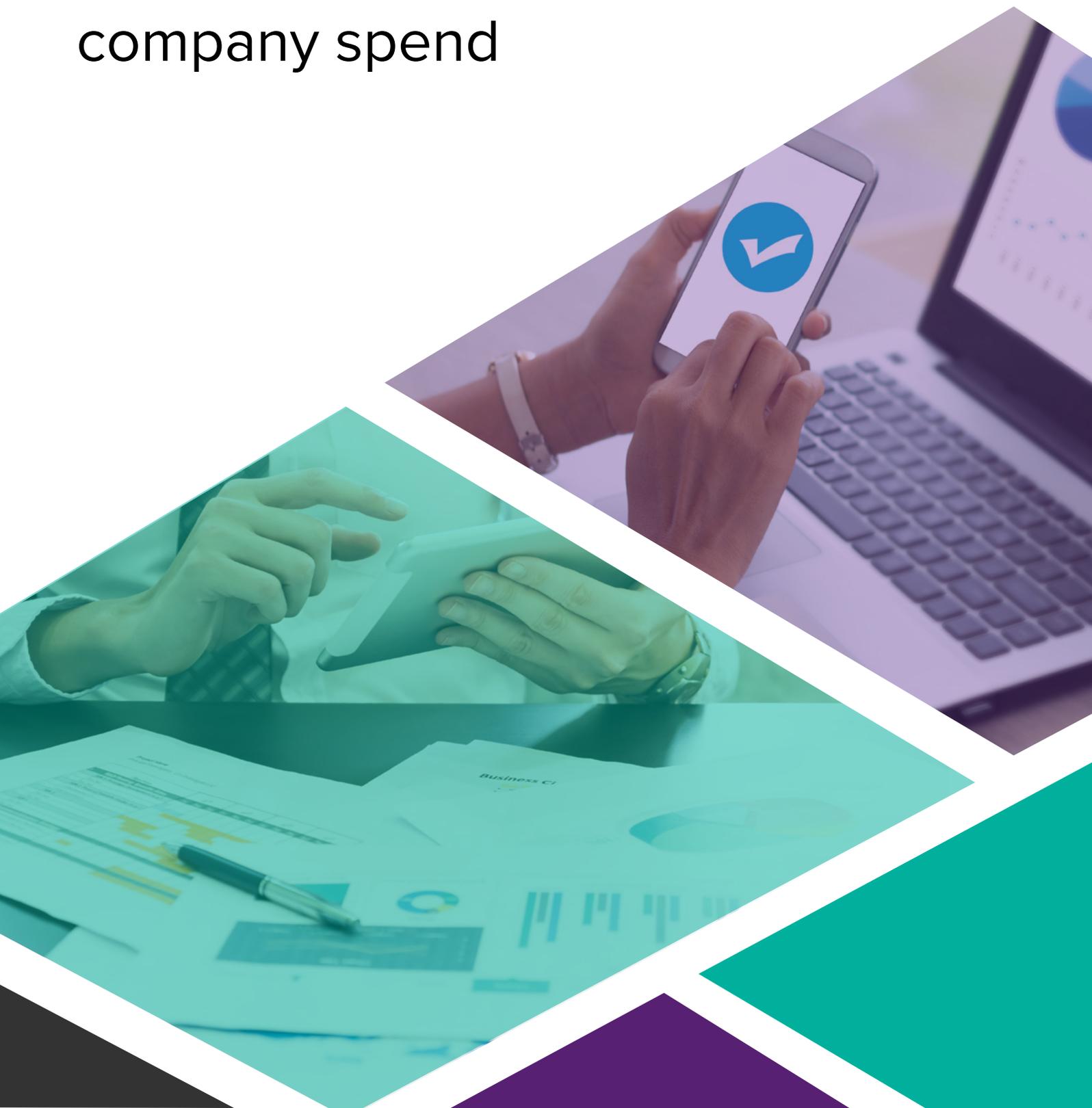


WHITE PAPER

How purchase to pay automation provides real-time visibility over company spend





Choosing to make a change to your financial processes can be daunting.

With factors to consider such as the cost to implement the change and the time required to train users, it's not a decision to take lightly.

This is especially the case with your purchase to pay system. A system that, for the most part, has historically been running on manual, paper-based processes.

More finance teams in businesses of all sizes are embracing digital solutions to help streamline their processes and deliver a more efficient department. Automation is enabling finance teams to move away from manual, paper-based processes. Whether it's automatically matching invoices to corresponding purchase orders or automating the approval process, there are many solutions available that take previously manual, laborious processes and streamlining them, and purchase to pay process is no exception.

