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7 QuickBooks Payables Problems Solved with Automation

Payables Growing Pains

There comes a time in every business when they have to find better ways of doing things. This is especially true with accounts payable processes, which has traditionally meant paying people to pay people. Even with QuickBooks, organizations still have to extract information from suppliers and vendors, manage invoices, and make payments.

Thankfully, there's hope in the form of automation technology. This handbook illustrates the biggest payables problems automation solves for QuickBooks users.

#1 Eliminate Data Entry

Benefits

Save Time

Reduce Cost

Simplify Reporting

Grow Business

Improve Supplier Relations

Before

Most organizations have dealt with payables by hiring people to perform data entry. Usually they're low-wage workers who key in invoices into QuickBooks, chase down approvals, and print and mail checks out to pay bills. As the organization grows, it wastes more time and increases errors and costs.

After

Automation enables suppliers to self-service much of the data entry effort. They're able to enter their own banking details and submit invoices. OCR technologies can then read those invoices directly into the system and route them for approval. Every phase of the invoice-to-pay cycle is synched with QuickBooks. And when it's time to pay, because the supplier has provided banking information, the execution is a snap.

#2 Quit Check Addiction

Benefits

Save Time

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Before

Issuing paper checks to pay vendors is the norm, because paying electronically requires more data entry.

But checks add inefficiency and risk as the business grows. Aberdeen Group found that the average cost of a check payment is $7.78 — including labor, paper, printing, postage and other related costs. And JP Morgan Chase indicates 75 percent of companies experienced check fraud.

After

Payables automation enables organizations to steer suppliers away from selecting checks as their chosen method. Tipalti, for example, lets businesses offer ACH, wire transfers, Global ACH / eCheck, and even PayPal (in addition to check).

Paperless electronic payments eliminate delays in fund reconciliation. Electronic payments ensure that payees receive their payments where they can use them: directly in their accounts.

#3 Pay Global Suppliers

Benefits

Save Time

Reduce Cost

Simplify Reporting

Grow Business

Improve Supplier Relations

Before

Businesses are doing more with globally sourced vendors. They offer more variety in products and services, and can be more cost effective.

But payables complexities hold businesses back from employing this competitive advantage and source of growth. For example, wire transfers only work for large payment amounts and foreign exchange issues can add cost and management challenges. There's also withholding tax compliance to deal with, which can be a penalty to the payer that's as high as 30 percent of the transaction amount.

After

Payables auto-mation pays global suppliers on the same workflow as domestic ones. The supplier provides information on how they want to be paid, submits invoices in a single portal, and even provides their tax identification details electronically.

Once invoices and payments are approved, paying is a simple matter of ensuring that the payout account is funded. Payments across all payment methods (e.g. ACH, Global ACH, wire transfers, check, PayPal) are approved and scheduled in a matter of minutes. There's no need to log into a separate bank portal for one method vs. another.

#4 Achieve Touchless Invoice Processing

Benefits

Save Time

Reduce Cost

Simplify Reporting

Grow Business

Improve Supplier Relations

Before

Invoice processing can be a chore. Many vendors send invoices through email, but someone still has to key them into QuickBooks.

This can introduce errors, delay approval routing, and (worst case) "lost invoices" can cause issues with the supplier's fulfillment of their goods and services. Like many things, a human being is responsible for ensuring there are no gaps.

After

Using payables automation connected to QuickBooks, inbound invoices can be accepted either through the supplier portal or through an email alias.

A back-end OCR process reads the invoice and codes it in. A touchless invoice workflow ensures that invoices are read correctly, and active machine learning routes the invoices to the appropriate people for approval. Additional automation to assign GL bill-level coding is also available. Approvals are done quickly over email with minimal effort.

#5 Add Financial Controls

Benefits

Save Time

Reduce Cost

Simplify Reporting

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Before

As organizations become more complex, new rules and requirements intensify the payables process. After all, money is literally leaving the business, so greater care is needed to control finances.

But controls often are left at high levels. For example, the controller or CFO may need to manually log into the bank portal whenever there's a payment run.

After

Automating payables uses rules to define the entire payables workflow. From onboarding to invoice approvals to payments, the end-to-end chain of events is meticulously logged and audit-ready. In addition, permissions for who can view data or approve transactions, even across separate business units and entities, can be controlled centrally.

And whenever a payment needs to be made, automation ensures the proper controls without requiring involvement by senior finance members. No one needs to log into a bank portal.

#6 Extend Payment Terms

Benefits

Save Time

Reduce Cost

Simplify Reporting

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Before

Cash flow is king. Today's businesses are stretched when it comes to liquidity. In some cases, businesses are extending payment terms to 45, 60, or even 90 days. For the supplier, that can mean assuming greater risk and pressures to expose themselves to debt.

Yet any type of financing is complicated and highly manual, and is often reserved for a few choice vendors.

After

With payables automation, early payment programs are much easier to successfully execute. Because payments are controlled in one system, offering an early payment to the vendor is easy and scalable.

Whereas traditional Early Payments (EP) programs at best yield a 5-percent adoption rate, automated EP programs often achieve 30 to 40-percent take rates across all suppliers. This enables companies to extend their payment terms without hurting suppliers.

#7 Scale Payables

Benefits

Save Time

Reduce Cost

Simplify Reporting

Grow Business

Improve Supplier Relations

Before

What is a business's main goal? Certainly, to turn a profit, but ultimately, it's about growing as a business. Stagnation is the enemy of success.

To grow as a company, payables needs to be smarter. It has to handle more supplier payments without adding staff. And eventually, it has to improve its processes to ensure greater compliance and efficiency.

After

Automation enables a repeatable process to run on its own. With payables, that means refining the entire process and enabling the business to handle 5-, 10-, even 50-times the volume without added effort.

This puts the company in the best position to handle growth, purge waste, and solve payables for good.

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If you're ready to take QuickBooks to the next level of maturity and capability for accounts payable, contact us today to schedule a product tour.

<div style="button">Free Product Tour</div>