

The hidden costs of manual AP processes



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What this white paper is about

Managing accounts payable (AP) can feel like a never-ending challenge for finance teams, especially when manual processes dominate.

Slow approvals, misplaced invoices and human error are just a few of the costly issues that can drain resources and impact your company's bottom line. These inefficiencies aren't just frustrating; they can also lead to missed opportunities for growth and strained supplier relationships.

This whitepaper explores the hidden costs tied to outdated or manual AP workflows and why modernizing with automation is more than just a time-saver. By streamlining approvals, reducing errors and providing real-time insights, automation empowers finance teams to operate more efficiently while driving significant cost savings.

If you're ready to transform your AP process, this is where to start.

Key takeaways:

1. Manual AP processes are costly – Slow approvals, lost invoices, and human errors increase financial risk and reduce efficiency. However, there are further hidden costs related to these, which may not be obvious but could be negatively impacting your organization.
2. AP automation delivers key benefits like streamlining workflows and reducing errors whilst also speeding up invoice approvals, and enhances visibility.
3. Guidance is provided for finance teams ready to modernize their AP operations and achieve greater cost savings.

Hidden costs of manual AP



Hidden cost 1: Employee dissatisfaction

Manual accounts payable (AP) processes often involve employees spending excessive hours on repetitive tasks like data entry, invoice matching and approvals. From the outside looking in, someone might simply see staff getting on with “their job”, but there could be a deeper level to analyze.

The hidden cost of this is employee dissatisfaction. An inefficient AP process reduces productivity, leaving the finance team with less time for high-value projects. It also leads to heavier workloads and tighter deadlines for AP teams.

This added pressure can lead to demotivated employees and lower morale, which can spread quickly throughout the team. This can cause a higher turnover of staff if the unhappy employees leave, which incurs additional recruitment and training costs for new hires.

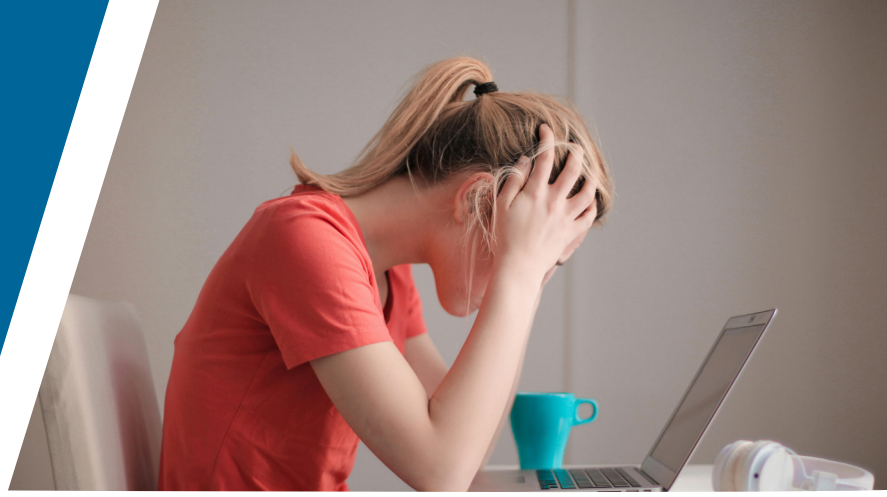
Hidden cost 2: Loss of financial accuracy

Manual accounts payable processes often lead to human error, which can strain a business’s finances and operations. Common mistakes include duplicate payments (where the same invoice is paid twice), leading to unnecessary cash outflows and reconciliation efforts.

However, the issue doesn’t stop there. Incorrect data entry of amounts, dates or vendor details can further complicate audits and financial reporting, requiring additional resources to investigate and resolve discrepancies. These errors collectively increase operational costs and impact financial accuracy.

Furthermore, a loss of financial accuracy due to the inevitable human error that occurs in manual AP processes can lead to the finance team making uninformed financial decisions that can negatively impact the business.

Hidden costs of manual AP



Hidden cost 3: Missed deadline fines

Manual AP processes are financially expensive. Research shows that manually processing a single invoice can cost businesses up to \$15, compared to \$2-4 with automation ([Ascend Software](#) / [Pangero](#)).

However, there may be more costs you haven't considered. When the AP process isn't working smoothly and deadlines for payments are missed, it can result in penalties or fines from your suppliers. Such costs are unnecessary and completely avoidable.

On the flip side, your suppliers may offer discounts for early payments. Again, if your AP processes are slow and error-prone, you could be spending more money than you need to, negatively impacting the company's cash flow.