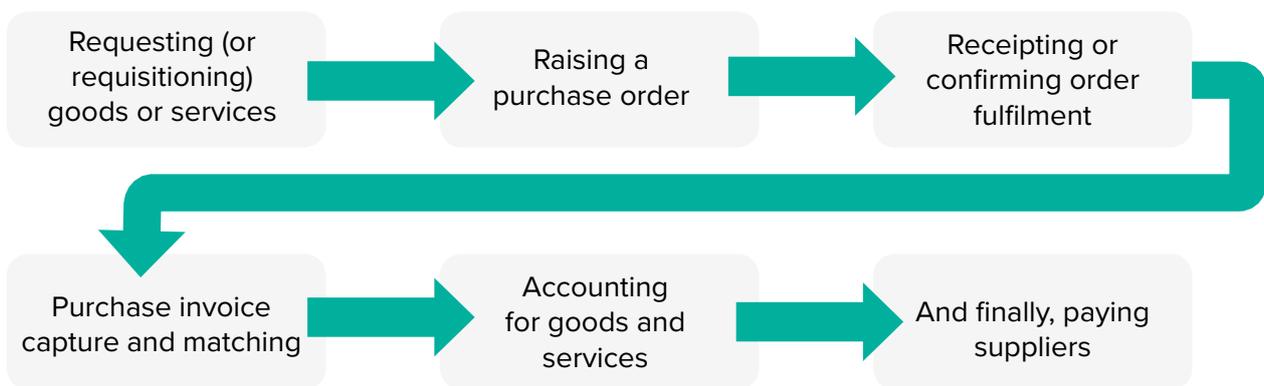
If you're reading this now, it's likely that you're thinking about automating your purchase to pay process. True that it's not a simple, quick decision to make and it may seem that your manual system works and fulfills your company's needs; so, why change? It's simple. There is just no good reason to "settle" for a system "that works", when you can save time and money with a system that is optimised.

This white paper is all about achieving real-time visibility, something that simply cannot be achieved through manual systems. Initially, it may not sound like a feature worth causing an upheaval in your department for, but by the time you've finished reading this, you might just change your mind.



Who are the stakeholders involved in the purchase to pay system

At its core, purchase to pay encompasses the processes for the following stages:



Although a relatively simple process in theory, there are various stakeholders involved in the process at different stages, and they all having their own priorities. Therefore, ensuring that the process is well managed is crucial to ensuring the financial health of your business.

In most businesses there are four stakeholders who use (or will use) the purchase to pay system: budget holders, procurement, finance and the CEO. As well as knowing who the main users are, it's important to understand what their departmental requirements and how these requirements are currently achieved (or not) from a manual process.

Budget holders and procurement

These teams are the ones who kick off the process of ordering goods and services with suppliers. This often involves raising a purchase order, which is processed manually, emailed to the supplier and delivered to the finance team. In some cases, some will simply call or email suppliers to purchase for their department, leaving no visibility or trace of these spend commitments to the rest of the business.

Finance teams

The finance department works as the middle ground between the spenders and the suppliers. What finance teams need in the first instance is a view of all committed spend. When finance receives the supplier's invoice, this is the first they are notified

of the incurred cost since they have no recorded purchase order to check it against. This then leaves the finance team with no choice but to physically chase the budget holders; a time-consuming and usually unfruitful task. What the finance team needs is to have purchase order and delivery confirmation to hand so that when an invoice comes in, they can match it seamlessly and pay suppliers efficiently.

CEO and the Board of Directors

Though potentially not owning any of the transaction processing or approval stages, the CEO needs full visibility of the financial health of the business; something which can be determined by a real-time view of the spending activity across the business. Traditionally, this comes to the CEO in the form of the month-end report, but with a manual, paper-based process, this isn't as simple as it should be. Budget holders keep track of their spend and budget in their own spreadsheets, and usually find their numbers don't match what finance has for the month-end report. This means time is spent working to make the numbers match, whilst more corporate funds are continually being spent, meaning the report is always going to be out of date when the CEO comes to view it. This makes it difficult to gain a full view of the current and forecasted financial health of the business at any moment in time.

What are manual purchase to pay systems and their impact on your company's financial health

Manual purchase to pay processes end up being a big headache for the end users, i.e. the budget holders. Using their own unique methods, budget holders do their best to record their supplier purchases against budget. Although it appears helpful, budget holders tend to have their own ways to record this spend. This means different budget holders from different departments are following different procedures and using different spreadsheets and tabulations. Finance teams are then caught trying to make sense of it all.

