How to NOT Mess Up Your AP Automation Project Checklist

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You've done hours of research, searched Google until your eyes are blurry, dug through software review sites, and more. Now, you are ready to make contact with invoice payment processing automation (AP automation) providers. This 3-part checklist will help you prepare so you maximize your call and gather ALL the information you need to make an informed and intelligent decision.

- **STEP 1** **PREPARATION:** **When considering an AP automation vendor, how should you prepare BEFORE contacting them?**

- **STEP 2** **QUESTIONS YOU SHOULD ASK:** **When considering an AP automation vendor, what questions should you ask them to find out if they are a possible match for your requirements?**

- **STEP 3** **QUESTIONS THE VENDOR WILL ASK YOU:** **What questions will the vendor have for your firm to better understand your AP workflow and pain points?**

STEP 1 **PREPARATION:** **When considering an AP automation vendor, how should you prepare BEFORE contacting them?**

1. **Know what kind of ERP/Financial Management System your firm is using.**

2. **Document and/or map out your AP workflow (invoice processing) from the receipt of an invoice, GL assignment, approvals, and payment, to storage of documents.**
   Include such details as these examples:
   - Vendors are approved using standard checklist
   - Invoices are received via scanned PDF/e-mail, hard copy through the mail
   - Invoices routed to managers for approval by physically walking around or via e-mail

3. **Document invoice approval process/protocols/routing. Do you want to leverage best practices in these areas, or are you steadfast in keeping the workflow you have?**

4. **Document your invoice processing procedure after approvals are complete**
   Include such details as these examples:

   US AP workflow:

   - Invoices in USD are coded, scanned, and entered into ERP (state name of ERP). Codes are verified and approved by Financial Controller.
   - Payments are made via checks, EFTs (via batch uploaded to payment vendor website) and manual wires are approved by CFO. Payments over $XK need two authorizations.
   - Foreign currency invoices are paid through Chase payment platform and are coded, scanned, and entered into ERP System Name. Same approval process as USD.

   International Offices:
   Are all payments made in local currency? Is the process the same regardless of international location? For example:

   London: Invoices are paid manually and are entered and posted through ERP by London office.
   Hong Kong: Vouchers are created and are paid thorough manual checks in foreign currency. AP records are sent to XYZ and are entered into ERP GL after conversion to USD.
   Tokyo: Third Party accounting office pays the invoices and sends the reports to XYZ. XYZ enters into GL after conversion.

5. **What part of your invoice processing workflow is costing the firm the most time and money?**

6. **Know your firm's payment execution.** For example:
   - Describe payment workflow and settlement
   - How are payments made? Check, ACH, EFTs?

7. **Does your firm want an on-premise or cloud-based solution?***

8. **What is your firm's main goal of automating the AP workflow (i.e., pain points)?**
   For example:
   - Lower cost-per-invoice
   - Streamline process
   - Take advantage of early payment discounts
   - More accurate records (reduce errors)
   - Greater visibility into workflow

9. **How does your firm receive and store invoices/documents (i.e., electronic, hard copy through mail, etc.)?**

10. **If received electronically (in any format type, such as PDF, JPG, etc.) what percentage is received electronically?**

11. **Do you use any 3rd Party/ISV Solutions?**

12. **How many people review and approve documents? Do you want to electronically approve?**

13. **How are costs split between multiple departments? Are multiple approvers required as a result?**

14. **How many approvers are there across your operations? Do they differ for an invoice approval versus payment?**

15. **How/where do you want to store documents?**
    For example: Cloud or Shared folder.

16. **When is your firm looking to automate? Now? 3, 6, 9+ months from now?**

17. **How many invoices do you process per month?**
    - How many AP FTE processors do you have processing invoices today?
    - Are you processing PO transactions? If so, is it a two- (2) or three- (3) way match?
    - How many high-volume vendors do you have and what percentage of invoices do they represent? For example:
        - Office Supplies—x%
        - Legal—x%
        - Medical—x%

18. **How many companies/divisions/offices do you process invoices for?**
    - Does your process differ by company/operation?
    - Do you want to approve documents from a mobile device?

19. **Do you have multiple locations? How many? How are documents transported between locations (courier/USPS?)**

20. **Are there any paper-based forms in use across your firm which users manually populate and circulate?**

21. **Do you have access to a test environment for your ERP (if needed)?**

STEP 2 **QUESTIONS YOU SHOULD ASK:** When considering an AP automation vendor, what questions should you ask them to find out if they are a possible match for your requirements?

1. What ERP / Financial Management Systems does your solution integrate with?

2. How many clients have you implemented with XYZ (name your ERP)?

3. Is your firm's solution on-premise or cloud-based?

4. How does your firm's platform intake, process, code, route for approval, and pay invoices? Are any of these functions outsourced? If so, which ones?

5. Does your platform utilize outsourcing or document recognition technologies?

6. How does your firm's solution leverage optical character recognition (OCR), artificial intelligence (AI), machine learning, and robotic process automation (RPA)?

