ACCOUNTS PAYABLE AUTOMATION

FOR THE HOSPITALITY INDUSTRY
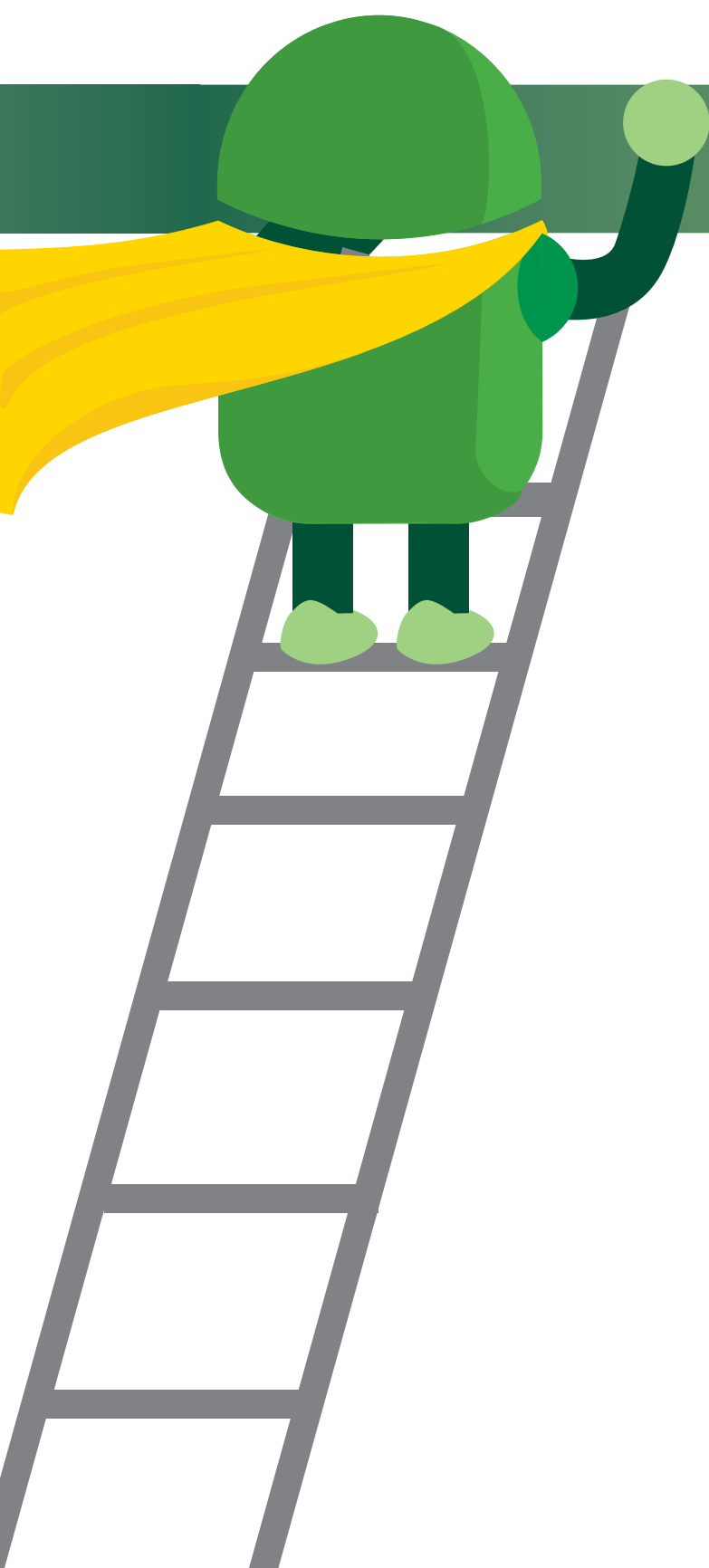
centre*views*

TABLE OF CONTENTS

INTRODUCTION

Accounting is a critical part of building a successful business. Without accounting, you couldn't issue estimates, send invoices, collect payments, or track it all. Technology has evolved accounting over the years, first by moving from paper-based ledgers to computer-based databases and spreadsheets. However, to remain competitive in today's environment, businesses have to go beyond time-consuming, error-prone processes, using automation to improve efficiency and reduce mistakes.

WHAT IS ACCOUNTS PAYABLE AUTOMATION?

