CHECKLIST

AP Automation Transition Checklist

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Are you achieving an optimal ROI for your organization with smooth transition of your AP Solution?

Introduction

Accounts payable internal control is designed to help mitigate loss risk in the accounts payable function. Payables controls are broken down into three categories:

- The obligation to pay
- Entering the payables data into the system
- Paying suppliers and vendors

This checklist is designed to aid the auditor in reviewing accounts payable internal controls. It consists of controls and suggestions for items that should be documented in the organization.

Download this handy checklist as your quick reference guide to help you evaluate strong controls, proper processes, procedures, and regular audits for your organization.

An organization loses an estimated 5% of annual revenue to fraudsters, according to a recent report prepared by the Association of Certified Fraud Examiners (ACFE),2021.

Financial Fraud can be broken down into three categories:

- **Asset Misappropriation }** Skimming, false invoicing.
- **Corruption }** Bribery, extortion, and conflicts of interest.
- **Financial Statement Fraud }** Cooking the Books.

How does each role prepare for an AP automation Implementation?

As a finance organization leader, you have an essential role in this process. Don't discount how significant your involvement is. Whether you are a CFO, controller, AP manager, or hold a different title, you have unique and vital insights into the AP process and how it can improve through automation at your company.

CFO	Role	With a higher-level focus, but much more control over the entire finance team, the CFO is in the best position to create positive change in any finance-related process.
	Action	The CFO is the champion who pushes the project forward and approves the funds for the project.
Controller	Role	The controller is more concerned with how the implementation fits with the more significant accounting organization.
	Action	The controller ensures nothing is forgotten or dropped during the transition process as he or she will draw on reports and data from the new system.
AP Admin	Role	This role does deal with the AP system daily. The AP manager hears all the complaints and problems with existing procedures and has intimate knowledge of the same or the complete process.
	Action	The AP manager should be a member of the committee guiding the upgrade project, if not the chair, and work with AP clerks and staff to iron out the details and fix issues that arise during the implementation and rollout.

AP Approver	Role	The AP Approvers are responsible for the evaluation of the incoming invoices.
	Action	This person will perform the action of checking and validating the invoice details and processing them for further activities like payment.
AP Payer	Role	The AP Payers are responsible for the disbursement of payments towards the approved invoice.
	Action	This person will perform the final review of the invoice amount and process the payment.

An Automated AP Transition Roadmap

Here is a checklist to guide you through the process from manual processes to automated solutions in no time:

Discuss implementation with your IT team	☐

As a rule of thumb, it's best to loop your IT department into your transition while evaluating potential solutions. Such methodological actions allow them to offer suggestions and plans accordingly to set aside time for any work required on their end.

Consider timelines for other cloud transitions:	☐

Businesses that implement cloud-based automated accounts payable simultaneously can limit the time spent in "transition mode" when teams are less productive and learn a new process.

Build your list of core requirements	☐

There are a variety of solutions available on the market, and it's critical to begin your search with a complete understanding of what you are looking for

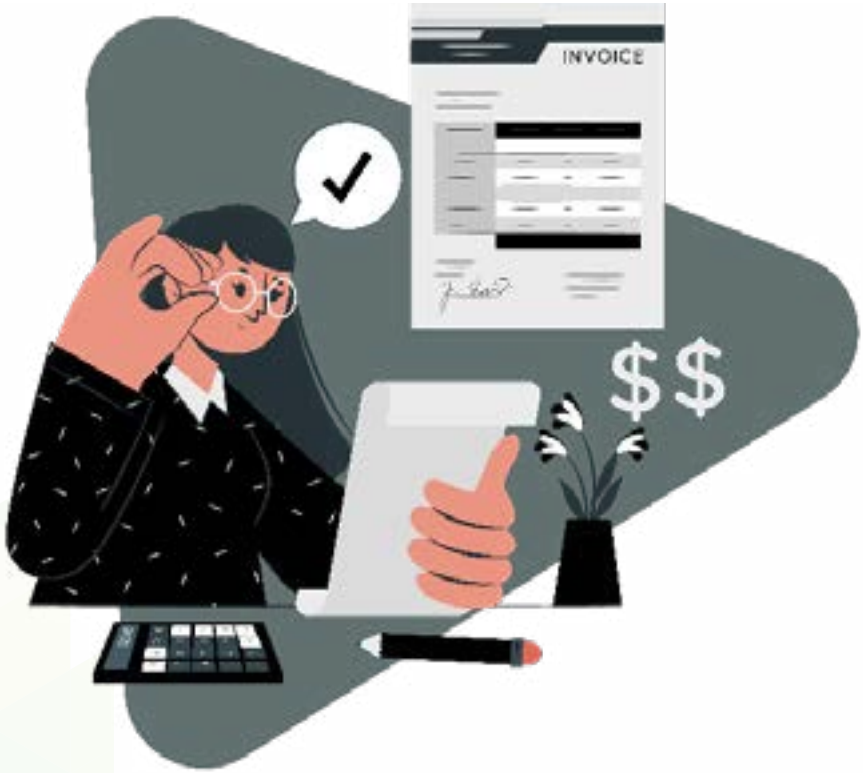
☐	**ERP Integration vs. File Upload:** Are you looking for a modern solution that connects directly to your ERP through an API-level integration that enables a bi-directional sync or a legacy system that requires file uploads to move data back and forth between systems?
☐	**Direct Payments vs. Intermediary Accounts:** Are you looking for a solution that facilitates your payments to vendors directly from your bank account, or one that limits your visibility by taking your funds into possession through intermediary invoices and processing payments on your behalf?
☐	**End-to-End vs. Point Solutions**: Are you looking for a solution that addresses the entire process of capturing, coding, approving, and paying invoices, or one that is limited to individual components?
☐	**Centralized Communication vs. Emails:** Are you looking for a solution that provides one platform for all AP-related communication or a solution that leaves communication up to your ability to track dozens of email threads?

