# The ROI of AP Automation

How modern AP reduces costs, minimizes risk, and strengthens financial control

Accounts payable (AP) is one of the most overlooked areas for digital transformation. And a costly one. Manual AP processes can quietly bleed cash and expose your business to risk in the form of unnecessary expenses, high payment error and fraud rates, poor visibility into cash flow, weak audit trails, and an inability to scale your business.

→ In this eBook, learn how automation can address those risks, shore up your financial operations, and put your AP processes on the fast track.

# AP should be on your short list for back-office automation

Modernizing your AP processes and the way you pay your suppliers can dramatically improve the efficiency of your back-office operations and deliver tremendous ROI. Automation can transform this function from a manual, error-prone cost center into a streamlined and strategic function.

For small and mid-sized businesses, AP automation can deliver substantial ROI within 12 months by reducing invoice and payment processing times and costs, improving cash flow, and enhancing your supplier relationships.

# Manual AP: A slow drain without a stopper

AP teams typically spend between four and 18 people days per month on their AP process. For mid-sized businesses, those numbers lean heavily toward the high end of that range.

The drivers behind those time commitments vary for each organization, but the time spent on AP is likely a result of manual data entry and payment execution, disconnected and siloed systems, decentralized supplier information management, and approval workflow bottlenecks.

## Approximate time spent on AP

**10%**
exception handling and issue resolution*

**30%**
invoice data and entry

**30%**
supplier payments*

*Some teams may spend more than 20 minutes per invoice.*

**15%**
classification*

**15%**
approvals*

*Source: IDC, 2023*

Invoice ingestion is likely the number one time driver for manual AP processes.

**According to one survey, this breaks down to:**

**75%** receive invoices by email.*

**65%** receive paper invoices.*

**65%** enter invoice details manually.*

*\* Source: IDC, 2023*

All these inefficiencies make it difficult to scale your team without adding headcount.

**But the issue is much more than time.**

If you're still paying your suppliers by check, your processing costs may be as much as **40-50% higher** compared to businesses using digital payments.

You may also be losing out on early payment discounts from suppliers; not to mention valuable cash rebates available through digital payment methods like Virtual Cards. And if you're using check float time as a form of cash flow management, this can actually cost more than the perceived benefits of the float.

Limited visibility and financial control, as well as poor audit readiness can also be a challenge. This weakens your value to the organization overall — and hurts the business.

## How much manual AP processes are costing you

Research from the American Productivity and Quality Center (APQC) highlights key metrics related to AP processes across different performance tiers, underscoring the benefits of AP automation.

| Performance tier | Cost per invoice | Average days payable outstanding (DPO) | Time from receipt of invoice to scheduled payment | Savings potential |
|---|---|---|---|---|
| Top performers (25th percentile) | $1.42 | 30 days | 5 days | Potential savings of $450,000 for every 100,000 invoices processed by moving from bottom to top performance. |
| Median performers | $2.80 | 45 days | 15 days | N/A |
| Bottom performers (75th percentile) | $6.00 | 60 days | 30 days | Significant room for improvement in cost efficiency. |

# Accelerating your AP processes with modern automation

**Here's how automation can transform your AP processes:**

**1**

### Gain efficiency and productivity

Reduce the need for manual labor and free AP teams to focus on strategic tasks instead of repetitive processing. This reduces human errors, which cost additional time. Some users report reducing their processing time by 50-80%.

**2**

### Reduce fees and capture higher discounts

Eliminate late payment fees and take advantage of early-payment discounts.

**3**

### Access better cash-flow control

Gain real-time visibility into payables and enable flexible payment scheduling via your business and the suppliers' preferred forms of payment. This improves cash optimization.

## 4
### Build strong supplier relationships

Build trust with suppliers and significantly reduce payment-related inquiries and disputes with faster and more transparent payment methods.

## 5
### Enhance compliance and security

Make regulations and audits easier to manage with automated data matching and digital audit trails. Some automation solutions are also SOC2+ and HIPAA audited to support enterprise-grade security.

## 6
### Support scalability and flexibility

Scale cloud-based AP automation solutions seamlessly with your business, handle increased invoice volumes, and manage multi-entity organizational structures.

