

P3

POPULAR
PAYABLES
POSTS

VOLUME#8 | WINTER 2018 ISSUE

Cash is King: A Lesson In Tesla's Face-Off With Suppliers

Three Ways Accounts Payable Is Impacting Your Entire Company

B2B ACH Transfers: Everything Midmarket Businesses Need To Know

MineralTree Elevates Accounts Payable Automation To New Heights With Latest Round Of Enhancements

Why Your Accounting Team Is Stuck In The World Of Number Crunching



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AP and Payment Automation



EDITOR'S NOTE

Greetings,

This edition of P3 (Popular Payables Posts) brings articles that reflect the shifting climate of accounts payable, and the payables market as a whole.

Teams are beginning to view the accounts payable function of business as a way to gain a strategic edge, as evidenced by Tesla. And a big step toward capitalizing on the potential benefits accounts payable provides starts with transitioning away from the manual, paper-based AP process that has reigned supreme for as long as businesses have paid invoices. These articles are among the most popular posts on our blog this year. I hope you find them relevant and insightful.

Sincerely,
Scott Siegler
Editor, P3
MineralTree



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THREE WAYS ACCOUNTS PAYABLE IS IMPACTING YOUR ENTIRE COMPANY

WHILE IT IS TEMPTING TO THINK THAT ACCOUNTS PAYABLE IS SIMPLY “PAYING THE BILLS,” THIS NOTION IS ACTUALLY UNFOUNDED

There is [a lot of benefit](#) to be gained from thinking of accounts payable as more than paying vendor invoices. In reality, the way that your accounts payable team operates impacts your business in a way that extends far beyond what you might expect.





Here are three concrete ways that accounts payable impacts your entire company:

1. Vendor Service

Vendors are key stakeholders in the operations of any business. With accounts payable serving as the liaison between a company and its vendors, they serve as the stewards of a key relationship for the business.

A company that has built a relationship of trust with vendors benefits from high-quality service, more discounts, and flexibility in payments that enable working capital optimization.

On the other hand, a poorly managed vendor relationship can result in mediocre service, an inability to negotiate payment terms, and ultimately, inefficient capital allocation. Additionally, angry vendors don't hesitate to go up the ladder in order to expedite late payments, and can quickly become a thorn in the side of your executive leadership team.

The way you pay your vendors can make a tremendous difference in the level of service that they provide to you, and ultimately the level of service you provide to your customers. Thinking strategically about how you process and pay invoices can help you establish build a maintain strong relationships with vendors that help move your business forward.

2. Cash Flow

The proficiency with which the AP team pays invoices maximizes the company's potential short-term cash flow benefits.

Creating a longer average payable period increases the amount of cash the company has on hand for operations and capital expenditures, allowing the company to maximize the use of its trade credit by using every dollar in its cash flow as much as possible. Thus, the company is effectively able to [borrow money](#) from its vendors – for free.

Not only can the accounts payable team maximize capital usage, but it also has a unique opportunity to increase capital. Using corporate credit cards to pay vendor invoices can provide a significant, steady stream of income. Most credit cards have cash-back rebates of 0.5%. While that may seem trivial, an additional \$5,000 in capital per \$1 million in operating expenses can improve the performance of an organization.





3. Company Audits

Audits are a necessary evil for every company. How the audit experience goes for companies has a lot to do with how the accounts payable team records and maintains their vendor invoice data over the course of a year.

The easier it is to quickly locate required documentation, the less disrupted your company's employees will be from focusing on their core responsibilities during an audit. If documentation is missing, misplaced or inaccurate, employees will get pulled away from their tasks that help the company perform more efficiently in order to locate or produce the document or correct the error.

How to an Ensure a Proactive Approach to Accounts Payable

In each of these areas, an accounts payable team can easily slip into reactivity. After a vendor relationship deteriorates, then they will step in and fix it. If cash flow dries up, then they find a way to expand the average payable period. If an audit occurs, then they work to retroactively clean up the paperwork and get organized. This method of operating accounts payable can hold a company back.

The simplest way to take a proactive approach to accounts payable is to automate the end-to-end process.

