrades so that the software keeps up with its current needs.	<ul style="list-style-type: none">▪ Upgrades are included in the subscription price and are installed by the software provider.
SCALABILITY	<ul style="list-style-type: none">▪ As a company grows, it must purchase and install additional servers to support the growth.	<ul style="list-style-type: none">▪ Growth is handled automatically by the software provider.

THE COMPANY IS IN CONTROL, NOT THE CLOUD.

One of the biggest and most overlooked advantages of SaaS AP automation is how flexible the solution can be to the unique needs of each company.

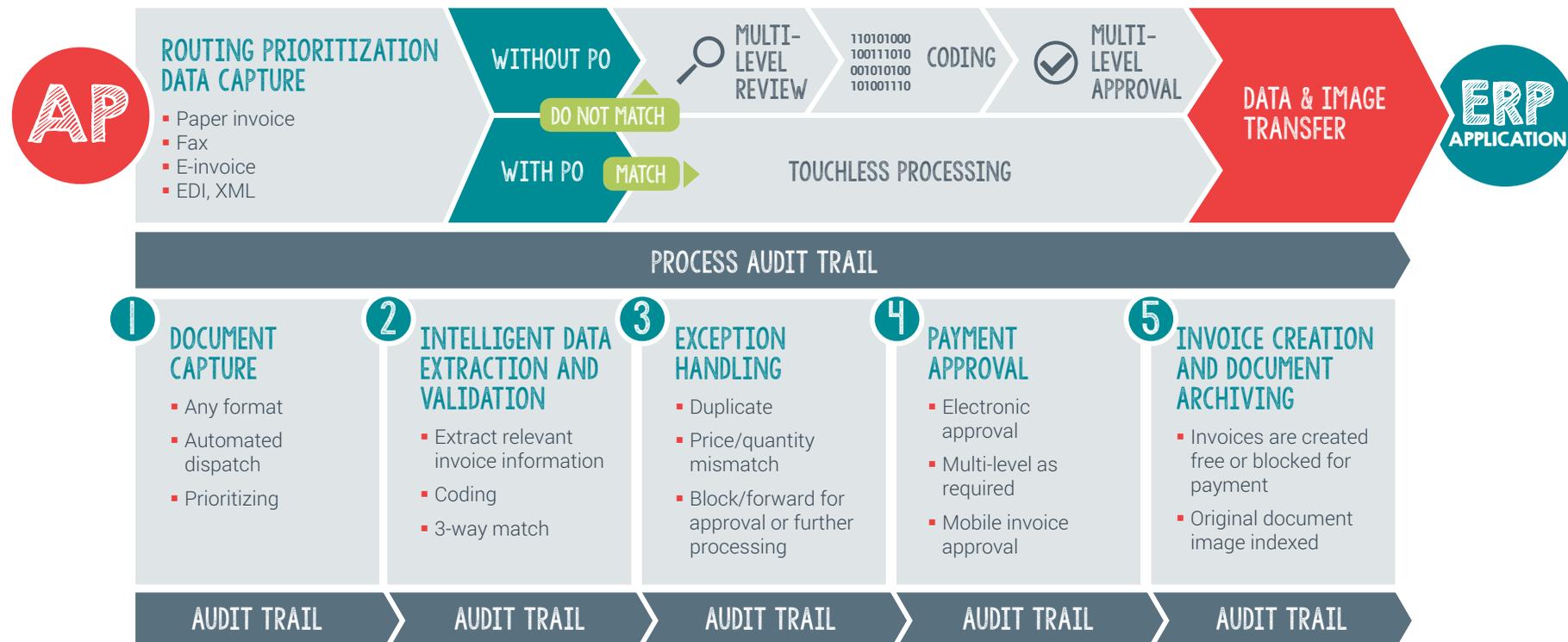
By avoiding the burden of a huge IT investment, companies can start off basic, evaluate how the solution performs and add more sophisticated capabilities as they go, even expanding to other business processes like **Purchasing, Accounts Receivable and Order Processing.**

Support for SSC initiatives is another valuable accommodation offered by SaaS AP solutions. When AP workflow is unified and critical data is auditable, the consolidation process across multiple time zones is made all the easier.



WHAT AN END-TO-END SaaS SOLUTION SHOULD LOOK LIKE.

Not all SaaS AP automation solutions are created equal. Only the truly top-tier solutions providers enable companies to do everything discussed in this guidebook by housing all the necessary functionality for AP invoice automation in one shared and ERP-independent platform.



MOVING FORWARD WITHOUT STEPPING BACK.

A TALE OF AP AUTOMATION SUCCESS

If you're looking for a good story, Louisiana is a great place to find one. The decision Eric Stratmann made four years ago might not have had anything to do with Mardi Gras, bayous or alligators, but its significance had the impact to shape how his company did business for years to come.

It was sometime in early 2011 when Eric Stratmann, Director of Global MRO Purchasing at Albemarle Corporation, was in his Baton Rouge, LA, office faced with a dilemma.