## 7
### Gain strategic insights from analytics

Support data-driven decisions and continuous improvement with dashboard visibility. View metrics like days payable outstanding, processing cost per invoice, and discount capture rates, as well as real-time visibility into liabilities and payment statuses.

Modern automation enables you to reallocate your team's time from low-value processing to high-value analysis by connecting AP and purchasing in one intelligent workflow. Invoice approval cycles speed up, making it easier to take advantage of early payment discounts and digital payment rebates. And you've strengthened your internal finance controls without slowing down your business.

# AP automation ROI outcomes

Though the results and level of savings vary for every organization, data from MineralTree's 9th Annual State of AP survey pointed to a variety of benefits from AP process automating:

## 52%
realized gains in operating efficiency

## 46%
reported faster, more timely supplier payments

## 40%
were able to absorb a growing volume of invoices and payments with the same-sized team

## 28%
reallocated freed-up staff time to other projects

## 25%
processed the same volume of invoices and payments with a smaller team

# Integration matters

AP automation adds big value across the finance function. However, that value may be limited if you can't connect that automation with the other financial systems you are already using for approval, payment, and audit workflows. When automated AP capabilities are tightly integrated with your enterprise financial systems, it solves a host of challenges for your business and multiplies the benefits for your finance team and the business:

## Automate the full end-to-end AP process

Some ERPs automate aspects of the AP process, but there are often critical gaps in the end-to-end workflow, such as missing payment functionality. ERP approval permissions are not available to every employee by design, making it difficult to automate specific steps. Even with proper access, it can be challenging, especially remotely. With the right AP automation solution, you can automate all of these steps, without having to give the entire organization elevated ERP credentials. Approvers can check and validate invoices directly from their email inbox in one easy workflow.

## Gain full visibility into pending invoices

Typically, an invoice is only posted to the ERP once it is coded and approved. That means your team has limited visibility into pending invoices stuck in approval queues and their impact on cash flow. A dedicated AP automation solution allows you to see all invoices as they're captured, so you know what's coming. This allows your team to use invoice data for financial forecasting or accruals, before it's actually posted to the system.
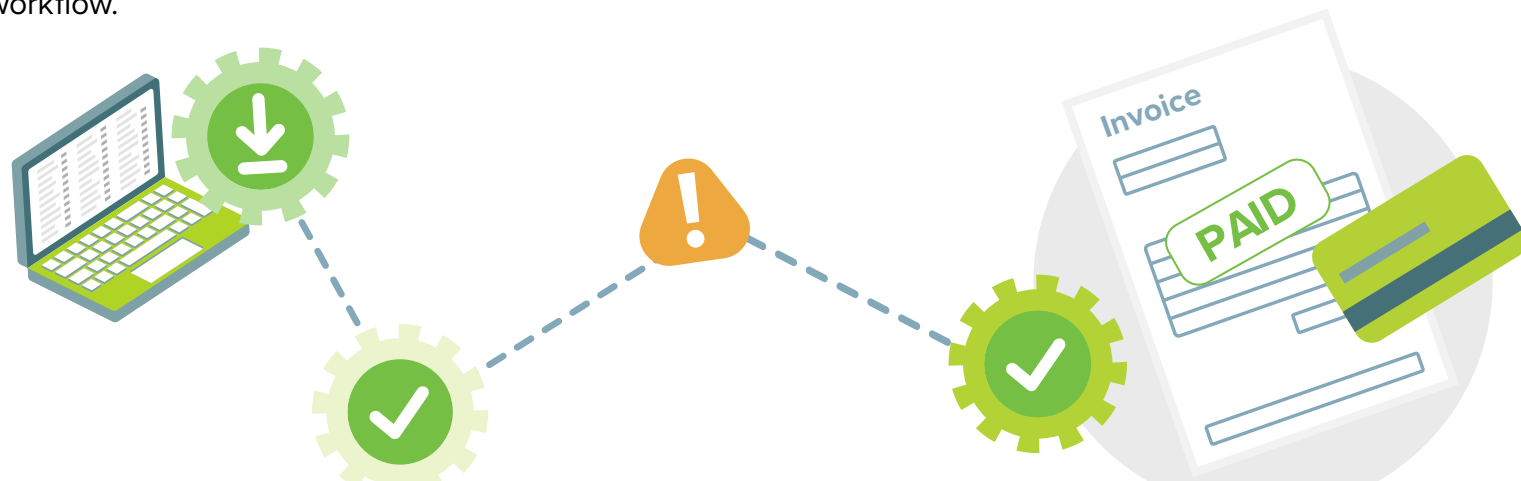
## Build easy invoice approval processes

