

UNLOCKING THE POWER OF AUTOMATION IN AP PROCESSES



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WHAT

Considering the impacts that automation can have on the accounts payable process.



WHEN

Tuesday, September 26, 2023
2:00 PM - 3:00 PM EDT



WHERE

Live online presentation
Replays at StrategicTreasurer.com



This presentation is provided by Strategic Treasurer and Corpay.

ABOUT THE SPEAKERS

GET TO KNOW TODAY'S SUBJECT MATTER EXPERTS



MARK PENSERINI

Mark has over 25 years of operations and technical experience specializing in project management across Healthcare, Finance and IT operations. Before Corpay, Mark was Vice President of Partner Services at Inworks servicing, LLC for six years. Mark was also a director and program manager at Molina Healthcare, focusing on their health insurance exchange. He also served as Deputy Program Manager for the Oregon Health Insurance Exchange for over three years with a \$200 million budget.



CRAIG JEFFERY

Craig Jeffery formed Strategic Treasurer in 2004 to provide corporate, educational and government entities direct access to comprehensive and current assistance with their treasury and financial process needs.

His 30+ years of financial and treasury experience as a practitioner and as a consultant have uniquely qualified him to help organizations craft realistic goals and achieve significant benefits quickly.

TOPICS OF DISCUSSION

KEY AREAS OF FOCUS &
ANALYSIS



AIMS OF AP
AND BLOCKERS TO THEM



PROCESSES & VIEWS
SILO VS. END-TO-END



TIME & QUALITY
EFFECTS OF MANUAL VS.
AUTOMATED PROCESSES



MANAGING FUNDS
FORECASTING AND WORKING
CAPITAL MANAGEMENT



SECURING PAYMENTS
REDUCING OPPORTUNITIES
FOR FRAUD



KEY TAKEAWAYS
AND FINAL THOUGHTS

TOP GOALS

AP AUTOMATION



Digital process



Improved visibility (payor/payee)



