

A Guide to Payment Automation in Accounts Payable

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The Association of
Accountants and
Financial Professionals
in Business



Featured Presenters



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Agenda



**Parting Ways
With Paper**



The Dash for Digital



**The Rise of Real-
Time Payments**



**How to Evaluate
Electronic Payment
Technologies**

Parting Ways With Paper

Paper Checks Are Becoming Outdated

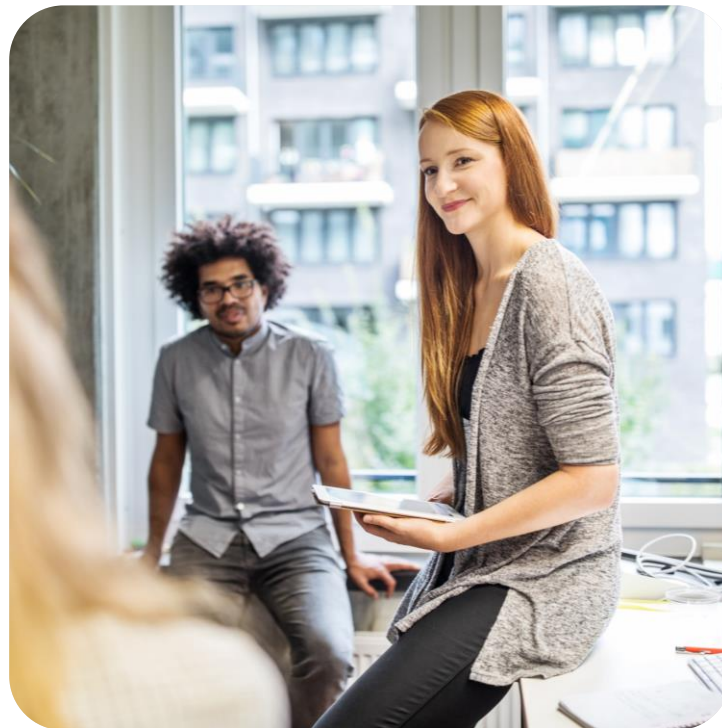
Only 5%

of organizations
use checks most
often to pay
suppliers.

Source: [AvidXchange's 2024 Trends Survey](#)

Check Fraud is Increasing

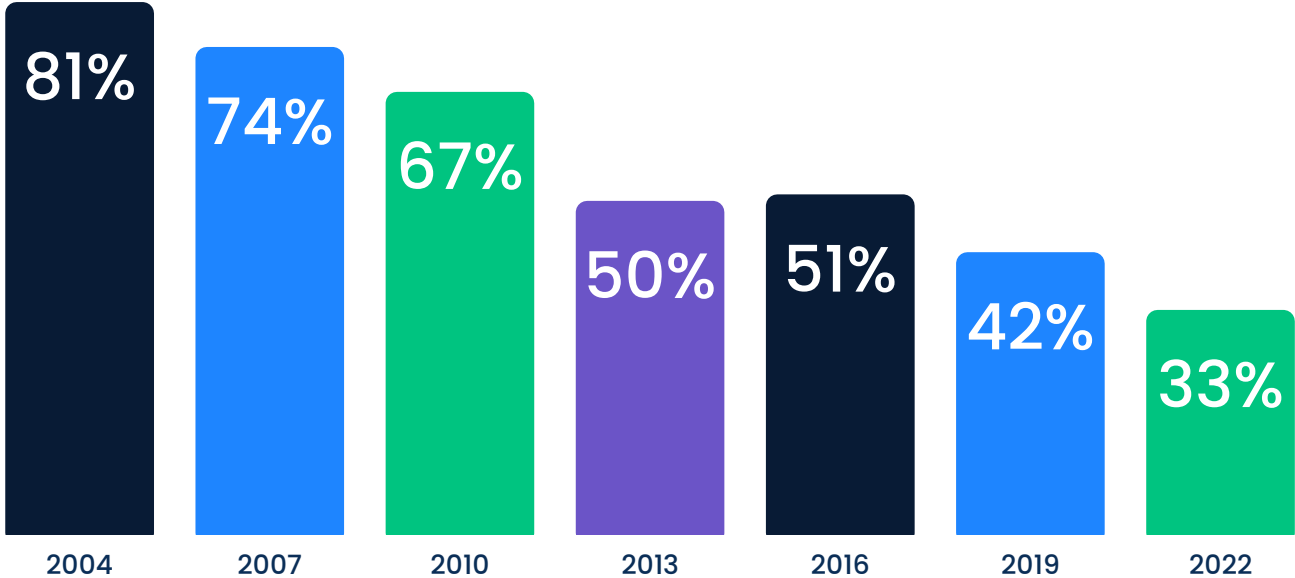
- › The U.S. Treasury Department has reported a 385% increase in check fraud since the pandemic.¹
- › Seventy-six percent of organizations experienced payment fraud in the past calendar year.²
- › Checks accounted for the largest share of related financial loss, ranging from \$50,000 to more than \$1 million.²



