

The True Cost of
**INVOICE
MANAGEMENT**

How manual invoice processing
gets in the way of good data



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Introduction

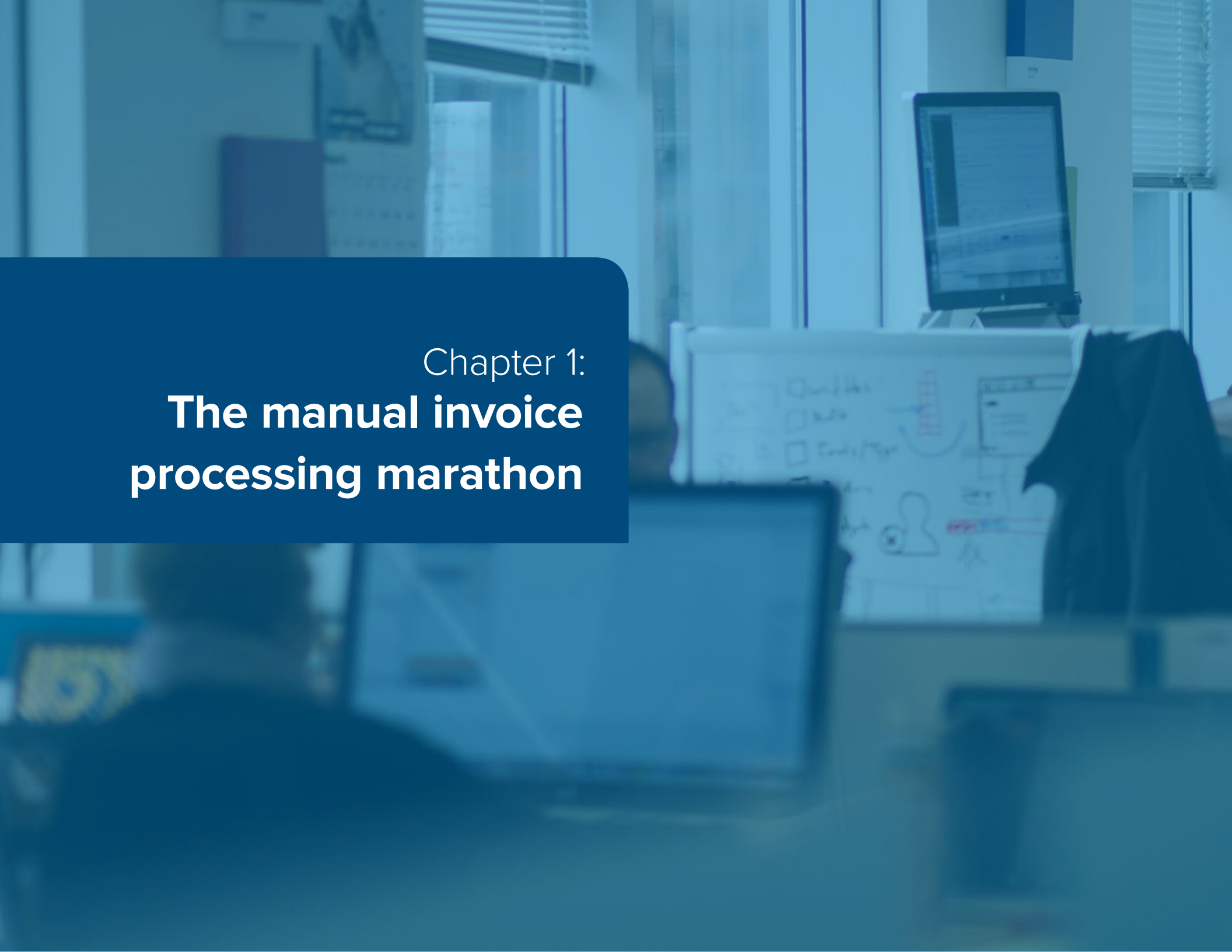
Introduction

If your company is like most, its daily focus is on improving: from increasing productivity to ensuring high customer satisfaction and building lasting relationships with customers and suppliers. To address every change, your company needs to run like a well-oiled machine. Your current processes may seem good enough, but the truth is, they're costing you in ways you don't even realize.

Managing cash flow with manual invoice processing is draining your business of time, money and resources.

Spreadsheet technology to approve and track invoices has been around since *The Breakfast Club* was in theaters and "Careless Whisper" was number one on the Billboard charts (we're talking 1985, people). You wouldn't rely on anything else from '85. Why do it here? This eBook details the hidden costs of manual invoice processing and suggests a better way to proceed and succeed.





