

The background of the top half of the image is a blurred photograph of a person's hands working at a desk, holding a pen and a smartphone. Overlaid on this is a semi-transparent blue layer. Several white hexagonal icons are scattered across this layer: a bar chart with an upward-trending line graph, a lightbulb, three interlocking gears, a group of three stylized human figures, and a notepad with a pencil. The main title is written in large, bold, white capital letters across the middle of this blue section.

AUTOMATION AND DIGITIZATION: THE CRITICAL DRIVERS OF REMOTE PRODUCTIVITY AND PERFORMANCE

PROCUREMENT AND AP
PROCESSES RIPE FOR
AUTOMATION



COVID-19 has completely disrupted life as we know it and given new meaning to the term “business as usual.” The impacts of the crisis continue to be felt worldwide, as many remote workforces struggle to efficiently carry out routine tasks from our newly refurbished home offices, or for some, our kitchen tables.

In recent years work-from-home models have slowly begun to increase in popularity, especially in start-ups, the tech world and among millennial workers. The pandemic has accelerated this behavior. McKinsey estimates that [62% of employed Americans worked at home in April](#), versus 25% just a couple of years ago. And it’s becoming clear that this trend is here to stay. A recent PwC survey found that [72% of workers](#) would prefer to continue to work remotely at least two days a week once COVID-19 is no longer a concern. Another 32% said they’d prefer to never go into the office again.

As remote work continues to play a big role in our “new normal,” companies of all sizes are recognizing the urgent need to digitize and automate manual-based processes, especially those that require on-site collaboration. And the opportunities to digitize go well beyond increasing the use of video conferencing and collaboration platforms. For most, it requires a revamp of their business strategy and tech infrastructure, as anything that was developed before March of this year, is now out of date.

The best place to start is identifying opportunities for how and where digitization can improve your business model, increase productivity, drive performance, and deliver immediate ROI.

Two areas that are ripe for digital transformation and automation are procurement and finance.

While many procurement and finance teams have gotten by over the past six months, the time is now to optimize systems for long-term success and results.

Digital technologies and approaches are designed not just to allow for remote engagement and operations. They can also change revenue and cost structures and enhance products and services. – Gartner

Procurement ROI goes beyond monetary returns. Effective procurement drives significant overall improvements, financially and operationally. Procurement ROI can take many forms: spend cost reduction, budget control, people costs savings, spend visibility and more.

DIGITAL PROCUREMENT: NOW AND IN THE FUTURE

Effective remote work requires that organizations are equipped with applications that follow employees where they work – whether that be at the office, on the road or at home. But many procurement and AP departments face several operational challenges due to the manual and paper-based nature of the function. In the wake of the pandemic, some companies no longer have anyone at the physical office to check mail for payments and bills, process paper invoices, or make check runs – which crystalizes the importance of modernizing procurement and AP processes.

While the paper-based aspect of these procurement and AP functions are tactical, the financial implications are not. Processes like business purchasing, accounts payable, expense management and vendor invoicing directly impact cash flow and the bottom-line. Any delays in these areas affects spend visibility, budgeting, and often, the balance sheet.

In addition to boosting remote performance and productivity, going digital provides both short and long-term benefits for procurement and finance:



ELIMINATE THE TIME AND COSTS ASSOCIATED WITH MANUAL MANAGEMENT AND PAPER-BASED

PROCESSES. How would you rather have your employees spend their time? On tactical work like writing checks, manually reviewing vendor invoices, and creating and approving purchase orders, or more strategic items like identifying new saving opportunities that directly impact the bottom line? Of course, the answer is the latter.



REDUCE THE OPERATIONAL COSTS OF DAY-TO-DAY PROCESSES. In addition to the time savings of digitizing things like purchase requisitions and approvals, supplier catalogs, vendor invoice management, AP and expense management, digitization also lowers costs for both the organization and your suppliers.

Paper invoices typically cost a company \$15 per invoice to process by hand. Electronic invoices are less than \$1.50. Paper checks can be \$8.00 per check, while fully loaded cost and digital payments can be \$1-\$1.25.



