Optimizing NetSuite For Accounts Payable

A MineralTree Topic Paper

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AP and Payment Automation

In order to operate effectively, an accounts payable team must set priorities and automate processes. Otherwise, its time will be spent on tedious, time-consuming, and reactionary tasks instead of on work that improves the company. An accounts payable team that uses NetSuite to manage the AP process has taken its first step away from performing inefficient tasks and its first step toward saving money, improving cash flow, and minimizing overhead. The next step in that journey is to enhance their ERP with a strategic approach to their vendor payment process.

Strategic Opportunities In Accounts Payable
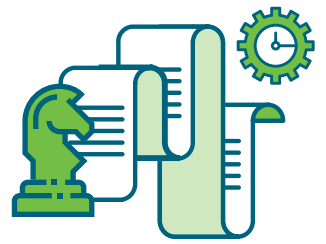
Accounts Payable should not limit its goals to the simple task of paying bills on time. Instead, it has the potential to be a strategic operation that adds value to the entire company. Switching to a strategic view of AP will help an AP team establish and build trust with vendors, simplify the audit process, add value to the company, and improve short-term cash flow.

An inherent outcome of a proactive AP strategy is the **accretion of vendor trust.** Building strong vendor relationships can result in myriad benefits for the company:

- Lenience from the vendor in case a late payment is necessary.

- Additional negotiating power on contract terms and volume discounts.

- Leverage to ensure agreement terms are met and service quality remains high.

- Early access to new product offerings and product suggestions.

- Access to financing in case of cash flow difficulty.

Audits, typically viewed as onerous undertakings, provide another strategic opportunity. If AP teams don't have great organization, audits can pull employees away from their day-to-day jobs and require them to spend hours locating lost documentation while searching across a variety of locations. For this reason, audits provide an opportunity to identify gaps in operations and improve the process of keeping AP centralized and consolidated.

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A strategic AP team adds value to the company as a whole by taking a proactive approach. At its most basic function, the team should be able to identify processes that can be improved or eliminated. Identifying inefficiencies that exist within your current process and altering them to become less time-consuming frees the entire team to move up to tasks with greater payoffs for the company. These include:

- Focusing on improving discount rates with the most lenient vendors.

- Analyzing spending trends to discover areas in which the company can decrease overhead.

- Coaching vendors on invoice best practices to decrease overall invoice processing costs.

- Forecasting the amount of cash available to the company at any point in the future.

An improved command over short-term cash flow occurs only when a strategy is put in place that governs the precise timing with which bills are paid; the strategy should take into account relationships with vendors, discounts for early payments, and the latest possible payment deadlines. Optimizing cash flow in this way will enable a company to seize business opportunities with small windows, boost cash flow instead of simply managing it, increase operational efficiency, and achieve more rapid growth.

Each of these benefits are not possible if an AP team is only focused on paying bills on-time. But if AP is approached with a strategic mindset, and the team has set the right priorities, follows the right processes and uses the right tools, they will be able to improve the health and growth of the entire company.

How NetSuite Provides A Starting Point For Efficient Accounts Payable Processing

Even though most of the accounts payable process takes place outside of the accounting system, NetSuite provides a starting point to capitalize on these opportunities. A vendor portal provides easy access to the latest information about your order status, and also simplifies the process of communicating with your vendors and coordinating the receiving process.

NetSuite also provides you with a jumpstart to entering invoice data by pre-populating relevant information from purchase orders automatically into their corresponding invoices.

There are currently a few different ways to import any additional invoice data into NetSuite:

1.	2.	3.
Manually type your data into NetSuite	**Import data from a CSV file**	**Use a third party tool**

Once invoice data has been entered into your accounting system, you can set up general approval rules to ensure every invoice is in compliance with corporate standards.

To help companies optimize cash flow and maintain excellent vendor relationships, NetSuite allows AP teams to set up alerts when bills are due or just before a discount deadline expires. NetSuite provides a clear overview of spending from the original PO all the way through to bill payment, helping the AP team to accurately process invoices.

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How This Process Leaves
Strategic Opportunities Untapped

Despite this visibility, and the accompanying power afforded by NetSuite, **there are still several opportunities to further streamline accounts payable processing and meet strategic goals more effectively.** For example, as a company's vendor list continues to grow, importing corresponding invoices manually or through CSV files can become incredibly time-consuming. This increase in volume also raises the likelihood of making costly errors that will require even more time to reconcile downstream.

Also, for large offices or those that are geographically distributed, it can be stressful and time-consuming to identify and locate the documentation required during an audit. If every location that your company is operating in imports its own invoices, and approves and pays them separately from the rest of the company, this can lead to frantic document hunts when specific invoices are requested. The reactive process of chasing down required documentation during audits can eat up a lot of employee hours, and severely limit team productivity every time audits are in process.

Even with the advanced functionality of NetSuite, the process of paying vendors is taking up more of an AP team's time than it needs to, ultimately preventing it from focusing on projects that add value to the company. Performing manual tasks that can be streamlined prevents a company's ability to redeploy staffers to perform strategic analyses that can help improve the business in the long run and enable better business decisions.

How the Accounts Payable Process
Can Be Optimized With MineralTree

Integrating MineralTree's Invoice-to-Pay allows you to continue building optimal accounts payable efficiency upon the solid foundation provided by NetSuite, and capitalize even further on the strategic opportunities that well-executed accounts payable provides.

Rather than requiring you to choose between manual data entry and importing CSV files, MineralTree automates the entire invoice capture process by combining OCR technology and human review to import data with 99.5%

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accuracy. This process not only saves you even more time in the process of entering invoice data, but also saves the time you would spend reconciling errors later on in the process. Expediting the process of capturing invoice data in this way creates more fruitful vendor relationships by enabling your team to ensure on-time and accurate payments.

Additionally, with MineralTree, you can grow your list of vendors while taking on minimal overhead. Streamlined paperless approval workflows and payment execution directly from your business bank account ensure your current AP staff will be well-equipped to handle all of your current (and future) vendor invoice processing and payments. And while a more efficient team eliminates the need to add headcount, it also opens the door to strategic projects that move your business forward by creating additional time to pursue them.

MineralTree's online platform provides one central repository where each of your office locations can find every document and record they need through an advanced search system. Alongside of all documents, your team will also be able to find preserved audit trails for the approval of each invoice. This simple and centralized document organization protocol limits the number of hours the company-wide audits cost your team.

Overlaying NetSuite with MineralTree reduces the time that your AP team is forced to spend on manual tasks that exist outside of NetSuite across the entire end-to-end accounts payable process. To learn more about what your current NetSuite AP process would look like with the increased efficiency provided by MineralTree, visit mineraltree.com/netsuite.

Take The Next Step

For more information about how MineralTree Invoice-to-Pay can help you take the next step as a leader in your business and streamline the invoice capture, approval and payment process, contact us today at 617.299.3399 or email info@mineraltree.com.

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