

# P3

## POPULAR PAYMENT POSTS

VOLUME#6 | WINTER 2017 ISSUE ❄️

How To Get The Green Light On AP Automation

Automate Wire Payments Within The US And Abroad With MineralTree

Same Day ACH No Silver Bullet For Business Payments

Skepticism Around Automating Accounts Payable Is Real, But Is It Reliable?



**mineraltree®**  
AP and Payment Automation

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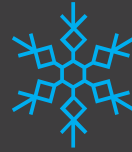
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# CALCULATE THE



# ROI



# OF AUTOMATING ACCOUNTS PAYABLE

# WITH MINERALTREE



GET STARTED! VISIT [MINERALTREE.COM/ROI](http://MINERALTREE.COM/ROI)

# AUTOMATE WIRE PAYMENTS WITHIN THE US AND ABROAD WITH MINERALTREE

DEDICATED TO PROVIDING SOLUTIONS THAT PROVIDE VALUE AND TRUE ROI FOR OUR CUSTOMERS, WE ARE CONSTANTLY EVALUATING THE NEEDS OF FINANCE PROFESSIONALS.

Over recent months, we saw quite a few inquiries around international payments which makes sense when companies are working with B2B vendors from all over the world.

Wrapping up production, we recently enabled the capability for MineralTree AP Automation users to automate wire payments in the US and abroad.

## Why are we excited about this?

- ▶ Wire payments enable the fastest form of payment to your vendors
- ▶ Wire payments enable cross-border payments easily
- ▶ Wire payments are generally accepted by vendors



[LEARN MORE ABOUT WIRE PAYMENTS!](#)

# HOW TO GET **THE GREEN LIGHT** ON AP AUTOMATION

THE BENEFITS OF [INVOICE-TO-PAY AUTOMATION](#) GO BEYOND THE OBVIOUS COST SAVINGS AND EFFICIENCY IMPROVEMENTS.

It is critical that when you build your business case you tie in the cost savings as well as the efficiency improvements. If management can see the clear cost-savings, they are more likely to greenlight your proposal to automate your invoice-to-pay process.

Alas, most professionals don't just make up their minds that their company needs to automate their invoice-to-pay process and do so without further ado. Inevitably, approval and budget allocation are required from senior management. When making the pitch, be realistic in what you propose. Before you get started, you should try to identify an executive sponsor who is likely to be sympathetic to the automation cause.

Make sure to have a good understanding of what is likely to be approved. If you are unsure, discuss the matter ahead of time with your boss. Take the time to address all of the issues in a way that is easily understood with the full reasoning on how automation will impact these issues. If you can show tighter internal control, better regulatory compliance and/or a way to deter fraud, you'll have a higher chance of success.

Have a solid understanding on the cost savings so you can show the positive impact on the bottom line. And, make sure you have the numbers to back up what is being shown. Sometimes this requires additional help from the solution provider.

Lastly, and not to be overlooked, are those pet issues near and dear to the hearts of your senior management. If your invoice-to-pay automation project can help with those, your chances of getting approval skyrocket. Even if you think those issues are irrelevant, include them when [building your business case](#). Think of them as greasing the wheels to your success.



# SAME DAY ACH

## NO SILVER BULLET FOR BUSINESS PAYMENTS

*\*ARTICLE ORIGINALLY PUBLISHED [HERE](#)  
BY AMERICAN BANKER.*

ACH IS JUST ONE POTENTIAL SOLUTION  
TO THE ULTIMATE GOAL OF OBTAINING  
FASTER AND MORE SECURE PAYMENTS.

Last month, the Federal Reserve Bank gave its approval on a proposal for same day ACH that the industry group NACHA proposed in May. The new rules scheduled to be implemented in September 2016 are a significant advancement, but as MineralTree founder and CEO BC Krishna points out, we still have a long way to go in order for same day payments to be ubiquitous and safe for businesses.



