UNIFYING MULTI-ERP ENVIRONMENTS WITH P2P AUTOMATION

HOW DIGITAL TRANSFORMATION ELIMINATES SILOS & SIMPLIFIES COMPLEX ERP LANDSCAPES
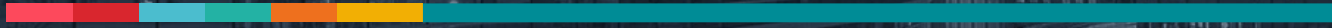
ESKER®

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INTRODUCTION

In today's highly competitive business environment, many organisations are expanding through M&As. Unfortunately, success comes at a cost. Growth via M&A activity often involves absorbing disparate ERP applications, which, over time, can create significant inefficiencies — particularly procurement and AP departments. The good news is, **P2P automation is emerging as an end-to-end solution** that forward-thinking organisations can use to eliminate procurement and AP silos and maximise their market potential.

WHY ADDING AUTOMATION TO THE MIX ISN'T COUNTERPRODUCTIVE

For many P2P and finance leaders, the idea of automation is appealing but the thought of adding another solution to an already convoluted environment seems counterproductive.

However, when you examine the top AP concerns of today's c-suite members, you'll find that automation aligns perfectly with their foremost goals. For example:

1 **It boosts staff productivity.** According to a recent study by IOFM, 32% of organisations believe "better staff productivity" has been the biggest benefit achieved by digitising AP processes.[1] Automation addresses this concern by not only drastically reducing low-value manual tasks, but allowing users to manage all P2P invoicing and procurement activities from the same interface regardless of the back-end ERP — making user training easier and processing invoices and purchase requisitions faster.

2 **It consolidates workflow and shores up internal controls.** In a manual environment, AP departments run the risk of paying inaccurate, fraudulent or duplicated invoices. In an automated environment, because the solution interacts with all the ERP systems, invoice data is processed with complete accuracy and security through a single point of control. Esker users are also granted access to products from preferred suppliers, allowing the purchase to be in line with company procurement policies (no more maverick buying).

3 **It enhances visibility.** Effective cash flow management practices can generate real and impactful cash value for a business. Whereas manual processes make it virtually impossible to source, track and analyse the metrics necessary to do this, automation solutions offer them in real-time via customisable dashboards.

BIGGEST BENEFITS OF ELECTRONIC INVOICING (ACCORDING TO IOFM STUDY RESULTS)

32%
Better staff productivity

23%
Reduced costs

17%
Accelerated cycle times

11%
Increased visibility & reporting

ABOUT THIS WHITE PAPER

Businesses with a complex ERP environment have several choices when it comes to P2P automation solutions. This white paper is intended to assist P2P and finance leaders, along with ERP system administrators, in evaluating their options, simplifying the decision-making process, and getting the absolute most out of their P2P automation investment.

1. The Future of Accounts Payable: Digital, Profitable and Strategic, 2018. Institute of Finance & Management.

DEALING WITH A COMPLEX ERP LANDSCAPE

The increased occurrence of M&As, spinoffs and divestitures causes ERP systems to accumulate as multiple instances of the same ERP or a combination of disparate systems. If the central goal is to consolidate P2P processes and streamline workflow (without headcount increases or new infrastructure requirements), there's no question that automaton is an industry-proven and highly effective tool. The question is how best to do it.

GROWTH THROUGH M&AS: WHY ONE COMPANY, ONE ERP IS A THING OF THE PAST

The vision of one enterprise/one ERP system simply does not reflect today's reality; complexity is the name of the game, and it's not unheard of for a company to have as many as five ERP systems in use across its global enterprise. While M&A activity creates a strategic opportunity for growth, it also opens the door to increased operational and software challenges. That's why, in addition to effective change management, the key to growth through strategic M&A activity is standardisation.

P2P AUTOMATION AS AN INTEGRATION TOOL FOR ACQUIRED BUSINESS

Without standardising processes and having a way to ensure that internal controls are consistent, business can run into multitude of issues that impede productivity and profitability, and lead to supply chain inaccuracies. Additionally, legacy systems that fall short in many areas, including real-time data insights and the ability to analyse large amounts of data, simply won't cut it in today's competitive business landscape.