MAKE SMARTER, FASTER AND MORE HOLISTIC FINANCIAL DECISIONS. Companies that manage procurement and AP manually are flying blind when it comes to spend management and visibility. Digitization increases real-time visibility and tracking of spend, PO, invoice, goods receipt, budget and supplier data. When you have clear and timely visibility around where you are spending money, how much and with which suppliers, and how you are tracking against budget, you can make proactive, strategic financial decisions around where you can cut costs, negotiate better rates and terms, or invest for growth.



INCREASE EMPLOYEE ADOPTION AND ENTERPRISE CONTROLS. Employees are going to do what they need to be productive and efficient – even if that means skipping out on your procurement processes and technology. When you offer modern purchasing tech that is user friendly and easily accessible, employees are more likely to make purchases within the confines of your procurement and financial systems, which increases spend under management, savings and compliance while reducing rogue purchases and risk.

WHERE TO BEGIN

We've talked a lot about the benefits and ROI of modern procurement, but we haven't touched on where to focus first to generate the most impact. We recommend prioritizing three processes to automate and three to digitize.

PROCUREMENT AND AP PROCESSES RIPE FOR AUTOMATION

1. **APPROVAL WORKFLOWS:** Deploy automated workflows to implement pre-spend, purchasing and payment approvals across all operations to increase spend visibility and financial control. Automated procurement workflows also reduce cycle times, enabling your employees to get the goods and services they need to keep the business running faster.
2. **PURCHASE ORDERS AND INVOICING:** Automating the purchase and invoice management process increases time-to-value, efficiency and visibility for everyone: the enterprise, procurement, your employees and suppliers.
3. **SUPPLIER AND VENDOR ENGAGEMENT:** Automation enables quick and easy communication with your organization and your vendors, which allows you to build strong and productive relationships with your partners. Digital collaboration platforms provide vendors with automatic updates on payment status, order confirmation and more, eliminating the need to track and confirm orders and payments via email and phone – saving all parties time, money and frustration.

PROCUREMENT AND AP TECHNOLOGY RIPE FOR DIGITIZATION

1. **DIGITAL CATALOG:** When you migrate your purchasing catalog to the cloud, you begin the process of giving your employees a consumer-like buying experience. At the same time, you ensure your team only spends with approved suppliers that have been properly vetted, which reduces risk. Digital catalogs also provide up-to-date product availability, as suppliers can easily access and update inventory. This ensures you don't run the risk of placing an order manually, only to soon find out that the supplier can't fulfill the order.
2. **DIGITAL DOCUMENTATION:** Procurement involves a lot of contracts, invoices, transaction confirmations and other documentation that can be very difficult to manage. But with all documentation stored in one searchable, cloud-based centralized location, you can easily view order confirmations, credit memos, etc., in real time – even after you've been invoiced.
3. **PROCUREMENT AND AP PLATFORMS:** When all employees, customers and suppliers are leveraging one digital platform for all procurement and finance related activities, procurement leaders are armed with all data in a single place, enabling them to make faster, more informed, data-driven decisions.



Procurement teams have been inching their way towards digitization for years. But with COVID-19 and the quick transition to remote work, the need to digitize and automate has jumped to the top of the priority list for many procurement leaders. Remote work isn't going away, so companies need to consider how they can rethink their digital strategies to drive productivity and performance – both in the current environment and beyond. That means modernizing procurement and AP processes to reap the benefits of increased spend management, visibility, control, lower costs and more realized savings – just to name a few.

Are you ready to modernize and unlock the value of digitization? [Request a personalized demo](#) today!

ABOUT VROOZI

Vroozi® - the leading mid-market and enterprise Procurement and Accounts Payable automation platform - makes business purchasing easier, more efficient and effective. Vroozi's proven solution digitizes the procurement and vendor invoice management processes by bringing powerful grade functionality to all high-growth organizations. The digital platform reduces transaction costs, maximizes efficiency and improves business margins while uncovering powerful financial insights. Vroozi is designed for companies who want to manage spend against budget, empower their employees, connect digitally with their suppliers and maintain spend visibility from anywhere, at any time. For more information, visit vroozi.com and connect with us on [LinkedIn](#) and [Twitter](#).