Aavenir

CHECKLIST

Accounts Payable Automation

Software Buyer's Guide Checklist



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Executive
Summary

Companies are moving from time-consuming, error-ridden manual invoice and payment (AP) processes to a partial or fully automated workflow. Before trying to investigate and interview potential AP (accounts payable) automation solution providers; companies should start with an internal assessment and create an AP software requirements checklist.

To identify the best-fit AP solution, it's important to understand exactly "how" each AP system works since most AP solutions do the same "what" (i.e., invoice data extraction, invoice processing, reporting).

The purpose of this AP checklist is to provide certain key questions that organization should consider when evaluating APA solution providers. This checklist will help make an informed decision based on the factors that matter most to your organization.

Aavenir's APA Checklists will help you to find the most efficient, cost-effective, fraud resistant, regulatory compliant accounts payable automation software considering three main areas-

1. Invoice Processing Capabilities
2. Administration & Customization
3. Implementation and Support of Service

In each section, there are set of questions to be answered by the vendor and you may evaluate answers according to your requirement .



Invoice Processing Capabilities



Invoice Collection

These questions will help you understand how invoices are gathered into the Accounts Payable system. This is the first step in the invoice lifecycle management.

- [ ] From which channels can system collect invoices? (e.g. Data Entry, Email, Scan, API, Database, Folder, WhatsApp)
- [ ] In which format invoices can be received? (e.g., Image, PDF, DOC, XLS, etc.)
- [ ] Does the system support the image capture? What is the accuracy level of the image capture?
- [ ] In addition to the invoice, is any other information captured? (e.g., vendor data, PO, contract, GRNs)
- [ ] Is there any rule engine to categorize invoices based on location, department, vendor, amount etc?
- [ ] Does the system support both PO and Non PO invoice submission?



Invoice Coding and Data Capture

Determine if AP system uses automated or manual approach to capture the information from the variety of invoice formats. Is it faster and/or more accurate than your current method ?

- [ ] Do I need to setup rules or templates to make AP system understand the structure of invoices?
- [ ] Does the solution have OCR/ICR to extract invoice information from a scanned image?
- [ ] Is it using Artificial Intelligence & Machine Learning to automate data extraction from variety of invoices?
- [ ] Please discuss accuracy rate and exception rate for invoice information extraction.
- [ ] Can I configure custom fields for invoice data extraction?
- [ ] Can system capture fields with multiple line items to make it easy to code items?
- [ ] Does it automatically assign the GL expense account codes to a vendor invoice?
- [ ] Does it have capability to automatically convert scanned images into machine-readable data formats?



Invoice Data Validation

These questions will help you understand how AP system highlights invoices' data discrepancies and act upon them to rectify.

- [x] Can we have our own invoice validation rules to assure a clean invoice is submitted by the suppliers?
- [x] Can we implement different validation rules for groups of suppliers (GOODS/SERVICES/STRATEGIC)?
- [x] Can I view the vendor, PO, Contract and Receipts data at a finger tip to properly reconcile invoice data?
- [x] Does your system support 3-Way Match with PO, Contract and Receipt Data? Is it automatic or manual?
- [x] Does the solution provide automatic checks for duplicate invoices?
- [x] Can thresholds be set to alert anybody if the exception falls beyond tolerance?
- [x] Is the system intelligent enough to automatically detect fraudulent invoices?
- [x] Does your solution match invoice to region/locale specific tax rates for invoice reconciliation?



Invoice Approval Workflow

Identify how invoices can be processed after the data is on-boarded in the AP system. You may evaluate the workflow engine capabilities to fit organization's invoice approval process.

- [x] Does the system provide configurable workflow engine to standardize invoice approval process?
- [x] Does the system support both parallel and serial workflow?
- [x] Can I add multiple approvers for invoice? Can I add new users to the workflow chain on the fly?
- [x] Can I setup Discrepancy Workflow? Does it route exceptions to appropriate person to rectify?
- [x] Can I configure invoices approval workflow based on amount, business unit, item type, vendor, etc.?
- [x] Can the system access/send information to other approval workflows, such as ServiceNow workflow?
- [x] How does approval Workflows manage Delegation, Escalations? (e.g., when approver is on leave)
- [x] Does the solution provide functionality to "flag" invoices for special treatment?

Administration and Reports



Vendor and PO Management

Determine how AP system manages Vendor/Supplier details, Goods/Services list and Purchase Orders.

- [ ] How is purchase order data managed?
- [ ] Does it manage Supplier Master Data? Can suppliers manage their own profile and preferences?
- [ ] Can suppliers upload invoices directly to application?
- [ ] What type of payment terms does the solution support? (Term, Formula, QTY, Tier, SLA, Milestone, etc.)
- [ ] Does the system automatically create invoice vouchers for recurring payments? (e.g.rent/lease payment)
- [ ] Can I control which suppliers can send Non PO Invoices? Can I prohibit invoice entry for inactive vendor?
- [ ] Does it manage PO Line item details, vendor line items, expenses, cost centers, internal orders?
- [ ] How can I communicate with vendors during the Invoice processing?