Some companies also run different ERP systems, each needing special attention despite being based on the same platform. Multiple instances in different locations around the world can require integration of multiple workflow tools

in order to automate P2P workflow, even with a standard enterprise-wide ERP system in place.

Rather than sinking significant amounts of time and money into changing all ERP systems after a merger or acquisition, P2P automation is a faster and more cost-effective way to standardise internal controls across the entire organisation. Having consistent internal control throughout the organisation is vital for ensuring quality of information, timeliness of info and fraud prevention.

P2P

The increased occurrence of M&As, spinoffs and divestures causes ERP systems to accumulate as multiple instances of the same ERP or a combination of disparate systems.

ERP 1

LEGACY

ERP 2

ERP 3

SOLUTIONS RESIDING OUTSIDE OF THE ERP

When it comes to P2P automation solutions, the first instinct that organisations typically have is to install workflow inside the ERP system. However, this can have numerous detrimental effects such as: major investments in time and money, functional limitations, drain on resources allocated to core ERP applications, workflow discontinuity, and user inconvenience.

SONY

Achieved a web-based AP workflow outside the ERP that delivers simplified setup of a shared services centre and the ability to work with multiple ERP applications.

Solutions that reside outside of the ERP system (in the cloud), on the other hand, are stronger in many functional areas and enable the same integration capabilities without the added time, costs and risks that come with implementing a tool inside the ERP system. Under an external ERP workflow environment, P2P departments benefit from:

- Shared data across multiple business applications

- Ability to implement and standardise processes with a couple months

- Consolidated resources, eliminating the need for individuals to have specialised knowledge in each ERP system

- Flexibility to include other departments or pre-/post-processing steps in workflow

- Increased collaboration throughout the P2P cycle by removing siloed AP and procurement departments

- Instant access to invoices and audit trail outside an ERP application without needing to be on site

- Immediate email notifications when invoices need to be approved

- Easy deployment via a web browser to increase user acceptance

- Increased internal controls and maintained business continuity throughout IT landscape changes