Chapter 1:
**The manual invoice
processing marathon**

The manual invoice processing marathon

77% of invoices received by companies are in a manual format – hard copies, PDFs, emails or faxes. In a perfect world, invoices complete with all the necessary information – quantity, price, date, parties involved, etc. – will find their way to your AP department. But then the manual invoice processing marathon begins: document preparation, routing, data entry, exception handling, approvals, indexing and filing...

you get the point. Even when your AP department receives an invoice complete with everything they need, the lengthy, tedious process poses the potential for transcription errors, decentralized data and other pitfalls that could send the invoice off-track, resulting in missed payments and late fees. Remember, this is in a perfect world.

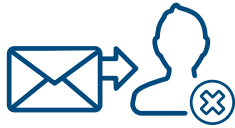


The manual invoice processing marathon

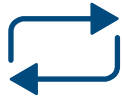
Unfortunately, we live in a not-so-perfect world where the majority of invoices are either:



Incomplete



Sent to the
wrong person



Lost in
the shuffle

Imperfect invoices force your back office to stop and locate the missing data, adding time to an already lengthy process. Because the manual invoice management process is so cumbersome, it's virtually impossible for your employees to spend time doing what really matters—their job!



Chapter 2:
**The hidden costs of
invoice management**

The hidden costs of invoice management

Hidden costs can really add up, but because they can be difficult to determine, they're easy to overlook.

The average cost of one manual invoice is \$13.50, but the financial repercussions can be staggering when you consider labor and backlogs plus the cost of time spent:



Searching for
invoices



Coding and
correcting data



Chasing
approval

The hidden costs of invoice management

According to the Ardent Partners study: “An SMB Buyers Guide to AP Automation,” businesses operating their accounts payable functions using manual and paper-based processes can experience:

These hidden costs of manual invoice processing cause your business to miss out on opportunities and lose a lot of money. Your employees hate the process; your suppliers hate the process. It’s painful, inaccurate and slows down business for all!



High operational costs




Errors and delays



General lack of visibility



A photograph of two men in an office setting, overlaid with a blue tint. The man on the left is wearing a grey t-shirt and is smiling while looking at a document he is holding. The man on the right is wearing a red and white checkered shirt and glasses, also smiling and looking at the document. In the background, there is a whiteboard with some faint writing and office furniture. The overall scene suggests a collaborative work environment.

Chapter 3:
**Benefits and challenges
of going paperless**

Benefits and challenges of going paperless

Paper checks are common with small to medium sized businesses (SMBs), but they are inefficient and take too much time. When manually processing invoices, you can't optimize ePayments or use credit cards to pay vendors. As more and more suppliers accept and prefer ePayments, you're left spending more time and money on an obsolete payment method.

Converting to ePayments has a number of benefits - the ePayments Rising research report finds that electronic payments can help businesses:



Improve overall visibility into spending and ultimate cash flow



Enhance the speed of payments and depth of information tied to those payments

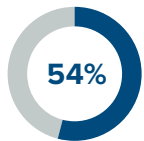


Assist the AP function in leveraging resources into more value-add projects



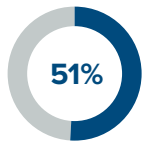
Benefits and challenges of going paperless

But moving away from paper checks doesn't come without its challenges:



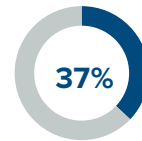
Integration to accounting systems

Concur solution: Concur currently offers integration connectors for the most popular AP systems



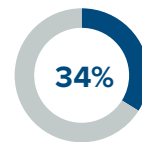
Convincing suppliers to accept ePayments

Concur solution: Suppliers have begun to recognize the positives that come with accepting ePayments, and that trend is expected to continue



Privacy/security of bank account info

Concur solution: Our client base includes hospitals and the US government. We manage sensitive data all the time



Lack of standardized format for remittance info

Concur solution: We partner with consultants that can help with implementation and other steps along the way





Look to the cloud

Look to the cloud

Automating in the cloud is faster, more efficient, and costs less than doing Accounts Payable by hand. Cloud technology means you can be up and running quickly and securely without the costs and complexity of building new infrastructure, and without adding to your IT staff's workload.

Concur Invoice automates accounts payable and gives your business full visibility into spending. Find out how

Concur Invoice can help your business cut manual data entry and use time better, so you can focus on what matters most. Learn more about automating the AP process in the Essential Guide to Managing Accounts Payable.

[Download the guide](#)





About Concur

Concur, a part of SAP, is the leading provider of spend management solutions and services in the world, helping companies of all sizes transform the way they manage spend so they can focus on what matters most. Through Concur's open platform, the entire travel and expense ecosystem of customers, suppliers, and developers can access and extend Concur's T&E cloud. Concur's systems adapt to individual employee preferences and scale to meet the needs of companies from small to large.

Learn more at concur.com or the Concur blog.

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