

WHERE YOU'RE

UNDERESTIMATING THE COST OF PAYING INVOICES THE MOST



Accounts Payable professionals have been underestimating the cost of paying their vendor invoices for years. And the chasm between their estimation and reality is surprisingly large.

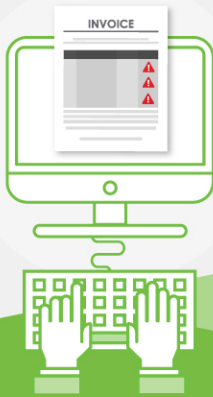
Let's take a look at where this unrealized expense is coming from:

Invoice Capture Costs

Unexpected costs are triggered by inaccuracies when entering invoice data into your accounting system and the time and energy required to go back and correct errors while reconciling with impacted vendors.

10x

According to the 1-10-100 rule, the cost of every error is 10x greater to remediate than it is to prevent²



-\$300k

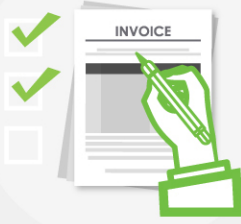
The inefficiency created by duplicate invoice payments can equate to a loss of \$300,000 for medium sized businesses over a three year period¹

Invoice & Payment Approval Costs

Unexpected costs are triggered by excessive time spent chasing down approvals from department heads and executives, some of whom are in other business units or office locations.

3x

Manually collecting invoices can require 3x more time than necessary³



OVERDUE

48.8%

48.8% of invoices were reported to be overdue in 2017⁴

Payment Execution Costs

Unexpected costs are triggered by the prolific use of paper checks and associated costs of:

- labor (largest expense item)
- time spent signing checks
- envelope supplies
- printing
- mailing preparation
- lockbox service fees
- postage fees
- bank processing fees
- check reconciliation
- dealing with lost checks

\$7,780^{00*}

* \$7⁷⁸ per invoice
x 1,000 annual invoices
(expense coming from paper
check payments alone)



\$7⁷⁸

Aberdeen Group reports an average cost of a check payment to be \$7.78 per check, on top of all other AP-related costs⁵

Looking to trim down
your accounts payable costs?

Contact **MineralTree** to learn how automation can fit into your vendor payment process.

SOURCES FOR STATS:

(1) Detecting and preventing duplicate invoice payments

<https://pages.infor.com/life-white-paper-detecting-preventing-duplicate-invoice-payments.html?cid=NA-NA-WWW-US-FMS-0513-DETECT-DUPL-INVOICE-WWW-1305>

(2) The Real Cost of Bad Data

<https://www.melissadata.com/dgt/1-10-100-rule.pdf>

(3) Calculating the Costs to Process an Invoice

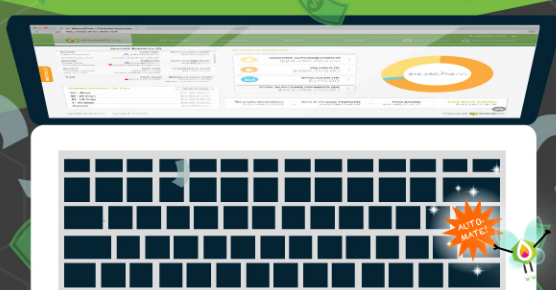
<http://www.p2insight.com/blog/rewrite-calculating-the-cost-to-process-an-invoice>

(4) Payment Practices Barometer Americas 2017

<https://atradius.us/reports/payment-practices-barometer-americas-2017.html>

(5) The Cost of Issuing Checks

<https://acom.com/cost-issuing-checks/>



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