- Standardisation for shared services centres (SSC) initiatives, including logic to avoid errors
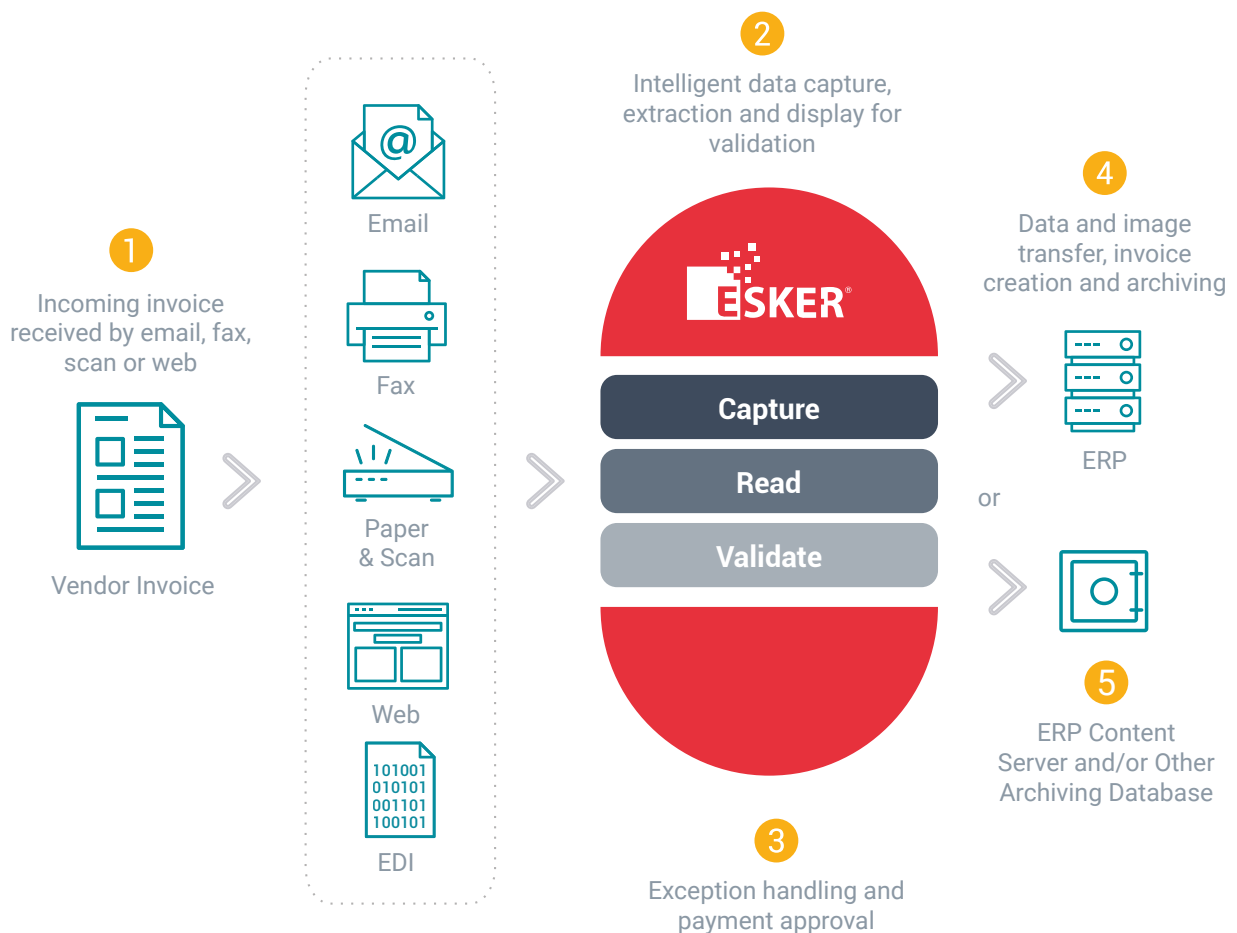
BENEFITS OF P2P AUTOMATION

In any organisation, procurement and AP activities are connected, so making these individual processes as efficient as possible benefits the overall P2P process. By eliminating paper and manual processing steps, organisations can bring accuracy, visibility and efficiency to the P2P cycle.

END-TO-END ADVANTAGES

Some of the most common advantages businesses gain by using P2P automation include:

- Increased control & visibility
- Strengthened supplier relationships
- Harmonised ERP environment
- More productive, engaged employees

- Lower operational costs
- Better scalability & risk management
- Enhanced accuracy

LUXASIA SUCCESS STORY

When Luxasia, a luxury specialist in retail and distribution, began looking to set up a SSC to centralise its accounting department and automate its purchase requisitions and supplier invoices, it chose to implement an automated P2P solution. The company achieved impressive results through digitising its P2P process.

PREVIOUS P2P PROCESS

- Purchase requisitions created by hand and printed out
- POs manually created in the SAP® system
- Escalating workload and operational costs
- Slow invoicing process, resulting in dissatisfied employees and customers
- Internal expense claims processed and manually entered into SAP by AP specialist

KEY REQUIREMENTS & GOALS

- Increase percentage of early-payment discounts
- Reduce operational costs
- Increase document visibility and acceptability
- Implement a cloud-based solution to facilitate the setup of its SSC
- Facilitate other job functions beyond the AP department
- Automate additional processes with the same vendor

END RESULTS

- New SSC centre where 36,000 invoices are automated annually
- Reduced 80% of its paper use
- Increased employee productivity with processing capability increased by 2.5 times (from 400 to 1,000 invoices)
- 50% faster invoice processing rates
- Workflow approval time is 4 times faster as Esker provides notifications to approvers
- Increased early payment discounts with more vendors using supplier portal
- Enhanced visibility due to customisable dashboards
- Facilitated e-invoice submission via portal

HOW P2P AUTOMATION WORKS

AN INSIDE LOOK AT ESKER'S CLOUD-BASED P2P SOLUTION

Esker's Procurement and AP automation solution integrates with any ERP interface or business application, allowing you to automate every phase of the P2P cycle — from receipt of goods to the creation of an accounting book entry. With end-to-end automation, businesses can address the challenges of manual data entry and routing along with the lack of coordination and transparency within traditional P2P processes.