7. Does your firm's platform accommodate Purchase Orders/Purchase Requisitions? How does it handle matching functionality or inventory?

8. Given our invoice processing workflow, how would your firm's solution automate? Howdoes it handle complete approval workflows? What if an employee is on PTO; how are approvals re-routed?

9. During the approval processing, can approvers fix a coding error if AP staff codes incorrectly?

10. What security measures are in place to prevent an employee from committing fraud or changing data that should not be changed?

11. Is your firm SAE 16 SOC1 compliant to ensure the confidentiality and security of our data?

12. Does your platform undergo regular testing for vulnerabilities by external auditors to prevent security breaches?

13. Are your clients' data stored on a shared database or distinct database of each client?

14. What are the options your approval workflow offers?

15. How are duplicate invoices handled?

16. What invoice formats are accepted, and how?

17. Given my firms invoice volume how does this affect pricing? Is your pricing feature-and-functionality based? Do you offer a complete solution, or do I have to bolt on components

paid for a la carte? For example, invoice processing is one fee, PO/PR module is another fee, and so on.

18. **Does your solution offer a payment platform?**

19. **What is the average time to implement? What are the biggest challenges with implementation? How have you overcome these challenges with other clients?**

20. **What would your clients say about your firm's solution? What do they like/dislike/want improved? Do you have any references in our industry that would speak with us about your platform?**

21. **If you were us, what is the one question we should have asked, but didn't?**

STEP 3   QUESTIONS THE VENDOR WILL ASK YOU: What questions will the vendor have for your firm to better understand your AP workflow and pain points?

General:

1. What is your ERP/financial system?
2. Are you looking for an on-premise or cloud-based solution* (see next page for examples)?
3. How many AP clerks do you have processing invoices today?
4. How many locations do you have processing invoices (decentralized)? Or is all invoice processing centralized in one location?
5. How many invoices do you process per month?
6. How do you currently receive invoices (e.g. USPS, PDF, e-mail etc.)?
7. Do you currently outsource the opening, scanning, and coding of your invoices?

Purchase Orders/Purchase Requisitions:

1. Do you process Purchase Orders/Purchase Requisitions (POs/PRs)?
    a. If so, what percentage of invoices require a PO/PR?
    b. If not, are you looking to leverage POs/PRs?

Approval Routing:

1. What is your approval routing process?
2. Are there any rules that are followed for certain approvals?
3. Do you require approvals before or after your staff processes and codes the invoice?
4. How many approvers are there in your approval workflow (tiered / un-tiered, multiple levels based on amount)?
5. Are approvers also coding the invoices, or do AP clerks code the invoices?
6. Do invoices ever slip through the cracks, get lost, delayed being approved, or misplaced? How often?
7. After processing, how are invoices sent to your ERP system and/or stored?

Payments:

1. Are you looking to automate payments?
2. Are you taking advantage of early payment discounts and/or negotiating early payment discounts from your suppliers/vendors?
3. Do you ever receive late payment penalties from your suppliers/vendors?
4. Do you have duplicate invoices that pass through your ERP and get paid?

Automation Project Details:

1. Have you ever used an invoice processing AP automation solution before?
2. Are you familiar with optical character recognition (OCR) and how artificial intelligence is leveraged?
3. Who are the project team members and key decision maker(s) considering an AP automation solution?

Pain Points and Goals:

1. What is the number one thing you wish you could have in a system that automates your invoice processing and payments?
2. What are your biggest needs to achieve your business goals?
3. When are you looking to implement a solution?
4. Have you ever investigated/documented how much time and how much it costs to process an invoice through your enterprise?
5. Are you looking to also automate your payments?
6. What prompted you to investigate automating your firm's invoice and payment processing?

* Cloud-based vs. On-premise solutions.

	Cloud-Based Solution	On-Premise Solution
Cost Effectiveness	No IT cost to implement	High up front implementation cost
Speed	Quick to implement, simple setup	Long implementation, complex setup
Security	Private space for each customer, dedicated cloud provider + secured protocols / processes	In house data storage less equipped to reduce the chances of security breaches
Customization	Flexible in serving unique needs but has limits	Tailored solution
Pricing model	All inclusive, subscription based	One time fixed cost + annual maintenance & support
Updates	Frequent new features included	Additional cost and time for routine maintenance and upgrades

For a fun, tongue-in-cheek overview about pitfalls to avoid when investigating AP automation providers, download our satirical whitepaper, *How to Mess Up Your AP Automation Project*.

About Yooz

Yooz, Inc. is a global, multiple award-winning, cloud-based, purchase-to-pay (P2P) solution that solves for today's finance professionals' top AP workflow challenges by providing a simple, secure, end-to-end P2P platform that integrates with more than 175 ERPs. It leverages and optimizes powerful features and emerging technologies that unleash the creative and innovative power of finance teams.

Transparency, traceability, mobility, security, and simplicity form the hallmark of Yooz, and influences everything it does.

For more information, visit https://www.getyooz.com/

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