Accounts payable automation refers to the use of technology to take accounting processes to the next level. Using technology like artificial intelligence, machine learning, and bots, today's tools go beyond letting you input information into a cell on a spreadsheet. These solutions set up a workflow that moves invoices and payments automatically from one point to another, cutting down on the need to follow up on approvals and monitor progress.

If you're considering AP automation, there are a few telltale signs that it's time to make the move.

Errors are common – Everyone makes mistakes. Over time, though, those mistakes will become costly. Even something as small as transposing two numbers can be disastrous if it triggers an audit or leads a client to pay less than he owes.

Employee morale is low – Let's face it: manually tracking every single accounting function can be boring. Over time, you may start to see a drop in morale among your AP team, which hurts productivity and compromises the positive work culture you've worked so hard to build.

You lack control – If a vendor called today to ask the status of a payment, could you answer easily? If you have to waste valuable time digging through stacks of paper or calling co-workers to ask, chances are you don't have visibility over your process.

Your AP processes aren't disaster-proof – From one day to the next, your physical office space could be wiped out by a fire, tornado, or other disasters. Chances are, you could rebuild most of your processes from your server-based backup, but what about your AP processes? If even one paper-based invoice would be lost, though, you probably aren't disaster-proof.

Customer service is compromised – Keeping clients happy is your top priority. If you take too long to pay invoices, you may lose the access you need to the inventory and services your vendors provide. If you forget to mark an invoice as paid, you'll seem disorganized to clients, who may choose to take their business elsewhere.

centre**views**

CONVINCING YOUR LEADERSHIP IT'S TIME

Your AP team may be well aware that a shift to automation is in order, but how do you get the decision makers on board? The people in your organization who can implement the switch may not even realize there's an issue. This is where it can help to put some work in on the front end.

Decision makers are often overloaded with responsibilities, which means if you bring a problem to them, you're essentially adding to that workload. Instead of saying, "We need to automate this," first make sure you've made it as easy as possible for the big bosses to say, "Yes." This includes doing the research necessary to present a good solution to decision makers, rather than simply handing over a problem they need to solve. Come up with at least one good tool that would handle your business's unique needs and present that. Even if leaders don't go with that exact solution, you'll probably find it better demonstrates how automation can help.

Aside from additional work, your business's leadership team will also be concerned about cost. Gather as much information as you can about the price tag on your proposed solution, but don't stop there. You should contrast that with data on how much money automation will save. This means highlighting the number of hours being spent on manual AP processes, the cost for postage to mail invoices and payments, the high price of even the slightest error, and any other expenses you see that AP automation could eliminate or reduce.

69%
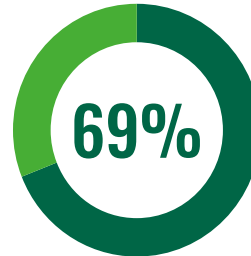
69% of controllers reported that improving visibility into cash flow and cash management were among their priorities. [IOFM 2015]

82%
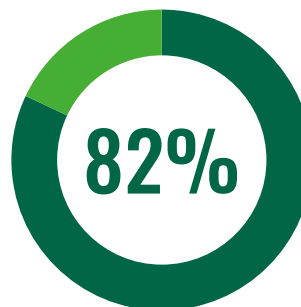
Invoicing processing costs were 82% lower with automation.
[The Institute of Financial Management. (2015)]

SECURING BUY-IN

Once you've gathered all the data, it's time to secure the buy-in by approaching a decision maker with your great idea. Make sure you choose the right leader – preferably someone who fully understands what your AP department does. The key to getting a decision maker's attention is to present as many facts as possible, showing that you've done your homework and that you know that the switch is the right move.

If your leadership team agrees, be prepared to be appointed as part of the team heading up the new project. Even if you've never managed a project before, you will have shown yourself as a thought leader in this area. It's also important to loop in people who work in AP to make sure the people who do the work are the ones offering feedback on the new solution.