CONNECTED, CONSOLIDATED WORKFLOW

Esker's Procurement and AP solution uses intelligent, AI-driven data capture, automated workflow and electronic archiving capabilities to process and transfer invoices through the office electronically while providing 100% visibility of exactly where they are in the approval process. Approvers are notified and invoices get the necessary approvals to generate the information in the ERP system and book payment as quickly as possible.

Throughout the process, Esker attaches information inside the ERP, with invoice data and the document image being e-delivered into an archive with a link back into the ERP system for quick and easy retrieval of the information as needed. A complete audit trail of every step that was taken is available through the reporting capabilities

1 PURCHASE REQUISITION	2 APPROVAL WORKFLOW	3 ORDER GOODS/SERVICES	4 RECEIVE	5 PROCESS INVOICE	6 TRACK & E-COLLABORATION
Quickly create electronic purchase requisitions.	Purchase requisition automatically enters an approval workflow.	Order is finalised and placed with the vendor.	Upon goods and services reception, goods receipt is entered in the system.	Reconcile invoices with purchase order and goods receipt.	Monitor process compliancy and efficiency.

DASHBOARDS WITH CUSTOMISABLE KPIS

Esker's dashboards provide users with readily available information needed to perform daily tasks, monitor performances and spot problems or opportunities as soon as they arise. The easy-to-use interface allows you to choose what metrics you want to display and to which user or profile. Users are free to remove, edit or add other indicators to dashboards.

From the online portal, custom reports can be run to see: the number of invoices and requisitions awaiting processing and how much cash they account for, invoices and purchase requisitions by status, number of invoices processed by FTEs, etc. Automatic reports can even be scheduled.

LENNOX
EUROPE MIDDLE-EAST AFRICA

Increased productivity by standardising its P2P and O2C processes between different sites and uniting its multiple ERP systems with Esker's AI-driven automation.

ESKER ANYWHERE™

Part of going global as an organisation also means not having to lose the flexibility of completing critical tasks while out of the office.

Available 24/7 from Apple or Android devices, the Esker Anywhere™ mobile application offers added dimension of convenience for on-the-go approvers who need to review and validate supplier invoices at a moment's notice. Approvers can use the mobile app to:

- View invoice and purchase requisition lists (e.g., pending, awaiting approval, etc.)
- View invoice images received by accounting department or an original quote from a supplier
- Instantly access key data (e.g., supplier name, total amount, etc.)
- Review coding and budgeting information before approving
- Approve, hold or send back invoices or purchase requisitions
- Monitor P2P performance indicators and other important process metrics
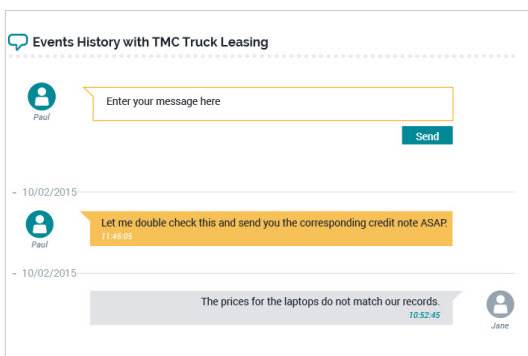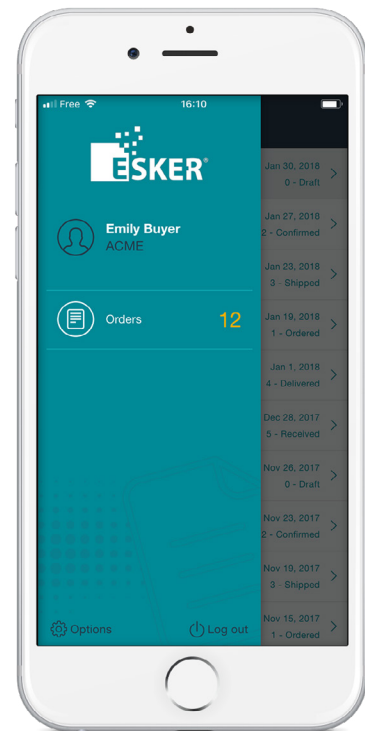
CONVENIENT SUPPLIER PORTAL

