

AI in Procurement: **Leveraging the** **Power of AI-Driven** **Procurement and** **Invoice Automation**

E-BOOK



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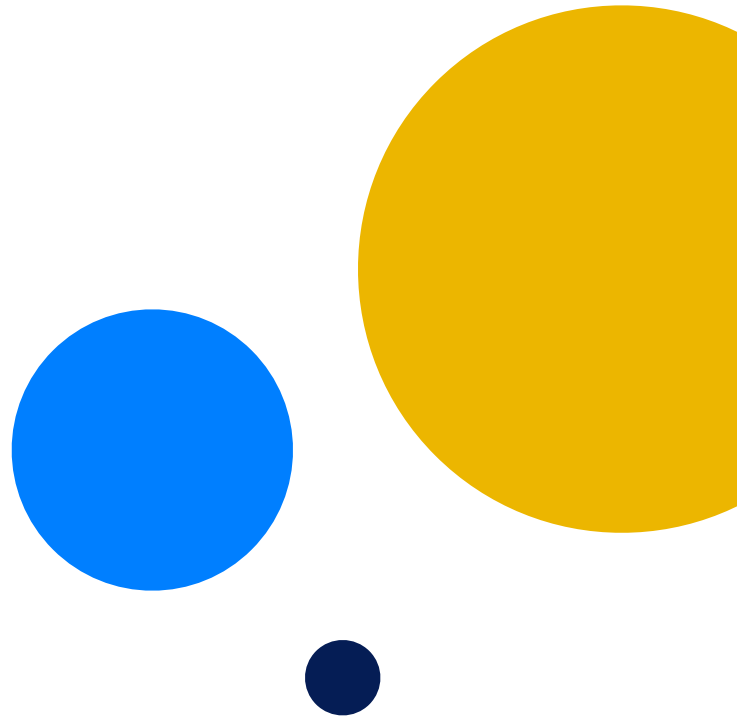


Introduction

Artificial intelligence (AI) is dominating headlines, and for good reason. Large language models, such as ChatGPT, are churning out human-like language at eerie speeds. But just outside the spotlight, AI is turning the accounts payable (AP) and procurement world upside down, helping teams hit their goals faster than ever.

ARE YOU WONDERING HOW AI IN PROCUREMENT AND AP IS SHAKING UP THE INDUSTRY?

This guide digs into the biggest ways AI improves procurement and AP, including how it could disrupt the industry even more in the future.



Why should AP and procurement embrace AI?

AI is emerging on the procurement scene at the perfect time. High costs and recession worries are causing finance teams to turn inward and examine their internal processes. As companies shine a light on their manual procure-to-pay (P2P) processes, it's revealing several common challenges that are draining productivity and money:



Inefficient Invoice and PO Management

Matching invoices to purchase orders (POs) can eat away hours from an employee's day. If you rely on manual processes, you need to match invoice line items to PO line items and resolve discrepancies. All it takes is a single incorrect price or quantity, and you may need to stop what you're doing to fix the issue. That distracts from more strategic work, such as finding ways to [avoid layoffs](#) or lower costs.





Manual Entry Errors

Every time an employee touches an invoice or PO, types in data, or adjusts documents, the risk of errors increases. Unfortunately, most procurement and AP teams have to spend hours manually coding purchase requisitions, purchase orders, and invoices. You may even dedicate an end-of-day check to ensure invoices line up with accounting. These manual checks take up time.

Another massive headache resulting from manual processes is assigning purchases to the right spend category. Too often, spending under a catch-all category, such as “999-Misc,” piles up. In turn, procurement’s [spend visibility](#) is blocked because large chunks of spending show up under a generic, nondescript, or inaccurate category.



Extra Work

Manual tasks—such as [creating POs](#) or uploading invoice information into your enterprise resource planning (ERP) system—can cut into your work day. And every second you spend on manual tasks distracts from more strategic work.



Procurement Fraud

Manual work and limited spend visibility can leave [procurement fraud](#) undetected. As procurement scrambles to address manual tasks, scammers can create false invoices, or suppliers may accidentally drop extra charges into invoices. Fraud can cause a company to quietly hemorrhage money.



Poor Services Spend Management

Services spend is a hassle to manage manually. Service costs are difficult to predict and can change as a project's scope shifts. That often forces teams to manually fix mismatched documents, risking more errors, payment delays, and accounting setbacks.



How does AI reshape purchasing and invoice processing?