In a recently published American Banker article – and an unabridged version self-published on LinkedIn – BC Krishna explores the push towards faster payments in the U.S. and the challenges we have to overcome in order to make them a reality for businesses. He makes a case for bringing together stewards of all the different payment rails to ensure the infrastructure we need for the future is in place, writing:

*“ ACH is just one potential solution to the ultimate goal of obtaining faster and more secure payments. Other payment rails such as debit, credit, electronic funds transfer, and virtual cards are in a good position to solve these challenges as well. While some of these options are currently focused on consumers, they have the infrastructure to potentially improve business payments too. The only thing holding them back are rules that the industry associations and governing bodies managing them have put in place. And rules can be changed — just as Nacha is beginning to do with ACH.”*

– BC Krishna, CEO of MineralTree



## BC KRISHNA

BC is passionate about helping businesses operate more efficiently by improving the options they have for making payments. In addition to founding MineralTree, he is a member of the [Federal Reserve Bank's Secure Payments Task Force](#) and [Faster Payments Task Force](#), and is working with the [Remittance Coalition](#) to lead the creation of a B-to-B payments directory.



# COMMON HURDLES FOR AP MANAGERS

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MANAGING ACCOUNTS PAYABLE ISN'T ALWAYS AN EASY PROCESS FOR COMPANIES THAT STILL DO IT MANUALLY, AND MANY OF THE ISSUES THAT ARISE – WHETHER IT'S EVERY SINGLE MONTH OR INFREQUENTLY – ARE ACTUALLY QUITE COMMON WITHIN AP CIRCLES.

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To that end, it may be possible for AP managers or controllers to do more to identify and deal with these stumbling blocks, and automating the AP process is often a good place to start.

But first, it's important to have an understanding of some of the more common obstacles AP departments face, and then work to identify the best methods for addressing them. Here are just a few:

## Accuracy Of Data Entry

When various aspects of the AP process aren't automated, data that's [entered manually](#) into various software platforms is more likely to contain typos or otherwise be inaccurate. That, in turn, can cause a lot of problems on an ongoing basis for any company.

## Inefficiency

The fact that the AP process often takes so much time – which can be better spent on other issues – certainly relates back to data accuracy. After all, those mistakes have to be first discovered, often through painstaking processes, then corrected.





However, inefficiency problems also go beyond data accuracy. When companies rely on manual data entry, that's just a time-consuming process even if everything goes right, and those are man-hours that would likely be [better devoted to other aspects of the business](#).

## Making Cross-Border Payments

Today, an ever-growing number of companies are doing international business, and they sometimes struggle with how to handle the cross-border payments. Even as more companies – regardless of size – are doing this kind of business, these payments are difficult to execute, especially if they're dealing with manual AP processes.

Due to how many financial institutions need to be involved in a cross-border transaction, the more

companies can do to simplify the process on their end, the better off they and their business partners will be. This means being able send a cross-border payment using the same process as you would for an ACH or check.

## Your Audit and SOX compliance

The Sarbanes-Oxley Act is designed to protect shareholders and others against accounting errors and corporate fraud, as well as requiring companies to be more accurate with their financial disclosures. But with manual processes for accounts payable, it's not always easy for companies to comply with these rules.

Simply put, there are a lot of ins and outs that can affect SOX compliance – as well as [other types of audits](#) – and when process aren't automated, it's far easier for one aspect of it to be overlooked. That can open companies up to significant liabilities in certain situations.

## Cash Forecasting

The lifeblood of any company is its cash flow, and therefore the ability to predict that cash flow from one month to the next is often paramount to both long- and short-term planning. However, when dealing with manual AP data entry, it becomes a lot more difficult – not to mention time-consuming – to accurately make those predictions. That can consequently be a hindrance not only to the AP department, but the entire business.

