



ZYCUS
COGNITIVE AP AUTOMATION

HOW DOES AI-LED AP AUTOMATION HELP IN STRAIGHT THROUGH PROCESSING (STP)



One of an enterprise's biggest challenges is consolidating and processing its payments to different vendors and suppliers. Organizations that deal with various vendors and suppliers must ensure that their payments are processed on time and accurately. Large amounts of paperwork must be reviewed, data entry carried out, and multiple inefficiencies can occur while processing payments. Payments can also become a significant obstacle. In today's fast-paced business environment, organizations must leverage technology to improve operational efficiency and optimize cash flows. Straight Through Processing (STP) can address all such challenges.



What is straight-through processing (STP)?

STP is the automation of the entire invoice processing and payment process, from the receipt of the invoice to the payment. STP eliminates manual interventions and the need for human approval, resulting in faster processing times and reduced errors. With minimal human intervention, STP ensures that invoices are processed accurately and efficiently. STP is critical for organizations that process a high volume of invoices and must reduce processing costs and improve their cash flow.



How does AI-led AP automation help in STP

AI-powered Accounts Payable automation software leverages ML and NLP algorithms to automate invoice processing and payment processing. AI enables organizations to capture and extract data from invoices, match invoices with purchase orders and contracts, and automatically route invoices for approval based on predefined rules. AI/ML models are auto-trained in case any changes are made, which results in better accuracy in the future. AI-powered AP automation reduces manual intervention and enables organizations to achieve STP.



How to improve Straight Through Processing using accounts payable automation

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Invoice capture and Data extraction

AI-powered AP automation can capture and extract data from invoices accurately and efficiently. AI algorithms can read and interpret data from different formats, including scanned and electronic invoices. AI can identify and extract relevant data fields such as invoice number, date, vendor name, and line item details. AI can also validate the accuracy of the data extracted from the invoices, reducing the risk of errors and delays.

According to a study by The Hackett Group, companies that automate their AP processes can process invoices with a straight-through processing rate of up to 95%. This high rate of STP enables companies to process invoices faster and with fewer errors, improving their cash flow and vendor relations.

Two-way, Three-way Invoice matching

Now invoices sent in any format are scanned and digitized with AI-enabled OCR technology. Powerful AI tools enable automatic routing and reconciliation of invoices. The AI performs two-way or three-way matches of invoices and optimizes the workflow. AI-powered AP automation can match invoices with purchase orders and contracts automatically. AI algorithms can compare invoice data with purchase order data to ensure that the invoice is accurate and valid. AI can also identify discrepancies and flag them for review, reducing the need for manual intervention. In addition, the software seamlessly integrates with all significant enterprise resource planning (ERP) systems. For example, the customer raised a purchase order with the number PO1234 towards a supplier. Once the order is fulfilled, the supplier will share the invoice with the customer with the same purchase order number, PO1234. The system, at this stage, will reconcile these documents. It will match the supplier's purchase order and invoice of the manufacturer to ensure that documents of the same transaction are being processed.

AI and ML also give self-learning capabilities to the AP automation software. So as the software learns more tasks, it gets better at accomplishing them over time. Data indicates that with manual invoice processes, companies face a 2% error rate each year which translates to an expensive impact on their AP teams – in fact, 200 hours of labor for 10k invoices! AI will make straight-through processing (STP) a reality. These costly errors can be significantly reduced to 0.8% by utilizing AP automation solutions. These tools also can automatically detect and flag duplicate invoices before they cause any additional cost burden.

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Approval Workflows

Automating the invoice/AP approval process along with PO matching significantly eliminates the need for human intervention. AI-powered AP automation can route invoices for approval based on predefined rules. Once the invoices are matched effectively, AI can automatically route invoices to the appropriate approver based on factors such as the amount of the invoice, the vendor, and the department that requested the purchase. AI can also prioritize invoices based on their due date, ensuring that invoices are approved and processed on time. Automated follow-ups are triggered to remind them of upcoming deadlines

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Payment Processing

AI-powered AP automation can automate payment processing, reducing the need for manual intervention. AI can initiate payments based on predefined rules, such as the due date of the invoice, the payment terms, and the available cash flow. AI can also integrate with payment gateways and banking systems, enabling organizations to process payments faster and more efficiently.



Why choose Zycus AI-lead AP Automation for driving STP?

The Zycus AP Automation Solution targets holistic AP transformation and leverages the AI/machine learning capabilities of the Zycus Merlin AI platform. A template-free approach that delivers improved straight-through processing rates with high accuracy and relatively low total costs of ownership (TCO), Zycus Invoice Extraction uses Merlin AI to automatically extract and structure invoice data. It reduces costly manual effort, increases AP team productivity, and accelerates average invoice processing speed by over 50%. In manual or partially-automated invoice processing systems (using OCR tools), AP team members typically spend loads of time looking up and adding cost-booking information to individual PO/invoice line items, especially for non-PO invoices. Zycus Cost Allocation Prediction takes over this process, automatically predicting, with confidence scores, the correct cost-booking information at a line-item level.

Sr. no	Item/Service Name	Category	Ordered Qty/Amt	Received Qty/Amt	Market price	Invoice Qty/Amount	Total price
01	Dell Laptop	IT Hardware	01	01	USD 100.00	10 EA	100.78
02							405.78
03							5813.78

Option 1 Likely Score 99.99	Option 2 Likely Score 89.99	Option 2 Likely Score 70.99
Recency		
Similarity		
Pricing		
Location		
Category		
Industry		

Department	Purchase grp	Purchase Org	Cost Center	GL Account	Project
Dell Laptop	IT Hardware	USD 100.00	USD 5000.00	Dell Laptop	IT Hardware
Dell Laptop	IT Hardware	USD 100.00	USD 5000.00	Dell Laptop	IT Hardware
Dell Laptop	IT Hardware	USD 100.00	USD 5000.00	Dell Laptop	IT Hardware

Apply to All lines
Apply Discontinuously at invoice level

Auto training cuts the time and effort needed for invoice coding, improves AP team efficiency, and accelerates invoice review and processing.

The Zycus AP Automation Solution also supports multiple languages and delivers significantly high field-level accuracy for headers and line items, reducing the number of instances requiring human intervention.

Zycus is the pioneer in Cognitive Procurement software and has been a trusted partner of choice for large global enterprises for two decades. Zycus has been consistently recognized by Gartner, Forrester, and other analysts for its Source to Pay integrated suite.

Zycus powers its S2P software with the revolutionary Merlin AI Suite. Merlin AI takes over the tactical tasks and empowers procurement and AP officers to focus on strategic projects; offers data-driven actionable insights for quicker and smarter decisions, and its conversational AI offers a B2C type user-experience to the end-users.

Zycus helps enterprises drive real savings, reduce risks, and boost compliance, and its seamless, intuitive, and easy-to-use user interface ensures high adoption and value across the organization.

Start your #CognitiveProcurement journey with us, as you are #MeantforMore.