Your organisation is not the only one impacted by global expansion and multiple ERP systems. The easier you are to work with for your suppliers, the better off your company will be reputation-wise and generating new sales.

Esker's portal simplifies the company/supplier relationship via a collaborative workspace where self-service access to invoice data promotes rapid dispute resolution and fewer invoice status calls.

SHARED SERVICES CENTRE SUPPORT

Optimising the P2P process is all about improving the quality of the data and document (i.e., getting it where it needs to go with as little confusion or complexity as possible). A financial SSC is a tool that many global organisations use to centralise their P2P processes and achieve this goal — but support is needed.

With 24/7 year-round monitoring and support for different time zones and multiple languages, Esker's cloud-based automation solution helps to simplify setup of financial SSCs. Efficiencies gained through automated invoice approval workflow in a shared services model helps organisations improve KPIs including productivity, service level, accuracy, costs and more.

BRINGING ADDED VALUE TO EVERY STAKEHOLDER

The beauty of a P2P automation solution is that its benefits aren't restricted to one particular person or group within the P2P process. The customisable nature of the technology offered by Esker means that all key stakeholders can benefit, allowing the right person to access the right information at the right time.

REQUESTER

- Submit purchase requisitions quickly & easily
- Order from catalogue or quotes
- Get notified as soon as your purchase requisition is approved

MANAGER

- Process approvals from anywhere
- Get notified of purchase requisitions sitting in your approval queue
- Access/approve requisitions from anywhere
- Monitor budget compliance (e.g., spend budget, remaining budget, overall budget breakdown, etc.)

BUYER

- Quickly create POs from purchase requisitions
- Take advantage of discounted shipping
- Monitor urgent purchases with real-time metrics
- Clarify orders & track conversation logs using the customer portal

TREASURER

- Monitor opportunities to leverage cash
- Manage payments (e.g., authorisations, follow-ups, early-payment proposals, etc.)
- Follow up on discounts for early payment

AP SPECIALIST

- Prioritise daily workload & act on real-time metrics
- Have automatic reminders sent to approvers
- Focus on value-added functions versus data entry
- Keep an eye on automation rate
- Get peace of mind regarding fraud prevention

