CHEAT SHEET TO INVOICE AUTOMATION SOFTWARE

Don't know exactly what to look for in an invoice automation or processing software? No problem. This handy guide gives you **11 things to look for** to make an informed buying decision.

#1: Know Your Documents and Data

One of the biggest challenges around automation is first knowing what you need. For instance:
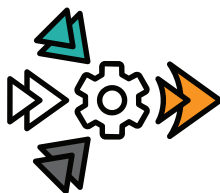
- What type of documents do you have?
- What are the challenges of the formats, or the way they documents are delivered, the systems that are integrated, etc.?
- Does your company do 2- or 3-way matching? How will the next system facilitate that match?
- Do you have primarily PO-based or non PO-based invoices?

With PO-based invoices, we can lookup information about the the invoice from your ERP, greatly automating the entire process. With non-PO invoices, we need to track down approvals, find the right GL codes, etc.

So one of the biggest tips of all is knowing your full accounting process from beginning to end.

#2: Multi-Channel Ingestion

This is a fancy way of asking how many different formats do you receive invoices in? Email, paper, fax? How else do you receive invoices?

A solution needs to accommodate any type of ingestion and file type. Do you have PDFs with more than one invoice? Will you scan paper? Can the solution handle all these different document types? Are you getting cell phone photos? Do you get Microsoft formats like Word or Excel?

We find most AP departments are getting invoices via email these days. That's good! Your system needs to have a robust integration into emails systems to make sure it can filter emails, handle disposition, determine how/if the email body is treated, and handle all types of attachment formats.

Be sure to ask the software vendor companies you're considering if they can handle all the different document types you work with.

#3: Thousands of Vendors

Lots of vendors means a lot more variation in document types. For instance, each vendor has their own specific format for an invoice.
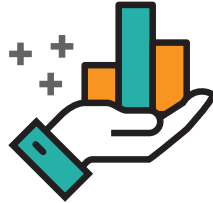
Do you have thousands of vendors or only a handful? **An automation system for thousands will need to accommodate a wider selection of vendor invoices than a system with only a handful of vendors.**

CHEAT SHEET TO INVOICE AUTOMATION SOFTWARE

#4: Know Your Current Throughput Rates

In order to know what success looks like, you'll need to benchmark your current system.

- How many invoices per accounting clerk can you process today?
- How long does it take you to train a new accounting clerk and get them up to speed with the rest of your staff?

An automation solution should at least double your processing. And if we're automating GL coding and approvals, those rates can be much, much higher.

But be sure to have a benchmark to know when / if the new system is better.

#5: Machine-Printed and Hand-Written Text?

Do your documents contain hand-written text? "OCR" is often confused with other acronyms. OCR is "Optical Character Recognition" and specifically processes machine-printed text. "ICR" has been around for years and is called "Intelligent Character Recognition" and it processes handwriting and even cursive handwriting.

A lot of systems can't do handwriting, or do it with a lot of caveats. So it benefits you to really understand how much you need handwriting recognition, if at all.

#6: Document Image Processing (Clean Up)

Most document processing software use machine learning algorithms, and they get invoice data much better without document "noise" like lines and speckles, and other non-data things like hole punches or company logos.

So image processing is used to temporarily take out those non-data things in order to get your

data easier. Be sure to ask if the solution is using open-source image cleanup products, or ones that are designed for your processing needs? Computer Vision (CV) has come a long way in the last few years.

If the solution's image processing hasn't been upgraded and does not include CV, chances are, you will not get the results you need for full invoice automation.

#7: ERP Integration

We know that your accounting system is where all the data needs to live - that's your system of record. But, ERPs aren't very good at storing and retrieving files.

So you need to ask where will the electronic versions of the invoices be stored?

You may want a companion to your ERP so you can click on an invoice in your ERP and immediately see the corresponding invoice. But what you certainly don't want is yet another system that is separated from your ERP. Direct integration is key.

#8: Cloud or On-Premise

Does your organization have a preference? Does the software vendor force you one way or another? The freedom of choice is always the right way to go.
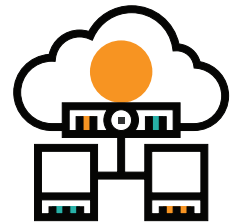
Be aware that a lot of software vendors are pushing their customers to cloud-only versions of their software. This is for their benefit, not yours.

Cloud integrations and paper pose a lot of challenging technical problems - security for one. Most of the time you want a solution that fits the way that your company does business, so you have flexiblity and options.

CHEAT SHEET TO INVOICE AUTOMATION SOFTWARE

#9: Experience

There's a lot of newer companies in the invoice processing space. This brings up two issues:

1. **First, look for a system that can do more than just invoices - for the same cost.** You do not want a crippled, limited version of a product that can handle invoices, only to find out that when you expand into receivables or HR that you need more "modules." You want a system that can work for any data entry automation requirements.

2. **Second, look for a company that has experience solving the same problems you have, and talk to that company's references.** Not all references will be perfect for you, but just like reading reviews on Amazon, you'll quickly know which ones are for real.

   The software company should be comfortable with you having the reference call without them in the meeting. It's so easy for a company to have a shiny website and very little "wood behind the arrow" this day and age.

Check how long they've been in business and how long they've been solving these problems. Anyone who says they've made magical breakthroughs are probably hyping up their product quite a bit.

Automation has been going on for a long time, and there are a lot of vendors who have been solving this problem for decades. New does not mean more technically adept - it usually means a pure lack of experience.

#10: Innovation

Invoice processing has been around a long time. **So be sure to ask when the last true innovation was from the software company.** There are a lot of companies that are only growing through acquisition of products, not by building a better product.

In fact, many of those companies have not updated their core products in years. Innovative companies care about their customers - that's where the innovation comes from - solving customer problems. Innovative companies keep close to their customers and are happy to share what they've invented.

#11: Support

Let's face it, problems happen. But when they do, where and how you can contact support is vital.
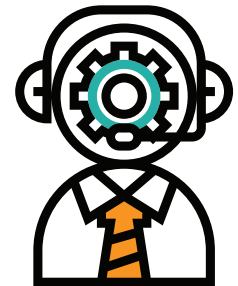
Without any geopolitical meaning, dealing with people in a time zone 10 hours away is frustrating at best. Every single communication is delayed by the time zone difference. Companies who have local support, and modern ways of communicating with support need to be at the top of your list.

You don't want to be the one having to explain why it takes so long to get a response from the vendor you selected. **Be sure to ask vendors about their support, and where it is located.**

END MANUAL DATA ENTRY | GET A QUOTE TODAY | INFO@BISOK.COM