Cost effectiveness



Efficiency



Scalability



Working capital management



Secure payments



Relationship management

IMPEDIMENTS TO THE GOALS

WHAT CAUSES DEFECTS



Manual processes



Handoffs



Poorly designed
processes



Processes covering
a limited scope

LIMITED SCOPE

SILO VIEW VS. END-TO-END VIEW

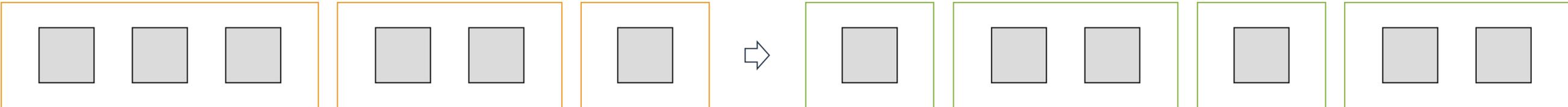


Procure-to-pay and order-to-collect processes compartmentalized in silos

- More handoffs
- More opportunities for defects

AP

AR



Processes in isolation

Processes in isolation

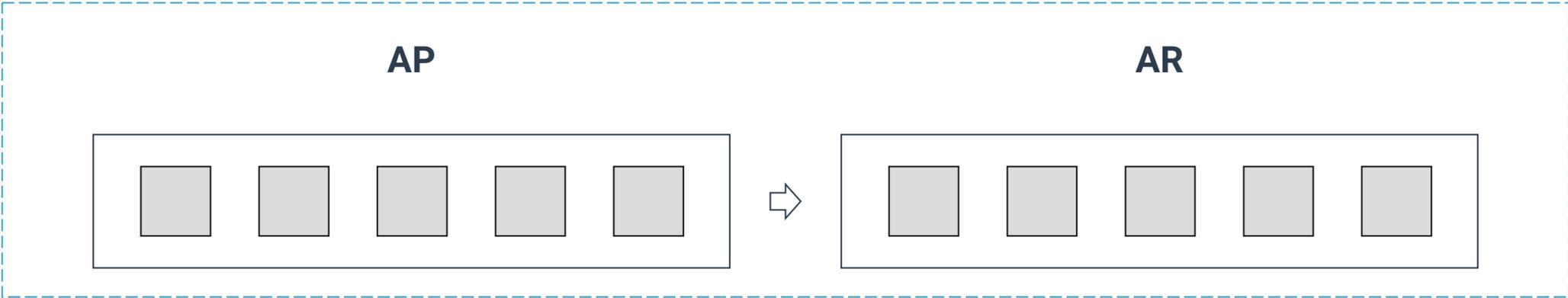


End-to-end to end-to-end view of processes

- Reduces defects
- Saves time

AP

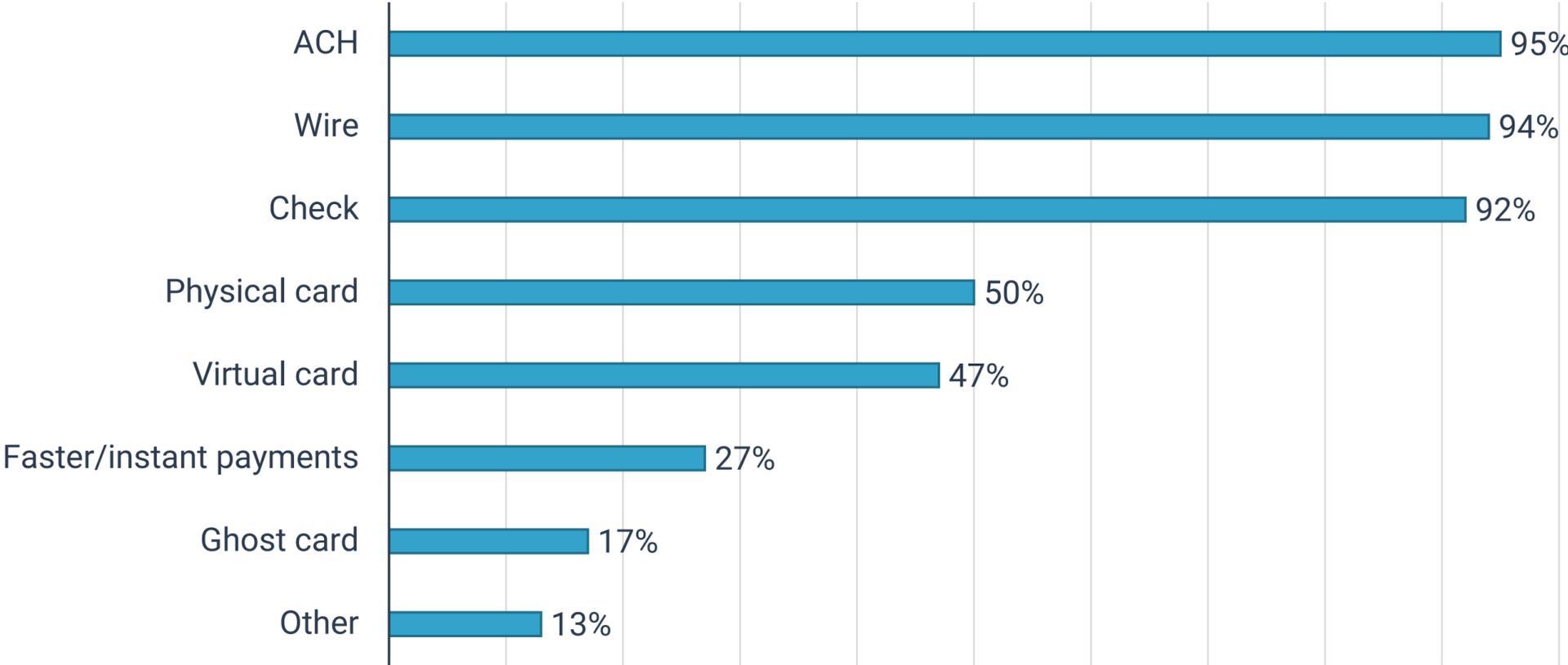
AR



Digital processes with comprehensive view

POLL QUESTION

Poll 1 -What forms of payment do you accept? (all that apply)



DEFECTS DUE TO A SILO VIEW

A LESS COMPREHENSIVE PERSPECTIVE COSTS TIME



What are you paying for?