Investing in an [accounts payable automation solution](#) has saved companies [as much as 64 hours each month](#).

[MineralTree Invoice-to-Pay](#) is an example of a solution that enables companies to improve AP efficiency by 70%, and ultimately take a more strategic approach to paying vendors and optimizing cash flow. Additionally, MineralTree provides one central repository for quickly locating all invoice data, streamlining the process of locating documents during audits.



B2B ACH TRANSFERS: EVERYTHING MIDMARKET BUSINESSES **NEED TO KNOW**

SAME-DAY ACH TRANSFERS CAN BE A BOON TO MIDMARKET BUSINESSES, BUT THEY'RE NOT A SILVER BULLET.

ACH is getting [a lot of buzz](#) in recent news with same-day ACH transfers now sitting in Phase Three, the third and final phase of its two-year implementation process. While the implications of same-day ACH to accounts payable teams are exciting, this implementation means different things to businesses of different sizes. For midmarket businesses, same-day ACH transfers can create a lot of opportunity for improvement within the accounts payable process. However, this improvement will likely come much more gradually than it does for larger corporations, depending on the selectivity of banks offering same-day ACH transfer services.

The Benefits Of Same-Day ACH Transfers

First, let's look at the benefits that same-day ACH transfers will provide to midmarket businesses:

Faster Payment Processing

One of the greatest benefits that same-day ACH transfers provide lies in their name: the money is transferred on the same day. This accelerates the settlement period that has historically been three days with traditional ACH transfers. Faster payment processing is a boon for accounts payable teams, as they are able to benefit from increased command over short-term cash flow, and hang on to sums of money for longer amounts of time as it is beneficial to them.

Less Expensive

Compared to many alternative payment methods, especially paper checks and wire transfers, same-day ACH transfers are way more cost efficient, with a ACH transfer fee of less than \$1



each. Paper checks incur a lot of costs for businesses from the postage and time spent manually preparing a postmarking envelopes for payments. On average, the cost of paying with paper checks is estimated to be [\\$5.91 per check](#). In regards to ACH transfer vs wire transfers, banks charge between [\\$10-\\$35 for domestic wire transfers](#), and international transfers cost even more. With businesses processing hundreds of payment each month, these costs add up.

Less Risky

Same-day ACH transfers still come with a level of risk, but it is far less than the level of risk assumed by businesses paying with paper checks or wire transfers. Paper checks were revealed as the top target for fraudsters in the [AFP's annual fraud survey](#), and the immediate availability of transferred funds makes wire transfer a risk as well.

In the [wild, wild west that the world of B2B payments has become](#), a steady diet ACH transfers gives your business the best odds when it comes to fraud.

The Limitations Of Same-Day ACH Transfers

While all of this sounds great if you're a midmarket company, there is something important that you should know: Same-day ACH transfers are not ubiquitously offered to businesses by financial institutions.

In other words, banks and financial institutions verify businesses before offering both same-day ACH or traditional ACH transfers, and put businesses through a full underwriting process. This underwriting process is expensive and involves a lengthy application timeline. For this reason, banks are more focused on gaining large enterprises as customers that are processing higher volumes of payments to make this investment of time and money the most worthwhile. As a result, many midmarket businesses are struggling to get access to this valuable service.

However, even the midmarket businesses that have access to same-day ACH transfers have another factor that limits their ability to utilize it: a lack of support in their ERP. With so many invoices to pay



in a limited amount of time, accounts payable teams are less likely to step outside of the status quo to pay by ACH, and risk adding time to the process of queueing up a payment. That is, unless it is built into their payment process. However, accounting software designed for midmarket businesses doesn't build ACH transfers into the accounts payable process, and for that reason, paper checks are still the most commonly used payment method.

While most accounting software for large enterprises does build ACH into the AP process, this discrepancy represents another way that large enterprises have an edge over midmarket businesses when it comes to ACH transfers as a payment method.

How Midmarket Businesses Should Approach ACH Transfers

Midmarket businesses should understand that ACH transfers are one option in a stable of other good B2B payment options that are available at their behest.