The situation involved Albemarle's four-line fax server, which was aging rather ungracefully. Company headquarters were in Baton Rouge, but the server supported Albemarle's two financial SSCs in Dalian and Budapest. An upgrade was needed – Stratmann had a decision to make.

One option was to retain their current manual AP process but replace the existing fax system. Another was to go with an outsourced solution where faxes would be delivered to an independent location. Finally, there was always the option to automate AP as a cloud service in their SAP® environment.

In hindsight, it's easy to see why a choice like this had to be made in the first place.

LOST ON THE PAPER TRAIL

With a history dating back to 1887, Albemarle has been on the leading edge of developing and manufacturing specialty chemicals. But like a lot of companies with innovative products, while the rest of the business moved forward, Albemarle's AP process remained hopelessly stuck in the past.

For years the company had been manually processing 13,000 AP invoices on a monthly basis, and expending a lot of valuable time and resources to do so. Staff spent their days hand-typing the invoice number, due date and amount into the system. Getting visibility on an invoice without a PO was akin to finding a needle in a haystack.

Albemarle was venturing into dangerous territory — not being able to pay its 8,500 suppliers in a timely fashion. No doubt, whatever alternative was chosen would have huge ramifications not only for Albemarle's AP processing efficiency but its longstanding corporate reputation.

OUT OF THE DARK AND INTO THE CLOUD

Like anyone else in his position, Stratmann labored over the pros and cons of every option, the functionality of each solution, pricing of each provider. But the closer he inspected the available alternatives, the more one solution stood out among the crowd. Only one could offer things like certified SAP integration, features like OCR, touchless processing and electronic workflow, and the capacity to support AP on a worldwide scale — all of which aligned perfectly with Albemarle's vision of moving forward without stepping back.

“Having full OCR and the ability to post invoices in SAP, and see them with 100% visibility, has had a huge impact on our company's success.”

Eric Stratmann - Director of Global MRO Purchasing - Albemarle

What did Stratmann ultimately choose to replace Albemarle's manual AP process? Since it's his story, we'll let him describe how Albemarle got from there to here:

“We ultimately chose a cloud-based AP automation solution because it fit perfectly with what we needed it for — to act as a gateway for our fax invoices and support email invoices. Having full OCR and the ability to post invoices in SAP, and see them with 100% visibility, has had a huge impact on our company's success.”

Today, it's hard to believe there was any debate or hesitation on next steps. Since making the change, Albemarle has gone from running an average of 60 invoice transactions per day per AP processor to 85, with the top processor reaching as high as 200 in a single day. The rate of invoices processed electronically has eclipsed 90 percent, allowing staff to dedicate more time to vendors instead of data entry.

The rest, as they say, is history.

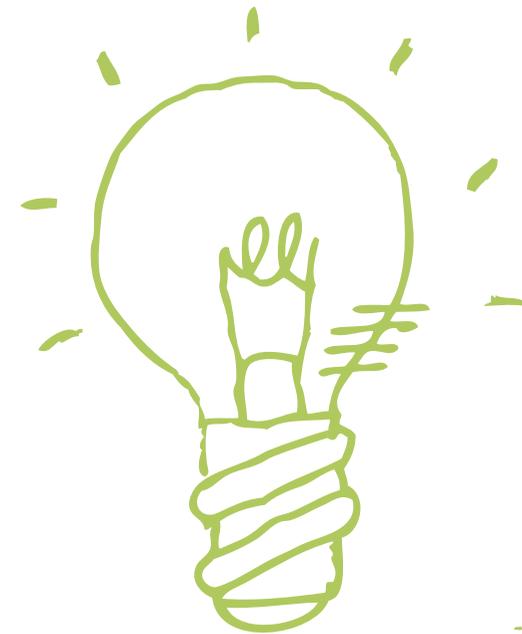


A SENSIBLE, SMART & SANE BUSINESS DECISION.

Gone are the days of AP being a department of paper pushing and data processing. The new reality is that AP serves a strategic and analytical business function that's essential to the financial health of a company.

SaaS AP automation solutions are a proven alternative to manual processing methods. Organizations of any size seeking to improve efficiency, visibility, savings and productivity within AP have a great opportunity in front of them.

Low risk, high return. What's not to like? Even the most forward-thinking companies would have to admit, it really is crazy to ignore AP automation as a cloud service.



WE ARE ESKER.

Esker is a worldwide leader in document process automation solutions and a pioneer in cloud computing.

Forward-thinking businesses use our solutions to **Quit Paper™** and make their inbound and outbound communications more efficient and intelligent.

After 30 years of field experience, Esker has over 80,000+ customers and millions of licensed users worldwide.

Our headquarters are in Lyon, France, but we're located just about everywhere paper needs quitting.

Learn more online at www.esker.com.



LEARN MORE ABOUT AP INVOICE AUTOMATION

AP Guidebook:

12 Steps to Kick Your Paper Habit

White Paper:

Best Practices in AP Automation: Consolidating Workflow outside ERP Systems

Buyer's Kit:

Accounts Payable Automation Buyer's Kit

Plus, be sure to check out the **Esker Blog**, your connection to everything newsworthy in the world of automation.

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