Even the most diligent budget holders will have their own manual log of spend and suppliers to make sure that they are managing their allocated budget for their department effectively and sensibly. This, along with their budget analysis usually being held on Excel spreadsheets, means there is either no view of these costs for finance, or it is in a format which doesn't align with the finance departments' formats. This occurs for two reasons: first, because finance teams have no "say" in how things should be recorded throughout all the departments and second, because finance teams have no "visibility" on spend.

Some supplier orders could also require more time and attention. For example, if a purchase is above a certain value or the spend is over the department's budget, this could require approval by a senior manager before it may be confirmed. With a manual process, it is not possible to ensure everyone in every department is aware of internal approval policies. As communicating this becomes challenging, approval can be time-consuming and the those ordering within a department could be unaware of over-spending.

A manual company purchasing process also leaves procurement with a lack of control and visibility over what suppliers the company is spending money with, making it difficult to consolidate spending and apply negotiated costs across the business. Then, without the information accessible in terms of spend analytics; what suppliers have been used, what has been purchased and at what price, the company could find it difficult to negotiate costs in the first place.

Unfortunately, the issues don't end with recording company spend, managing spend against allocated budgets and getting the best prices. Managing the purchase invoices and approvals can be a time consuming and a difficult task when done so

manually. There is a common misconception that the finance team can just ask the budget holders if the invoice is the same as what they ordered, but it's not quite that straightforward as having no clear system in place means the information to even start the enquiry isn't clear. This becomes increasingly difficult when you factor in that approvers may not be available to shed light on the enquiry.

To summarise, here are some of the pain points a manual purchase to pay system affects each stakeholder:

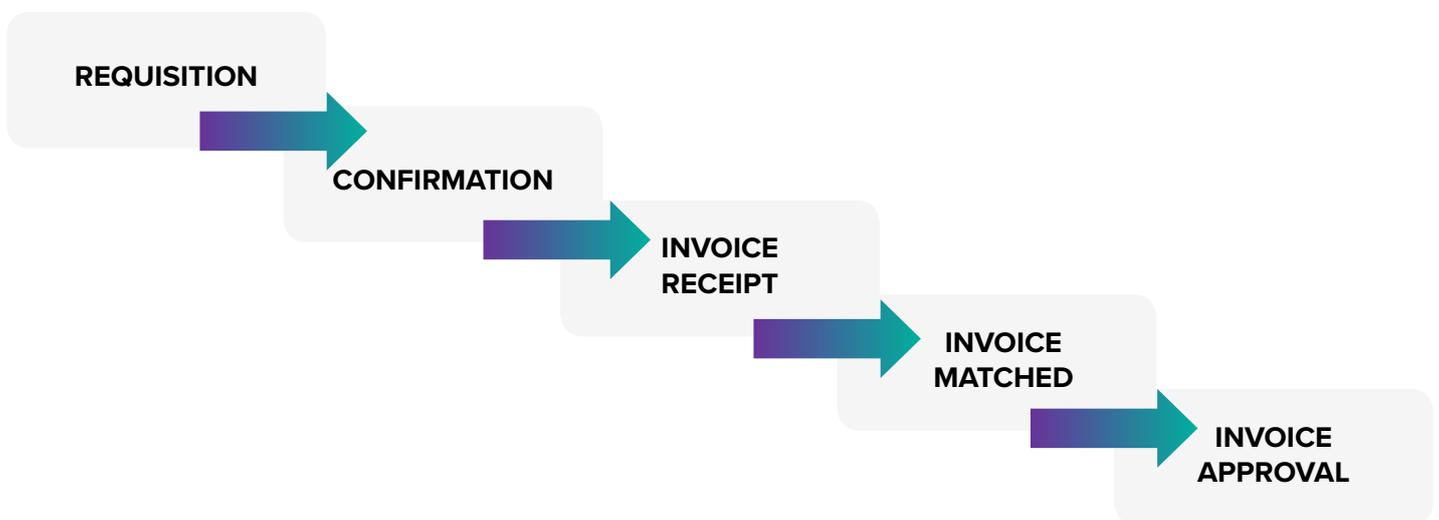
Budget holders	Finance & procurement	CEO
<ul style="list-style-type: none"> • No real-time view of their purchase orders against their budget • No unified way of accounting for spend and budget • No way to avoid having Finance chase them for approvals 	<ul style="list-style-type: none"> • No view of company commitments and approvals with which to match invoices • No way to keep the month-end report up to date • No way to speed up or avoid having to physically chase budget holders for approvals 	<ul style="list-style-type: none"> • No way to get real-time information on spend and cash flow without waiting for reports from finance • No way to really see the full financial health of the business • No real-time view of the financial truth

Understanding these pain points is key as it illustrates exactly why real-time visibility is needed.