In the same way ACH transfer has its benefits and limitations, so does every other payment option. However, by taking a strategic approach to how you are paying your vendors, you can ensure you are using the most appropriate payment method at the most appropriate time.

The best approach for midsize businesses to take with ACH transfers is one that is focused on utilizing it in as many appropriate contexts as possible, while utilizing alternate payment methods where they are most appropriate. Some examples of contexts where ACH transfers are most appropriate include when vendors do not accept a corporate credit card or virtual card, and when immediate payment is not necessary.

Some alternate payment methods to consider when you are paying your vendors in contexts outside of the ones most appropriate for ACH transfers include:

Commercial Card

Credit card that businesses provide their employees paying directly from a corporate credit line for business related purchases. Excellent option for making instantaneous payments to vendors that accept this payment method, and earns you an average of 1% back on rebates.

Virtual Card

Single-use, 16-digit number that issuers provide companies to pay for specific transactions. Excellent option for making instantaneous payments to vendors that accept this payment



method, and also among the most secure payment options available today. This method also allows you to earn rebates.

Wire Transfer

Real-time payment method from one account to another. Among the riskiest payment options, as once payment is processed, funds are gone. This payment option should only be utilized when no other options are available.

Building an Optimal Vendor Payment Strategy Around ACH Transfers

Given the fact that the primary method for vendor payments today remains paper checks, the process of building a solid vendor payment strategy that includes the right balance of ACH transfers, commercial cards, and virtual cards is not going to happen overnight. However, there are steps you can take to immediately put yourself on track to getting there.

Find Out Which Of Your Vendors Accept Commercial Card Purchases

Whether or not you are already utilizing a commercial card for vendor payments, it never hurts to reassess which of your vendors are accepting payments via commercial card. Every payment that you make will result in cash back for you, so ignorance of applicable vendors can be costing you money.

Start Gradually Shifting Spend Over To Electronic Payment Methods

As discussed earlier, not every midmarket company will be able to originate same-day ACH transfers right away. While it can take time to apply and receive the service from your bank, it doesn't hurt to start paying electronically wherever you can. Trying to pay more with a digital commercial card or virtual card is a good place to start, and even utilizing traditional ACH transfer services as they are available to you is also a step in the right direction.

Integrate Your ERP With A Cloud-Based Accounts Payable Automation Solution

With a long and arduous process required to process and pay invoices, juggling all of these different payment options can seem like a battle that is not worth the fight.

Integrating your ERP with a [cloud-based accounts payable automation solution](#) not only streamlines the lengthy process of paying invoices, but it also provides a centralized access point to all of your payment options, including ACH, commercial card, virtual card, and even paper check. With this setup, businesses that are still primarily using paper checks today can easily begin transitioning away while continuing to pay with them as necessary.

[Midmarket businesses that integrate with with these solutions](#) are able to take a proactive approach to building a vendor payment strategy that optimizes their short-term cash flow, and gradually shifts their spend away from paper checks.

How To Optimize Your ERP And Scale Accounts Payable

Read Whitepaper

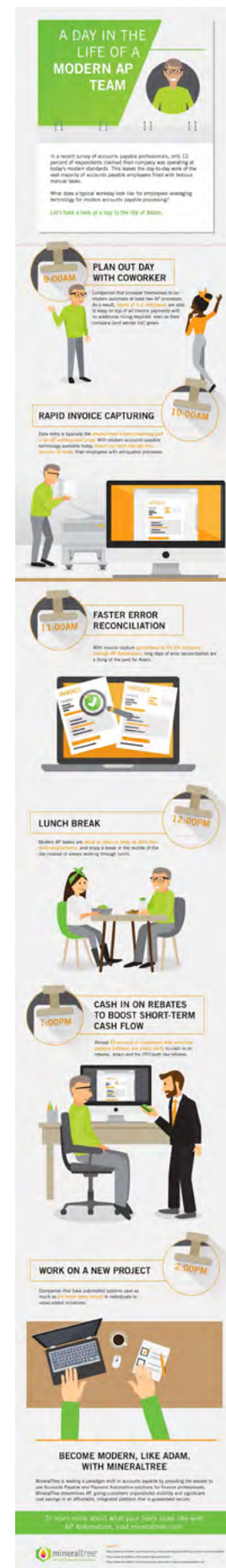


A DAY IN THE LIFE OF A MODERN AP

INFOGRAPHIC

With FinTech disruption rapidly changing the way finance and accounting teams operate, accounts payable has been among the slowest to adapt. However, accounts payable automation technology is creating a paradigm shift, and changing the way AP teams are thinking about the end-to-end process of paying vendor invoices.

