

How Machine Learning Improves Invoice Automation

In many other industries, accounts payable (AP) and other invoice processing departments are beginning to see clear benefits to exchanging manual operations for AI-driven automated workflows. Automated workflows help AP and other departments reduce errors, identify fraud, and save time. For example, a 2020 UK survey shows that AP departments using only accounting automation software save about one hour a day¹. But, on the other hand, a high proportion of accounting executives have been saying that big data analysis will impact the accounting industry since 2016². And, as of 2020, only 21% of accountants have invested in AI-driven software².

The roadblock to the adoption of new technologies involving invoicing revolves around the amount of information variety encountered. For example, AP employees receive invoices in multiple formats, accompanied by emails, need to crosscheck information with goods received, submit for approvals, and more³. AI-driven automation can do the heavy lifting by operating on rules set by the end user.

SAP Invoice Management aggregates and organizes all invoice related data in one place and removes the need for interdepartmental communication by email, chat, or other means to solve problems. The tool streamlines invoicing processes, reduces the cost of invoicing duties, reduces errors, boosts productivity, and provides in-depth business analytics.

What is AI

The term artificial intelligence or machine learning was coined in the 1950s by Arthur Samuel and described as “the field of study that gives computers the ability to learn without explicitly being programmed⁴.” The most widespread use of AI-driven software primarily involves giving the computer instructions and the tools to make decisions removing the initial data aggregation and organization step from the decision-making process.

So, you go to your favorite streaming service, where you have made a distinct data set of your own choices. The AI-driven algorithms then rank your data set and match your past decisions with data attached to other media (also generated in part by other user decision making processes) to present media that you would be likely to enjoy. The same goes for invoicing workflows, and then automation takes it one step further, completing the job.

AI-Driven Invoice Automation Workflows with SAP Invoice Management

The SAP Invoice Management Solution by OpenText is a cloud-based SAP product with the ability to integrate with the SAP S/4HANA ERP for enhanced efficiency⁵. With or without an SAP ERP in place, it offers single pane observability of the complete invoicing process. Overall, the application can be instructed to manage data from other data management systems, email, manual entry, and more. The application then organizes the data and routes it to the next progression in the workflow chain, alerting people to what needs to be done to complete the next step of the process.

The following is an example of how the SAP Invoice Management Solution can create efficiencies. Accounts payable at Infinity Designs receives two invoices from Barnaby Inc. in two formats for the same amount, with only one invoice referencing a purchase order. The SAP solution attaches both invoices to the Barnaby Inc. account, flagging one for its lack of a purchase order and both because it does not

detect a matching amount of goods from the goods received department in the company. Both alerts can be viewed by credentialed users in AP, and they are sent to goods received with an action notice to validate procurement. As Steve in goods received is validating procurement, Barnaby Inc. sales emails their procurement rep Julie at Infinity Designs to let them know they are switching systems and may have sent two invoices. Julie can then go into the SAP Invoice Management application and instruct her co-workers and the system to ignore the invalid invoice missing the purchase order. The automation turned what could have taken a week or more to figure out through interdepartmental email and manual checking into a situation that lasted less than a couple of hours.

The time savings, in this case, allowed Infinity Designs to honor payment early enough that they earned a 5% discount on their next purchase. If Infinity Designs and Barnaby Inc. had been using an SAP ERP with the Ariba network, the entire process would have been automated, and the issue would have been remedied almost instantaneously. In addition to the time savings and reduction of possible errors, this example shows how the application can help companies stay on top of things like duplicate invoice fraud.

Why SAP

What sets the SAP Invoice Management Solution apart from other data management technology are its SAP Intelligent Capture and SAP Core Capture algorithms. Intelligent Capture works on premise and in the cloud while Core Capture is designed for the cloud^{6,7}. These patent pending algorithms are some of the best tools on the market for identifying data from different sources such as email, pdf, gif, xml, etc. They are also specially designed to decode and organize data from sources never encountered by the system before. The patent pending technology enables companies to go from mostly manual data entry to 100% automated without making ground shaking changes.

The SAP Invoice Management Solution also provides in-depth statistics. Accounting or C-suite executives can use the application to identify and analyze inventory, AP, and procurement anomalies using a single pane view. The clear benefit is that all the data is easily accessed in one place rather than needing to request reports from each department individually.

Final Thoughts

SAP Invoice Management provides businesses with an accurate and viable solution to the diversity of information and tasks found in departments like AP. The application streamlines processes for stakeholders reducing the amount of time spent on mundane manual tasks while significantly reducing errors and making it easier to detect fraud. In addition, it gives companies more control over their financial processes and enables employees to change their focus to revenue generating projects, boosting productivity. Join others reaping the benefits of the accounting digital transformation wave; contact [Optima](#) to find out more about the SAP Invoice Management Solution⁸.

- 1: <https://goremotely.net/blog/accounting-statistics/>
- 2: <https://financesonline.com/accounting-statistics-analysis-of-trends-data-and-market-share/>
- 3: <https://www.dooap.com/blog/how-machine-learning-is-transforming-accounts-payable>
- 4: <https://mitsloan.mit.edu/ideas-made-to-matter/machine-learning-explained>
- 5: <https://www.sap.com/products/invoice-management.html>
- 6: https://www.opentext.com/file_source/OpenText/en_US/PDF/opentext-intelligent-capture-for-sap-solutions-product-overview.pdf
- 7: https://www.opentext.com/file_source/OpenText/en_US/PDF/20190620163006DUPLICATE/opentext-po-core-capture-for-sap-solutions-en-1561066201015.pdf
- 8: <https://optimaecm.com/>