



Payment Processes: Making Bills Make Cents at Vertex Aerospace

Every company has bills to pay. That doesn't mean that it is cheap or easy to do. Quite the opposite actually. That is why companies have an entire department dedicated to this one task—the Accounts Payable (AP) department.

At Vertex Aerospace, a couple of contract wins stretched their AP department to the max. Good news became bad news. Invoices flooded in and vendors began hunting for payment. The company found itself mired in a slew of bills that they simply couldn't handle. This, in turn, became a drag on their vendor credit and ultimately their cashflow.

"My CFO gave us a clear charter: Get AP discussions out of the C-suite" said Alex Cummins, the Senior Director of Finance. "Vendors were even threatening to stop shipping the parts we needed to serve our customers, because we weren't paying the bills on time."

That's when Vertex asked if SAP Concur could help.

Vertex never really thought about using the SAP Concur platform to streamline its AP processes. That is until they saw how SAP Concur went beyond automation to solve the entire business challenge. After Vertex conducted a competitive bidding process, they selected the payables platform: Concur® Invoice from SAP Concur solutions.

Vertex & The AP Challenge

Vertex Aerospace is a leading aerospace & defense company providing maintenance, repair, and overhaul capabilities to its customers. It performs everything from technical support, to product manufacturing, assembly services, and engineering capabilities—across the globe. With more than 100 locations worldwide, Vertex has an expert workforce that delivers critical solutions to keep airframes aloft for both government and commercial aviation customers.

Executing this mission requires numerous materials, parts, and services, which all come with invoices. More work meant more invoices all of which had to be processed by an overworked team of people who struggled to scan, email, chase, and pay them.

"When I took it over, our accounts

payable process was 100 percent manual. You would receive an email with an attachment, open attachment, print attachment, scan attachment, import it and manually match it to a purchase order—and then hope everything matches," Cummins said.

The pandemic just made it worse. Like most companies, the sudden shift to remote work exposed such weaknesses in old business processes.

A New Approach

Everyone talks about "automation." Automation is great, but it is only part of the process. SAP Concur solutions offered a unique approach that took Vertex to the next level.

Cummins' team doesn't physically touch a single invoice. They don't send any approval emails. They don't cut

"A company could have thousands of vendors sending invoices, and none of those invoices look alike. Getting the right information out of all those different invoices and into your own financial system is a serious challenge. They come in via email, electronic invoice, FTP servers... even faxes. We have to get it right and do it fast!"

—Tom Waldvogel, Sr. Director of Aerospace, Defense and Government Contracting at SAP Concur



checks or open banking screens. All they do is log into Concur Invoice within the SAP Concur platform and process their to-dos.

How Is That Possible?

Concur Invoice uses digitization technology that goes beyond optical character recognition (OCR) to deliver pinpoint accuracy. Depositing 95% of all invoice data into the approval workflow—accurately—in under 48 hours.

Automatic two- and three-way matching allows the business to resolve discrepancies in invoices, purchase orders, and receivables QUICKLY. With all the right information in the right place, Vertex avoids late payments, double payments, and overcharges.

Field approvals are made easy with the award-winning Concur Mobile App—the same app that 77% of all business travelers use today. Reviewing and approving invoices for the “stuff” they need most has never been easier.

The best part of all? AvidPay delivers a rebate on every dollar that Vertex spends by paying all those invoices. Vertex is getting paid to pay bills on time. They treat bills like they treat travel expenses: spending the necessary dollars and getting a rebate back on each of those dollars.

Short Time-to-Value

“Get AP out of the C-suite” was the mission handed to Cummins and his team. They overachieved.

Vertex repaired its business credit, cut its costs, and is well on its way to running its AP on a cost-neutral basis. Senior leaders are no longer fielding uncomfortable conversations with strategic vendors or spending time smoothing over payment issues.

“[SAP] Concur [solutions] took multiple steps out of our process, especially the repetitive ones. That put our internal

significant factor in managing cashflow for any business. At Vertex, SAP Concur solutions deliver the real-time visibility into where cash needs to go and when. Empowering senior leaders to focus their attention on high-level strategic concerns.

“It has definitely improved our AP metrics, our supplier satisfaction, and our Dun and Bradstreet scores,” Cummins said.

In any organization, those kinds of issues are of vital importance to senior leadership. With improved processes and greater visibility, tools like Concur Invoice also help corporate executives to meet the high bar set for accountability and transparency. For publicly-held companies, and government contractors in particular, those are key business considerations.

“They have to be able to report accurately to Wall Street and to their investors. If they work with government, they may have additional compliance requirements,” Waldvogel said. “With automation it’s much easier to avoid double payments, to mitigate against fraud. And leadership has a clearer picture overall of how the business is operating.”

Helpful Tips from Alex Cummins

Careful preparation helped to ensure Vertex was able to get Concur Invoice up and running quickly.

“When you undertake something like this, it helps to have a really solid plan in place, with a strong implementation team,” Cummins said. “You need to make sure that what you expect is absolutely defined up front.”

Having done that, Vertex experienced a smooth implementation. Looking ahead, the company anticipates technological enhancements that will help to make Concur Invoice even more powerful in the future. Cummins said he’s especially excited about the continuous improvements he is seeing in the realm of OCR.

“The number of exceptions we have goes down continually as OCR improves,” he said. “We see that only getting better and better over time.”

“Suppliers were demanding advanced payments. There were some that didn’t want to ship a part until they had been paid,” Cummins said. “The quantity of those has diminished: It’s probably less than 10 percent of what it was six months ago. The suppliers are confident that they will get paid, and that’s a major improvement in terms of both cash flow and business reputation.”

—Alex Cummins, Sr. Dir. Finance, Vertex Aerospace

Lastly, vendor payments are made via AvidPay, which is fully integrated with Concur Invoice. Approved invoices flow seamlessly into the payment queue, where Treasury has a “single pane of glass” to pay and research vendors, regardless of payment type. Vertex no longer has to move between multiple systems to print expensive physical checks, initiate ACHs, or send ePayables.

Furthermore, AvidPay takes on the liability to ensure payments are successfully made—securely and on time. Fraud prevention and protection is gained through Payee Positive Pay and daily supplier OFAC screening. AvidPay’s full-service, integrated payment engine and large dedicated vendor service team give the Vertex team valuable time back to focus on strategic initiatives—like growing their business.

accounts payable function back into more of a troubleshooting mode,” Cummins said.

With SAP Concur capturing the invoices and feeding them into established workflows, Cummins’ staff can focus on the outliers and questions that truly need human eyes and intervention to resolve. This makes the work much more interesting and fulfilling, which greatly reduced the employee turnover Vertex had in its AP department.

Needless to say, the company is paying its bills in a timely fashion. Six months after go-live, their PAYDEX score went from the mid-30s to a 77. They are also starting to get those rebates from the AvidPay portion of the solution, which offset the cost of SAP Concur solution itself.

With the automation and rebates comes a higher level of transparency. AP is a

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