This infographic explores what a typical day looks like from the perspective of an accounts payable employee on a modern team leveraging automation.



VIEW INFOGRAPHIC

CASH IS KING: A LESSON IN TESLA'S FACE-OFF WITH SUPPLIERS

BURIED WITHIN THE ONGOING TESLA SOAP OPERA IS A GEM OF A LESSON FOR ALL FINANCE LEADERS.

For those of you that have been following the Tesla saga over the past few weeks, if you look beyond the Twittersphere and corporate governance issues, you may have noticed some chatter around Tesla suppliers fretting over getting paid. It's true that Tesla is leveraging its financial position to retroactively negotiate major discounts with suppliers, and whether or not this is a move out of strength or weakness remains to be seen. But that's



not so important when it comes to understanding the more nuanced point that all businesses should take away: There is tremendous upside – including tens of thousands of dollars in savings – that comes with a well-thought-out cost and cash management strategy. And this strategy starts with the accounts payable function.

Accounts payable is not just a matter of “keeping the lights on,” but also an avenue for true cost management.

Accounts payable is a job function often equated to the simple responsibility of “keeping the lights on.” It has existed largely the same way for the past several decades, and finance professionals have been underestimating the operating costs of AP by over 100%. A typical AP workflow looks like this:

- Collect paper or emailed invoices from vendors
- Dole out paper copies and emails to appropriate department heads requesting approvals
- Spend hours keying in data and GL accounts
- Mail a check to the vendor – literally. [50% of B2B transactions](#) occur by check.

What is the impact of all of this manual work? Lots of missed opportunity. For many businesses, the AP function is spending all of its time working hard to simply pay the bills. Yet, this function controls one of the most important aspects of a business: the outflow of cash. As Tesla is now negotiating rebates ranging from 9% to 20% of what it has previously paid suppliers, it is revealing that when you hold the cash, you hold the power.

While Tesla’s scale provides more leverage than most other businesses, don’t think that this lesson only

applies to large companies – it applies to any business, regardless of size. Where you manage the cash, you manage the power. And the data suggests that power could be very beneficial to your business. Between negotiating more favorable pricing terms, reducing unnecessary vendors and costs, taking advantage of early pay discounts, and rebates from electronic transactions, most businesses can see a return of 1 – 3% of all vendor spend. This might not sound like much, but it equates to tens of thousands of dollars for a small business and hundreds of thousands for mid-size businesses.

This lesson is further validated when one looks at cyber fraud. Many cyber fraud schemes are aimed at poor controls and poorly managed accounts payable functions in order to fraudulently extract funds from businesses. The fake invoice, the urgent need for a wire to some foreign country, or a spoofed check are all examples of cyber criminals taking advantage of the fact that they know that the outflow of cash is often not well-managed at many companies. The number of companies impacted by a cyber fraud incident last year was [well over 70%](#).

Unlike many aspects of the Tesla soap opera that provide a cautionary tale, using [accounts payable](#) as a point of strength is an example that every business can benefit from following.



MINERALTREE ELEVATES ACCOUNTS PAYABLE AUTOMATION TO NEW HEIGHTS WITH LATEST ROUND OF ENHANCEMENTS

MINERALTREE HAS TAKEN ANOTHER STEP FORWARD IN ITS MISSION TO SEEK OUT AND ATTACK INEFFICIENCIES IN EVERYDAY ACCOUNTS PAYABLE WITH ITS LATEST ROUND OF PRODUCT ENHANCEMENTS.

Bringing new efficiency to invoice payments is critical. After all, businesses are now typically processing [over 100 invoices every month](#). A stable of new features and product enhancements will now enable [MineralTree](#) customers to kick up accounts payable efficiency and security another notch, and reap the benefits of an optimized end-to-end accounts payable process.