¹<https://home.treasury.gov/news/press-releases/jy2134>

²AvidXchange, IOFM's "The State of B2B Payment Security in 2024" Report

Percentage of B2B Payments Made by Check in the U.S. and Canada



Source: [2022 AFP Digital Payments Survey Report](#)

Poll Question 1:

Has your organization been victim of check fraud attacks or attempts?

- a. Yes
- b. No

Poll Question 1 Results: (Placeholder)

The Dash for Digital

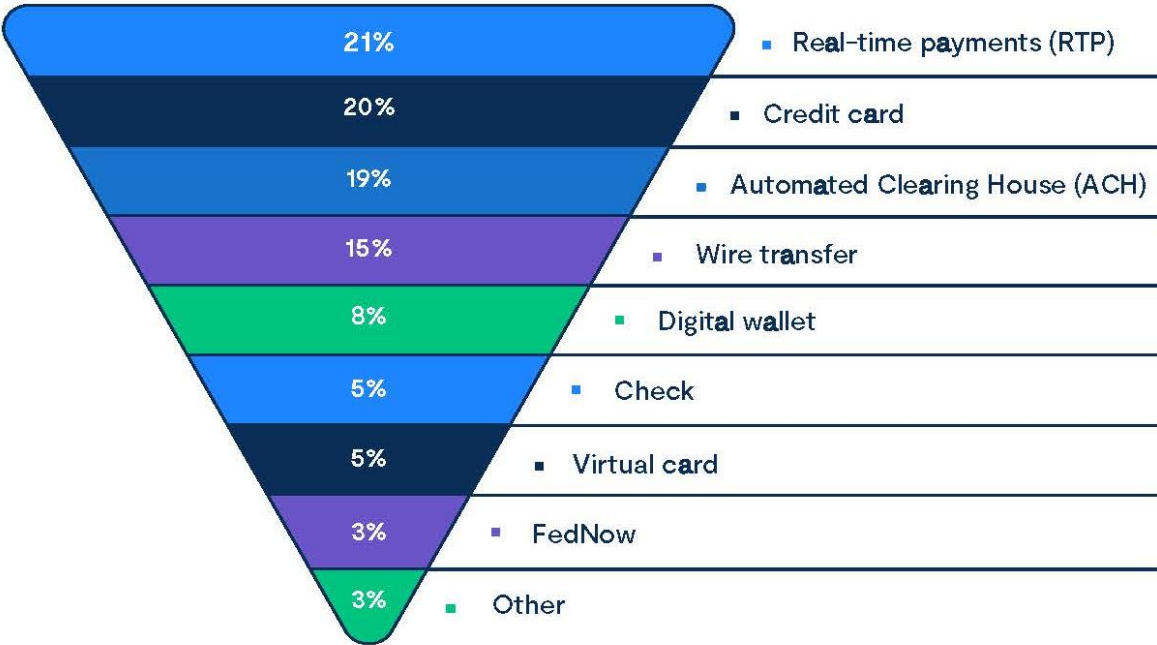
The Impact of Faster Payments

80%

of finance professionals in the U.S. and Canada believe faster payments will have a “positive” or “very positive” impact on organizations.

