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# The Definitive Buying Guide for AP Automation

WHITEPAPER



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CFOs recognize the challenges facing their Accounts Payable functions. Turnover, inaccurate GL coding, and late payments are common.

But is it possible that you're bleeding cash and risking penalties from auditors and regulators? Many companies are. Legacy technology and piecemeal processes leave companies with excess clerical work and the error, non-compliance, and cash leakage that follow.



### **Fraud is on the rise.**

Studies show between 34% and 95% of respondents seeing fraud within the last year.



### **Overbilling is a real risk.**

A shocking 12% of invoices contain discrepancies.



### **Non-compliance risks severe consequences.**

Invoice fraud in Mexico carries criminal penalties. E-invoicing, VAT, and GST regulations require major changes for global supply chains.

This guide exposes the dangers of letting the status quo persist another day. See how new Applied AI technology goes beyond merely automating your current processes to defend against fraud, address compliance issues, and protect cash flow.

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## Consequences of Sticking with the Familiar

Manual processes and failed automation projects leave excess manual work, errors, and control gaps throughout AP. Fraud and poor decisions in cash management can lead to serious financial drains. Companies may add RPA or GenAI tools only to find core processes essentially unchanged. Familiar struggles remain:

#### **Audit findings**

of ineffective controls against external fraud, internal bad actors, duplicate payments, and supplier overbilling.

#### **High capital costs**

due to missed discounts, poor payment timing, and credit impacts.

#### **Inaccurate financial data**

with errors and inconsistencies in GL coding.

#### **Violations and penalties**

from regulators for failures to comply with global e-invoicing, tax, and customs rules.



We at Gartner often hear, 'this technology sounds a bit magical and far-fetched to me...will it actually work?' Yes. People understand the value immediately."

**Mick Keck**  
Analyst  
Gartner®

# Addressing Risk and Compliance Gaps with Applied AI

## Handle business documents directly.

Capture information from virtually any source, in any format, speeding setup and cutting exception handling.

## Eliminate errors and fraud.

Using AI for GL coding, fraud detection, and identifying overbilling vs. contracts delivers better-than-human accuracy and results.

Rethinking faulty processes using AI can address longstanding challenges quickly. Rather than finding out about fraud after the fact, how about auditing each invoice line in real time?

Applied AI technology is being used to rethink core assumptions in Finance automation. Breakthroughs in AI and Machine Learning deliver significant advantages. New solutions incorporate the latest in AI to deliver an end-to-end process, letting companies:

## Skip the data translation.

If you can train a new staff member to reconcile a non-PO invoice against a contract and receipt, or to break up a vendor statement into multiple transactions, the technology can do that for you—only faster and error-free.

## Support global operations.

Companies need flexi-bility to handle global compliance. Ensure compliance with VAT and GST tax requirements. Match documents in different languages. Validate Incoterms and Harmonized System (HS) codes in global freight.

Unlike previous generations of enterprise software suites, Applied AI solutions can be deployed quickly with very little change management. These solutions simply capture the business documents from wherever they're held, with no impact on suppliers or IT.