Dashboard and Reports

These questions will help you understand how invoices are gathered into the Accounts Payable system as the first step in the invoice lifecycle management.

- [ ] Does the solution provide AP Dashboard to track invoice status per invoice type?
- [ ] Does the solution provide spend visibility by invoice type, department, and supplier?
- [ ] Does the solution monitor key AP department KPIs? Can I configure reporting for additional KPIs?
- [ ] What types of reports are available out-of-box? Can I create custom AP reports?
- [ ] Can supplier see the invoice status from your solution?
- [ ] Can I find all invoices associated with a specific vendor and summary of payments by month/year?



Reminders and Notifications

These questions will help you understand how invoices' data discrepancies are highlighted, acted upon and rectified.

- [x] Does the solution provide configurable alerts and notifications for both company and supplier?
- [x] Does the system send auto reminders and notifications on Invoice status and payment status changes?
- [x] Can I setup automated reminders for pending Approvals? Can I configure frequency?
- [x] Does your system provide alert to relevant stakeholders for invoice exceptions?
- [x] Can I set notifications when invoices are captured , sent for approval, invoice is late or past due, etc.?
- [x] Does the system generate notification for duplicate invoices?



System Administration

Identify how AP system can be administration can be processed after the data is on-boarded in the system. You may evaluate the workflow engine capabilities to automate

- [x] Can I configure invoice statuses ?
- [x] Can I configure our own invoice coding and reconciliation rules from the Admin UI?
- [x] What type of roles and responsibilities available for the users to control visibility, access & usage?
- [x] Can I prohibit the invoice data entry for an inactive vendor?
- [x] Can I configure workflow using Admin UI ? Is it built on configurable workflow platform like ServiceNow?
- [x] Can the system configured to access/send information to other approval workflows, e.g. ServiceNow?
- [x] How does approval workflows manage delegation, escalations? (e.g., when approver is on leave)
- [x] Can I change the branding and include my company logo in the system ?



Security

These questions will help you understand how invoices' data discrepancies are highlighted, acted upon and rectified.

- [ ] Where do you store invoices before and post approval? Can I refer back to them often using search?
- [ ] State the backup frequency & retention policy of the data.
- [ ] Does the system support offline replication and/or export of full data repository.
- [ ] Does your solution meet and in compliance with EU VAT rules?
- [ ] Which identity and access mechanisms (IAM) are being supported for user authorization?
- [ ] Does it support multiple level of authorization for user, group, role, organization, geography, template?
- [ ] Describe security certifications attained by the cloud platform and/or by 3rd party security auditors?
- [ ] Can AP system enable compliance with SOX?



Integrations

Identify how invoices can be processed after the data is on-boarded in the system. You may evaluate the workflow engine capabilities to automate invoice processing.

- [ ] List all out-of-the-box integrations.
- [ ] How do you ensure Supplier information stays in synch with our sourcing data and supplier master?
- [ ] How does the system accommodate the rules & regulations of various countries for invoicing, tax, etc.?
- [ ] Is item receiving information available in the AP application? If so, how often is the data updated?"
- [ ] Can this AP system integrate with any ERP, purchase management, or supply chain system?
- [ ] Can the system integrate with email clients for automatic intake of emails & attachments ?
- [ ] Does the AP system integrate with contract management system?
- [ ] Can I migrate invoice data from existing legacy system?

Implementation and Support



Initial Onboarding

These questions will help you understand how invoices are gathered into the Accounts Payable system as the first step in the invoice lifecycle management.

- [x] How much time will it require to onboard the system?
- [x] What is the initial implementation pricing model?
- [x] Who needs to be involved in while on boarding ?
- [x] Is there any prerequisites for implementing AP system ?



Support Services

Determine if AP system uses Automated or Manual approach to capture the information from the variety of invoice formats. Is it faster and/or more accurate than your current method ?

- [x] Does your company provide the service to enable, train and support suppliers?
- [x] How often are new releases available?
- [x] Does the system provide regular updates and maintainance? What is the usual frequency?
- [x] Do you offer online demos, tools and/or services to support effective adoption of the system?

About **Aavenir**

Aavenir's next-gen Source-to-Pay suite revolutionizes age-old procurement processes with RFPflow, Contractflow and Invoiceflow. Aavenir Invoiceflow leverages the latest Machine Learning and Natural Language Processing technologies for touch-less invoice data extraction, automated invoice data entry, and cognitive invoice data validation with PO, contract and GRN data. Built on ServiceNow platform, Invoiceflow streamlines multi-vendor invoice processing workflow with improved accuracy and speed.

