tipalti® | Acumatica
The Cloud ERP

Maximizing Acumatica with AP Automation

With the right AP software, Acumatica transforms how companies manage payables.

Acumatica is a critical tool for tracking finance and accounting. It functions as a crucial system of record that collects, stores, controls, and monitors essential business data. And **accounts payable (AP) is the foundation for a positive vendor experience.** Although Acumatica can track purchase orders and invoices from suppliers, it does not assist with the payment process. These steps are time-consuming and labor-intensive. They also **create opportunities for errors that are costly both financially and legally.**

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The Soul-Crushing Demands of Payables

According to APQC, the median cost to process an invoice is $5.83. However, for 25% of mature finance teams, that cost is $10.00 per invoice. And this is just the data entry aspect of invoice processes—it doesn't include the complete payables effort.

High processing costs are due to:

Complexity

- Maintaining multiple banking/payment rails

- Dealing with unique payables requirements

- Diverse supplier population

- Global/cross-border factors—payment rails, regulatory compliance, FATCA rules, OFAC SDN

- Fraud controls and PO matching protocols

- Multiple-entity/multiple-subsidiary structures

Inefficiency

- Collection and data entry of invoice details

- Manual interface with bank systems/ payment processors

- Supplier onboarding and communicating

- Disconnected point tools (OCR, invoice/PO matching, workflow, tax, payments, etc.)

- Manual chasing down of PO, invoice, and payment approvals

- Payment data reconciliation

These are all areas where Acumatica cannot protect the company. As a result, businesses handle payables by hiring additional headcount, which can be a costly venture
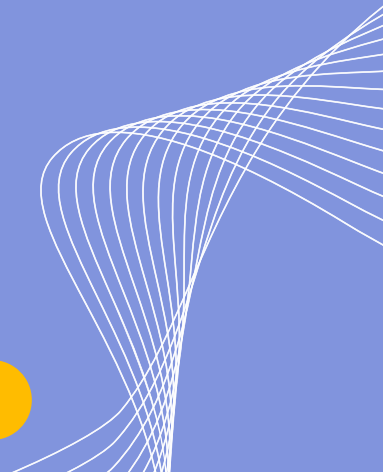
Global Pain Points

According to PayStream Advisors, "Organizations experience the highest error rates when they have inconsistent processes for global payments or when they use separate banking partners to manage the process." The most significant issues to cross-border payments and global payables operations are:

- Collecting the proper payables information during supplier onboarding, including tax details, payment details, and communication information.

- Reducing the risks and costs of sending checks and wire transfers (AFP reported wire fraud increased 11% to 46%, while 75% of businesses experience check fraud).

- Addressing separate tracks for different banks and payment methods.

- Managing different processes for domestic and international entities.

- Ensuring payees are legally paid (e.g., OFAC SDN, EU, HMC). Increasing the payables workload often requires adding AP headcount. Yet higher error rates occur due to added complexities.

Exposure to Risk

To reduce costs, companies often hire inexperienced staff to perform AP tasks, which include collecting supplier-payment information, keying in and matching invoices, collecting tax documents, mailing checks, or paying through a bank portal. These tasks cumulate several complexities when an audit is around the corner.

Finance teams must prepare for:

- Meeting FATCA tax regulations in the face of increasing IRS audit activity (e.g., 3,000 new examiners, up to 30% fines for the payer).

- Gaps in financial controls and PO/invoice/payment approvals within and across subsidiaries.

- Poor data hygiene leading to late or duplicate payments.

- Exposure of bank accounts to check and wire fraud.

