



ePayments Stimulate Payables Automation Growth

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Economic Downturn Leads to an Automation Upswing

As companies have looked for innovative ways to save money in this economy a lot of leaders have had an “automation revelation”. The increasing interest around ePayment business solutions can certainly be noted as a catalyst for the influx of companies that now automate their entire AP process. According to AvidXchange, a leading provider of automated AP and payment solutions to medium-sized companies, companies that automate their entire AP process, from invoice receipt through payment, realize an average operating expense savings of 55% (\$10.34 per transaction) or more. Operating expenses are often overlooked as a viable source of savings, because there seems to be a common misconception that these costs are necessary and fixed. However, automation has truly moved the needle for operating expenses, because removing paper from accounts payable and payment processes increases productivity, efficiency, and visibility thereby maximizing profitability.

Over the last several years, the number of companies turning to SaaS (Software-as-a-Service) solutions for automating their payables process has grown dramatically, because the technology outsourcing solutions reduce implementation complexity and increase system performance (web-hosted applications) with a lower initial cost structure than traditional client server applications. Paystream Advisors estimates that over 40% of the AP & Payment Automation Marketplace will be using SaaS applications within the next 2 years.

SaaS Solutions are so attractive, because they offer companies of all sizes the following benefits:

Low Upfront Cost – SaaS solutions are developed using a transactional model, which means that clients have the ability to “pay-as-they-go”.

No Technology Infrastructure Overhead and Expense – When using a SaaS model there isn’t hardware or a system to maintain, which means that companies can eliminate the management of product upgrades and releases.

Scalability – SaaS solutions can grow or downsize with companies, because capacity can be easily increased or decreased to meet the needs of the individual company.

Rapid Implementation – Traditionally back-end payment solutions have required six to nine months to implement, whereas SaaS solutions average between 30 to 60 days for implementation. The expedient implementation is due to the solution’s ability to rapidly customize the application through “configuration” rather than custom development.

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Easy Integration – Since the solutions integrate directly with clients' accounting systems, this enables users to initiate payments for all their invoices through one transmission. Integrated SaaS payment solutions are also able to manage the distribution of both check and ePayments for clients.

Eliminate Managing Vendor ACH Information – SaaS-based solutions are now able to manage all ePayment information for vendors, which means that clients no longer have to. SaaS-based solutions also automatically enroll vendors for ePayments by leveraging various third party payment networks and integrating them into clients' payment processes.

Ability to Utilize a "Central Vendor Invoice Network" – With a SaaS model, a vendor has one streamlined way to submit invoices anytime, anywhere for multiple customers and eliminates the vendor's need to manage a separate integration with each customer's system to submit invoices.

Maximize Discount Opportunities – By leveraging a "Central Vendor Invoice Network," vendors have a single place to manage all of their discounts for multiple customers as well as administer discount opportunities as they arise.

If you're wondering whether this is applicable to your company, just ask Larry Lang, Executive Vice President of Lamar Companies. "As an asset manager running half of Lamar Companies' portfolio, automating our payables has significantly increased my productivity," reports Larry. "The elimination of so much paperwork and increased visibility to expenses in such a concise manner allows for greater insight into more shopping center operations than the traditional paper-based process ever could." Tom Rutherford, Chief Financial Officer of LBA Realty, added, "With our automated payables process we can continue to grow our business, acquire properties, and add locations without the need to add incremental back office staff."

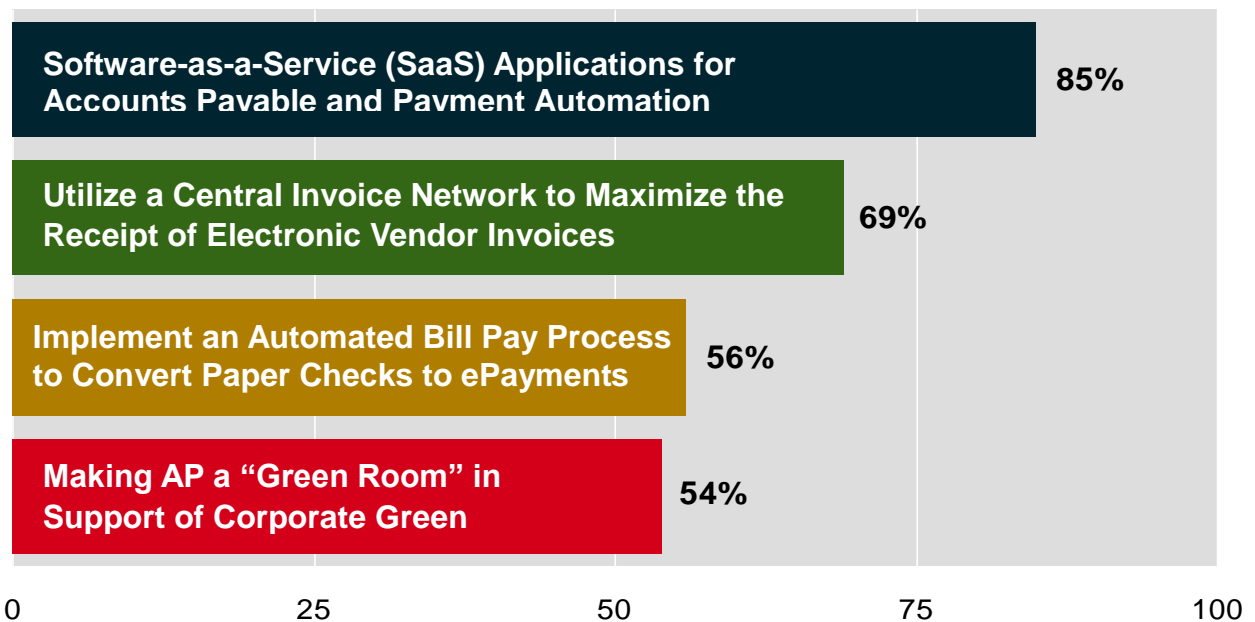
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Top 2012 AP Automation Trends

Top Trends for Companies Looking to Automate Accounts Payable in 2012 – Using Software-as-a-Service for **AP & Payment Automation Now Ranks #1**

(Source: AvidXchange, Inc., 2011 Industry Survey)



From the top down, companies across all industries are really feeling the pressure to continue performing despite the current economic environment. There is a genuine focus on expense management, eliminating costs, and finding new ways to streamline processes. Consequently, AP and payment automation have benefited from this focus of executing the payables function with a lower cost structure. The bottom line is that these automation initiatives are real, and leading companies are using payables automation as a competitive advantage for their company over their peer group.



To learn more about how Payments Automation can help you reduce your processing costs by 60% or more, please visit us at www.avidxchange.com. You may also contact AvidXchange at 800.560.9305 or info@avidxchange.com.