6 Steps to Accounts Payable Success

DajonData Management

We all know accounts payable is a document and data-rich environment which can sap time from your accounting team and money from your business. However, there are ways to help you to cut down on the amount of paper you use, as well as cut costs and increase staff efficiency.

Of course we are talking about Accounts Payable (AP) Automation. Here's our six easy steps to accounts payable success.

Getting the team right

Ensuring your accounting team has the right interpersonal dynamics and skills is absolutely critical. Make sure you hire people who have the same attitude to work:

- ✅ Do hire people who are great communicators;
- ✅ Do hire people who are passionate;
- ✅ Do hire people who are sociable;
- ✅ Do hire great thinkers;
- ✅ Do hire experts;

- ❌ Don't hire people who think holding meetings equates to getting things done;
- ❌ Don't hire people who are inflexible;
- ❌ Don't hire people who are bureaucratic and can only go by the book;
- ❌ Don't hire people who delegate instead of doing it themselves.

Picking the right technology

Make sure you have the right technology. Just because a product is in the Gartner Magic Quadrant doesn't mean it's the right solution to your business' problems. Selecting a vendor should be about making sure it fits with your Accounts Department's needs, not simply because it has more deals or is considered less risky.

Big software companies often have the same pain points you're trying to address, so why automatically pick one simply because it's a market leader? Take the time to discover what is being offered with the product.

Focusing on the customer

Streamlining your accounts department makes the Accounts Process less painful, this in turn leads to happy customers.

How, you ask? Because when your system is automated the chances of things going wrong are reduced. Focusing on what your customers and clients require and looking at the end-to-end process from their perspective means you can offer quicker invoicing, faster payments and a smoother billing process.

Use a quick checklist including the following:

- ☐ How long does it take to process invoices?
- ☐ How much time is being spent on data entry activities and filing paper invoices?
- ☐ Do you ever lose paper copies of invoices? What is the consequence when that happens?

All of these questions if answered in the negative, have a knock on effect on the clients' your Accounts Department is dealing with.

Implement the change properly

Switching to Accounts Payable (AP) Automation is a serious business. This is where Change Management comes into play. Studies have shown that projects are six times more likely to succeed if they have good change management.

Get a company on board and do it early in the process of switching to an AP process. A good change management option is worth its weight in gold – it is a specialised skill requiring experience, expertise and a structured approach.

Integrate the change completely

Following on from implementing the change properly comes integrating the change completely. If you are unwilling to commit at least one full time resource to the switch to Accounts Payable (AP) Automation then you may as well just stop the bus and let everyone off.

Not only is your expertise within your company essential to progressing the change but a lack of commitment to something which is designed to improve the overall efficiency and reduce costs within the Accounts Department shows perhaps a lack of understanding or an appreciation of the benefits the initiative will bring. Either way, it demonstrates a potential lack in your ability to deliver the changes and benefits AP will bring.

Making sure your Accounts Department knows you are fully committed to the AP process and are able to demonstrate the real improvements it will bring to them, is the first step on the road to success.

Demonstrate the idea

Start small. Use a small project to demonstrate to your Accounts Department the benefits of switching to Accounts Payable (AP) Automation. It will also help you confirm you have the right skills within the Accounts Department to manage the changes and that your cost estimates are correct and achievable.

If you have never implemented a significant software change before, starting with a small project also allows some of your staff to work through the processes involved meaning they can help their colleagues when the rest of the department is updated.

Conclusion

There are many other ways to improve the success of a process improvement initiative, but getting these six right at the start will take you a long way towards the goal of a happy business, and most importantly, happy customers.