



AP Automation: Starting with Payments Instead of Invoices

A MineralTree Perspective on Getting to Value Faster



Most organizations assume the best place to begin automating accounts payable (AP) is at the start of the workflow: invoice receipt.

And that makes perfect sense: it's where many finance teams feel the most friction, such as collecting invoices from multiple sources, keying invoice data into accounting systems, and distributing those invoices to one or more individuals for approvals.

All of these manual tasks are perfect targets for automation, but they may not always be the best place to start.

In our experience working with hundreds of small, mid-size and large enterprises, we've found that in some cases, starting with vendor payment automation delivers more value because:



It's simpler to implement and delivers faster time to value.



It has an immediate benefit in strengthening supplier relationships.



It removes the bottlenecks that often undermine upstream automation investments. For example, if you automate invoice receipt but still pay vendors manually, the efficiency gains disappear at the point where they matter most.

Learn how a **payables-first** approach can jump start your AP automation efforts while also laying the foundation for end-to-end AP automation and long-term financial strength and agility.



The state of AP today

Finance teams operate in a landscape defined by fragmentation and manual touchpoints. Even well-organized organizations struggle with:

- ✓ Invoices arriving through multiple channels, such as email, PDFs, portals, and postal mail
- ✓ Manual data entry and inconsistent formats
- ✓ Approval delays that vary across stakeholders
- ✓ Payment execution that still relies on checks, manual ACH, or bank portals

While invoice receipt feels chaotic, the downstream payment phase is where timing, accuracy, compliance, and supplier satisfaction converge. This is also where most organizations still handle the process manually, regardless of how modern their upstream workflows may be.

Traditional AP process *Manual workflow*



Why companies start with invoice automation... and why it's not always enough

“It’s the first step in the AP process.”

Chronologically, yes. Strategically, no. Automating based on sequence rather than impact leads many businesses to invest heavily in invoice capture and routing before addressing the most critical operational gap: how payments are executed.

“It’s where our team spends the most time.”

True. For most finance teams, invoice receipt requires a lot of manual effort, so automating it seems like the best way to reduce AP workload. But upstream time savings mean little if the process ultimately hits a manual wall in payments.

What happens when payments aren’t automated?

Organizations that automate invoices without automating their payment process often encounter:

- ⚠️ **Delayed payments due to manual check runs**
- ⚠️ **Duplicate or missed payments**
- ⚠️ **Breakdowns in approval-to-pay handoff**
- ⚠️ **Missed rebates or discount opportunities**
- ⚠️ **Frustrated suppliers and increased inquiry volume**



In many cases, the lack of payment automation negates the productivity gains earlier in the process.

The bottom line? AP automation without a payment automation strategy is incomplete.



The case for starting with payables automation



1. Easier to automate

Vendor payments follow predictable, rules-based workflows. Unlike invoices, which vary widely in structure and complexity, payments operate on standardized rails. This makes implementation cleaner, faster, and easier, especially when integrated directly with your ERP.



2. Faster and more measurable ROI

Payment automation delivers immediate and quantifiable financial impact:

- Eliminate check costs
- Reduce fraud exposure through secure digital payment methods
- Lower labor costs by eliminating manual steps
- Add new revenue streams via rebates from virtual card payments
- Minimize exceptions and rework

Finance leaders often see material ROI within months, not years.



3. Direct positive impact on supplier relationships

Vendors value one thing above almost all else: timely, predictable payments. Automating payments helps businesses:

- Pay suppliers on time, every time
- Take advantage of supplier payment discounts and more favorable terms
- Reduce the volume of vendor inquiries regarding payments
- Strengthen partnerships and trust

In a tight supply chain environment, payment reliability can be a competitive differentiator leading to higher service levels and preferential treatment.

An illustration showing three interlocking grey gears at the top left, with a blue funnel below them containing a green liquid. The funnel is wider at the top and tapers towards the bottom.

4. Removes the most critical bottleneck in AP

Automating invoice receipt without payment automation is like building a superhighway that empties out onto a single lane road. The process slows to a crawl where the organization can least afford it.

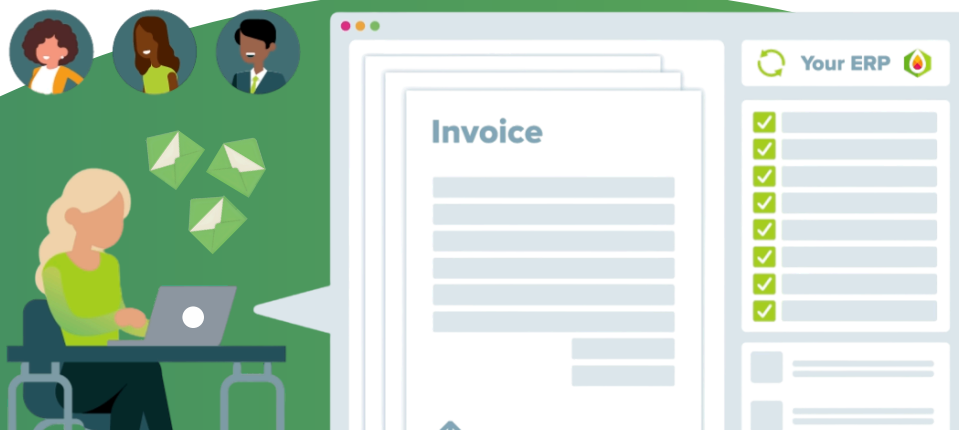
Conversely, when payments are automated:

- Payment approvals flow seamlessly to execution
- Data stays consistent across systems
- Cash flow management becomes more controllable and predictable
- Supplier satisfaction increases
- Upstream automation becomes more valuable

An illustration of a white invoice with a dollar sign (\$) and a stack of green banknotes tied with a yellow rubber band.

