Automated Invoice Processing with Microsoft Dynamics 365

a Medius AP Automation Quick Guide

15 tips to make your supplier invoice and payment processing more efficient

If your organization is still processing invoices manually, this quick guide is for you. We'll walk through 15 steps on how to automate invoice and payment processing with Microsoft Dynamics 365 to achieve your payables digital transformation.

We cover four main areas, including:

— Improving your processes

— What key metrics you should look out for

— What your employees can do

— What technology helps the most

> " The fact that Medius is a cloud solution and that we were able to implement so **quickly enabled us to get a very strong ROI** with break-even in less than a year, which is very hard to say with most software implementations.
>
> Maulik Patel, Sr. Manager, IT Finance Applications, Marc Jacobs

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Processes

1 Try going touchless

How many of your order-based invoices require manual intervention? The touchless rate is a measure of how much of your AP process is automated, and therefore, doesn't require your staff to waste time managing supplier invoices manually - to code and match each invoice line to the purchase order, for example. If you receive more than 20,000 invoices annually, statistics show that you should be able to achieve a touchless rate of about 90%.

2 Automatic approval forwarding gets invoices to the right person every time

Expense invoices (where no purchase order is in place) always need to be approved by the right person so suppliers can be paid. The larger the organization, the trickier it is to find correct person to approve payment. This can cause long delays and – in the worst case – lost invoices, late payments and fees. It's important to have a system that automatically forwards invoices to the right approvers. AP Automation helps achieve this goal – saving you valuable time and effort spent tracking down the right person.

3 Create streamlined and fast approval processes

Simple approval processes mean efficient approval processes. PO invoices can get stuck in the matching process if even a small deviation to the original purchase order is identified. This is why you should set up tolerance levels for common deviations such as fees like freight.

This way, your AP automation solution can automatically approve a certain level of deviation during the matching process according to your preset rules. And the responsible buyer will only need to review any part of the invoice that truly deviates from the PO, saving time and resources across the organization.

4 Effortlessly match and code invoices with POs

Manually matching and coding a supplier invoice with a PO with the correct information, such as department, cost center, buyer, account, etc. is a time-consuming task. Take advantage of fully automated technology that effortlessly matches invoices with PO details, to reduce the time spent on this task.

5 Eliminate errors and retain control

A fully automated invoice process leveraging automatic matching and coding ensures that user errors will plummet and that you'll always have a complete overview of your vendor invoice status.

Employees

6 Empower staff to work where they want, when they want

Giving employees the choice to work remotely is more important than ever. Your accounts payable software must be cloud-based, so that supplier invoices are quickly and easily managed without delay.

7 Reduce time spent per invoice

Time is money. Literally. The more time it takes to handle each invoice, the more employees you need to handle them. Staff skills should be used to increase productivity elsewhere, and by automating Invoice processing, resources are freed up.

8 Prevent bottlenecks from happening

Bottlenecks slow down your accounts payable process, where your AP team has to handle large volumes of invoices simultaneously. It's a common cause of late supplier payments. Using analytics, you'll be able to spot these situations and act on it from happening in the first place.

Financial control

9 Take advantage of cash discounts and avoid fees

Take advantage of early-payment discounts and avoid late payment fees by paying your invoices early. Automated alerts and workflows will help your AP teams avoid this fate, saving you time and strengthening the relationship with your suppliers.

10 Gain insight and control over finance data

If invoice processing is not efficient, it's tricky to reconcile costs and get accurate figures at month-end closing. It means it is difficult to gain the insight and control that you need to quickly deliver correct, updated data to the financial reports to close the books on time, every time. When you automate your accounts payable, cash flow is under control - there are no surprises. You know exactly what needs to be paid, when, and how much is outstanding, with real-time overview of the cash flow impact from supplier invoices.

11 Close the books on time, every time

Month-end cannot be processed until all invoices are accounted for. Outstanding items or errors may cause accounts to be delayed. An automated process ensures that the books will always be ready to close on time. And all data on outstanding payments is available in real-time for quick and easy accrual reporting.

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Future-proof technology

12 Select a best-of-breed solution

Dynamics 365 has some basic functions for managing AP processes. However, it isn't suitable for large volumes of invoices. So you should look at adding a best-of-breed accounts payable automation solution that integrates directly with the system. You'll benefit from all the strengths of Dynamics 365 together with more efficient and automated invoice processing. Medius AP Automation is a cloud-based, ERP-agnostic solution that doesn't require customizations to your Dynamics 365 environment. Medius offers a prepackaged integration between MediusFlow and Dynamics 365 F&O, valid for all new release (D365 One Version).

13 Efficient data capture from any type of invoice

With Medius, data can be captured directly from e-invoices, PDFs or scanned paper invoices, which in turn initiates fully automatic coding, matching and processing of the digital version of the invoice, saving you lots of time compared to manually keying in repetitive data entry tasks in your Dynamics 365 system or using an external scanning solution.

14 Manage payment processes seamlessly

With mulitple payment methods, different processes and approvals levels, actually paying invoices is a whole proces within itself. Look at moving suppliers from expensive check payments to cheaper, faster digital payments to drive down your costs.

15 Use data to benchmark AP performance

To increase the automation of your accounts payable process you must identify and monitor your workflow performance and identify bottlenecks. It is important to measure and track process efficiency KPIs on a regular basis. Medius is a cloud-based solution where you can access consolidated data from hundreds of companies using the same standardized processes. All data can then be used for benchmarking so that you can compare your results with similar companies and best-in-class performers.

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> The plug & play integration that Medius offers for Microsoft Dynamics has been very easy to implement, offering us rapid deployment.
>
> **Andreas Frislund, Finance Manager**
> **Tikkurila Sweden**

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About Medius
Medius is a global provider of cloud-based spend management solutions. Our modular suite includes market leading solutions for strategic sourcing, contract management, procurement, accounts payable automation and supplier management as well as data insights tools bringing control, compliance and cost savings throughout the entire source-to-pay process. With Medius, spend is simply managed.