



Accounts Payable

Accounts Payable (AP) departments can be swamped with documents, from PO generation to invoice receipt and approval. MDT AP is a solution that automates the Accounts Payable process, removing the errors costs and inefficiencies associated with manual data entry and routing.

MDT AP is a real-time, rules based, supplier invoice processing system which could save your organisation upwards of 75% of your current AP costs.

In addition, MDT AP will provide data integrity, real time reporting, right-place, right-time approval and many other efficiency gains that will reflect throughout your business.

Although MDT AP is a solution which is matched to your specific business requirements, it is based on a generic set of principles and processes that are delivered as standard.



Accounts Payable Issues

There are many problems you may face during the typical accounts payable process, such as;

- Collating invoices that come from different suppliers or cost centres, in many different layouts and delivery formats – post, fax, email
- Labour-intensive processes required to input data can be complicated further if linked to different costs centres and /or involve currency conversion
- Errors associated with manual data entry
- Longer lead times due to manual routing, processing and sign-off procedures involving individuals in different departments and possibly different countries
- Inefficiencies due to time spent gathering physical documents in order to match invoices with purchase orders, delivery notes, contracts and accounting system records
- Inability to maximise financial benefits associated with payment schedules such as discounts for early payments, or avoiding fees for late payments
- Risk of document loss or damage, as documents are received at multiple input points and may be routed or classified incorrectly
- Costs associated with manual document routing, shipping, couriers, storage, archiving and auditing
- Inability to easily audit invoice processing and payments to match up document flow with the accounting system

The Cost of Accounts Payable

The AP process in many businesses is still largely manual. As a result, AP departments often have many personnel whose sole responsibility is to process supplier invoices.

According to research carried out by the Hackett Group, manual AP processes are costing businesses on average £2 – £4 per invoice to process and reduce employee productivity by at least 50%*. Other research suggests that where invoices go missing or have a complex approval process, the costs can be as high as £20 per invoice.

What is evident is that regardless of the processes you have in place for approval and systems you have in place for Accounting, if you are manually handling the data then there is a huge opportunity to improve efficiency and reduce costs by streamlining your AP process.

For most organisations, MDT AP will pay for itself within 12 months.

Why automate your Accounts Payable processes?

In today's competitive business environment, running your operations more efficiently is paramount to a successfully evolving organisation. When looking at efficiency, most organisations have already solved the issues surrounding their structured operational data, by implementing CRM, ERP, Accounts and other line of business systems.

However according to Gartner, up to 80% of business data, transactions and records are in an unstructured format – paper, fax, email, office documents – and nowhere is this more prominent than within the Accounts Payable department. If a business wants to significantly reduce costs and in the same stroke become highly efficient, then the AP process is the place to start.

Benefits of implementing MDT AP:

- Works with your existing accounting software
- Reduces cost of process by up to 75%
- Ensures control and compliance
- Timely and accurate reporting within the accounting system
- Ability to access to prompt payment discounts and avoid late payment penalties
- Eliminates 'lost' invoices during approval process
- Improved staff morale and ability to focus on core business tasks

Stages of MDT AP:

- Capturing purchase orders and/or delivery notes
- ICR of invoices, Invoice Scanning
- Document matching, Invoice Processing
- Exception handling
- Approval process
- Updating Accounts systems
- Document archive

*cited ft.com

For more information or to request us to come in and show this solution set to you in detail, please call MDT Consultants LTD on 01635 864925