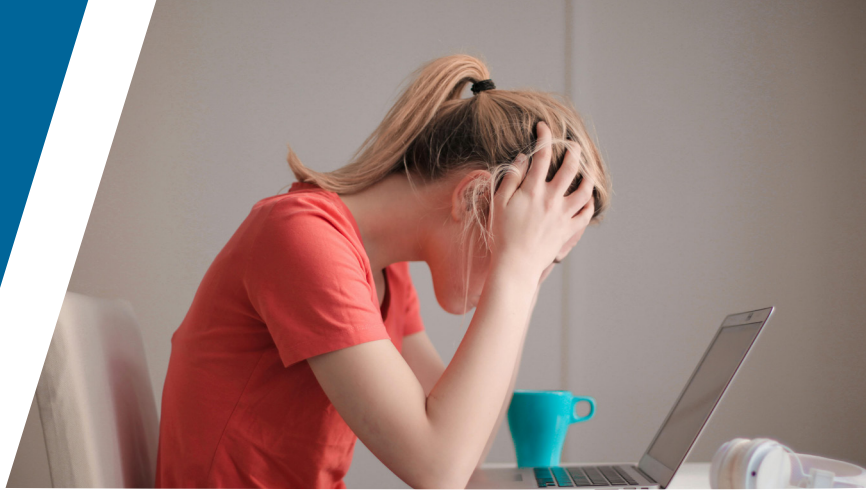
Hidden cost 4: Weakened supplier relationships

Late payments can incur penalties but also make it challenging to maintain good vendor relationships. If trust is eroded, it could potentially lead to strained negotiations or disruptions to your supply chains.

As well as this, a lack of financial visibility that results from slow and inaccurate AP processes can lead to poor communication with suppliers.

Weakened supplier relationships can result in a damaged reputation for your company, which may lead to suppliers increasing costs or removing existing discounts, and ultimately to reduced collaboration.

Hidden costs of manual AP



Summary

Manual AP processes come with significant hidden costs, including time-consuming tasks, increased errors, missed discounts and a loss of productivity. These inefficiencies not only drain resources but also hinder financial teams from focusing on strategic priorities.

Now is the time to rethink outdated methods and take the first steps toward greater efficiency and accuracy by exploring AP automation solutions tailored to your business needs.

Benefits of AP automation



In contrast to manual processes, AP automation offers a range of benefits that solve the challenges of the hidden costs discussed above.

AP automation offers streamlined workflows, reduced errors, improved cash flow management and better visibility into financial data. Automating AP processes allows teams to save time, cut costs and make more informed decisions.

Improve employee satisfaction by minimizing manual labour

Instead of costly manual labor that can lead to human errors and productivity losses, AP automation does most of the hard work for you almost instantly.

AP automation allows you to eliminate much of the need for manual data entry by automatically capturing relevant details from an invoice. This reduces human errors, cuts down on processing costs and allows your team to focus on more strategic tasks.

This reduction in both human error and manual labour leads to a smoother, faster AP process, in which employee satisfaction is improved.

Get better, real-time financial insights for more informed decisions

Using an AP automation solution speeds up the overall process and offers you real-time financial insights, so that your finance team can make better decisions based on facts. This is crucial for better budgeting.

Access to real-time financial insights helps reduce stress when it comes to audits. Accurate information is available at your fingertips, making for a smoother audit process.

Benefits of AP automation



Avoid late payment fees and improve supplier relationships

Speeding up the approval process is crucial to avoid late repayment fees or take advantage of early payment discounts, as well as to maintain good vendor relationships.

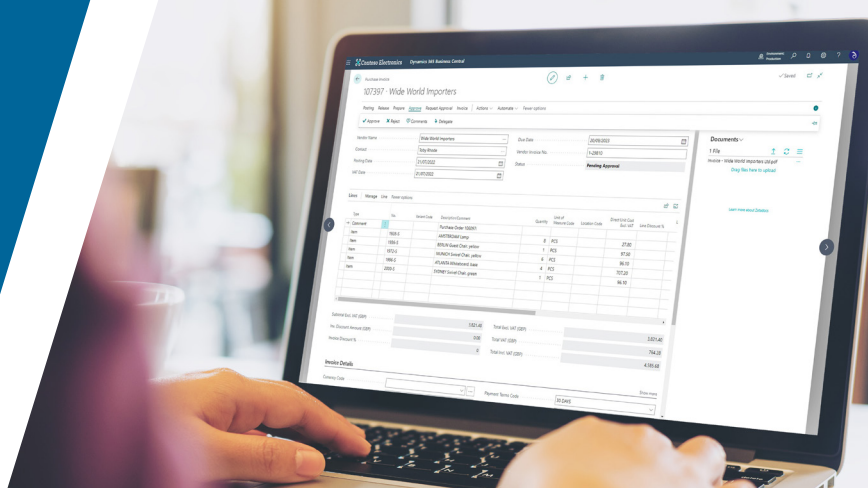
Automating invoice matching and approval routing drastically reduces discrepancies and ensure payments are accurate and on time. This accuracy along with better financial insights ensures good communication with suppliers, strengthening the relationship. A better supplier relationship offers potential benefits like preferential pricing, faster lead times and reduced delays.

