



How to Make a Business Case for P2P Automation

EBOOK



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Why P2P Automation?

Procure-to-pay (P2P) automation can empower organizations, allowing them to dramatically increase spend control, understand where their money is spent, and become more strategic.

P2P automation helps companies manage their purchasing processes by digitally placing orders, accelerating approvals, and tracking shipments and payments. Tools such as [three-way match](#) for purchase orders (POs), goods receipts, and invoices help companies gain more control and insight into their overall spend, process efficiency, and performance management.

More spend control helps companies at both the micro and macro levels. On a micro level, employees are guided to make better day-to-day purchasing decisions. On a larger scale, more control increases spend management and transparency, providing critical insight into current and historical spend. This data allows CPOs and CFOs to make smarter decisions about working capital, budgets, suppliers, and more.

How can you build a business case for P2P automation?
This guide will cover how to present your business case, from defining the problem to laying out solutions that will help you accomplish your organization's goals.



Define the Problem: What Type of Issues Is Your Business Facing?

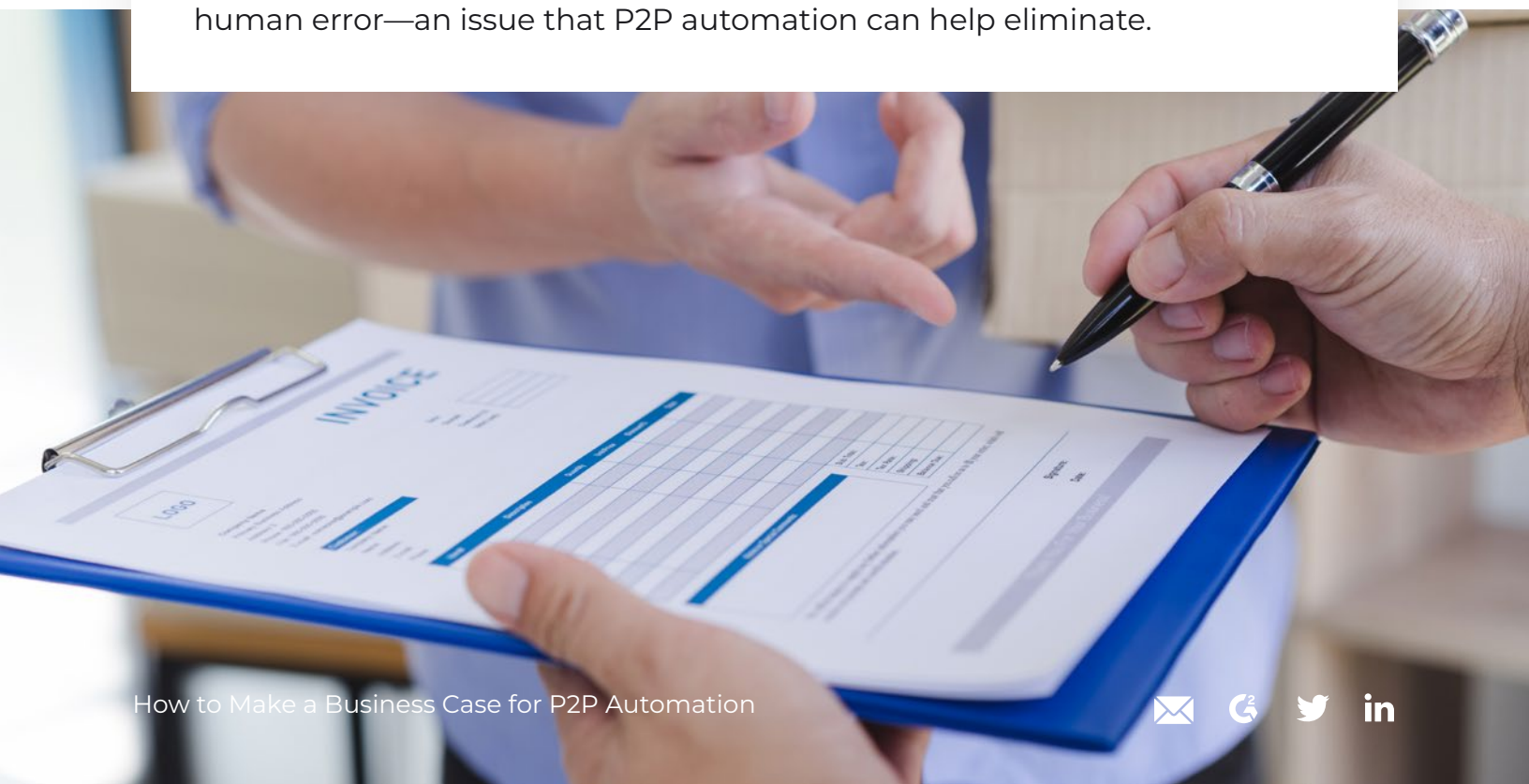
Let's take a look at some of the issues procure-to-pay (P2P) automation can help solve:



1. Manual P2P Procedures

Manual and paper-based P2P processes come with many challenges, including inefficiency, inaccuracy, and significant overhead. Few companies have the resources to manually manage paper orders and invoices, update spreadsheets, validate data, and fix inaccurate data. This becomes especially challenging in times of supply chain volatility and at month-end, quarter-end, and year-end.

Manually approving POs and invoices, validating contracts, and fixing spreadsheets can take significant time and resources. It's also prone to human error—an issue that P2P automation can help eliminate.





2. Limited Spend Visibility

As a procurement leader, your spend visibility is often blocked, meaning you can't make the strategic decisions that will accelerate your company's performance. The biggest culprit? Maverick spend may cloud your spend visibility the most.