Invoices 1, 2, 7, 12, 15.

These add up to a different amount.

Oh, we short paid invoice 12 by \$40 because of XYZ.

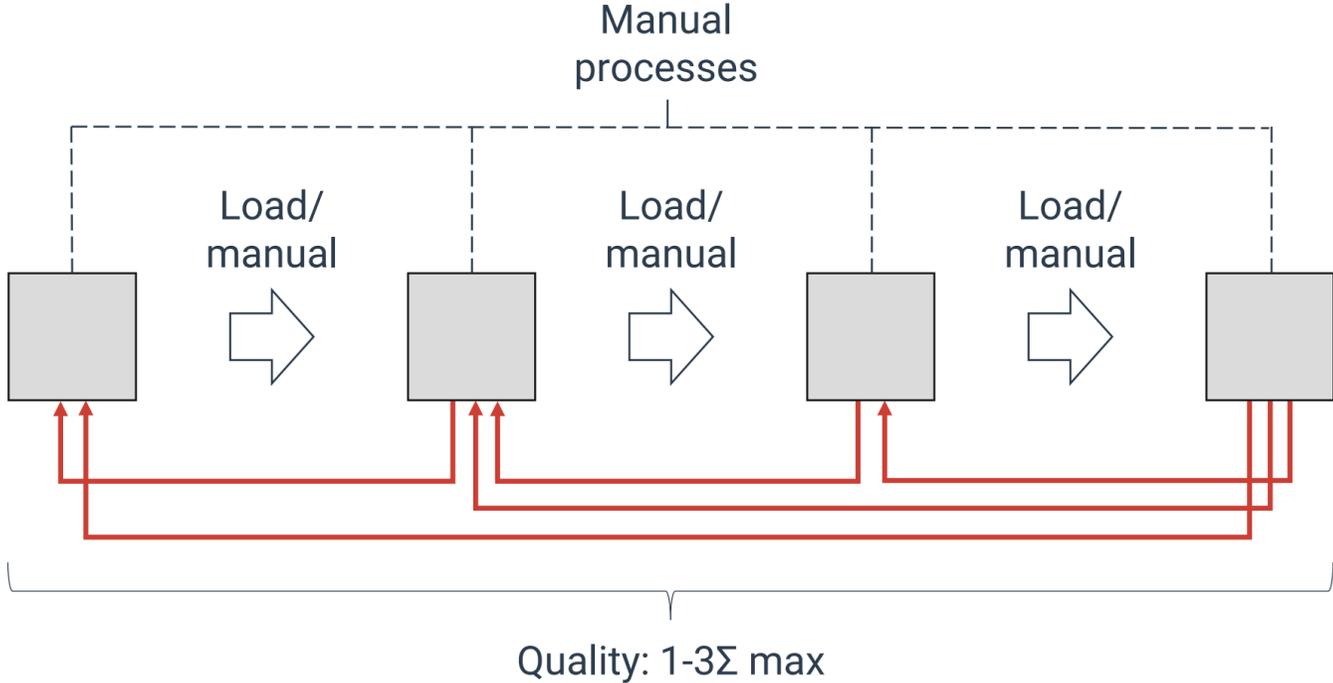
OK, thanks.