With all these issues in mind, there's one overarching theme: The manual AP process is slow, burdensome, and potentially filled with pitfalls for any company. As a result, it's vital for companies that haven't yet done so to examine the options MineralTree can provide to [help them shift](#) to a paperless, [automated accounts payable solution](#). MineralTree's offerings can significantly help companies in their quest to overcome these common hurdles and gain crucial insights into their finances on an ongoing basis.



## How Are Cutting Edge Companies Managing Accounts Payable?

Invoice and payment workflow automation software introduces numerous benefits to the finance organization including reduced costs, time savings, discount capture, and more control for approvals.

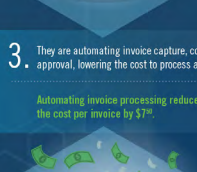
1. They are automating check payments removing the need to manually print, sign, approve and mail.

Automating check payments reduces the cost per payment by \$3<sup>1</sup>.



2. They are transitioning check payments to ACH, credit card, wire and virtual card.

The cost to make an electronic payment is at least 89% less than a check payment.



3. They are automating invoice capture, coding and approval, lowering the cost to process an invoice.

Automating invoice processing reduces the cost per invoice by \$7<sup>2</sup>.



4. They have transitioned at least 10% of total AP spend to a card payment.

Using cards can deliver between .5% - 2.0% in cash rebates.



5. They are automatically coding and routing invoices and payments for approval.

Faster coding and approvals ensures invoices are paid on time, discounts are maximized, and an audit trail is created.



6. They are seeing a return on their investment.

Most companies automating AP will break even in 6-months or less.

### A COMPANY PROCESSING 3,000 INVOICES PER YEAR

3,000 invoices automatically captured, coded and approved saves \$22,500<sup>3</sup>.

2,000 payments are automatically processed yielding a savings of at least \$8,000<sup>4</sup>.

TOTAL SAVINGS PER YEAR \$30,500<sup>3,4</sup>

\*this data is based on 1,500 high-performing companies using MineralTree Invoice-to-Pay.



www.mineraltree.com

# HOW ARE CUTTING EDGE COMPANIES MANAGING ACCOUNTS PAYABLE

## INFOGRAPHIC

WE RECENTLY PUBLISHED A NEW INFOGRAPHIC THAT LOOKS AT HOW A CUTTING EDGE COMPANY IS MANAGING THEIR ACCOUNTS PAYABLE PROCESS. FROM THE SAVINGS DERIVED MOVING CHECK PAYMENTS TO ELECTRONIC FORMATS ALL THE WAY THROUGH TO THE PAYBACK PERIOD FOR THEIR INVESTMENT. TAKE A LOOK!



[VIEW INFOGRAPHIC](#)

# SKEPTICISM AROUND AUTOMATING AP IS REAL, BUT IS IT RELIABLE?

SKEPTICS BEWARE, WE ARE BUSTING MYTHS TODAY! LIKE ANYTHING THAT SOUNDS TOO GOOD TO BE TRUE, WE WONDER IS THIS VALID? COULD I REALLY REDUCE COSTS BY 50%, ELIMINATE MANUAL PROCESSING TIME, CAPTURE APPROVALS QUICKLY AND EARN MY INVESTMENT BACK?

Let's dive into some common myths:

## MYTH #1:

### **Our AP process is extremely efficient.**

The team knows the way they do things now and simply cannot envision another way. Let alone another way that is better. Within the Accounts Payable (AP) department, if your current process is still manual, then your processes are not as efficient as they could be.

## MYTH #2:

### **Our CFO likes signing checks.**

I get it. Our CFO likes to sign checks too, or perhaps not. Many CFOs are spending time performing tasks related to accounts payable processes when that time could be spent on more value added projects.

## MYTH #3:

### **Isn't this something our accounting system can do?**

Many professionals feel that because they have an ERP in place, they don't need to add any additional software into the mix. However, while your ERP is a robust system for managing your operations and G/L, the functionality around [accounts payable automation](#) specifically are simply not built-in.



## READ WHITEPAPER

to learn more about the 10 Most Common Myths About AP Automation.



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