How purchase to pay automation provides real-time visibility over company spend and why this is so important to businesses

The first thing to acknowledge about an automated purchase to pay system is that it is 100% paperless. All orders, approvals and invoice processing are online in one centralised system.

Here is a step-by-step flow of how an automated purchase pay system works:



- 1. REQUISITION:** A new requisition is raised, which is posted into the system and reflected not only in finance's reporting of company committed spend, but the budget holder's own spend against their departments budget.
- 2. CONFIRMATION:** Budget holders can confirm delivery of goods or services, which will in turn will update finances company accruals across all departments.

- 3. INVOICE RECEIPT:** The purchase invoice is received by email directly from the supplier, saving them time printing and posting.
- 4. INVOICE MATCHED:** The system can read the invoice data and automatically match the invoice to the corresponding purchase order. If a match is satisfied, the invoice can be auto-approved and transferred to your finance system.
- 5. INVOICE APPROVAL:** If the invoice requires approval, the invoice is automatically dropped into the relevant workflow and an email alert is sent to the approver. This is traditionally where invoices can get delayed in a manual system, but as the approver can authorise transactions on the go, the system can prompt the approver and with finance having a view of where the invoice is, this will significantly speed up approval time. This also means there's no delay to then paying suppliers promptly and on time.

In addition to creating a streamlined, paperless process, automating the purchase to pay system is instrumental for achieving real-time visibility of company spend. This is achieved through the intelligent dashboards and reporting functions to present key information when making spending decisions. As well as having a view of what has already been spent, a purchase to pay system clearly shows what has been committed, actual spend and forecasted spend in real-time, and this is where the true value lies.

Professionals make business and spend decisions based on the information available to them. In terms of corporate purchasing, this applies to the logic that more visibility means more control. By having real-time information on cash flow, stakeholders can make smart spending decisions for the business, therefore ensuring corporate funds are used more wisely.

For budget holders, an automated purchase to pay system means they can see the current, precise status of their budget as it currently stands and based on what they have planned. They can also drill down to the finer details to see which suppliers they are frequently spending the with and even see the status of individual transactions; right down to the invoice payment status. All this can be achieved without ever having to communicate with the finance department.

For the finance team, an automated purchase to pay system means they're not the only ones in the business practicing good financial management. They will feel safe in the knowledge that budget holders are equipped with what they need to make smarter spending decisions, minimising the risks of unapproved spending. This also makes month-end reporting much easier, as all the information is captured in real-time, there is only one view of the truth, accessed by those who need to know.

Additionally, if the CEO desires, they can have a look at company spending analysis as often as they like, a single view of the financial truth for their business. Finance now has time freed up to spend on more strategic financial projects for the business.

What are the key considerations to make when looking for purchase to pay automation

Having made the decision that real-time visibility of corporate spend is essential for your business, it's now time to plan how to achieve it. For most businesses, changing a process that is so deeply ingrained in the lifeblood of your company can be challenging. Despite purchase to pay automation having a significant beneficial advantage, many finance teams are not rushing to implement it for this reason.

To add to this challenge, the marketplace is currently saturated with a variety of software offerings, all with their own unique selling points that finance professionals are never sure are needed. As the ones steering this change in the business, the last thing you want is to invest in a solution that ends up lacking what you need. This makes it difficult to navigate through what's on offer and leave finance professionals feeling unconfident about their choices.

To simplify the process of shopping around, there are three considerations you should acknowledge. Think of this as the "base" checklist that everyone needs to consider, regardless of whether they know what their individual considerations should be.



Features & Functionality

First, you must establish what specific needs do your business have from a purchase to pay system? What are the needs of the other stakeholders in your business who will be using the system to drive user adoption? Establishing this criteria is essential to have a successful system deployment, as without all purchases being logged on the system, you will have an inaccurate view of company spend and reduced benefits when it comes to automation and data analytics.