Look for cutting edge capabilities:	☐
The AP Automation market is still very new. It is continuously redefined by disruptive, cutting edge technology that is creating efficiency and making life easier for AP Managers in an increasing number of ways.	
☐	**Automatic Payment Scheduling:** Takes the burden of manually tracking payment deadlines and discount requirements off the shoulders of AP staff with the solution functionality. Discounts can also be automatically reflected and applied to payments within AP Automation solutions.
☐	**Duplicate Invoice Detection:** Saves precious time during the invoice approval process and eliminates the possibility of paying the same invoice twice.
☐	**Auto PO Matching (2 way and three-way):** Advanced algorithms automatically match invoices against POs – a boon for overworked AP departments seeking to follow through on the controls promised by the introduction of POs.
☐	**Intelligent Analytics:** A provision to quickly view the usage, trend, exceptions, and futuristic analysis.
☐	**Extra Scrutiny with Invoice Audit:** Integrated solutions to provide a quick comparison of Invoice details with the details present in the contract, such as price, clause, and terms.
☐	**Invoice Discounting:** Ability to prioritize the invoices with discounts or early payment terms to optimize savings.
☐	**Vendor or Collaboration Portal:** Platform for businesses to connect and collaborate with suppliers for visible and efficient connection over the internet.
Customer Support:	☐
The level of support your chosen vendor provides will make a big difference in the success of implementation and ongoing maintenance of your AP solution.	
☐	**Lean on your vendor while ramping up**: Your chosen vendor should be capable and willing to guide you through the transition. Leading companies offer dedicated implementation managers to oversee successful transitions. Implementations can take anywhere from 2 weeks to six months, depending on the solution you select.
☐	**Look to your vendor for tips:** Top vendors can offer insight into areas of improvement within your current AP process and help you prioritize future initiatives for your accounts payable team.
☐	**Ongoing support**: Top vendors offer support through multiple channels (phone, email, online knowledge base, etc.) and follow service level agreements for responses to help tickets submitted.
☐	**Periodic Review:** Enable the customer success team to understand and analyze the trend and help the user adoption.

Conclusion

There are many ways that AP automation is currently defined and many solutions available from which you can choose. When deciding which solution is right for you, it's essential to understand that taking a holistic approach to automating accounts payable and investing in a solution that streamlines the end-to-end process will deliver greater efficiency, improved control over cash flow, and enhanced protection against fraud. Here is a checklist that can assist you in streamlining the entire invoice management process.

To learn more about how Aavenir takes the most holistic approach to AP automation, visit Aavenir Invoiceflow or check out this case study to learn how a leading Pharmacy Benefit Manager (PBM) automated IT Vendor Invoice Data Extraction and PO Matching on ServiceNow.



Are You Ready To Revolutionize AP?

Are you aware that your Accounts Payable team is wasting 24% of their workday on manual invoice processing?

Do you wish to make your AP teams strategic?

Schedule a Live Demo with Aavenir to know how to capture invoices efficiently, build smart invoice workflows, and automate 2-way/3-way validation.

If you're ready to experience the many benefits of invoice automation, give us a call at +1 408-554-2656 to learn how you can get started today.



About Aavenir

Aavenir revolutionizes age-old procurement processes with AI-enabled Source-to-Pay solutions, including RFPflow, Onboardingflow, Contractflow, Obligationflow, and Invoiceflow. Built on ServiceNow, Aavenir solutions streamline procurement, legal, and accounts payable work processes using the latest technologies such as AI, ML, and NLP to

Explore Aavenir Source-to-Pay Solutions on ServiceNow



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