Any time someone has access to sensitive supplier information and company funds, the organization is exposed.
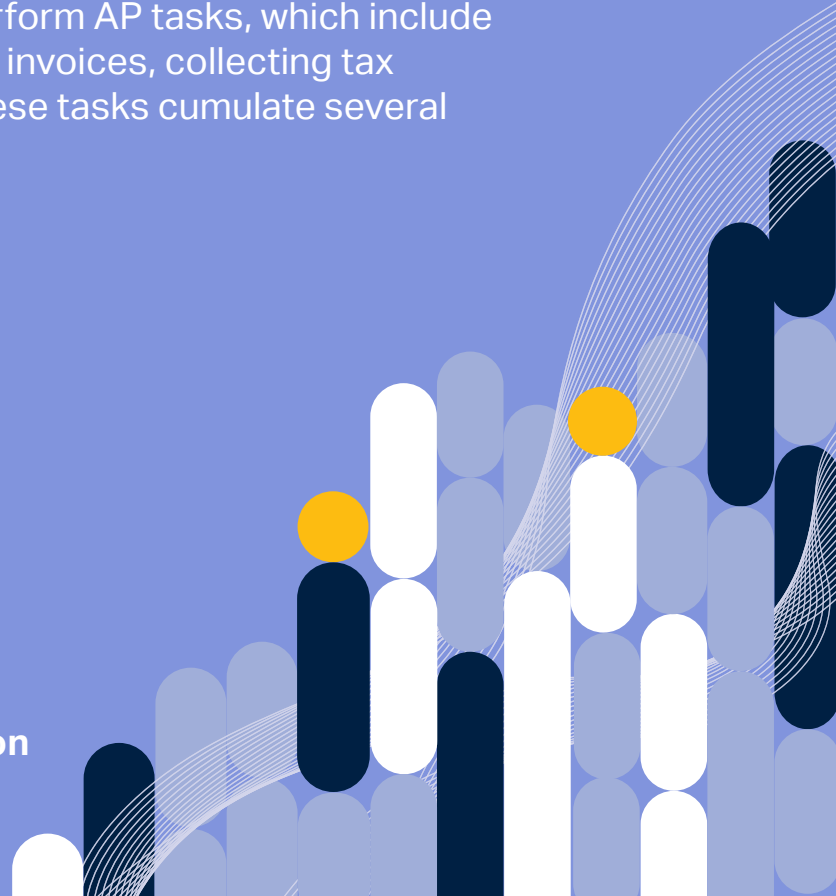
Implementation-Shy

Implementing new technology is stressful and chaotic. Organizations miss out on strategic ventures that transform their payables.

For example:

- Becoming cost-neutral or revenue-generating.
- Building a scalable operation that handles the growth of the business.
- Expanding across international boundaries.
- Consolidating back-office processes across multiple entities.
- Negotiating longer payment terms (Net X).
- Focusing on "hard finance" vs. "payment runs."

Transforming Payables

A successful payables transformation requires:

- Adopting a strategic payables directive.

- Modernizing payables technology.

As the organization grows, a strategic payables directive prioritizes the payables function. This involves establishing longer payment terms without sacrificing supplier relations, ensuring corporate compliance across all entities, and taking a lean operational approach to support ongoing international expansion. This tactic requires a culture shift in finance, recognizing that payables is a crucial enabler of strategic finance.

With the right strategy applied, leaders turn to automation to elevate the finance operation and guide the business forward.

Confidently Future-Proofing

From a payables perspective, conquering the last mile of Xero accounting software takes a holistic, future-focused approach. Payables is comprised of many different, independent processes. Rather than continuing to piece them all together—only to replace them in the future—finance operations improve with self-contained systems that work together.

Payables departments must have an integrated philosophy that encompasses the following:

- Intelligent supplier onboarding.

- Identity and tax data collection and validation.

- Supplier payment/bank account detail collection and validation.

- Invoice and purchase order management.

- Global payment remittance.

- Payment reconciliation.

- Supplier communications.

Additional Resources

It takes real commitment to achieve strategic excellence. Here are some additional resources that can inform your journey:

White Paper The Holy Grail of Accounts Payable

IOFM How End-to-End AP Automation Drives Efficiency and Business Growth

What Tipalti Can Do For You

Tipalti complements Acumatica's payables processes with a holistic automation solution that eliminates more than 80% of the manual effort. We provide a global solution that streamlines your entire AP workflow, from supplier management, procurement and invoice management, tax compliance, card spend, global remittance, and payables reconciliation.

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