Boost efficiency

Streamlining your workflow with AP automation enables your team to accelerate invoice processing times, free up resources and improve overall productivity in the finance department.

Better productivity in the finance department ensures faster decision-making, improved accuracy and compliance with company policies, better cost-efficiency, and better employee satisfaction and retention.

How Zetadocs Capture saves money and time



Zetadocs Capture offers a comprehensive solution on Business Central, using powerful next-generation AI to transform AP automation.

Unlike first-generation systems that require manual template setup for each vendor, Zetadocs Capture uses intelligent AI to accurately extract invoice data, regardless of format or layout. This eliminates the need for time-consuming configuration, enabling organizations to get up and running within hours rather than days.

Over time, the software continuously improves its accuracy and adapts to new invoice styles, further reducing the need for human intervention. The result is fewer data entry errors, faster processing times and substantial labor cost savings.

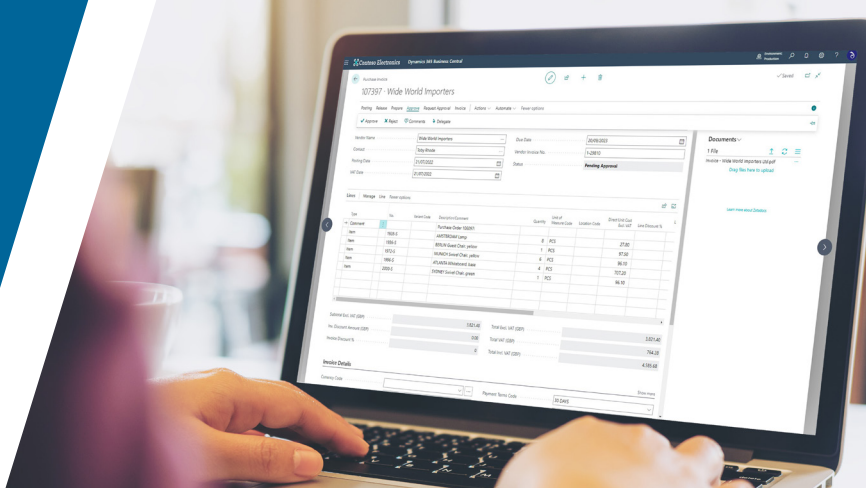
By streamlining workflows and minimizing the need for manual work, Zetadocs Capture allows finance teams to shift their focus to higher-value strategic tasks, ultimately enhancing both productivity and employee satisfaction.

As well as rapid invoice processing, Zetadocs Capture enables you to store relevant documentation within Business Central using SharePoint. SharePoint archiving offers time and cost savings, since every member of the team can quickly search for related documents without the need for additional Business Central licences.

Another commonly overlooked cost is the storage of large volumes of documents directly in Business Central, which can lead to database bloat and performance issues over time. You can avoid this cost by storing invoices and supporting documents in SharePoint using Zetadocs Capture.

Zetadocs Capture is backed by our exceptional customer service, ensuring expert guidance throughout implementation and responsive, ongoing support whenever it's needed. Our team is dedicated to helping your team get the most out of the solution.

Next steps



If what you have read has motivated you to start eliminating the hidden costs associated with traditional AP processes in your business, it's time to find an AP automation solution. Find out more about how Zetadocs Capture works and receive a demo from a service expert [here](#).

About Equisys

Equisys is a leading provider of AP automation, expense management and document management software on Microsoft Dynamics 365 Business Central.

Our software is known collectively as **Zetadocs**. The Zetadocs suite integrates with Business Central to help organizations automate manual processes, cut paper use, save time and money, and reduce their carbon footprint.

We also produce **fax software** for PCs and web-based **project management software**.

If you would like more information on our AP automation solution, please visit equisys.com/Solutions/AP-automation/Overview.