Scalability

Look for a system that allows you to start simple but can scale as your business grows. Being able to adapt means you'll always have a sustainable system that works around your business and there won't be a need to change to a new system when you grow. Equally, keeping the costs down

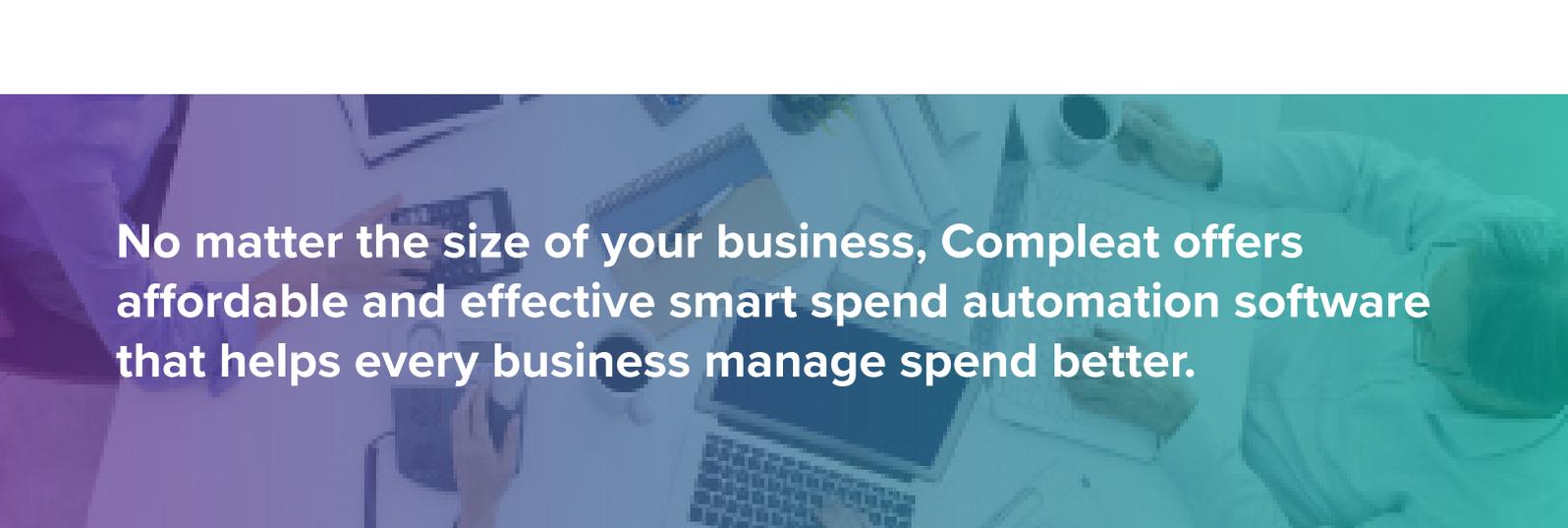
and keeping the initial phase simple, means you get the quick wins, like data capture and automation, and the system can be enhanced over time when you know what will add the most value to each stakeholder!



Financial investment

From the paper and ink to print them, to the time spent approving invoices, chasing and keying invoice data into your finance system, the pennies all add up over time; you might be surprised of how much your manual process is costing you! The opportunity for cost saving with real-time management of company spend and leveraging the knowledge of all spending activity with your suppliers can be significant.

There are many other considerations you may want to include for your specific situation, but my advice is to certainly include these three as a mandatory starting point.



No matter the size of your business, Compleat offers affordable and effective smart spend automation software that helps every business manage spend better.

e-Invoicing

Electronic invoicing (e-invoicing) is the exchange of a digital invoice document between a supplier and a buyer. An e-Invoice is the automatic generation of a digital version of every invoice, irrespective of how the invoice was initially received (paper or emailed PDF etc.).

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iCompleatInvoice

iCompleatInvoice is a fully enabled AI (Artificial Intelligence) application designed to remove the challenges of manual paper-based purchase invoice capture and approvals. Every invoice is digitally captured on receipt and can never be lost, duplicate invoices are caught every time, approvals are undertaken from anywhere, 24x7 and, on final approval, the invoice is posted directly to your accounting software. Accounts payable will never be the same again.

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eCompleatOrder

eCompleatOrder is a purchase order automation solution that enables accounts payable and finance teams to have full visibility and control over corporate spend. It captures committed and planned costs across the business as they take place, whilst empowers budget holders to improve their budget management skills and suppliers' relationships in real time.

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eCompleatInvoice

eCompleatInvoice is an invoice capture, tracking and electronic approval processing application that helps accounts payable and finance teams simplify and control invoice management whilst accelerating the approvals process with budget holders, extending the capabilities of your existing accounting or ERP software through tight integration.

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Compleat Software is a leading provider of smart spend software available for businesses of all sizes. The powerful, modular software empowers businesses to eliminate paper, unite finance, procurement and budget holders and gain an accurate, real-time view of company finances and budget availability. Offering the next generation of purchasing and budget management automation at an affordable cost, this “purchase to pay” software delivers a single seamless, paperless process that incorporates e-invoicing, purchase invoice approval, purchase order and receipting, employee expenses, contract management with comprehensive dashboards and reporting for every user.

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