Source: [2022 AFP Digital Payments Survey Report](#)

Payment Method Used Most Often to Pay Suppliers/Vendors in 2023



Source: [AvidXchange's 2024 Trends Survey](#)

AI Revolutionizes Accounts Payable

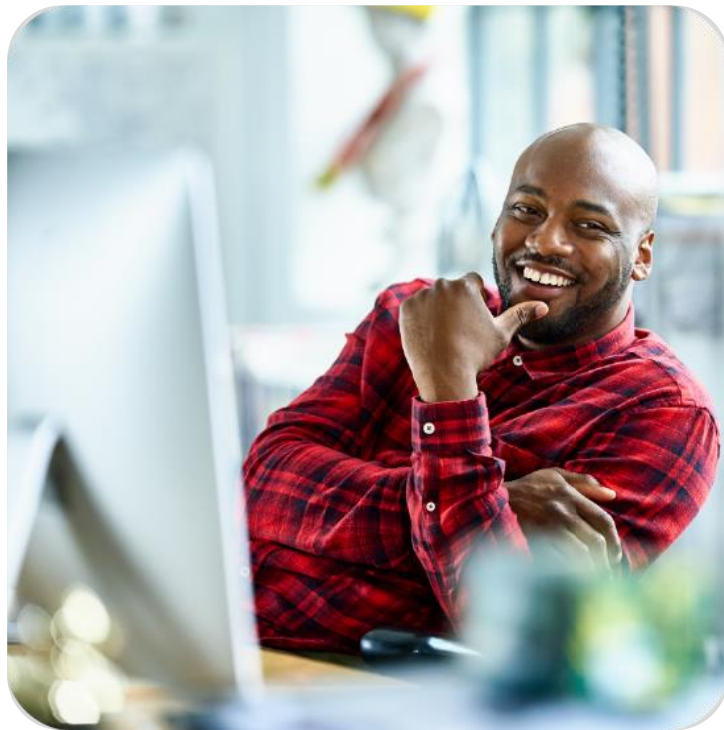
How AI can help improve AP processes

AI in AP

Invoice entry and verification: Computer vision can automate invoice entry and improve accuracy.

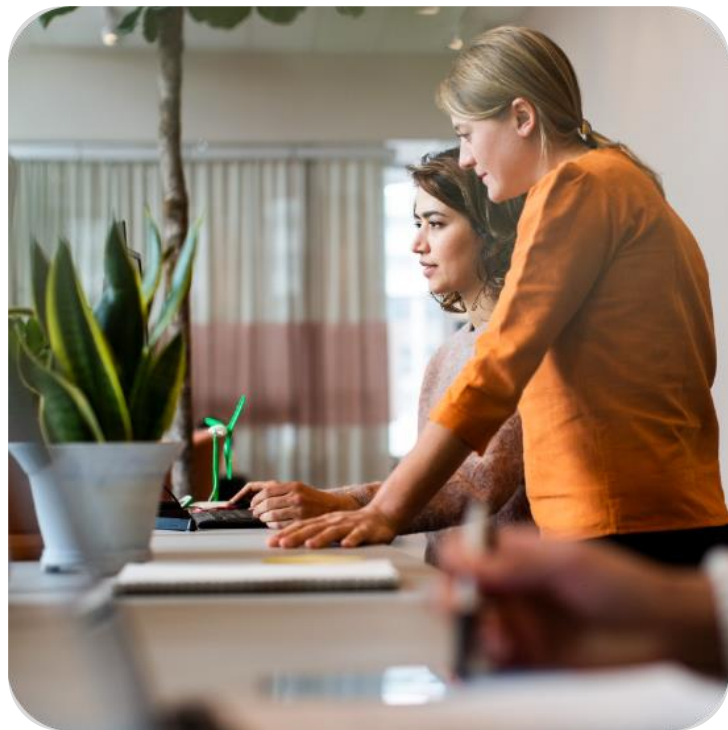
PO matching: AI can validate invoices against purchase orders and sales receipts without human intervention.

Workflow automation: AI-driven workflow automation tools can route invoices for approval based on both machine learning and predefined rules.



