Automated invoice processing with Dynamics AX

14 tips to make your supplier invoice processing more efficient

If your organization receives more than 20,000 invoices per year, and processes them manually, this Quick Guide to Automated Invoice Processing with Dynamics AX teaches you everything you need to take advantage of digital transformation to streamline your invoice processing.

It covers four main areas, including improving your processes; what your employees can do; what key metrics you should look out for and what technology helps the most.

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Processes

1 ### Try going touchless

How much of your order-based invoices requires manual intervention?

The touchless rate is a measure of how much of your AP process is automated, and therefore, doesn't require your staff to waste time managing supplier invoices manually - to code and match each invoice line to the purchase order, for example. If you receive more than 20,000 invoices annually, statistics show that you should be able to achieve a touchless rate of about 90%.

2 ### Automatic distribution gets invoices to the right person every time

Expense invoices (where no purchase order is in place) always need to be approved by the right person so suppliers can be paid. The larger the organization, the trickier it is to find right person to approve payment. This can cause long delays and – in worse case – lost invoices and payments. It's important to have a system that automatically distributes invoices to the right approvers. AP Automation helps achieve this goal – saving you valuable time and effort tracking down the right person.

3 ### Create streamlined and fast approval processes

Simple approval processes mean efficient approval processes. PO invoices can often get stuck in the matching process if even a small deviation to the original purchase order is identified. This is why you should set up tolerance levels for common deviations such as fees and freight. This way, your AP automation solution can automatically approve a certain level of deviation during the matching process according to your preset rules. And the responsible buyer will only need to review any part of the invoice that truly deviates from the PO, saving time and resources across the organization.

4 ### Effortlessly match and code invoices with POs

Manually matching and coding a supplier invoice with a PO with the correct information, such as department, cost center, buyer, account, etc. is a time-consuming task.

Take advantage of fully-automated technology that effortlessly matches invoices with PO details, to reduce the time spent on this task.

5 ### Eliminate errors and retain control

A fully automated invoice process leveraging automatic matching and coding ensures that user errors will plummet and that you'll always have a complete overview of your vendor invoice status.

> With more than 90% of all accounts payable invoices now automated and essentially touchless, we've got a complete view of our financial status.
>
> Everyone is thrilled – the AP team, the business, our suppliers. It's outstanding!
>
> Accounts Payable Manager, Silver Eagle Distributors

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Employees

6 **Empower staff to work where they want, when they want**

Giving employees the choice to work remotely is more important than ever in 2020. Your accounts payable software must be cloud-based, to facilitate this so that they can manage supplier invoices quickly and easily, without delay.

7 **Reduce time spent per invoice**

Time is money. Literally. The more time it takes to handle each vendor invoice, the more employees you need to handle them. Staff skills should be used to increase productivity elsewhere, and by automating Invoice processing, resources are freed up.

8 **Prevent bottlenecks from happening**

Bottlenecks slow down your accounts payable process, where your AP team has to handle large volumes of invoices simultaneously. It's a common cause of late supplier payments. Using analytics, you'll be able to spot these situations and act on them quickly to prevent them taking hold in the first place.

Financial Control

9 **Take advantage of cash discounts and avoid reminder fees**

Take advantage of early-payment discounts, and avoid late payment fees by paying your invoices early. Automated alerts and workflows will help your AP teams support this, saving you time and strengthening the relationship with your supplier.

10 **Gain insight and control over finance data**

If invoice processing is not efficient, it's tricky to reconcile costs and get accurate figures at monthly closing.

It means that it is difficult to gain the insight and control that you need to quickly deliver correct, updated data to the financial reports to close the books on time, every time.

When you automate your accounts payable, cash flow is under control - there's no surprises. You know exactly what needs to be paid when and how much is outstanding, with real-time overview of the cash flow impact from supplier invoices.

11 **Close the books on time, every time**

Accounts cannot be closed until all invoices have been processed. Outstanding items or errors may cause accounts to be delayed, which doesn't look great. An automated process ensures that the books should always be ready to close on time. And all data on outstanding payments is available in real-time for quick and easy accrual reporting.

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Efficient Invoice Processing

12 ## Select a best-of-breed solution

Microsoft Dynamics AX has some basic functions for managing Accounts Payable processes. However, it isn't suitable for large volumes of invoices. So, if you've got more than 20,000 invoices per year, you should add a best-of-breed accounts payable automation solution like MediusFlow that integrates directly with Dynamics AX. You'll benefit from all the strengths of Dynamics AX together with more efficient and automated invoice processing.

MediusFlow is a fully cloud-based, ERP-agnostic solution that doesn't require adaptations to your Dynamics AX environment. In other words, you can count on the invoice processing to continue to work efficiently in MediusFlow, even if you need to make changes to your ERP system, e.g., in the form of upgrades or replacing AX with a cloud-based system.

13 ## Efficient data capture from any type of invoice

With MediusFlow, data can be captured directly from e-invoices, PDFs or scanned paper invoices, which in turn initiates fully automatic coding, matching and processing of the digital version of the invoice, saving you lots of time compared to manually keying in repetitive data entry tasks in your Dynamics AX system or using an external scanning solution.

14 ## Use data to benchmark AP performance

To increase the automation of your accounts payable process you must identify and monitor your workflow performance and identify bottlenecks. It is important to measure and track process efficiency KPIs on a regular basis.

MediusFlow is a cloud-based solution where you can access consolidated data from hundreds of companies using the same standardized processes. All data can then be used for benchmarking so that you can compare your results with similar companies and best-in-class performers.

> " The fact that MediusFlow is a cloud solution and that we were able to implement so quickly enabled us to get a very strong ROI with break-even in less than a year, which is very hard to say with most software implementations.
>
> Maulik Patel, Sr. Manager,
> IT Finance Applications, Marc Jacobs

Contact Medius