These benefits include increased simplicity, improved control over working capital, and enhanced security.

Creating Simplicity And Driving Efficiency

Detect Duplicate Invoices, Automate Purchase Order (PO) Matching, Automatically Schedule Approved Payments.

AP professionals know that paying the same invoice twice is among the costliest of mistakes they can make. It is time wasted reconciling spurious payments, time spent having awkward conversations with suppliers to recover funds, and in some cases, dealing with unexpected cash flow issues. With MineralTree, automated [Duplicate Invoice Detection](#) saves precious time during the invoice approval process and eliminates the possibility of paying the same invoice twice.

Purchase Orders (POs) provide businesses with critical controls when purchasing goods and services from suppliers. However, for the AP department, matching incoming invoices against existing POs can be a time-consuming, tedious, error-prone task. MineralTree Invoice-to-Pay now employs [Automated PO Matching](#) through advanced algorithms and AI techniques to automatically match invoices against POs — a boon for overworked AP departments seeking to follow-through on the controls promised



by the introduction of POs. Automated Payment Scheduling takes the burden of manually tracking payment deadlines and discount requirements off the shoulders of AP staff. By providing “set-it-and-forget-it” functionality for approved invoices, AP managers can now be sure to manually schedule payments, optimize cash flow, while eliminating costly fees from late payments.

Whether taken together or considered individually, these three features further streamline and simplify the AP processes that are already automated by MineralTree Invoice-to-Pay.

Delivering Discounts, Cashback, And Greater Working Capital Benefits

Automatic Application of Discounts, Vendor Payments using Virtual Credit Cards.

“2/10 Net 30.” For AP managers, that’s tantalizing shorthand for 2% return on capital over a 20 day period, or an impressive 37% annualized return. But, for most AP managers, the ability to ask for and use offered discounts is hampered by the complexity of managing discount calendars; [Automatic Early-Pay Discount Application](#) rounds out the latest group of enhancements, by making it even easier for customers to reap the benefits of efficiency in the form of vendor discounts.

This feature ensures that the amount due on an invoice that is displayed in MineralTree reflects the early-pay discount, along with the due date for that payment in order to receive the discount. After the early-pay deadline passes, the amount displayed updates automatically to reflect the amount due without the discount.

Prior to this capability, AP managers were stuck tracking discount and payment deadlines with different spreadsheets and calendar apps, and needed to calculate the discount manually before sending the payment.

MineralTree customers have also seen greater working capital benefits as a result of an expanded network of merchants participating in [MineralTree’s](#)

[virtual card program – SilverPay](#). There are now officially 500,000 vendors enrolled in the SilverPay network, enabling more MineralTree customers than ever before to benefit from the faster payments, reduced exposure to check fraud, and cash-back rebate that come with virtual credit cards.

Enhancing Security & Control

MineralTree has also built even more security into its product with fine-grained visibility into all account activity and advanced audit reporting.

With increased visibility into all account activity, customers are now able to track every interaction with the MineralTree platform, and trace updated account information back to individual employees. This improvement adds another layer of accountability to the accounts payable process, and deters internal employees from committing any kind of fraudulent activity.

Advanced audit reporting makes it easy to access approval details for every invoice that is paid by providing one centralized and searchable location that houses all invoice data. Not only does this further discourage internal employees from attempting any fraudulent activity, it also minimizes the strain on employees responsible for providing documentation during audits.

These new features add to an already robust collection of features in MineralTree’s Invoice-to-Pay software, including streamlined invoice capture and approval workflows, bank account and accounting system integrations and advanced payment security features such as payment limits, two-factor authentication and two-factor payment verification.



**CURIOUS TO LEARN MORE ABOUT AP
AUTOMATION FOR YOUR TEAM?**

Contact us to learn more about MineralTree.

WHY YOUR ACCOUNTING TEAM IS **STUCK** IN THE WORLD OF **NUMBER CRUNCHING**

AMONG ALL THE RESOURCES ACCOUNTING TEAMS POSSESS, TIME IS THE MOST VALUABLE.

