Subject: **Recommendations for Optimizing Fi-Fintech's Accounts Payable Function**

This memo sets out the perceived inefficiencies within the Fi-Fintech AP function and recommendations on ways our EY FAAS team

can further optimize the function

**Project scope Overview:**

Fi-Fintech is undertaking a transformative journey to optimize its Accounts Payable (AP) function. The objective is to align AP processes with industry-leading standards through automation and AI, enabling the automation of routine tasks and allowing human resources to focus on higher-value activities. The ultimate goal is to enhance efficiency, productivity, and compliance within the AP function.

**Proposed scope of engagement:**

The EY FAAS team will support Fi-Fintech’s AP transformation project through a structured Finance Optimization approach. The key steps include:

1. **Assess:**
   * Conduct interviews and walkthrough sessions with stakeholders to understand the current AP processes, systems, and pain points.
   * Compile and review documentation of existing processes.
   * Perform a high-level maturity assessment of AP processes against EY’s process maturity framework.
   * Validate findings with Fi-Fintech’s stakeholders.
2. **Diagnose:**
   * Define Fi-Fintech’s target operating model for AP.
   * Benchmark current processes against leading practices and identify gaps.
   * Present findings and validate improvement opportunities with key stakeholders.
3. **Design:**
   * Identify specific initiatives leveraging RPA and AI to address identified gaps.
   * Develop a high-level roadmap and a business case for proposed improvements.
   * Prioritize initiatives based on feasibility and expected impact.
4. **Deliver:**
   * Execute the key activities per the roadmap, including implementing process changes, automation, and training.
   * Develop documentation for new processes and ensure knowledge transfer to Fi-Fintech’s teams.
   * Provide a final report summarizing benefits realized.

**Suggested optimizations:**

The table below outlines the inefficiencies identified within Fi-Fintech’s AP function and proposed solutions:

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| **Inefficiencies in AP Function identified by Fi-Fintech** | **Potential Solutions / Optimizations to be provided by EY FAAS** |
| Decentralized invoice receipt channels and reliance on paper invoices | Implement a **Centralized Invoice Receipt** platform to streamline tracking and reduce document loss. Encourage **Digital Invoice Handling** to minimize reliance on paper. |
| Poor-quality data capture from invoices | Invest in **High-Quality Scanning** equipment and implement **Multilingual OCR** technology to improve data extraction accuracy. |
| Inefficient invoice processing due to poor purchase order quality | Improve **PO Quality** to facilitate seamless invoice matching and reduce discrepancies. Use AI to flag duplicates and ensure compliance. |
| Bottlenecks caused by unregistered goods receipts | Implement **GR Automation** to expedite the registration of goods receipts. |
| Multiple ERP systems complicating processes | **Standardize I2P Processes** across ERP systems to streamline operations. |
| Manual invoice approvals leading to delays | Utilize **Workflow Automation** tools to create efficient approval processes and improve transparency. |
| Lack of visibility into approval actions | Introduce **Audit Trails** to enhance accountability and tracking of buyer and approver actions. |
| Managing multiple e-banking systems and manual payment reviews | Consolidate e-banking platforms and implement **Automated Payment Reviews** to streamline payment management. |
| Difficulty tracking payment statuses | Develop **Payment Dashboards** for real-time visibility into payment statuses. |
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