AI Revolutionizes Accounts Payable

How AI can help improve AP processes



AI in AP

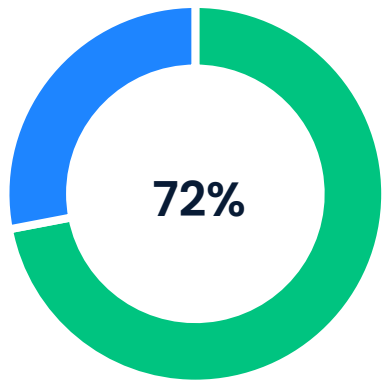
Anomaly detection: AI can help detect fraudulent invoices or irregular payment patterns by analyzing historical data.

Reporting and analytics: AI can generate insightful reports and dashboards, providing a clear view of AP performance to help make data-driven decisions.

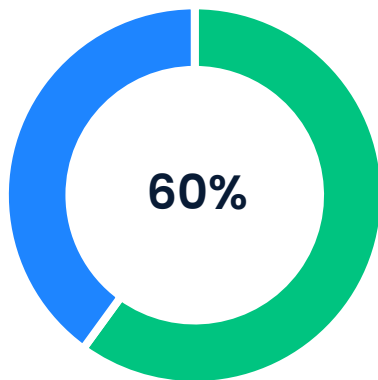
Buyer savings: An algorithm can analyze contract terms and offer suggestions and notifications for payment timing to capture supplier discounts.

The State of AI in Finance Departments

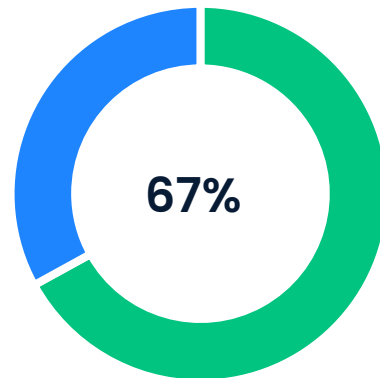
Finance pros embrace AI



of organizations are currently using AI technology in their finance department



of senior finance professionals say they're "very comfortable" working with AI



of finance professionals say their department is using AI for customer service

Source: AvidXchange 2024 Trends Survey, September 2023

Poll Question 2:

What payment method does your organization use to pay suppliers/vendors most often?

- a. Real-time payments (RTP)
- b. Credit cards
- c. Wire transfer
- d. Automated clearing house (ACH)
- e. Digital wallet
- f. Check
- g. Virtual card
- h. FedNow
- i. Other

Poll Question 2 Results: (Placeholder)

The Rise of Real-Time Payments

Popular Electronic Payment Methods

Credit card: Allows the payer to borrow funds that are paid back, plus applicable interest, over time.

Debit card: Money is deducted from the payer's checking account.

Virtual credit card: Functions like a physical credit card but generates different card numbers and expiration dates, limiting fraud risk.

Online banking: Enables online transactions via the payer's banking platform.

Electronic funds transfer (EFT): Funds are electronically transferred directly from the payer's bank account to the payee's.



Popular Electronic Payment Methods



Automated Clearing House (ACH): This network electronically moves money between bank accounts in batches.

Wire transfer: Electronically transfers funds between financial institutions.

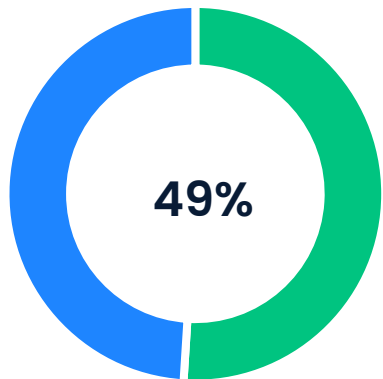
Real-time payments: RTP from The Clearing House and FedNow from the Federal Reserve are examples of platforms that allow instant transactions between businesses.

Mobile wallet: Includes mobile apps like Apple Pay or Venmo that store payment information to enable contactless transactions.

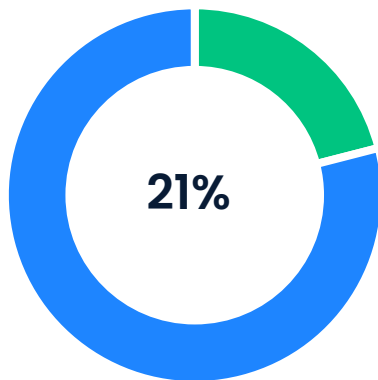
Contactless payment: Enables transactions by tapping or waving a card or smartphone near a payment terminal.