Accounts payable is the most arduous, cumbersome, and time-consuming process in finance today. The status quo for vendor payments among accounts payable teams today looks something like this:

1. Manually keying invoice data into accounting system
2. Chasing down signatures
3. Printing paper checks
4. Tracking and calculating applicable discounts on spreadsheets
5. Gaining elusive approvals from traveling CFOs
6. Stuffing envelopes and mailing payments
7. Filing away paper records

In total, this process takes weeks to complete, and also can cost as much as [\\$25 per invoice](#). With businesses processing an average of [100 invoices every month](#), this cost of time and money can quietly reach extravagant levels without CFOs even realizing it. As businesses grow and add vendors, the percentage of time accounts payable teams spend performing the repetitive and manual tasks associated with “paying the bills” continues to approach 100%.

Of course, the more time accounts payable teams spend on simply getting vendors paid, the less time they have to focus on paying those vendors in a way that is [advantageous to the business](#). Opportunities like improved short-term cash flow, revenue from cash rebates and early pay discounts, and improved defense against fraud are foregone by default



CFO's are looking at a huge opportunity to save their company valuable time by lifting their accounting teams out of their roles as "number crunchers" and enabling them to take the more strategic approach to vendor payments that modern technology affords. So why haven't they?

because paying the bills on time to keep the business running is enough of a challenge. [Disruptive technology](#) has eliminated the need for accounts payable to be this large of a burden on businesses. And yet, the vendor payment process at most businesses remains an enormous source of frustration and cost.

Here are three reasons that attempts to do this have come up short thus far:

Adding Headcount Is Not Scalable

If an accounts payable team in a growing midsize company is overwhelmed by the growing volume of invoices, adding another team member seems like a logical solution to the problem. And it will

be – until the volume of invoices grows beyond the capacity of the resized team. Then what do you do? Add another annual salary plus benefits devoted solely to getting the bills paid?

Adding a full-time employee is a huge investment for a growing business, and adding multiple employees for the sole purpose of keeping up with vendor payments becomes very impractical for any business. While hiring can quickly ease the burden of volume, it will only be temporary. And continuing down the path of adding headcount will inevitably lead to a dead end for every CFO.

Point Solutions Provide Limited Returns

The accounts payable process is broader than the individual acts of recording invoice data and sending a payment. Investing in solutions that only tackle these individual components of vendor payments will provide limited returns, and leave opportunity for further payment optimization on the table.

Optical Character Recognition Solutions

A popular investment choice among businesses to streamline AP has been Optical Character Recognition (OCR) technology. While this technology, saves some effort by scanning invoice data into your accounting system, [plenty of manual work is still necessary](#). With the accuracy of OCR tech advertised to be 90%, and hundreds of invoices processed each month, this adds up to a very large amount of inaccuracy that requires reconciliations at the end of a quarter.

Payment-Only Solutions

Another popular choice is electronic payment solutions. While it's true that electronic payments are a [less expensive payment method](#) than paper checks, payment-only solutions still leave plenty of opportunity for improved processes unaddressed. While these solutions are typically appended to your existing workflow, and don't integrate directly into it, your AP teams may still favor paying by check as it remains the most familiar and routine.

Settlement Accounts Add To The Complexity

Payment solutions in the market today offer to make payments on behalf of the companies that they work with. While off-loading the burden of setting up and executing the payment to another party is a surefire way to streamline payments, it's possible that it can add complexity to bookkeeping in the aftermath of those payments.

Many solutions utilize settlement accounts in the process of placing payments on behalf of their customers, requiring the payment to move into their own bank accounts before they can be executed. The usage of settlement accounts inevitably removes transparency and adds guesswork to the process of performing daily reconciliation, as you can no longer regard your business's bank account as the source of truth for bookkeeping.

This added inconvenience offsets the convenience gained by having the payment made on your behalf, and ultimately leaves you with another convoluted process.

How To Effectively Invest In Accounts Payable

Earning a worthwhile return on your investment in accounts payable requires a holistic approach to the end-to-end vendor payment process, starting with the time an invoice is received and ending with the successful preservation of the full audit trail of the payment.

