

Integrated Accounts Payable Automation

A strong accounts payable system is fundamental to maintaining a healthy supply chain. When AP processes are neglected, they endanger the supply chain, undermine supplier relationships, jeopardize supply quality and continuity, and put customers at risk. Given the risks, it's imperative that AP professionals approach AP automation with stringent requirements regarding integration with the ERP system. Native integration is much more reliable and cost effective than file-based integration, resulting in a much lower total cost of ownership.

System Integration

File-based integration is akin to making systems that fundamentally don't know anything about each other speak the same language. And just like learning a new language, it takes time, training and practice. Native integration means the systems speak the same language. AP automation solutions require reliable integration with the ERP system. Information contained in dozens of ERP master files must be mapped and maintained in the AP automation solution. The process of defining, building, and testing a file-based integration is complicated, time consuming, and expensive. The better option is native integration. It communicates using web services and understands both the structure of the ERP system and the required data elements. It is maintained by the AP automation vendor, eliminating the need for ongoing support from IT. Moreover, it shares the same underlying metadata and terminology, ensuring a consistent user experience.

Expense	
Native Integration	File-Based Integration
\$0	\$\$\$\$

Data Integration

File-based integration requires scheduled updates that synchronize the data needed to process invoices. It's not uncommon for an AP automation system to synchronize hundreds of individual data elements with the underlying ERP system. The process is inherently fragile and error prone. Schedules slip, and processes break because of system modifications and software upgrades. When new data is added to the ERP system, missing the synchronization window, the AP automation system is unable to recognize and process new invoice records. This corrupts or slows the review and approval process, frustrates end users, and leads to delays in closing the books.

Expense	
Native Integration	File-Based Integration
\$0	\$\$\$

Digital Transformation

File-based integration requires significant IT support. The design and testing phases require resources with expertise in the ERP and other financial systems. After deployment, multiple disciplines are needed for scheduling, moving and sending files. The requirement for support extends for the life of the system. With native integration, the support costs are minimal. The vendor is responsible for maintaining the integration with the ERP system. And data is synchronized in real time using web services, which eliminates clunky and unreliable file transfers. There really is no comparison in terms of total cost of ownership. Native integration is the clear winner.

Total Cost of Ownership	
Native Integration	File-Based Integration
\$0	\$\$\$