Real-Time Payments Power Instant Transactions

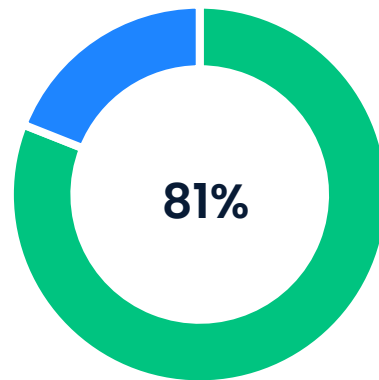
Finance pros embrace real-time payments



of organizations used real-time payments to pay suppliers in 2023



of organizations use real-time payments most often to pay suppliers



of survey respondents have noticed an increased demand for real-time payments from suppliers

Source: [AvidXchange's 2024 Trends Survey](#)

Institutions Participating in the FedNow Service Network

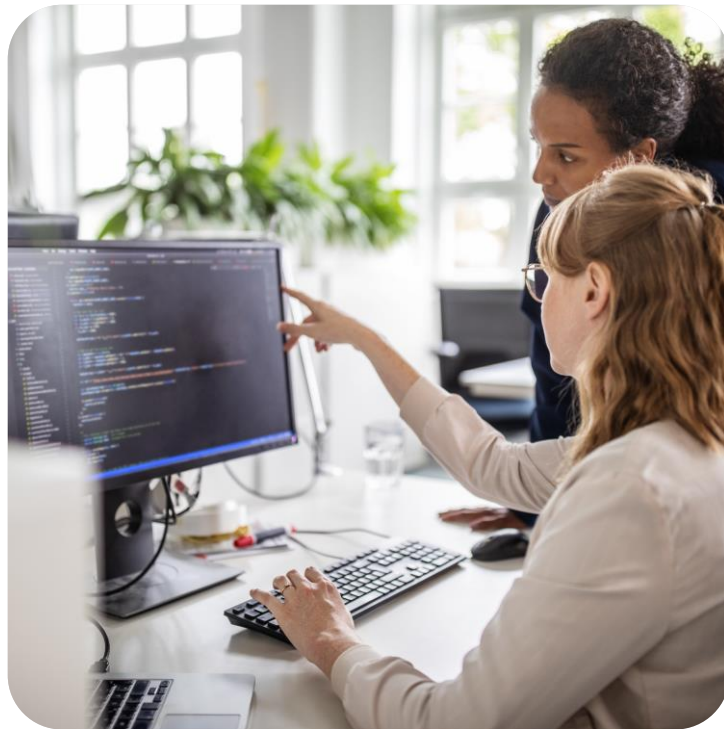
Of the 9,000+ eligible federally insured financial institutions in the United States



Source: [The Federal Reserve \(January 2024\)](#)
Source: [The Federal Reserve \(May 15, 2024\)](#)
Source: [The Federal Deposit Insurance Corporation \(May 2024\)](#)
Source: [The National Credit Union Administration \(2023 Q4\)](#)

AI's Impact on Electronic Payments

- › AI is enhancing electronic payment methods by enabling features like improved fraud detection and predictive analytics.
- › Leveraging AI within electronic payment methods can streamline the payment process and supports a highly efficient electronic ecosystem for financial transactions.
- › While our [B2B Payment Security Survey](#) with IOFM found that only 5% of AP departments currently use AI-driven anomaly detection to help mitigate the risk of payment fraud, adoption is likely to grow.



Poll Question 3:

Has your finance team seen an increase in requests from suppliers or vendors for real-time payments (RTP)?

- a. Yes
- b. No

Poll Question 3 Results: (Placeholder)

How to Evaluate Electronic Payment Technologies



Considerations for Evaluating Electronic Payment Technologies

Supplier setup

Choose a technology provider with a positive track record for supplier service and support.

E-conversion rate

Ensure the payment company you select is skilled in helping suppliers understand the advantages of e-payments to encourage their adoption.