5. Take advantage of payment automation with invoices already in the ERP system

When initiating any AP automation project, there are almost always invoices already in the ERP system that need to be paid. When an organization starts with invoice automation, those older invoices still have to be paid manually. When you start with payment automation, those older invoices already in the system can be paid via the new payment system, providing more immediate ROI.



How payables automation can unlock better invoice automation

Once payments are modernized, expanding automation upstream becomes dramatically easier. With a payables-first foundation, your team benefits from:

Organizational momentum and proven value

Demonstrating rapid ROI from payment automation builds internal support for additional automation phases. That can be a huge stumbling block if invoice automation alone doesn't deliver immediate financial impact. Businesses can also use the savings gained from payment automation to fund further process modernization.

A stable framework for end-to-end automation

Payments become predictable and fully auditable, allowing invoices to flow through faster and with fewer exceptions.

Future-proof scaling across the entire invoice-to-pay cycle

When teams add invoice capture, intelligent coding, and approval routing, those improvements integrate directly into an already optimized payables engine.

A blueprint for a payables-first automation journey



Phase 1: Automate payments

- Centralize payment workflows
- Digitize supplier payments
- Implement approval rules and controls
- Introduce secure digital payment methods
- Measure early ROI through cost savings, rebates, cycle time



Phase 2: Expand to invoice automation

- Add intelligent invoice capture
- Automate general ledger coding
- Introduce role-based approval routing
- Align invoice data with automated payments



Phase 3: Optimize and scale

- Leverage reporting and analytics
- Improve cash flow forecasting
- Integrate with procurement spend and budgeting processes
- Continuously reduce friction and exceptions

| The importance of optimizing your payment mix

One area of AP automation that is often underappreciated is the mix of different payment methods used to pay suppliers. Getting this mix right can deliver important advantages for cash flow control, operational efficiency and supplier relationships. Getting it wrong can create just the opposite.

As your organization considers its payment mix, here are a few things to keep in mind:

✓ Balance supplier preferences with the organization's cash-flow, cost, and risk objectives

Suppliers expect some flexibility in how they get paid, whether that means ACH, check, wire, or virtual card. Meeting those preferences helps reduce friction, accelerate reconciliation, and strengthen supplier relationships, all while minimizing exceptions that consume your AP teams' time. Remember that virtual cards are an option - not a requirement. There are big benefits for some, but don't be pressured into using virtual cards if it's not right for your business.

✓ Actively manage the cost of payments on both sides of the transaction

Paper checks and manual wires introduce hidden costs through processing time, error rates, and bank fees. Digital payment methods can lower per-transaction costs and improve straight-through processing. Virtual cards, in particular, offer an opportunity to offset AP costs through rebate programs, turning what was once a pure cost center into a modest source of financial return, without forcing suppliers into a one-size-fits-all approach.

✓ Take control of payment timing

By aligning payment methods with due dates and cash-management goals, AP teams can improve working capital visibility and predictability. This level of control enables organizations to pay suppliers on time, or strategically earlier or later, without sacrificing accuracy or trust.

AP automation delivers significant and immediate operational benefits. But there's also tremendous value in the intelligence and flexibility to orchestrate payments rather than simply execute them. This enables an optimal payment mix that supports supplier relationships, enhances cash-flow management, and delivers measurable financial impact across the business.

MineralTree has a dedicated payment optimization team available to clients as part of their AP automation solution.

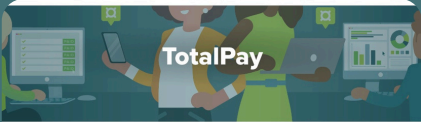


AP automation doesn't always begin where the process starts


It should start where the value is greatest to your organization. On its own, payment automation delivers immediate ROI, strengthens supplier partnerships, and removes the bottlenecks that limit the effectiveness of AP automation overall.

By starting with a payables-first strategy, your organization can also build a strong, scalable foundation for end-to-end AP modernization.

More resources to jumpstart your payment automation efforts:



TotalPay




Make Manual B2B Payments a Thing of the Past

[GET A DEMO](#)

MineralTree TotalPay

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AP Automation ROI Calculator

Is AP automation is right for your business in 2026?

Use our AP automation ROI calculator and discover the impacts automation can have on your cashflow and payments.

Enter key details about your accounts payable process, below.

Number of Annual Invoices:

Number of Annual Payments:

Percentage of Payments Currently Made Electronically:

ROI Results

Current Cost of Manual Accounts Payable: **\$200,000**

Future Cost of Accounts Payable with Automation: **\$900,000**

Annual Monetary Savings: **\$700,000**

Calculate Your ROI From Payment Automation

[START NOW](#)



Forge Biologics Supports Explosive Business Growth with MineralTree Case Studies

Overview

Forge Biologics' mission is to enable access to life-changing gene therapies and help bring them from idea to reality. The company partners with innovators in the gene therapy community, including scientists, physicians, biotech and pharma companies, and patient companies to deliver its expertise in gene therapy manufacturing and therapeutics development.

With a patient-first approach, Forge Biologics is committed to developing new models for working together to better accelerate transformative medicines to reach those who need them the most.



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About MineralTree, a Global Payments Company

About MineralTree, a Global Payments Company MineralTree, a Global Payments (NYSE: GPN) company, provides modern, secure, easy-to-use accounts payable (AP) and payment automation solutions. By uniting technology and passionate people, we make the process of business payments easy, impactful, and profitable. Our solutions combine ease of use with robust capabilities that drive meaningful insights, transforming the back office into a strategic partner of the corner office.

For more information, visit [mineraltree.com](https://www.mineraltree.com) and follow MineralTree on [LinkedIn](#).