 Optimizing part of the process, suboptimizes the whole

MANUAL VS AUTOMATED PROCESSES

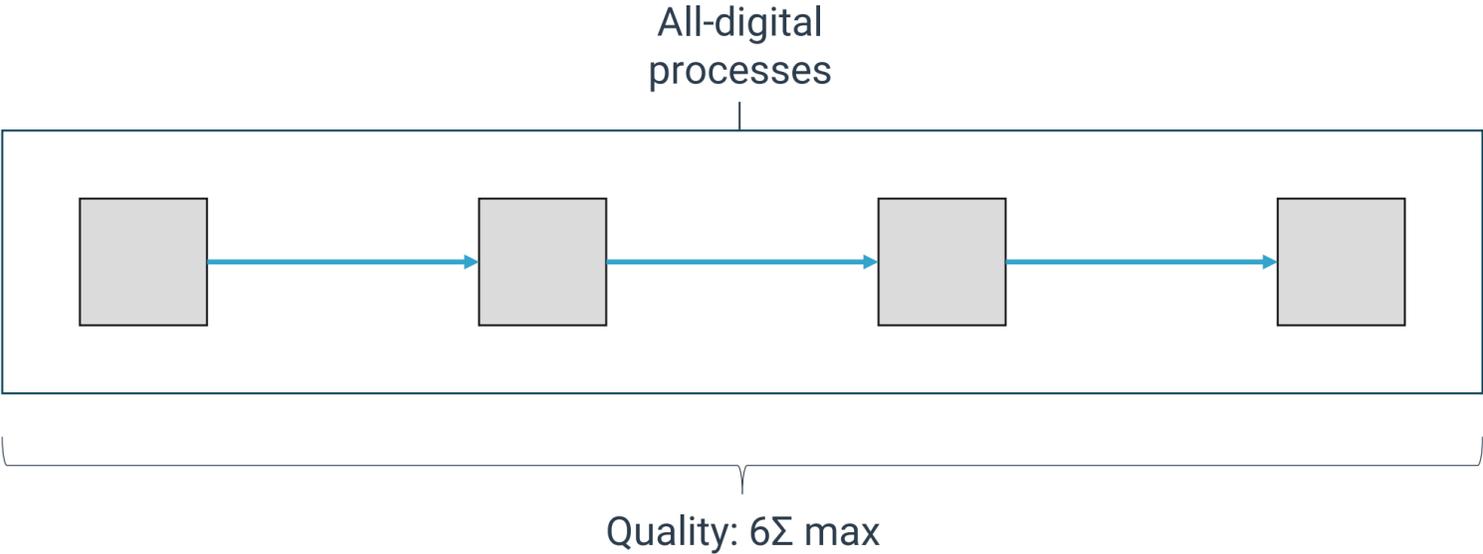
IMPLICATIONS ON QUALITY

Manual



Manual validation/confirmation failures
• Opportunities for defects

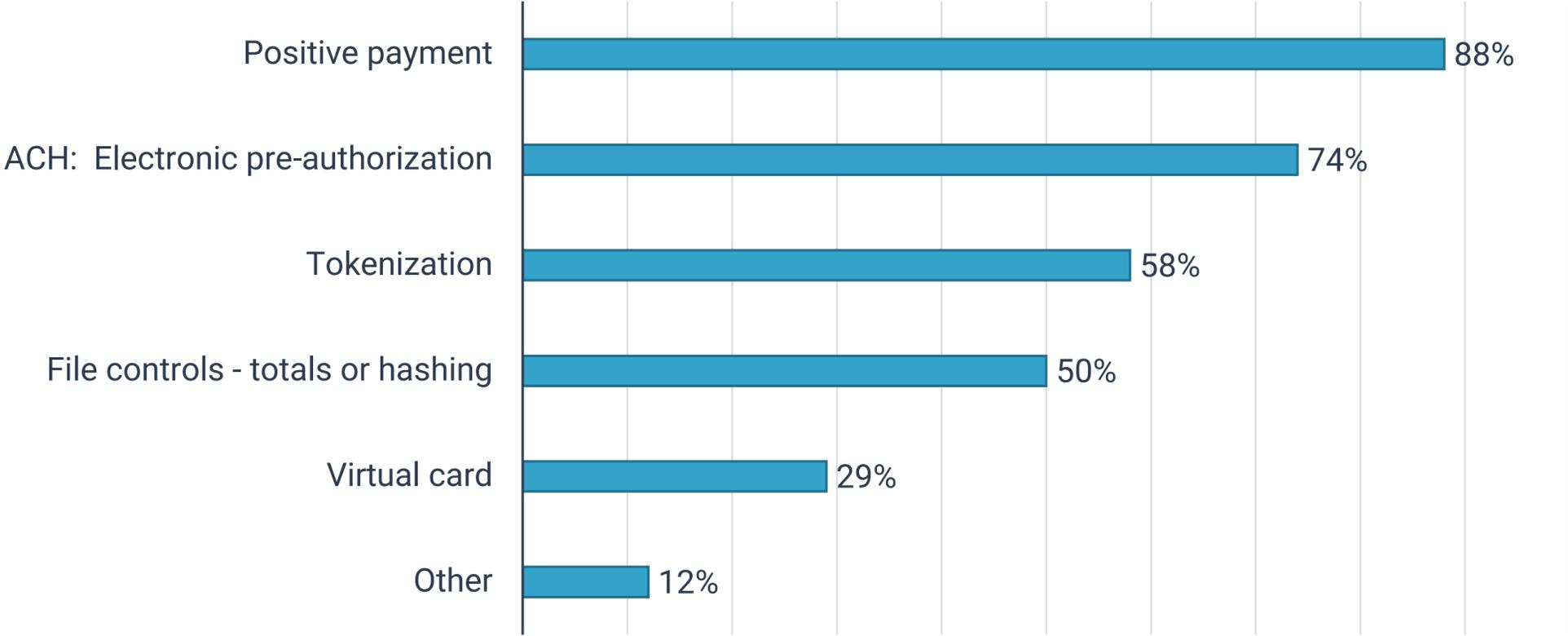
Automated



Digital validation/confirmation
• Eliminating points of failure
• Reducing opportunities for defects