CFO

- Monitor budgets to stay in line with plans
- Get visibility over spend from the start
- Tighten internal controls to prevent fraud
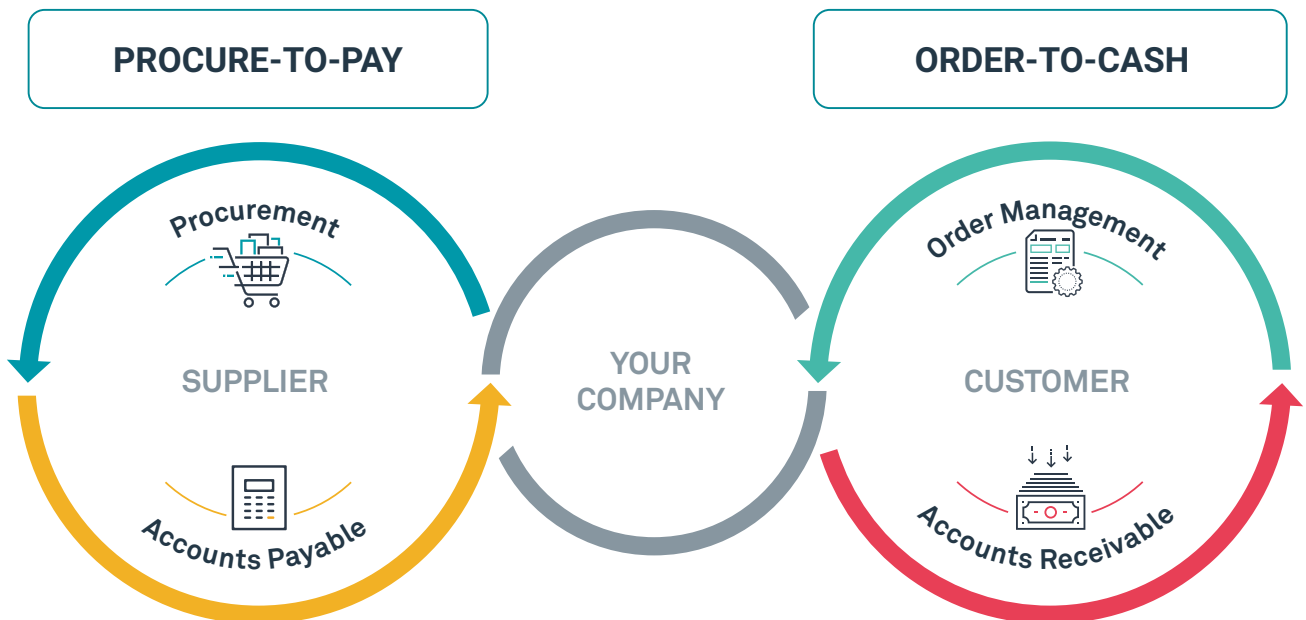- Track non-PO invoices
- Monitor staff productivity

WHERE AUTOMATION CAN TAKE YOU

(BEYOND PROCUREMENT & AP)

In many cases, P2P automation is just the first step in a multi-step document process improvement initiative. Esker allows companies to go beyond P2P and easily extend automation to multiple areas of their business — regardless of the interaction with customers or suppliers — using one universal platform. This type of unified communication frees up IT departments and customer service teams from tasks that burden their budget while saving hours of work that can be redeployed to new projects.

WHY ONE SHARED PLATFORM?

Rather than using multiple point-to-point solutions, all elements of the platform should be accessible and controlled by a single set of business rules to allow automation of document processes on all ends of the spectrum without the need for third-party products. In Esker's case, its solutions span the entire P2P and O2C processes, enabling businesses to automate virtually any business process that runs on paper documents.

PROCURE-TO-PAY		ORDER-TO-CASH

Procurement

SUPPLIER

Accounts Payable

YOUR COMPANY

Order Management

CUSTOMER

Accounts Receivable

The single pane approach of using Esker has drastically simplified our hiring methods. We no longer have to hire people with extensive ERP knowledge, which is great since we run multiple ERPs and different instances of those ERPs. It allows for our AP team to be more cross functional across all of our lines of business and therefore much more productive as a unit.

Dustin Collins | Element Solutions Inc.

ABOUT ESKER

Thanks to 35+ years of experience, Esker proudly offers a best-in-class procure-to-pay (P2P) automation solution. Esker's P2P solution in compatible with all geographic, regulatory and technology environments, and is specifically designed to help companies improve their strategic supplier relationships and transform the way they purchase, book and pay.

245
COMPANIES
AUTOMATE THEIR AP
PROCESSES WITH ESKER

500k
INVOICES AUTOMATED
EACH MONTH IN
ESKER'S AP SOLUTION

ROI
CAN BE ACHIEVED
IN AS LITTLE AS
6 MONTHS

GLOBAL EXPERTISE

As a global leader in AI-driven process automation software, Esker's expertise goes beyond P2P processes. Over 1,500 companies around the world use Esker solutions to automate other critical business processes, including: order processing, accounts receivable, document delivery and more. Esker operates in North America, Latin America, Europe and Asia Pacific with global headquarters in Lyon, France, and U.S. headquarters in Madison, Wisconsin.

EUROPE be de es fr it nl uk   **AMERICAS** us   **ASIA - PACIFIC** asia au

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