Deloitte.

Due for a transformation
Accounts payable optimization
with machine learning

Due for a transformation

Accounts payable optimization with machine learning

For many organizations, accounts payable (AP) represents an area riddled with inefficiencies. Paying suppliers and other third parties often can require a tremendous amount of research and manual activities—such as coding invoices to the right cost centers, shepherding forms through the approval process, and addressing vendor disputes.

The process can consume untold hours of workers' time, lead to errors, raise your risk profile, and result in unnecessary costs. The labor cost for processing just one invoice can easily top $10 in some cases.* For larger organizations, thousands of invoices can add up rapidly to hundreds of thousands of dollars. New intelligent digital capabilities, however, offer an opportunity to reduce the pain and costs of AP activities—to streamline and automate much of the AP process, generating new value and new possibilities.

Paying suppliers and other third parties often can require a tremendous amount of research and manual activities

* Source: https://www.iofm.com/ap

Accounts Payable (AP) Optimization—an SAP®-enabled solution from Deloitte

In search of answers to AP challenges, some organizations have turned their attention to the SAP S/4HANA® digital core ERP, which can help simplify finance processes, generate data-driven insights, and increase the speed of business. Deloitte, a leader in SAP technology enablement, has developed a solution that can help take SAP S/4HANA capabilities to the next level—to deliver intelligent AP Optimization capabilities for transforming the finance function.

Leveraging deep finance transformation insights and award-winning SAP technology enablement capabilities, Deloitte's AP Optimization solution combines SAP S/4HANA, machine learning from the SAP Leonardo digital innovation system, and the intuitive SAP Fiori® user interface to help you reimagine—and reinvent—your AP processes.

As part of the Deloitte Reimagine Platform—a portfolio of offerings built around SAP Leonardo, in collaboration with SAP—the AP Optimization solution provides ready-to-deploy capabilities that can help you work toward a competitive edge and get ahead of business disruption.

It's all connected

Accounts payable (AP) activities can take up a lot of workers' time and require them to engage in tedious manual tasks—such as coding invoices to cost centers and moving items through the approval process. For many organizations, the labor cost for processing just one invoice can easily top $10.*

* Source: https://www.iofm.com/ap

Activating intelligent automation

Deloitte's AP Optimization solution with machine learning changes the game for accounts payable by automating the entire coding functionality— and more.
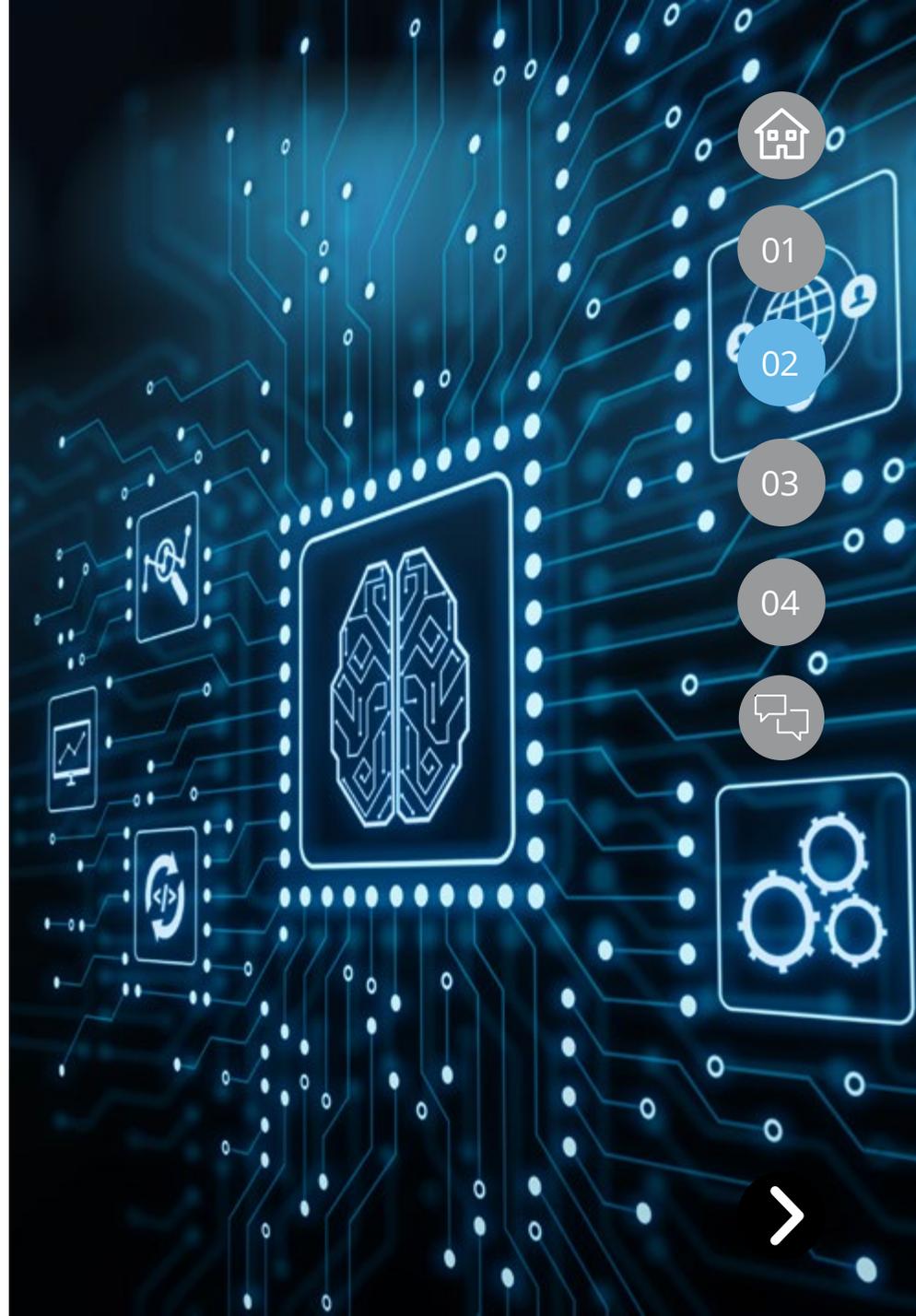
Deloitte's AP Optimization solution with machine learning changes the game for accounts payable by automating the entire coding functionality— and more. The solution picks up where optical character recognition (OCR) leaves off, consuming your OCR-generated content—such as digital text coming from scanned paper invoices—and acting on it.

