

3 WAYS MANUAL PROCESSES CAN ROB YOUR BUSINESS



BY: MATT CLARK
COO
Corcentric

Companies that are still using manual-based methods show a willingness to put up with the inconveniences that come with relying on these outdated methods. Without automation, companies don't have a controlled environment in which they can manage and collaborate on purchasing activity and transaction information. Failure to properly adopt automation leads to a harmful increase in errors, a decrease in competitive edge, and a lack of focus on core functions.

THE ERRORS ADD UP

Companies that don't have automation are typically dealing with high volumes of paper, such as POs, invoices, and checks. All this paper leaves companies vulnerable to mistakes and missed payments, ultimately costing precious resources.

In a recent report Corcentric did with PayStream Advisors called the "2016 P2P for Indirect Spend Report" the study found that making early payments to vendors is one of the easiest money saving tactics for companies, but relying

on manual processes can make this almost impossible. The inefficiencies that result from manual processes impact time, money and resources. The leading causes of missed early payment discounts according to the study include lengthy approval cycles, manual routing of invoices and missing information on invoices. All of these issues are easily remedied by automation. One automation solution that companies look to is e-payments. Today, enterprises turn to e-payments for opportunities to increase efficiency when it comes to cash management. The conversion of paper payments to electronic is also a way to maintain accountability to protect against fraudulent activity. And finally, e-payments can significantly lower overall spend management costs and fees, most notably check processing and ACH fees as well as postage and printing of checks.

Non-fraudulent and error-free records are also essential in order to avoid or successfully maneuver through an audit. An audit involves a thorough review of income and expenses for a business and it's important to realize that the only way to avoid issues with the IRS is to ensure all records are error-free and up to date. Automation tools provide a streamlined workflow with added visibility throughout an organization, saving employees time and relieving stress during an auditing process.

LOSING AN EDGE ON COMPETITORS

Technology is evolving at a rapid

speed and companies choosing not to adopt automation processes may be cast in an unfavorable light compared to competitors.

No matter the offering, the technology space is more crowded than ever. Every day a new company shows up promising to be better, faster, and more groundbreaking than the next. Whether these claims prove to be true or not, customers value a company that can keep up with the latest advancements in the space. Customers and prospects may see a company's manual processes as a red flag, signifying an unwillingness to break away from traditional systems and a hesitancy towards future innovation. Not only can new business deals be lost but a company's industry reputation could be at stake.

LACK OF FOCUS ON CORE FUNCTIONS

Manual processes typically require an increased focus on making sure no issues disrupt daily business. This type of micromanagement can potentially eat up hours of an employee's day; hours that are better served coming up with new and innovative ideas to advance the company.

Effective use of automated workflow means that the time previously spent on processing invoices in a manual environment can be redirected toward more meaningful work. Instead of handling inquiries, management and staff can spend the time strategically analyzing data related to payments made, and project future costs and trends more easily. Rather than relying on the inconsistencies of manual processes, employees are allowed to focus on moving the business forward.

So why are companies not automating, when it can save them time and money? Low adoption rate is mostly due to a lack of awareness of the benefits and a hesitancy to move away from established legacy systems. The mindset of, "If it's not broken, why fix it?" needs to change and become, "What else can we be doing?" Automation is just one step toward this goal. The benefits for businesses are numerous, including less errors and increased efficiency, and can be felt throughout an entire organization once implemented.