

AP Automation – What’s It All About?



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It’s hard to find a more humdrum process in club administration than accounts payable.

Receive vendor invoices. Route them with supporting documentation to the various club departments for coding and approval. Route them back to accounting.

Enter the data into the AP software. Print checks. Tee up the checks and supporting documentation for the check signer(s). Mail out the signed checks. File the supporting documents. Store past years’ files in the attic/basement or off-site. Yawn...

But wait! There’s actually something exciting going on with AP these days. It’s called AP automation. Also known as paperless AP workflow, this new technology does several cool things:

1. Virtually eliminates paper – Vendor invoices arrive as PDF files or are scanned by the AP staff. The invoices go right into the workflow software and are stored there perpetually. No need for file cabinets overflowing with paper invoices, P.O.’s and supporting documentation. And no more storage boxes to rummage through (or summon from offsite storage) just to find an original invoice.

2. Eliminates ‘lost invoices’ – Ask your club’s AP clerk what their biggest headache is and they’ll tell you this: getting all of the invoices back from the club departments. Every month there’s a challenge gathering up all of the invoices routed out to the various “approvers” throughout the club. When invoices go missing, accounting typically hears one of these explanations:

- a. “I never got the invoice to approve.”
- b. “I already sent it back to Accounting.”

Yeah right. In actuality the invoice is sitting on someone’s desk or under a pile of papers and mysteriously reappears after accounting applies the pressure to close out the month. AP automation eliminates this month-end headache by computerizing the entire process. Invoices are electronically routed to the departments, coded and authorized and sent back to accounting – all within the workflow software. There’s no way to misplace an invoice, and nowhere to hide if an approver fails to get the job done.

3. Reduces labor – For most clubs AP automation will reduce labor by 8-10 hours per

week. That won’t eliminate a position, but it will free up valuable time for your accounting staff to get other work done that is currently being delayed or just goes wanting.

4. Supports payment via virtual credit card (VCC). I’m amazed at how many clubs still are not taking advantage of VCCs. The concept is simple and brilliant. Vendors agree to accept payment for their invoices via credit card.

The AP Automation solution routes those payments through the credit card gateway and sends the payment information to the AP module. And the best part – the club gets a rebate (usually one percent or so) on the VCC payments! Even if only a third of the club’s vendors participate the rebate still generates \$15-20,000 a year in revenue for an average-sized club, which should pay for the AP automation solution with dollars to spare.

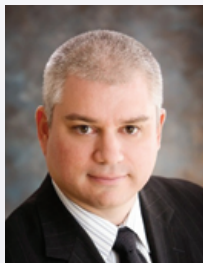
There are a number of AP automation solutions available for small businesses. Some simply offer workflow software that requires the AP staff to scan the paper invoices. More advanced solutions accept electronic invoices from the vendors, which greatly reduces staff workload.

Still others employ their own data entry teams to record the key invoice information from the electronic invoices, which streamlines the workflow even further. Regardless of how it’s done, AP automation adds huge efficiencies to your accounting procedures and can more than pay for itself with a VCC.

Take the time to learn more about this technology. You’ll be glad you did!

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