Approvers don't need to navigate complicated ERP interfaces with special approval credentials to validate invoice payments. Instead, they can submit approvals via email or within the AP automation solution. Additionally, reminders to approve invoices are sent automatically, reducing time spent by the AP team in following up.

## Improve visibility and supplier relationships

For many businesses, supplier relationships are becoming more strategic. Modern AP automation solutions help users easily find the payment status of each invoice and respond to supplier inquiries. You can also set up automated notifications to suppliers regarding invoice receipt, approval, and payment initiation. This frees up time for your AP team and enhances the relationship with your suppliers.

## Use a single payment module

With ERPs, finance teams must manage each integration workflow separately. Modern AP automation can implement several payment types into a single integrated workflow, no matter the preferred payment type. Newer embedded payment options allow you to pay bills via each supplier's preferred payment method directly within your ERP environment.

## Accurately capture invoices

Many ERP systems also provide invoice capture, but only input the invoice header details, or are typically far less accurate than dedicated AP automation solutions that pair OCR technology with human review. Some dedicated AP solutions accurately capture individual line items on the invoice and achieve 99.5% accuracy.

## Support remote and hybrid work

Because you likely receive invoices via different channels, invoice collaboration tools allow different approvers to electronically share notes and collaborate on invoices, anytime, anywhere.

## Maintain your ERP as the system of record

Tight integration between your ERP and AP automation systems ensures that your ERP system remains the system of record and your single source of truth for accounting. All payment data stays securely within the existing system for a complete, real-time view of your payables for seamless financial management.

## Scale without adding headcount

Enrolling suppliers is a big challenge in setting up digital payments. Look for an AP automation solution augmented by complementary services that can help enroll and onboard your suppliers to accept digital payments — whether it's ACH or virtual cards. This allows your businesses to drive adoption and take better advantage of early-pay discounts and cash-back rebates. All without adding headcount.

When you tightly integrate AP automation into the finance software you use every day, it becomes a seamless part of your workflow, transforming AP from a cost center into a streamlined, strategic function. Finance teams gain additional time and cost savings and increase accuracy and visibility, all while further strengthening supplier relationships, optimizing cash flow, cost savings, and scalability. This means your business can operate with more control, speed, and confidence at a time when efficiency and cash flow visibility are critical.

# Real businesses, real results

**Here's a real-world look at two businesses that realized substantial gains after automating their AP processes.**

## Paytronix accelerates finance operations with AP automation

Paytronix, an Access Group company, is a cloud-based digital guest engagement platform for the hospitality industry that provides loyalty programs, online ordering, gift cards, branded mobile applications, and strategic insights to 1,800+ restaurant and convenience store brands across 50,000 sites globally.

### Key challenges

⚠️ Highly manual AP processes creating hours of tedious busywork

⚠️ A high volume of check payments and rising costs to print and process them

⚠️ Slow payment approval processes leading to late payments, unnecessary fees and growing supplier frustration

⚠️ A lack of transparency about invoice approvals, payment status and cash flow

⚠️ No integration with NetSuite ERP system, requiring additional manual inputs and duplicate work for the finance team

## The solution

- Five-week implementation with easy onboarding supplemented by MineralTree Academy self-paced training

- Custom workflows with multi-level approval settings for different employees and suppliers

- Two-way sync between NetSuite and MineralTree for automatic P.O. matching

- Digital payment options including SilverPay virtual card with high-value cash rebates

- Conversion of a large portion of suppliers to digital payment options with help from MineralTree payment services

- Comprehensive MineralTree support including Live Chat function

## Results

- ✅ **Virtual card rebates** offset the costs of MineralTree AP software

- ✅ **Automated workflows** eliminate at least four hours of manual work every week