If employees are purchasing products outside of your approved channels, it's difficult—if not impossible—to see where your money is flowing. Without a clear picture of how money is being spent with suppliers, procurement can't see new opportunities for discounts or how much they're saving through strategic sourcing.

P2P automation encourages employees to purchase products within an approved digital marketplace, upping your managed spend. That means all of your company's purchases go through pre-approved suppliers. It also bursts your spend visibility wide open.

Simply put, you achieve higher levels of spend control through P2P automation. In turn, your organization can see where, when, and with whom its money is spent. This transparency reveals insights into current and historical spend, equipping CPOs and CFOs to make better decisions about working capital investments, budgets, suppliers, and more.



3. Delayed Payments and Missed Supplier Opportunities

Only 24 percent of businesses that manually process less than 20,000 payments annually can pay all their PO invoices on time. Unfortunately, every late payment could sour your company's relationship with suppliers, limiting your opportunities for innovation, process improvement, discounts, or other supplier perks.

Payment delays most often form because accounts payable (AP) is overloaded. Any time a non-PO invoice flows in—which includes 50 percent of invoices, according to internal estimates—your AP department has to manually type in data, search for accounting codes, and track down approvals. Worse yet, invoices don't match or are missing data more than a quarter of the time. Plus, any time AP has to type in invoicing data manually, they risk making additional errors that hold up the payment process even more.

P2P solutions automate invoicing so employees don't have to enter data from paper-based or emailed invoices. Advanced AI technology automatically extracts data from these invoices to enter them into your digital system. What's more, a platform like Vroozii can code invoices for accounting or match them with their corresponding purchase orders. That all speeds up payment, improves your relationships with suppliers, and frees you up to spend time on high value invoices and watch for fraud.

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4. Neglected Supplier Relationships

Most procurement leaders know it's critical to communicate quickly and frequently with suppliers. However, most simply can't carve out enough time to build better relationships.

What you may not realize is that time is slipping between the cracks of your P2P processes. For instance, every time an invoice doesn't match, it could cause invoice and payment delays. Those delays mean you have to field more calls from suppliers and spend time on tactical conversations rather than strategic discussions.

In short, whenever your fingers hit the keys to manually set up a PO, tweak an invoice, or send an email, you lose time that could be spent building relationships and having strategic conversations with suppliers.

An advanced P2P solution will automate time-consuming tasks and free you up for more strategic work. For instance, advanced solutions will identify invoicing errors and route employees to the right department for approvals. Best-in-class platforms also use [cognitive data recognition](#) to transfer PDF or handwritten invoice data into your digital system. That all results in fewer mistakes, less work on tasks, and more time to discover deals with suppliers.

Find a Solution: What Can a P2P Automation Solution Help Your Business Accomplish?

P2P automation can help your business achieve many different long-term goals, including:



Better Spend Visibility

- ✓ Increase savings by driving employees toward contracted suppliers and discounts.
- ✓ Gain more visibility into how much is spent, by whom, and with what suppliers.
- ✓ Achieve better spend management and transparency to gain critical insight into current and historical spend. This information helps CPOs and CFOs make more informed choices about working capital, budgets, suppliers, savings opportunities, and more.



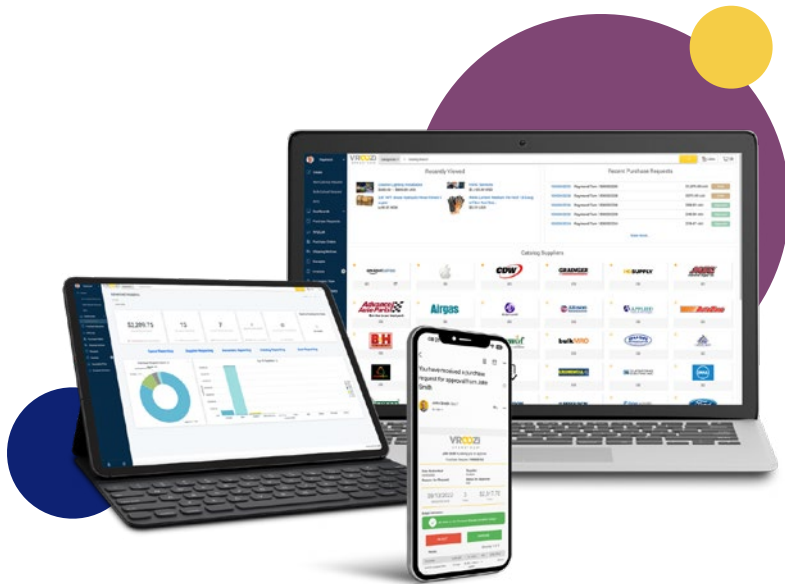
Improved Supplier Management, Savings, and Discounts

- ✓ Capture all employee spend data in a single, centralized platform.
- ✓ Make purchases through an expansive marketplace that ensures your purchases are with approved, preferred, and contracted suppliers.
- ✓ Help employees access available discounts.
- ✓ Track all requisitions, purchases, invoices, and payments, reducing (if not eliminating) errors and overpayments.
- ✓ Use supplier and spend data to track supplier performance.



Increased Accuracy and Efficiency

- ✓ Allow staff to spend more time on strategic items, such as uncovering new savings opportunities, improving cash flow, enhancing supply chain resiliency, and managing risk.
- ✓ Match invoices to purchase orders and goods receipts with [three-way matching](#). This ensures that companies pay for exactly what was ordered and delivered.
- ✓ Use AI and machine learning to reduce manual work hours, increase accounting accuracy, and manage increasing demand.



How Can P2P Automation Benefit Your Business?

From improving speed and agility to increasing ease of integration and scalability, Vroozi's P2P automation tools can modernize your procure-to-pay operations.

Click below to request a demo, or explore our intelligent P2P platform at vroozi.com

BOOK A DEMO



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