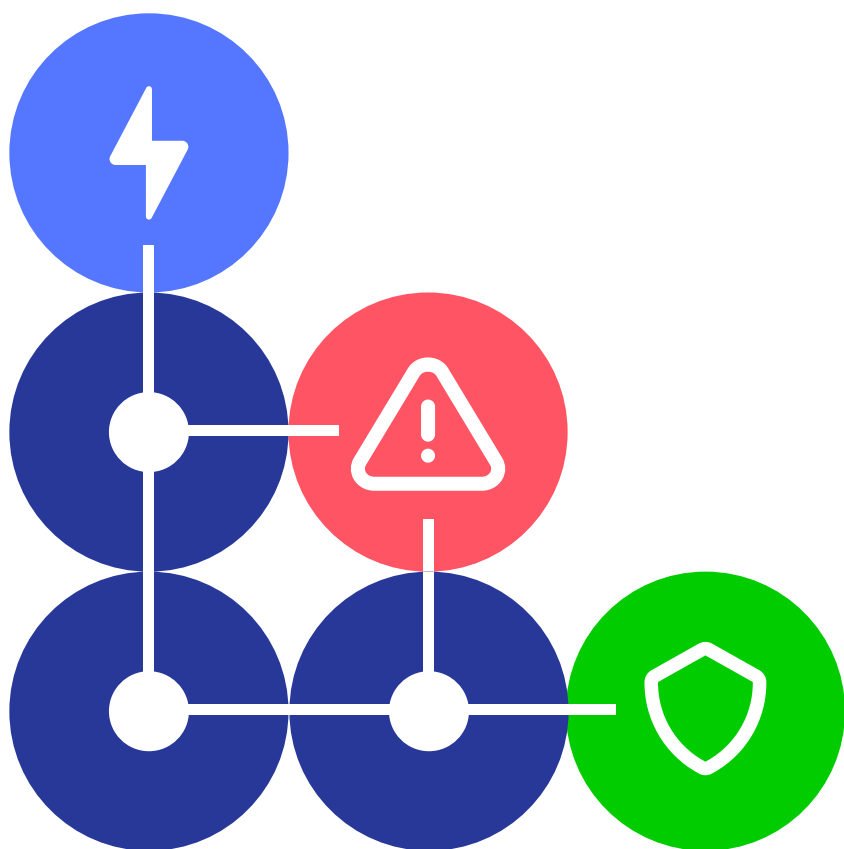


"We're committed to working with other systems. We do our own implementations, and we maintain the integrations that we build—so you don't have to.

That's why we put 'Open' in the name of the company.

You never have to rip anything out to implement OpenEnvoy."

**Matthew Tillman**  
Co-Founder, CEO  
OpenEnvoy



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# The Business Case for Applied AI in Accounts Payable

Companies must move quickly to stop cash leakage and address compliance gaps. But, leaders are unsure about how to quantify the value of AI initiatives. Expectations vary. Productivity improvements that companies will realize from AI range from 0.7% <sup>1</sup> to 15% <sup>2</sup> or more.

Fortunately for any specific initiative, the core principles of project evaluation haven't changed. Projects and technology vendors must be evaluated based on the benefits, the KPIs they will impact, the returns they will generate, and the total cost of ownership.

## Benefits of AP Automation

Benefits	Metrics
Improve AP staff efficiency with touchless processing	Invoice capture rate Touchless invoice rate Reclassification of GL entries
Improve approver efficiency with pre-audit	Invoice approval cycle time Rejection rate
Prevent losses to fraud and duplication	Discrepancies identified vs. benchmark
Prevent losses to overbilling	Contract capture rate Discrepancies identified vs. benchmark
Optimize working capital	Late payments DPO Early-pay discounts
Compliance with internal controls, VAT, GST, and global trade rules including HS coding	Coverage



# New Evaluation Criteria for AI-Enabled AP

Traditional invoice automation solutions offer benefits, but they come with limitations in flexibility, accuracy, and intelligence. Customers are flooded with clerical work and exception handling. Because of the manual work involved, the potential to make errors and overlook issues remains.

OpenEnvoy's Applied AI solution bridges this gap. This comprehensive and automated approach unlocks greater efficiency, cost savings, and valuable insights. Fraud, overbilling, and noncompliance are immediately eradicated.