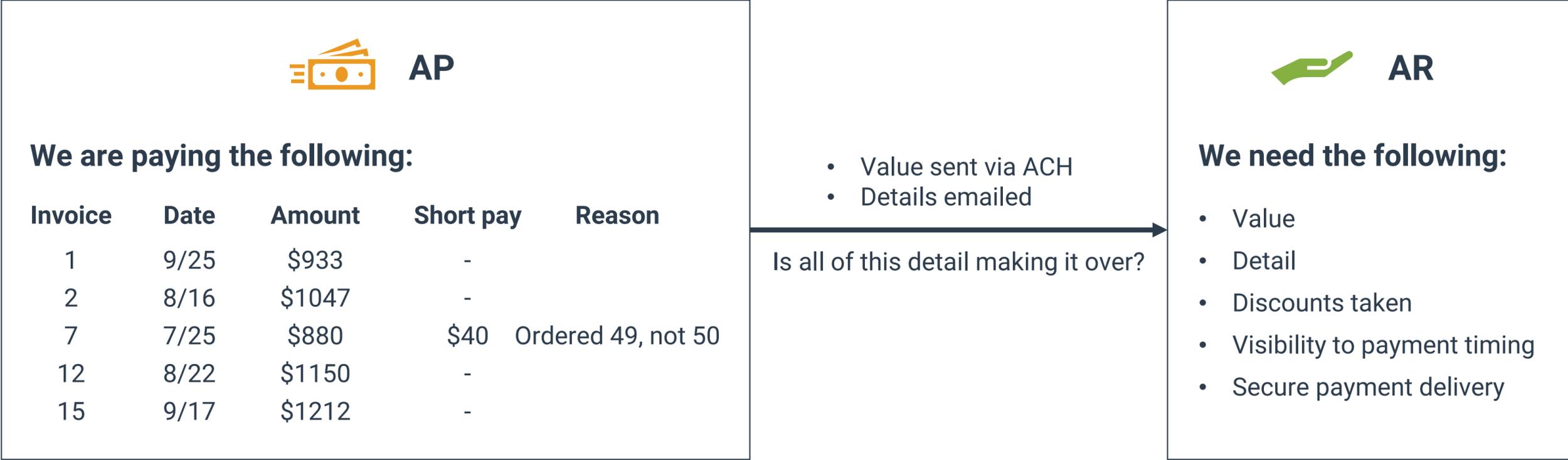
POLL QUESTION

Poll 2 - What controls does your organization employ to defend against fraud? (all that apply)



AP TO AR

ISSUES AUTOMATION ADDRESSES



Moving from manual to automated

Process:	Manual/handoffs	➔	Hybrid (manual/digital)	➔	End-to-end/straight through processing
Detail:	Not sent		Sent		Sent together with value
Value:	Delayed		Received		Sent together with detail
Timing:	Long delay		Faster		Fastest
Security:	Unsecure		Parts still vulnerable		Secure/encrypted

MANAGING FUNDS

BETTER FORECASTING AND WORKING CAPITAL MANAGEMENT



Manual

- Doesn't know when payment will clear
- Unsure if funds can be used
- Forecast is all over the place

- Must call to find out when payment will arrive
- Must prepare more funds
- Forecast is all over the place

Automated

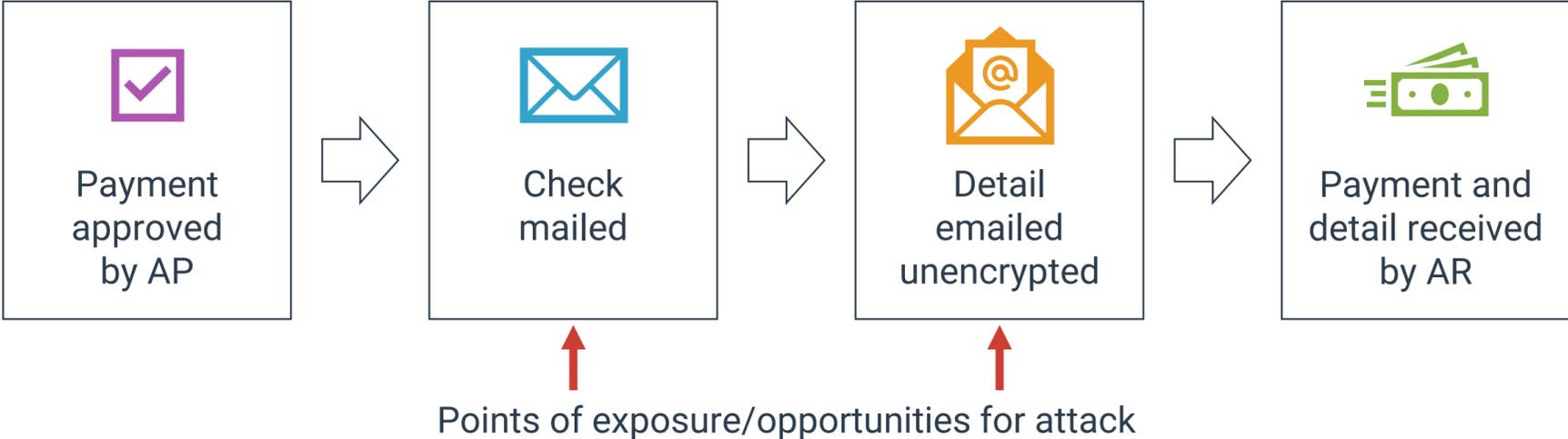
- Scheduled to be settled on 10/17
- Knows which funds can be used
- Forecast of 10/17: Known debit of \$145K

- Scheduled to arrive on 10/17
- Knows when funds can be used
- Forecast of 10/17: Known credit of \$145K