AI-powered procure-to-pay (P2P) solutions boost productivity and cut manual work out of P2P processing. This advanced technology digitizes all of your [P2P processes](#). It relies on AI and machine learning to automate tasks, [reduce errors](#), and free up employees for more strategic work. Here are a few ways AI enhances purchasing and invoice processing:

Cognitive OCR saves hours of work:

[Advanced P2P solutions](#) use [cognitive optical character recognition \(OCR\)](#) to automatically transfer invoices into your ERP. This technology can scan PDFs or handwritten invoices and transfer that info onto electronic invoices. That saves time and cuts down the errors that come from manual input.

Straight-through processing boosts productivity:

Advanced solutions use AI to complete straight-through processing. It will automatically complete two-way and [three-way matches](#), reducing errors, increasing on-time payments, and freeing the team for more specialized work.

This technology can scan PDFs or handwritten invoices and transfer that info onto electronic invoices.

Automation simplifies invoice and PO management:

AI can flag duplicate invoices or POs and detect errors, making it easy to identify and [prevent procurement fraud](#).

Machine learning fills in efficiency gaps:

Machine learning in P2P solutions can identify missing items within POs or invoices and match documents, meaning procurement and AP teams don't need to waste time doing repetitive tasks or updating documents.

Confidence levels build trust:

Advanced solutions use AI to generate confidence levels that describe the accuracy of matches and suggested P2P actions. That makes it easy for professionals to decide when they can fully trust AI and when they may want to review. Plus, AI learns over time, so confidence levels grow as the team continues to go about normal business.

What are the benefits of AI in procurement and AP?

Are you wondering how AI impacts big-picture outcomes for procurement and AP? This is how AI is changing work and increasing procurement and AP's capabilities:



Track spend more accurately:

AI-backed P2P systems increase spend visibility, funnel spend into clear categories, and fix errors. That makes it easier to see where the company is spending, plan for the future, and make smarter sourcing decisions.



Reduce fraud:

AI systems can quickly alert your team to potential fraud, so you can act before damage is done. For instance, if a large order comes in from a supplier the system doesn't recognize, it will flag that activity for your team to review. At the same time, it can identify duplicate invoices or other irregularities. That all shines a spotlight on fraud and keeps company funds secure.



Make smarter, more agile purchases:

AI can also help purchasing pivot when [supply chain issues](#) arise. For instance, AI can notify your team when stock-keeping units ([SKUs](#)) or pricing is out of date. That way, you can avoid pricing surprises and map out more accurate financial forecasts.



How will AI change the future of P2P?

AI is already supercharging P2P processes, but it's advancing rapidly. Here's where AI is headed and how it could reshape the future of procurement and AP:



Enable voice entry:

In the near future, AI could introduce [zero-interface technology](#) to procurement and AP. The result? Just speak into your device and the system could eventually analyze your command and pick the best purchasing decision. The same zero-interface concept could be applied to all types of P2P configurations. For instance, you may ask your device to “Set up an employee,” and AI could automatically bundle a purchasing package with the desk, computer, mouse, and other items you need to get that employee started.



Simplify approvals:

AI can pick up on patterns and learn at rapid rates, meaning it could sharpen a team's workflows. AI could learn to suggest who should approve documents and route alerts to the right person—without any extra configurations. That could save hours as documents flow seamlessly across departments from one person to the next.



Predict price trends:

AI also could predict price trends and help teams identify savings opportunities. As AI systems become more familiar with specific P2P processes, they could [identify sourcing opportunities](#), spotlight discounts, and push down costs.

Start improving P2P with AI.

AI is continuing to evolve, but there are already P2P solutions that are using AI to lighten employees' workloads, automate tasks, and boost productivity. For instance, [Vrooz's digital P2P solution](#) has built-in AI and machine learning. This technology includes automatic invoice-to-PO matching. It streams all of your P2P data into one platform, increases spend visibility, automates tasks, and generates clear spending reports.

What's more, these [AI-powered systems](#) get smarter over time. That means they lay the foundation for more productivity, smoother workflows, and new possibilities in the future.





See how AI in procurement works.

AI is cutting costs, increasing efficiency, saving time, and enabling new strategies in procurement and AP. Within P2P solutions, this technology can pave a path to more on-time payments, better sourcing decisions, lower costs, and a more productive work day.

Want to see how AI can improve procurement and AP in your organization?

Schedule a Vroozi demo now to see how this technology works and the transformation it can drive within your business.

[Book a Demo](#)