## Capabilities for Invoice Automation

Capabilities	OpenEnvoy	Other AP Solutions
Complete invoice capture using AI	Included	No (Manual templating, training, exception handling)
GL coding of all invoices	Included	No (Relies on POs)
Duplicate screening Document and line levels	Included	No (Invoice level)
Fraud detection Vendor, irregularity checks	Included	Varies
Matching 2-way, 3-way, non-PO match to contract	Included	Partial (Separate contract system needed for non-PO)
Global support Languages, currencies, VAT, GST	Included	Varies

## Capabilities for Invoice Audit

Capabilities	OpenEnvoy	Other AP Solutions
Multi-way matching Materials, freight, media, discounts, variable prices	Included	No
Supplier performance Overbilling, duplicates, dispute outcomes	Included	No
Customs HS coding	Included	No

# Understanding the Total Cost of Ownership

Considering a new project requires first understanding the total cost of ownership. Many early GenAI projects have seen substantial cost overruns because of usage-based pricing not tied to predictable transaction volumes across the business.

RPA projects suffer from a different problem—brittleness. Automating steps or bringing in outside information using RPA reduces clerical work in the near term. But the customer owns the burden of maintaining this automation over time.

OpenEnvoy provides an end-to-end SaaS solution that delivers AI for AP automation with the predictability of transaction-based pricing.

Before moving forward with any IT project, it’s critical to understand the major cost drivers over the project’s lifetime. **There are many hidden costs selecting a solution other than an end-to-end, Applied AI solution, as shown below:**

## Cost Drivers for AP Automation Projects

Cost	OpenEnvoy	Other Solutions
Software Licenses	\$\$\$ Single license	\$\$\$ Separate licenses for AP, fraud detection, contract management, invoice audit
Fees on spend	\$\$\$ None	\$\$\$ Some providers charge a percentage of spend
Implementation	\$\$\$ Delivered by OpenEnvoy	\$\$\$ May require partners, multiple projects
Integrations	\$\$\$ Delivered in OpenEnvoy subscription	\$\$\$ Built in implementation, customer-maintained
Supplier Onboarding	\$\$\$ Automated with AI	\$\$\$ Supplier onboarding, invoice templating, AI training required
<u>Analytics with GenAI</u>	\$\$\$ Simple volume pricing	\$\$\$ May require separate implementation, volume pricing



“OpenEnvoy has greatly reduced the number of hours we spent on entering and reconciling bills. It has removed the manual data entry portion, and we can now reconcile invoices faster and more accurately.”

Accounting Manager  
Blisspoint Media



[See how](#) Blisspoint Media achieved more than 10X ROI in the first 6 months



# Improving Control with Predictable ROI

Applied AI offers an immediate opportunity to address longstanding manual processes, move on from failed software implementations, and address compliance risks. Short implementation timelines and little need for change management or IT support mean that leaders can move quickly.

Some leaders have nagging concerns about how to evaluate AI projects. Is the AI real? Will the costs be predictable? How do you understand the ROI?

The good news is that the core approach to project evaluation is unchanged.



Understand the value drivers, KPIs, and expected improvements laid out in this guide.

Understand the TCO. Look for case studies to validate expected timelines.

And insist on contract terms with your vendor that share risk in case the savings you measure don't align with a jointly developed business case.



Companies deploying these solutions find that they typically pay for themselves within the first year of use."

Gartner® Analyst

Now is the time to free up your team from the excess clerical work and stress of manual processes, failed automation projects, and ineffective controls in AP. Free up valuable time, eliminate losses to fraud and overbilling, and close audit risks with the next generation of AP automation. With Applied AI, the case is clear and compelling. Don't wait.

1. "The Simple Macroeconomics of AI", Acemoglu, NBER working paper 32487, 2024.

2. "Global Economics Comment: Reconciling Estimates of the Growth Impact of Generative AI (Briggs)", Briggs, Hatzius, Kodnani, Pierdomenico, 2024

## About OpenEnvoy

OpenEnvoy is the award-winning, AI-First Autonomous Finance company. Built by leading procure to pay and machine learning experts, OpenEnvoy provides manufacturers with technology to control their complex global financial operations. OpenEnvoy's modern AP solution ensures compliance, cash efficiency, and prevents cash leakage by eliminating routine clerical work.

**With OpenEnvoy, customers have prevented more than \$500M in losses.**



Discover AI-First  
Autonomous Finance

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