41 DAYS

It can take up to 41 days to process a single invoice in a manual, paper-based environment. [The Aberdeen Group]
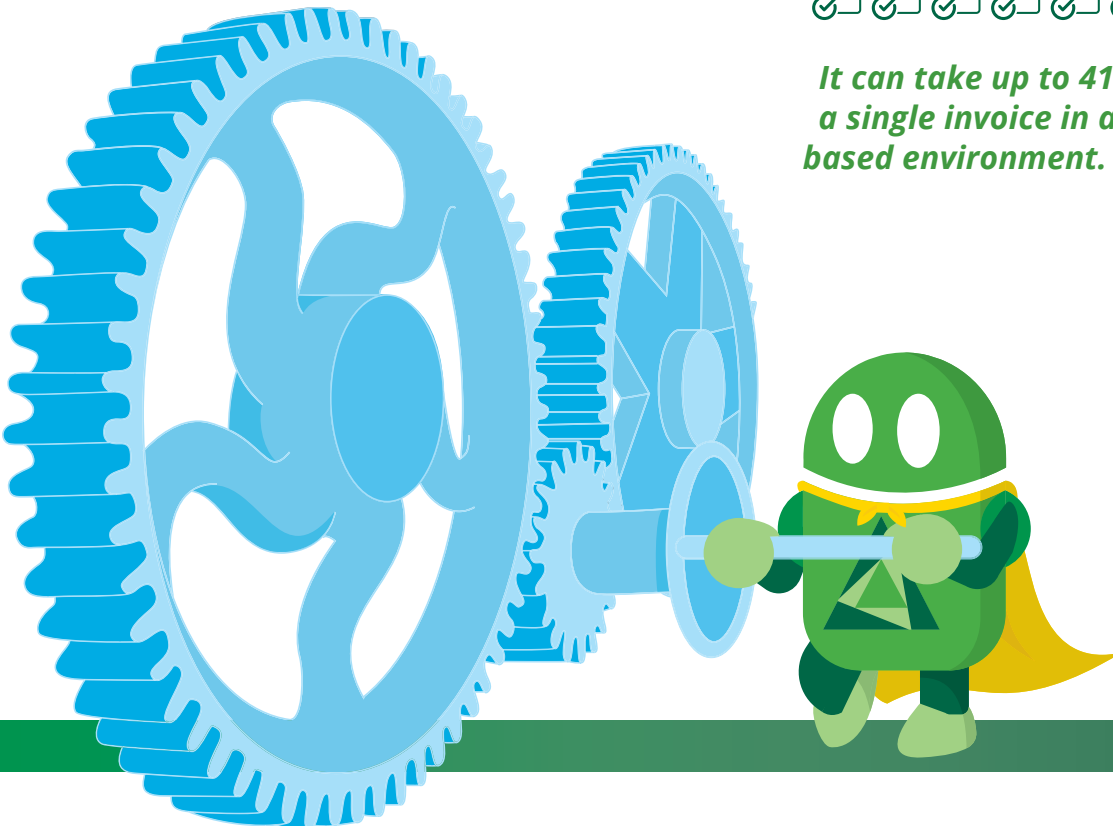
GETTING STARTED WITH AP AUTOMATION CHECKLIST - GATHERING REQUIREMENTS

You've convinced the decision makers, and it's time to get started. Planning is essential to success with any software implementation, and AP automation is no exception. Before you begin approaching software providers, it's important to set time aside to make a list of requirements. This starts with looking at your current operations, deciding your budget, and identifying your key stakeholders.

Chances are, you've identified how your new solution will save your business money long term. But in the short term, you'll need to set aside some money in your budget to pay for it. You can immediately save money by holding off on filling any empty positions, especially if they're in areas that will be automated.

Another way to save money is to choose a phased implementation rather than automating everything overnight. You could automate your invoicing and billing, for instance, and hold off on the other areas until you have that up and running. Not only will you be able to stretch your spending over multiple budget years, but you'll also be able to test out one area of operations before tackling another.

Before a vendor can begin devising a solution, that vendor will want to see how your existing system works.

Mapping the process is an important first step. Work with the entire AP team to gather details on how current processes work. If you're mapping out your invoicing procedures, for instance, show how you currently generate invoices and what the approval workflow looks like. Having that information will make it much easier to create a solution that automates what you already do, while also potentially finding ways to make it better.