Automation

Automating payments streamlines financial operations, offering businesses improved efficiency and accuracy.

Experience

Choose an electronic payment provider with expertise in the B2B space.

Benefits of Electronic Payments



**Return on
Investment**



Efficiency



Control



Security

Poll Question 4:

What is the biggest driver for digital payments within your organization?

- a. Security concerns surrounding paper checks
- b. Increasing requests for digital payments from suppliers
- c. Improved payment processing speed
- d. Cost-savings
- e. None – my organization is not interested in adopting digital payment technology

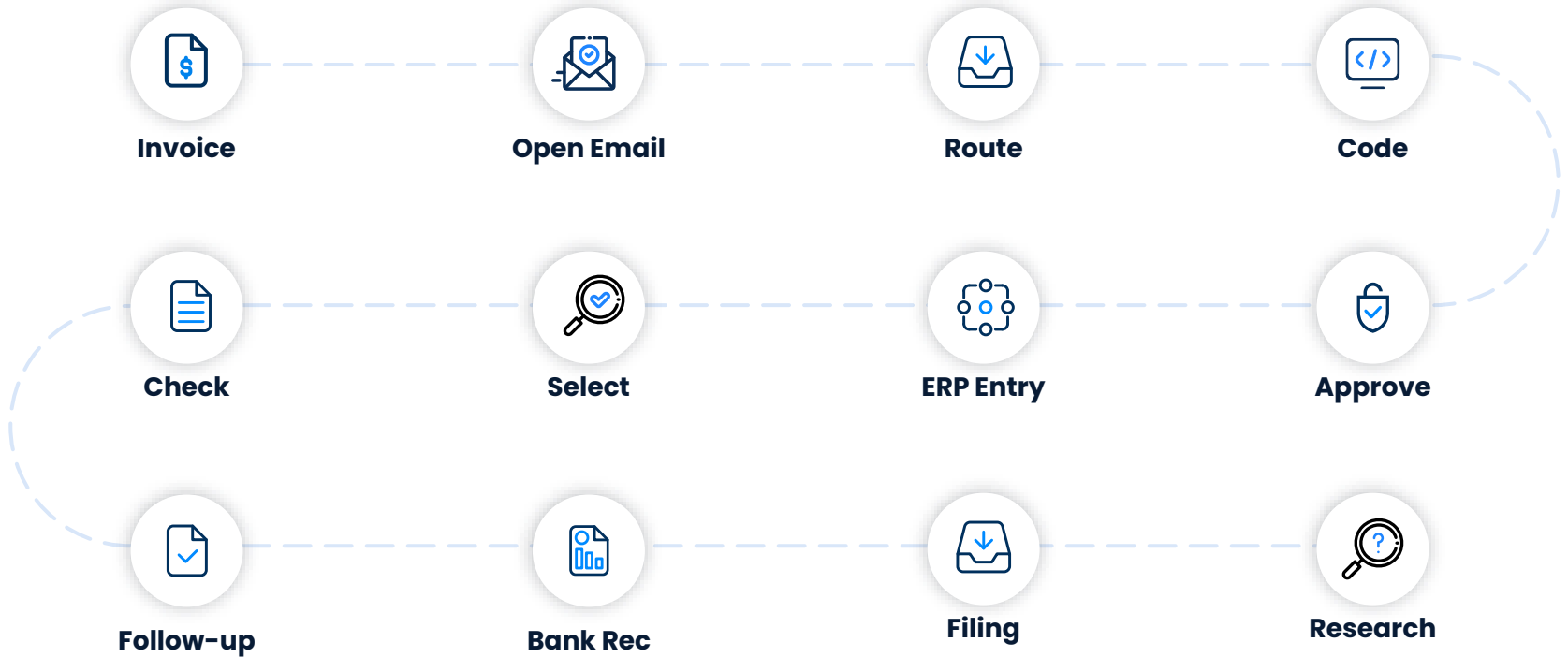
Poll Question 4 Results: (Placeholder)

