# How to transform your accounts payable process through automation and intelligence

Accounts payable (AP) is a critical finance function that affects the cash flow, profitability and reputation of an organisation. However, many AP processes are still manual, inefficient and prone to errors, resulting in delayed payments, inaccurate reporting and tax compliance issues. Further, these processes involve high costs and expand with business growth. To overcome some of these challenges, organisations can drive AP process transformation through the use of new age solutions which operate at the intersection of domain, industry-best practices and advanced technology.

With a solution that is designed to address a finance operator's pain points, chief financial officers (CFOs) can transform the AP process by making it touchless. This means that invoices are received, read, authenticated, validated and finally processed with no to minimum effort by AP staff. Due to integrated validations, this rule-based processing can speed the processing time, cut the cost of operations and also make the process error free. Automation can also make some of the strategic outcomes that CFOs wish to pursue (e.g., accurate accruals, expense provisioning, working capital management and cost analytics) easier to achieve, along with the added benefit of tax compliance.

**However, all of this is easier said than done. Implementation of the above needs carefully integrated actions across process, policy, and technology.**

**Given below are three ways in which an organisation can improve the accounts payable proces:**

- Bringing the data home: The first step of this process is to ensure that all information required to get an invoice processed is centrally available, reliably accessible and consistent across various sources, such as suppliers, ERP systems, banks and tax authorities. Solutions like supplier portals can facilitate the digital submission and validation of invoices, while an embedded AI-enabled optical character recognition (OCR) system can read and verify the invoice data. Integration with ERP, banking and tax systems can ensure seamless data flow and reconciliation.

- Process flexibility through digital workflows: Mature payable functions are not constrained by fixed and archaic workflows but are intelligent and adaptable to the processing needs of different types of invoices, such as purchase order-based, non-purchase order-based, foreign and micro, small and medium enterprises (MSMEs). These workflows cover the process from receiving an invoice to identifying approvers, simulation of goods received note) match checking, final approval, and pushing of the finally processed data into the ERP. They can also look at queries on process data and exception handling through a role-based approval hierarchy.
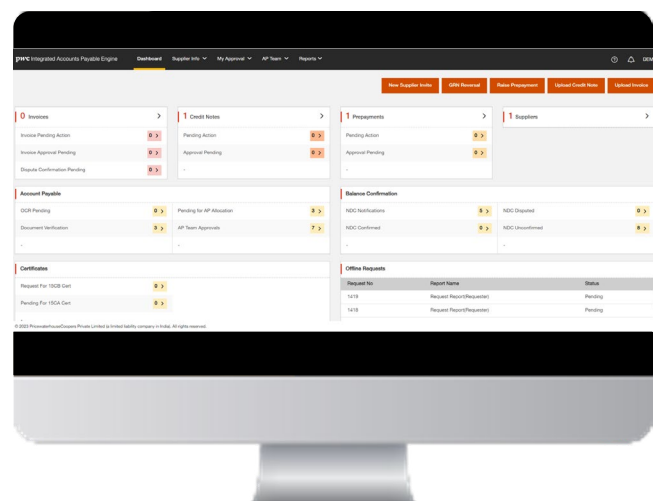
- Meeting local compliance needs: Finance functions need to stay compliant with various country-specific tax and regulatory requirements, such as value added tax (VAT), withholding tax (WHT) and MSME processing. With the help of domain experts, new age solutions power organisations to perform real-time validations and checks with the Ministry of Corporate Affairs (MCA) and Goods and Services Tax Network (GSTN) portals. This ensures the accuracy and eligibility of the invoice data and the input tax credit with government portals. Additional compliances related to overseas payment compliances, such as Form 15 CA/CB, are now also handled through PwC's Integrated Accounts Payable Engine.

Supplier portal led automation and intelligence can transform the AP process from a transactional and reactive function to a strategic one. However, to achieve this transformation, organisations need to select the right solution with a domain-led implementation approach. Process improvement ideas for accounts payable, including optimising supplier onboarding and enforcing policies like no-purchase order no pay, are crucial elements in this evolution. Moreover, adequate training to suppliers and internal change management will ensure a comprehensive and effective transition.

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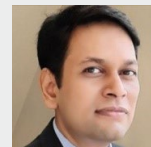
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