As an OCR-agnostic offering, the solution uses natural language processing (NLP) to understand invoice text and determine invoice coding, mimicking the way a human AP processor thinks and problem-solves. The solution brings intelligent digital capabilities for determining context—such as whether an invoice aligns with a certain department or a certain type of expense.

The big idea

Deloitte's AP Optimization solution can help you accelerate processes and improve accuracy with machine learning—which can lead to cost savings, minimizing payee disputes, generating new insights, boosting compliance, and more.

Activating intelligent automation

Reimagining invoice processing

Seven steps to intelligently automate and accelerate activities

Receive vendor invoice via email or scanned physical copy	(Automated)
Convert invoice images to text via OCR	(Automated)
In SAP S/4HANA, populate header data and item text from invoice document	(Automated)
Deploy natural language processing (NLP) algorithm to understand invoice text and determine invoice coding (Leverage historical invoices to support NLP model)	(Cognitive) (Automated)
Determine and populate invoice coding details for human review	(Cognitive) (Automated)
Approve the coding proposed by machine learning and process the invoice document	(Manual)
Analyze and measure machine learning performance and precision	(Cognitive) (Manual)

(Cognitive) **Cognitive**   (Automated) **Automated**   (Manual) **Manual**

Potential bottom-line benefits

With Deloitte's AP Optimization solution, you can enable "lights out" finance capabilities that accelerate your accounts payable processes—potentially relieving human workers of tasks such as tracking invoice receipts, analyzing expense types, and manually coding data. Working with Deloitte to deploy the solution can help you radically transform accounts payable activities and deliver a host of potential benefits. Here are some possible results you could see:

Time and cost savings through reduction of manual effort and more efficient use of resources

New data-driven insights into AP—to help support strategic decision-making

Improved accuracy for information and payments

Greater information and process transparency

Increased compliance

Reduced number of disputes with payees

Reduced headcount requirements

More timely and more accurate payments

Deloitte's AP Optimization solution also includes real-time vendor spending analytics that can help your AP team focus more on acquiring insights, negotiating with vendors, and managing liabilities. In other words, the solution can help free your team to focus on more value-added activities rather than clerical tasks.

Let's talk

If getting new value from accounts payable is important for your organization, we should talk. Deloitte can help you reimagine your business, get a clear view of your challenges, and put in place next-generation finance capabilities.

We not only understand the broad business-focused issues involved in AP optimization; we know how to integrate all the processes and technologies to help you build an integrated digital ecosystem—one that can deliver the business planning, procurement, and finance capabilities your organization will need to thrive in tomorrow's environment.

As a value-added reseller of SAP solutions, the Deloitte team brings a global network of 18,500 business and technology professionals steeped in SAP technology—with an SAP relationship that dates to 1989. Through resources such as our interactive lab for SAP S/4HANA Finance, we can help you reimagine everything—an entire universe of possibilities for new value. We also bring a host of proprietary accelerators and industry-specific templates that can help you jump-start a digital transformation and start seeing value sooner.

Contact us to schedule a demo of our AP Optimization solution, learn more about the Deloitte Reimagine Platform, or discuss a specific challenge your organization is facing.

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