AP Automation

with AvidXchange

Before

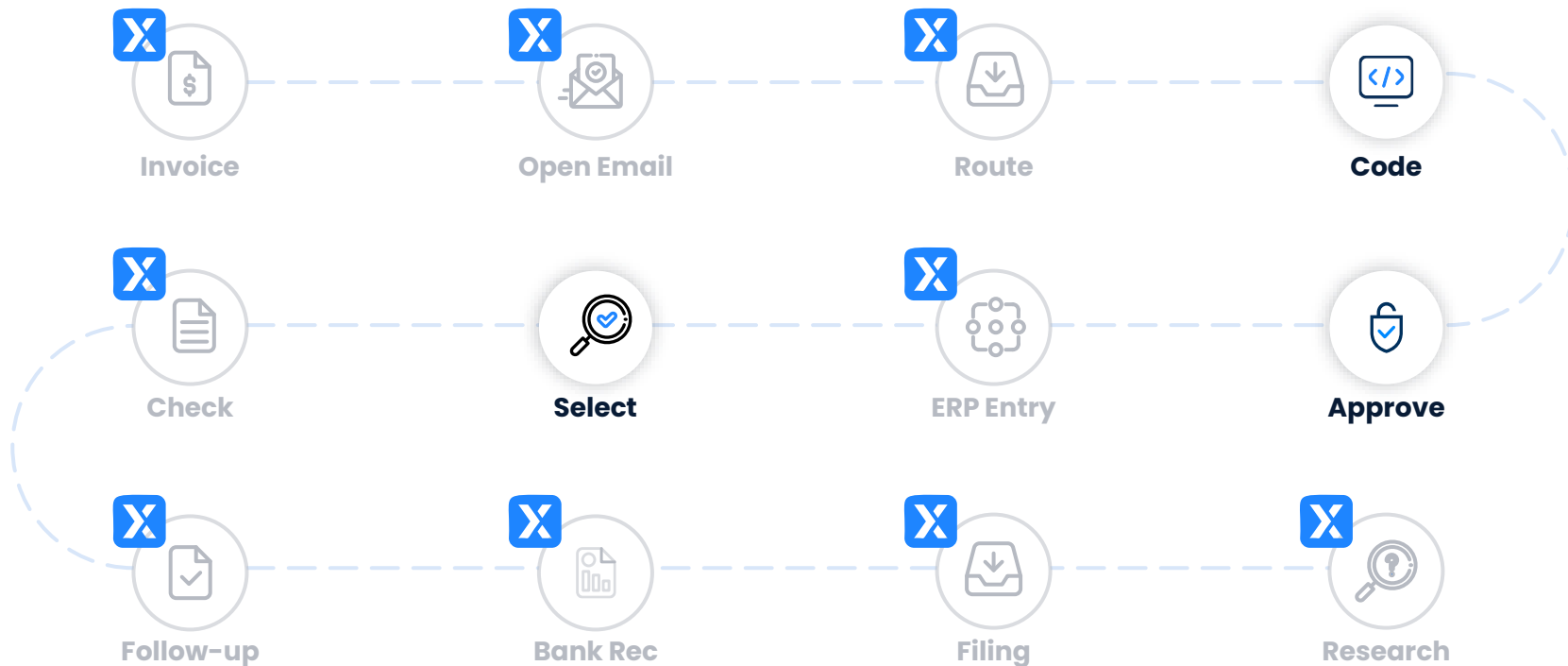
Automation With AvidXchange



After

Automation With AvidXchange

 = Automated with AvidXchange



AvidInvoice Differentiators

INVOICE

TO

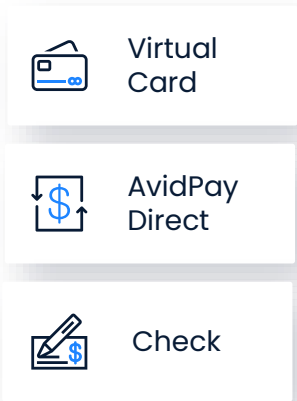
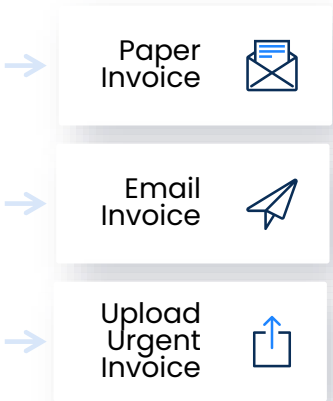
PAY

