



Leveraging a supplier portal for faster invoice processing and better vendor relationship

For a long time, accounts payable (AP) teams have strived to strike a balance between their daily workload management, endless list of compliances, securing the controllership in the AP process with three-way matching, and finally, also keeping an eye out to ensure that vendors are getting paid.

By all means, this has been a tough task as AP teams do not determine the input data or document quality and are often at the mercy of the variations in invoice formats. In addition to this, the interplay of a variety of compliances in the process has been very large. A typical organisation buying services and goods has to comply with at least the following:

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Tax Deducted at Source (TDS) compliances with a variation in lower withholding tax certificates on certain specific suppliers – that too for a certain amount of time and for a specific limit



Goods and Service Tax (GST) input credits, compliances



Ensuring invoices are tagged with the e-invoicing portal



Micro, Small and Medium Enterprise (MSME)-related compliances

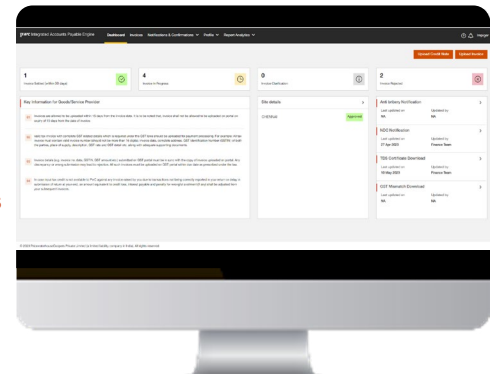


Overseas compliances

Additionally, AP teams also expend energy on checking compliances related to provident fund and Employees' State Insurance Corporation (ESIC) scheme.

In all of the above, supplier experience (which is their ability to feel connected with the process) gets severely compromised. With new technology platforms that are available now, suppliers have essentially become the 'core' of the entire AP process. **These technology platforms are comprehensive and handle the end-to-end spectrum of AP with compliance management using features like invoice data extraction, and integrations with the Ministry of Corporate Affairs (MCA) and Goods and Services Tax Network (GSTN) portals.**

A supplier portal is an online platform that allows suppliers and buying organisations to interact and collaborate seamlessly across the AP value chain.



Such portals enable the entire process to become more efficient and effective in the following manner:

Benefits of a vendor portal

Reduced information entry and built-in validations:

- An organisation's supplier can view applicable purchase orders and submit their respective invoices electronically, either as a digitally signed copy, normal PDF file or as .JSON/.XML schemas.
- This process is also coupled with advanced data extraction technologies like artificial intelligence (AI)-enabled optical character recognition (OCR). This step effectively cuts down the need for data entry and increases process quality by eliminating errors. Furthermore, purchase order-based submission reduces discrepancies that can arise from paper-based or email-based invoicing.
- A supplier portal can enable validation with contracts, and other integrations like the MCA and GSTN portals.
- Configurable workflows can be set up to drive the process for non-PO

Improved visibility and transparency:

- Suppliers and internal organisations are provided with near real-time updates on the status of invoice submitted, expected payments and clarifications. This improves the supplier's experience and enhances trust due to the inherent transparency of the AP process, and reduces the need for suppliers to continuously engage on calls or emails.
- Suppliers can also use the portal to view and download payment files, TDS and GST information, and other documents, and update their profile and banking information. This enhances the supplier experience and satisfaction, and builds trust and loyalty between buyers and suppliers.

Cost and time savings:

Such solutions can make the processes paperless and reduce the operational costs and time associated with invoice processing. This can be further improved by adding features like master data management process lineage, and efficiency measures such as printing, mailing, scanning, data entry, storage, auditing and dispute resolution. A supplier portal can also improve the cash flow and working capital of both buyers and suppliers by reducing the invoice cycle time, enabling early payment discounts, and avoiding late payment penalties or interest charges.

A supplier portal can be a powerful tool for enhancing the efficiency and effectiveness of invoice processing and vendor relationship, if implemented and used properly. By leveraging a supplier portal, buyers and suppliers can achieve faster, smoother and more transparent transactions, and create a mutually beneficial and sustainable partnership. Some of the benefits of a vendor portal are improved communication, streamlined collaboration and enhanced visibility into procurement processes which further contributes to the overall success of the business relationship.

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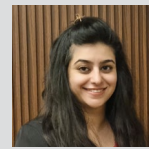
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Data Classification: DC0 (Public)

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SG/January 2024-M&C 34206