The final challenge you'll face is in onboarding your team. Automation will change processes in a good way, but it will still take some adjustment for even your tech-savviest team members. It's important to have a plan in place to train everyone who will be using the new software, but that training should be a long-term plan. When you bring in new employees, someone will need to be responsible for training that person, whether it's in a formal classroom-type setting or by providing some one-on-one guidance.
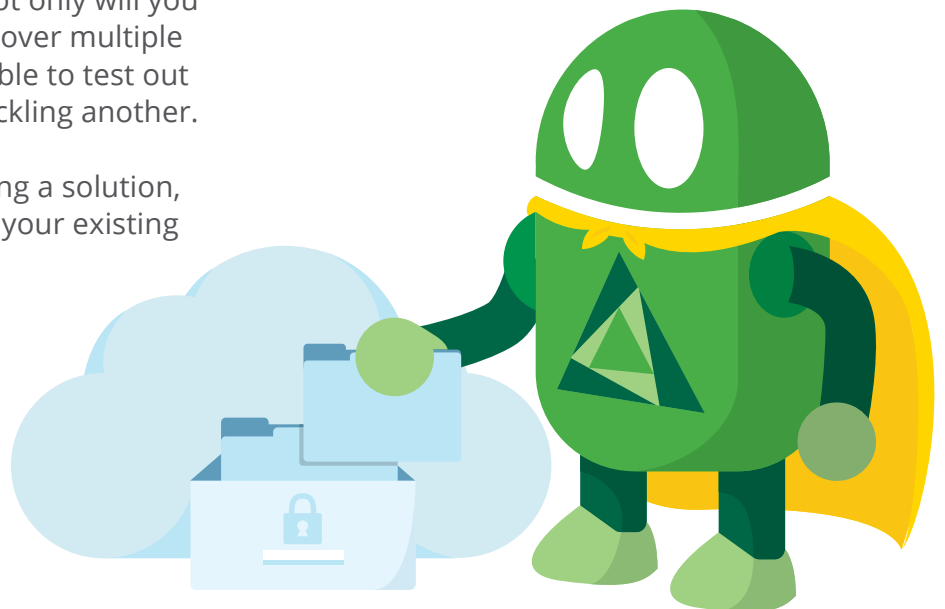
AP AUTOMATION HOSPITALITY SUCCESS STORY

Oliver Companies

Oliver Companies was already a well-established name in the hospitality industry when it launched its hospitality division. The company was behind the construction of some of the best-known hotels across the country, including Hampton Inn and Homewood Suites. But this venture highlighted existing issues for the company. Its invoicing processes were scattered across the country, with each property managing its own AP tasks.

With Centreviews' help, Oliver Companies was able to consolidate all of its invoices into one system. Today, invoices come directly to Centreviews, where team members input them into the system. By merely logging in, general managers at each location can see any outstanding invoices and immediately approve them, at which point they go to the main Oliver Companies office for processing.

The new system eliminates the slowdowns that were commonplace with Oliver Companies' original processes. Best of all, the accounting team no longer has to try to figure out which invoice goes with which property because it's all in one place. At any time, the central office can log in and see where invoices are in the approval process and take action on the ones that are ready for them to process.

> *" Anytime I find affordable technology solution that can save us time, I'm open to exploring it. In this case if we could relieve our AP Manager of many of the mundane tasks she was preforming we could free up her time for responsibilities that paid more dividends to the company. The costs of an AP technology solution was well worth consideration. "*
>
> *– Christopher Hedblom, Controller, Oliver Companies*

WHY CENTREVIEWS?

Centreviews works with businesses throughout the hospitality industry to streamline accounts payable processes. Using the latest technology, Centreviews' discrete bots are designed specifically to take care of those manual, repetitive processes that can be so burdensome on a skilled AP staff.

Among the many bots making your business more productive and cost-effective are bots that:

- Capture and extracting data from incoming invoices.
- Execute the workflow you identify based on your own business rules.
- Match POs to invoices and accounts receivables.
- Make payments based on the payment rules you've set up.
- Create invoices and allow you to link any supporting documents.
- Match payments to invoices.
- Automate information for obtaining financing through invoice factoring.
- If you have any chargebacks or deductions, bots provide the information you need to resolve the situation.
- Let your customers visit a designated website and view all open invoices in one place, saving you time and making things more convenient for them.
- Access all current and archived documents easily in one place.

Next Steps

If you're interested in getting started with AP automation, schedule a free consultation to discuss how Centreviews can help your business. You can schedule a consultation on the Centreviews website or call (651) 675-2600 to make an appointment or ask any questions you have.