- ✅ **Streamlined AP process** delivers invoices and approvals digitally via pre-set rules

- ✅ **Easy payment scheduling** means significantly fewer late payments

- ✅ **Streamlined supplier payment** communications build trust and confidence

- ✅ **Connection to a wider range of financial controls** translate to better cash management and business forecasting

*Source: Paytronix Accelerates Finance Operations with AP Automation Case Study*

## Healthcare practice management company transforms its AP process

This fast-growing healthcare practice management company offers high-quality dental, vision, and **orthodontic** services with a specialization in pediatric patients. The company focuses primarily on providing care to underserved communities across the United States and has helped over one million children gain access to the care they need.

### Key challenges

⚠️ Fast-growing business fueled by both organic success and acquisition

⚠️ An increasingly high volume of supplier invoices

⚠️ Complex financial processes as a result of multiple ERP instances

⚠️ Siloed payment information

⚠️ Highly manual AP processes create time-consuming work and errors for staff

⚠️ Unhappy suppliers due to payment delays, errors caused by manual processes

## The solution

- Implementation support to help the company successfully launch a new accounting and AP automation system

- End-to-end AP automation from invoice receipt through supplier payment powered by MineralTree TotalAP

- Seamless integration with the company's new Sage Intacct ERP system

- Digital payment options, including virtual cards earning valuable cash-back rebates

## Results

- ✔ **~20% time savings** for staff accountant

- ✔ **Reduced quarterly close time** by 67% (from 30 to 10 days)

- ✔ **Improved team productivity** by redeploying two FTEs to higher-value tasks

- ✔ **Optimized user experience** for the finance team, increased retention, and supported higher morale

- ✔ **Optimized cash flow visibility** and simplified reporting on key financial metrics for senior management

- ✔ **Faster invoice approvals** and more timely supplier payments, resulting in more favorable payment terms and lower pricing

- ✔ **The majority of all payments are now automated through MineralTree**
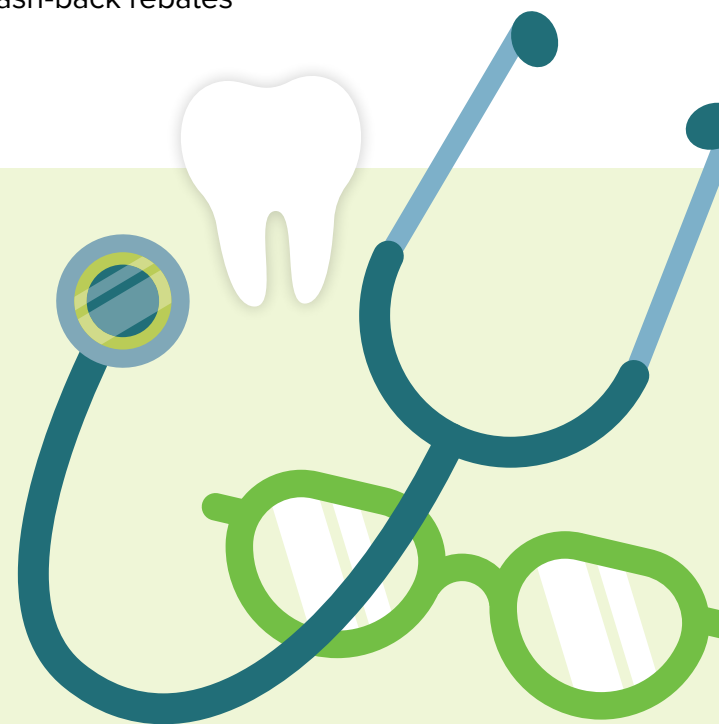
# Ready to automate your AP processes?

## Check out these resources to help plan your own AP automation initiative.

### Calculate ROI

Try out our free and easy-to-use ROI Calculator to evaluate the impact AP automation can have for your business.

**GET STARTED**

### Build the business case for AP automation

This eBook provides a useful framework for getting leadership buy-in for AP automation.

**DOWNLOAD**

### AP automation case studies

Read case studies detailing how different companies have applied AP automation to improve their business performance.

**READ NOW**

## 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** and follow MineralTree on **LinkedIn**.