Full-service Invoice Submittal
and Processing

Flexible Accounting
System Integration

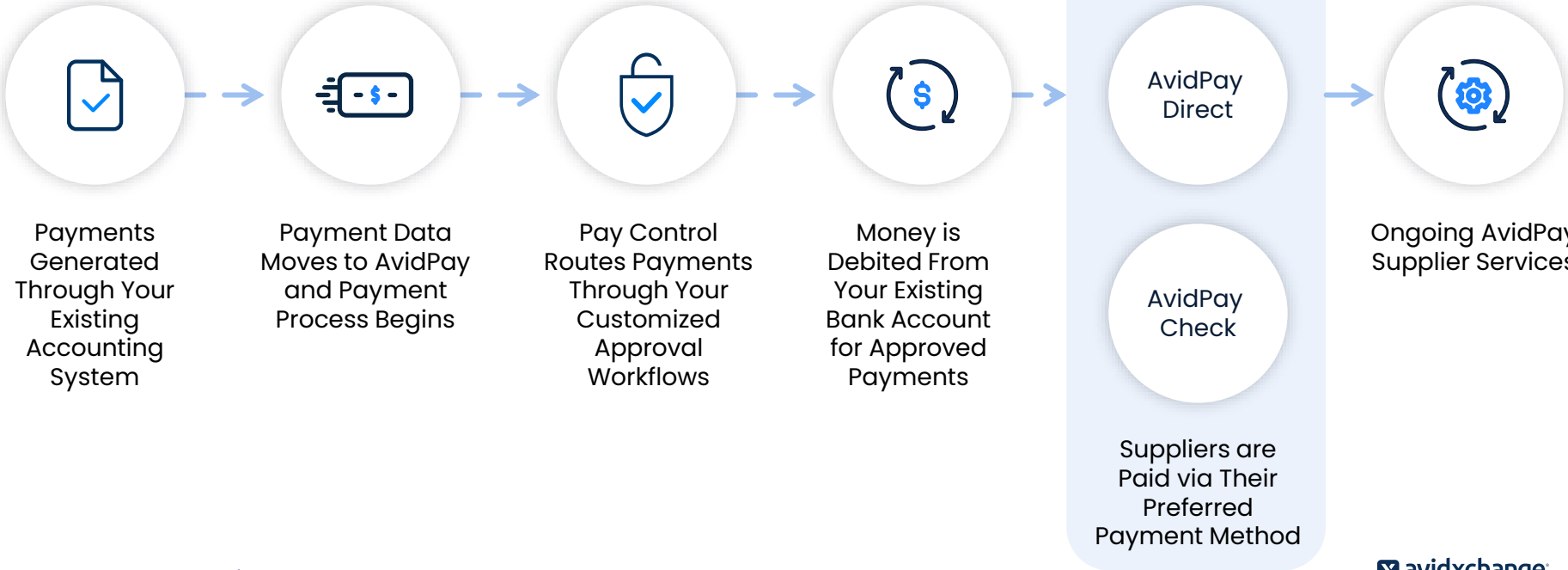
Direct Integration
to AvidPay

SUPPLIER



SUPPLIER

AvidPay Overview





Increase Your Efficiency When You Automate with AvidXchange

Reduce Cost

Reduce both direct and indirect costs of end-to-end accounts payables.

Improve Visibility

Gain back your visibility into all invoices and payments and help reduce fraud

Maintain Control

Create sophisticated workflows to ensure high-quality and consistent processes.

Increase Efficiency

Eliminate paper, manual tasks, errors to move your business forward faster.

Scale Seamlessly

Grow your business without having to scale your costs.

Reduce Risk

Reduce financial and reputational risk with e-payment options.

Poll Question 5:

What is the biggest driver for digital payments within your organization?

- a. Security concerns surrounding paper checks
- b. Increasing requests for digital payments from suppliers
- c. Improved payment processing speed
- d. Cost-savings
- e. None – my organization is not interested in adopting digital payment technology

Poll Question 5 Results: (Placeholder)

Questions and Answers



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Thank you!

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<https://www.avidxchange.com/>



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