SourceDay™

Resolve AP Issues at the Source

AP is commonly bogged down by bottlenecks. They result from inaccurate invoices, mismatched receipts, and outdated PO records in the ERP. On average, only 35% of invoices match both the purchase order and the receipt. The resulting mismatches create significant non-value added work for AP staff who regularly spend 50% of their time researching and rectifying the discrepancies. It also adds work to procurement who are tasked to perform forensics tracking down PO changes. As a result, this additional effort can delay payment to suppliers, which jeopardizes the company's most important third party relationships and the opportunity to capitalize on early payment discounts.

Manual PO management creates chaos, does not scale, and is highly error prone. But the impact is not just administrative: it also hurts corporate performance through late deliveries, missed production schedules, sidelined labor, inflated expedited shipping costs and more.

Companies looking to alleviate the AP bottleneck understandably think they need to start by 'fixing' AP. Ironically, AP is not the cause of the problem. It is merely the place that matching issues are discovered.

Reduce Mismatches Where They Occur

The problems that emerge in AP result from ineffective information capture after a PO is created in the ERP. The PO leaves the ERP, then multiple buyers are working with many suppliers on a daily basis to track hundreds of POs and thousands of line items. This quickly expanding volume of data and documentation is exacerbated by ineffective communication channels and limited access to information, especially when there is no single source of truth accessible to all parties.

Unfortunately, applying AP automation alone addresses the wrong part of the process and ignores the fact that the real problem is upstream. Mismatches do not occur within AP – that is just where they have to be resolved. The real problem occurs when changes and exceptions to POs are not captured and updated back into the ERP. Automating AP only increases the processing speed for the invoices, POs, and receipts that already match. It leaves the remaining 65% to be resolved manually and provides little to no workload relief for AP staff.

Rather than speeding up one part of a broken process, companies need to trace the problem back to the source and resolve it once and for all.

Automating AP with SourceDay

- One comprehensive platform brings your buyers, suppliers, and AP staff together

- All PO changes are captured in your ERP and in a revised PO

- Suppliers acknowledge every new and updated PO, and their acknowledgement is tracked

- Mismatches become an infrequent occurrence, and all AP-related processes are accelerated

With SourceDay PO management and AP automation, 70-90% of invoices are 3-way matched without human intervention.

Leveraging Procurement Automation to Prevent Problems for AP

If there were never any changes, achieving a match would be easy. But that is not the reality in today's fast-paced world. Changes are required and all of the back and forth must be tracked. This is where SourceDay AP comes in.

SourceDay ensures that all changes made to a PO after it is created are synced, from the ERP to the supplier and back, until a payment is issued. By combining PO management and AP automation, SourceDay increases the number of automated matching of POs and invoices. By serving as one common platform for buyer, suppliers, AP, and others, collaboration is based on the most up-to-date records – all of which match the details of the actual purchase and delivery.

SourceDay Solution

What we really need to automate is the alignment of systems and documentation. Everyone involved in the purchasing process – buyers, suppliers, and AP – should be focused on the business, not the business' documents.

Why We Do It:

- Buyers create POs to meet demand. Their focus should be on satisfying each need and fueling the operation, not managing forms and documents.

- Suppliers do their best to satisfy customer needs quickly and accurately. They want unfettered access to up-to-date demand and payment information.

- AP is often left to clean up the mess created when buyers, suppliers, and systems fall out of sync. Automation can prevent the fallout from ever occurring.

- SourceDay AP automation and PO management extend the coverage of ERP, alleviating common pain points and keeping POs up to date throughout their entire lifecycle