Accounts Payable Automation solutions like [MineralTree](#) streamline and eliminate the inefficiencies embedded in manual accounts payable at every step of the process by:

- Integrating directly with your accounting system and bank account
- Recording invoice data into your accounting system at 99.5% accuracy

- Automatically routing invoices to department heads and executive for approvals and authorizations
- Providing mobile access to a platform designed for payment approvals and authorizations
- Offering all payment methods, including paper check, in one centralized location
- Storing complete audit trails for each payment in one unified repository

MineralTree customers typically see up to 60% increases in efficiency, and a fully repaid investment [within two months](#) of implementation.



WHAT THE MIDTERM ELECTIONS TAUGHT US ABOUT **VENDOR PAYMENTS FRAUD**

VENDOR PAYMENTS FRAUD HAS REARED ITS UGLY HEAD ON THE CAMPAIGN TRAIL, AND THIS IS BAD NEWS FOR EVERYONE.

Vendor payments fraud continues to reach new heights as the AFP reports 78% of businesses are now experiencing it. However, this type of fraud is not limited to the corporate world. We learned this during [former Tennessee Governor Phil Bredesen's campaign for election into the United States Senate in 2018.](#)

Bredesen, who was targeting the seat to be left open by Bob Corker, was in the midst of a comprehensive campaign when his cyber-security firm noticed an anomaly in what appeared to be a standard request for payment from one of his campaign's media buyers. Upon close investigation, the

cyber-security firm found the email address requesting a wire transfer, which appeared to be identical to the real media buyer's, was registered through an Arizona-based registrar.

If not for this subtle indicator picked up by a hired professional cyber-security firm, it's very possible the Bredesen's campaign would have been robbed. By leveraging the real-time nature of wire payments, this fraud attempt could have ended with an instantaneous transfer from the first fraudulent account to another, making the payment impossible to recover.



What This Means For Businesses

“Thanks to alert action by campaign management, no funds were diverted,” stated a letter written by campaign lawyer Robert E. Cooper Jr. “However, due to the fact that the impostors knew the media buy was imminent, we are concerned that there has been an authorized intrusion into the extended campaign organization.”

This is where businesses need to pay attention. The Bredesen campaign’s concern here is valid. As evidenced by this intricately planned attempt, fraudsters are only getting more and more clever in their attempts to steal. And unlike political campaigns, which have the luxury of privacy while planning (in most cases), businesses that are publicly traded must often disclose large amounts of information that can be used against them in a countless number of fraud schemes.

Even privately-run businesses can be manipulated with any amount of information that becomes available. In fact, [another common play](#) out of the payments fraud playbook targets businesses with traveling CEOs. While the CEO is away, a fraudulent request for an immediate and time-sensitive wire transfer will reach the accounts payable team from an email address that appears to belong to the CEO. Without thinking twice, the AP team transfers the funds as soon as possible only to find out the request was never actually made.

What Businesses Can Do To Mitigate Risk

While there are a lot of different types of best practices that businesses can adopt to mitigate fraud risk, without an [automated accounts payable solution](#) it is very challenging to maintain them. Adopting an automated accounts payable process enables you to build best practices like these into your AP process and enforce them automatically:

Segregation Of Duties:

AP Automation solutions designate separate roles in the accounts payable process by creating separate login credentials and separate dashboards. Not only does this make it incredibly challenging to forge approvals, but prevents the aforementioned fraudulent CEO wire request.

Dual Factor Authentication:

AP Automation solutions also require Dual Factor Authentication to decrease the feasibility of account takeovers. Every time someone logs in, they are required to not only enter their password, but also a verification code delivered via email or text message.

Auto PO Match:

For those businesses leveraging POs, AP Automation can take the pain out of matching them to corresponding invoices by doing it automatically and flagging any that are mismatched.

Easier Access To Electronic Payment Methods:

Electronic payments, in contrast to paper checks, offer layers of security by encrypting payment data in transit. Virtual card technology goes a step further by employing the use of tokenization and restricting each payment to a one-time-use credit card number for a fixed transactions amount.



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