REDUCING RISKS

PROTECTING THE PROCESS THROUGH AUTOMATION

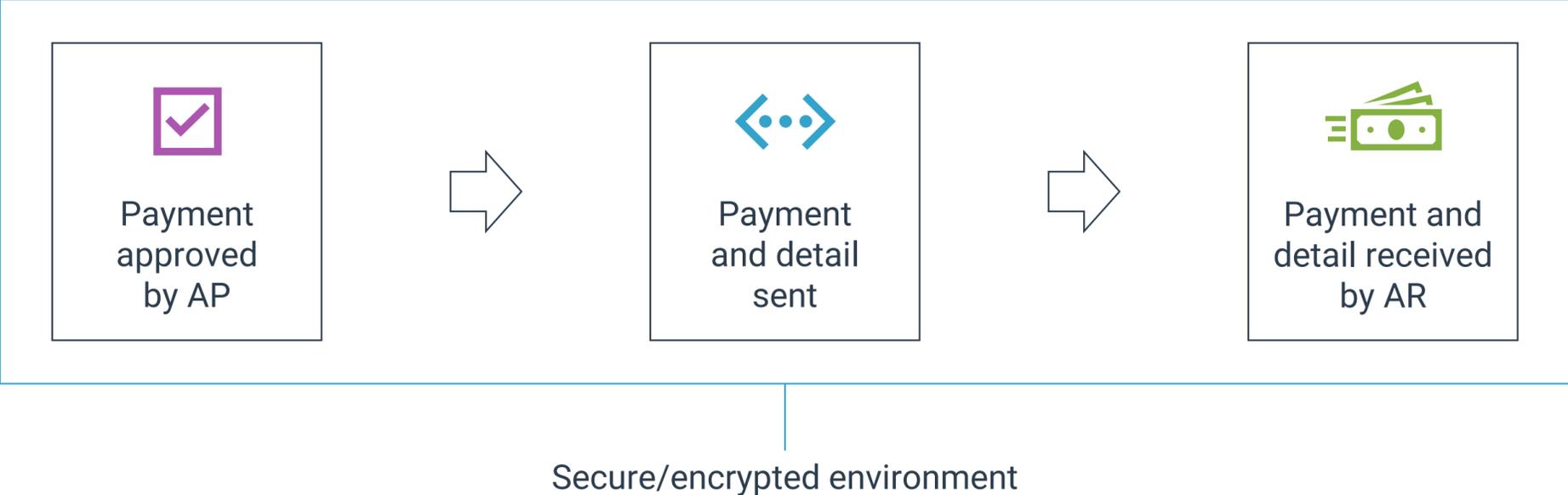
Manual



Example:

- Check
- Physical process
 - Greater exposure

Automated

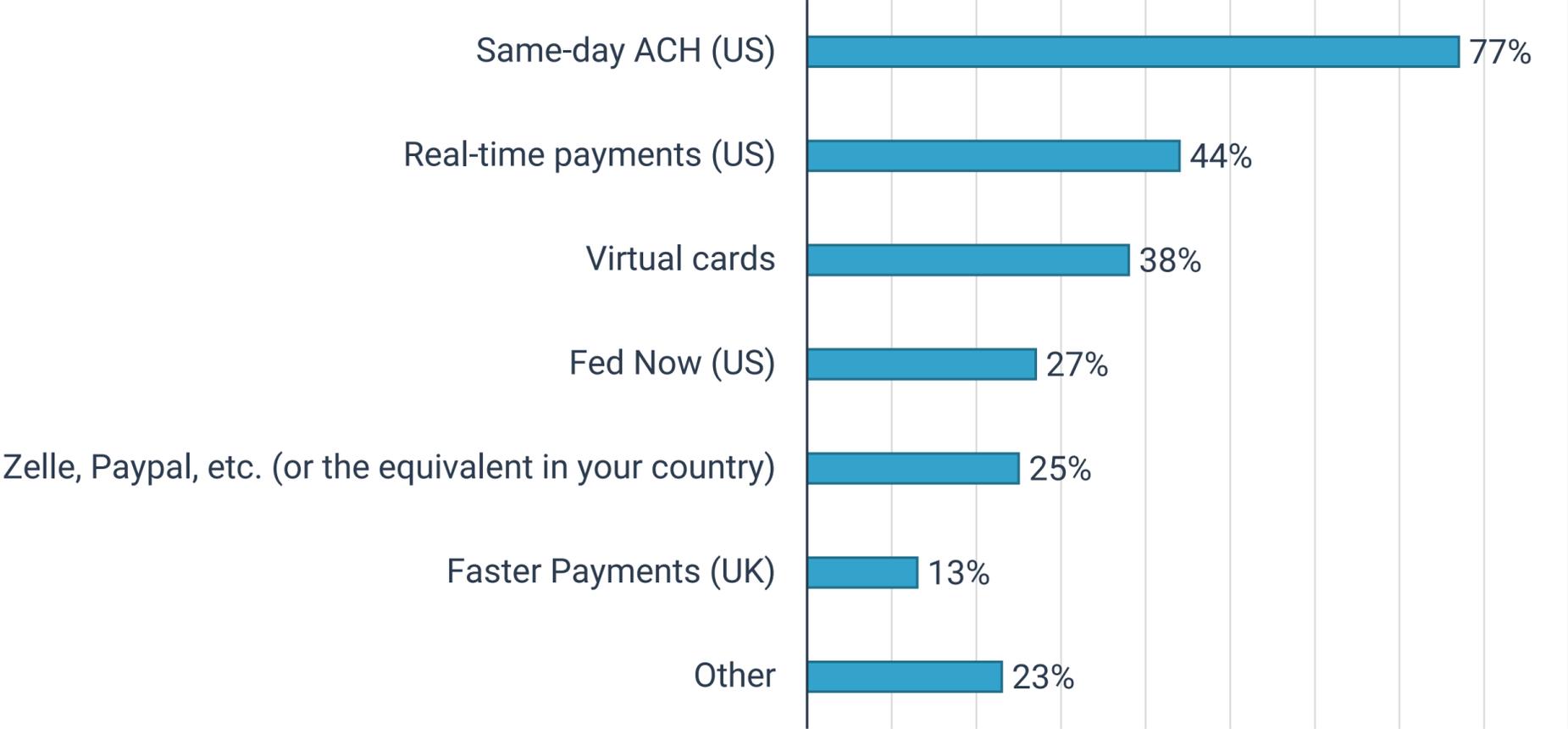


Examples:

- Virtual card
- One-time use
- ACH
- Secured process

POLL QUESTION

Poll 3 - We use the following payment types: (all that apply)



SECURITY AND FRAUD

CHARACTERISTICS OF VARIOUS PAYMENT TYPES



AP



Criminal



Check

- Bank info exposed
- Multiple use
- Can still clear (same check number)
- Holder in due course
- Positive payment

- Copy/repeat
- Easy money
- Common fraud



ACH

- Secure banking network
- Bank info in files
- Exposed files in the company
- Validation
- Tokenization
- ACH debit blocks

- Alter account in payment file
- Secure



vCard

- Single use number
- Particular amount

- How can I steal both pieces of this?
- Extremely secure

FINAL THOUGHTS

HOW TO PROCEED



MANUAL TO EFFICIENT PROCESSES

- Understand handoffs
- Digital can lead to six sigma, manual has limitations



USEFUL AUTOMATION

- Digital transactions eliminate rekeying
- Automation done in light of the end-to-end view
- Visibility reduces defects and intervention



END-TO-END MINDSET

- Optimizing part of the process suboptimizes the whole
- Then entire process matters



INCREASED SECURITY

- Escalating success of criminals
- Need to scale defenses
- Understand points of exposure (processes and people)

LET'S CONNECT

DON'T LET THE LEARNING END HERE...
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