# 9 Things Trucking Company Finance Leaders Should Know About Automating Their Accounts Payable

Playbook

# Content

# Introduction

In 2022, one accounts payable professional at **WKI Kenworth** was handling 5,000 invoices a month. But each month, the company, which specializes in parts, truck sales, truck rentals and leasing, found they had 400-500 invoices missing or unpaid.

This was despite using an AP automation system for several years. While about 90% of invoices were paid without incident, **the remaining 8-10% were a big problem, costing WKI Kenworth money in late fees and time spent, while lowering morale.** It wasn't just the AP person searching for invoices, trying to solve the mystery of what happened to them. That task of locating them also fell to staff members in parts, truck sales, trunk rentals and leasing, lowering everyone's productivity.

With five fixed locations and 10 mobile branches, WKI's invoice process was complex, varying based on the vendor type and department placing the orders. The company realized it needed to find the right AP tool for its needs, and not all tools were the same.

This was the WKI's situation when they switched later that year to another AP automation system, and they are now 100% paperless. They have clear visibility into every invoice status. The organization no longer deals with 500 wayward invoices each month.

Now it's down to about 20. "Instead of chasing invoices, we're efficiently processing them," accounting manager Peggy Holden says. And complaints from their 250 employees about invoice problems have also dropped to zero.

**What is P2P automation?**
The P2P process involves multiple steps: requesting, purchasing, receiving, paying for, and accounting for goods and services. With P2P automation, every step can be automated in one platform, simplifying the process and making it easier for your company and your vendors.

# 9 Problems Faced Without AP Automation

01

# 01. 9 Problems Faced Without AP Automation

*The purchase to payment (P2P) process — which includes requesting, purchasing, receiving, paying for, and accounting for goods and services — can be fraught with problems. Chief financial officers, and those in other top finance roles face these nine issues in the P2P process when they don't have a solid AP automation system.*

## 1 Lack of invoice visibility

Not knowing where each invoice is in the process makes it difficult to see its status, including whose plate each task is on. It can also result in higher costs, such as late payment fees, with the trucking company losing access to discounts by not paying quickly enough.

## 2 Manual processes

Entering the invoices manually without error, and then matching them to the POs, is time-consuming. Other departments sometimes share in this workload. Having an efficient and transparent software system helps everyone.

After implementing AP automation, WKI Kentworth's Accounting Manager Peggy Holden said: **"Instead of chasing invoices, we're efficiently processing them."**

## 3 Time-consuming routines

Just like with WKI, a significant percentage of invoices can be problematic, with errors, missing information, late approvals, the need to track down approvers, and other issues. This eats up an inordinate amount of time for AP personnel and those in other departments. Even when invoices are matched and input, the process can be inefficient and time-consuming.

## 4 Labor issues

In the current labor market, with fewer young professionals entering the accounting field, it is difficult to hire staff members. That includes finding those with the right skills, attention to detail, experience level, salary requirements, and living in the right location. Keeping current AP staff isn't easy either. "Old technology makes it difficult to retain employees," says Luis Salcido, an account executive at AP automation software company Yooz.

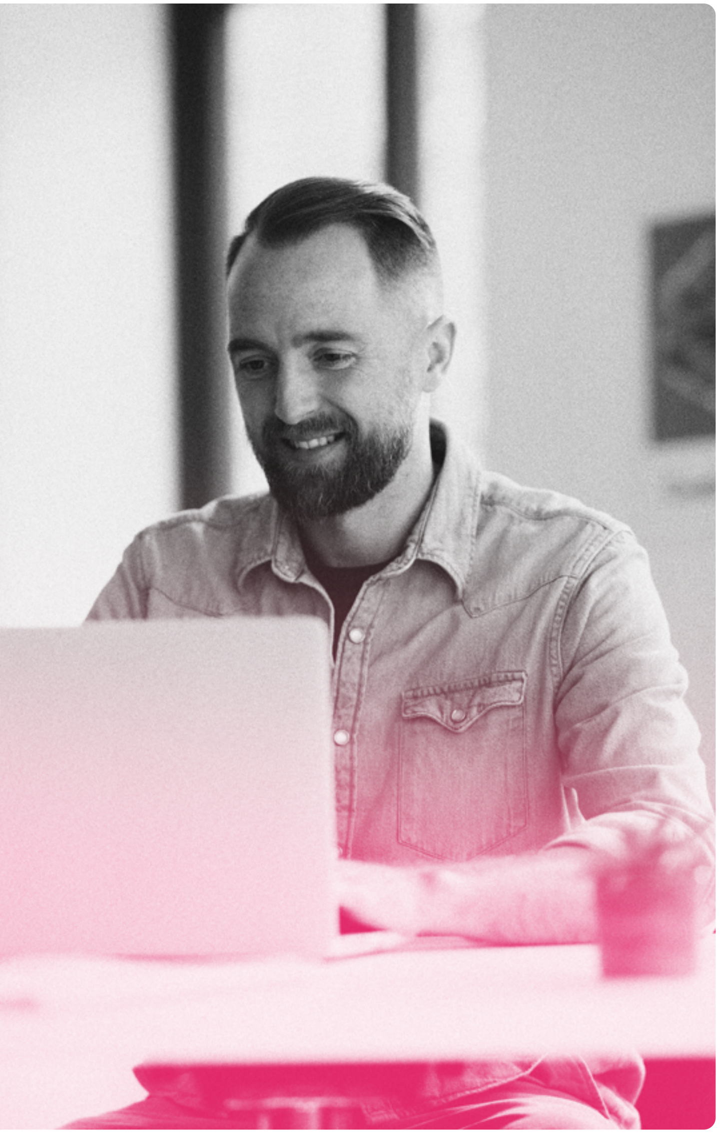
## 5 Paper storage and retrieval

With paper invoicing, trucking companies pay for cabinetry, office space or off-site facilities to store the physical documents. Some companies even pay to have invoices and documents delivered from one location to another. There may be even more added costs, mainly with labor and time involved, to locate old documents or make edits on the paper invoices versus doing so with digital invoices. Accessing these paper records is inefficient, especially for companies with multiple sites. Plus, employees wanting to work remotely can't do so if they regularly handle paper invoices.

**"Old technology makes it difficult to retain employees."**

Luis Salcido
Account executive, Yooz

# 01. 9 Problems Faced Without AP Automation



## 6 Process maintenance

Most trucking companies either don't have a standardized P2P process, or it is hard to follow and scale, especially when adding staff or offices. Without a standardized process for invoices, they are often misplaced or submitted in different ways, which creates inconsistencies.

## 7 Fraud risk

Without a P2P system, it is harder to manually track invoices, to know if there are duplicates or the invoices contain atypical amounts. This leaves the organization susceptible to fraud.

## 8 Vendor relationships

Vendor relationships are stronger when there is no friction about payments. Plus, when vendors are paid on time, they are more willing to offer discounts and other favorable terms. AP automation can help with this, as well as automating vendor statement reconciliation.

## 9 Conflicting business systems

When one trucking company acquires another, it is often difficult for them to combine tech, including the DMS. Add-on technology such as AP automation can easily integrate into a dealer management system (DMS), making adoption easier and convincing the team that technology is a benefit, not a chore. A digitized payment process provides real-time insight across the P2P process, improving visibility across systems and reducing the potential for duplicate data entry or the need for costly rework.

# Why Make a Change?

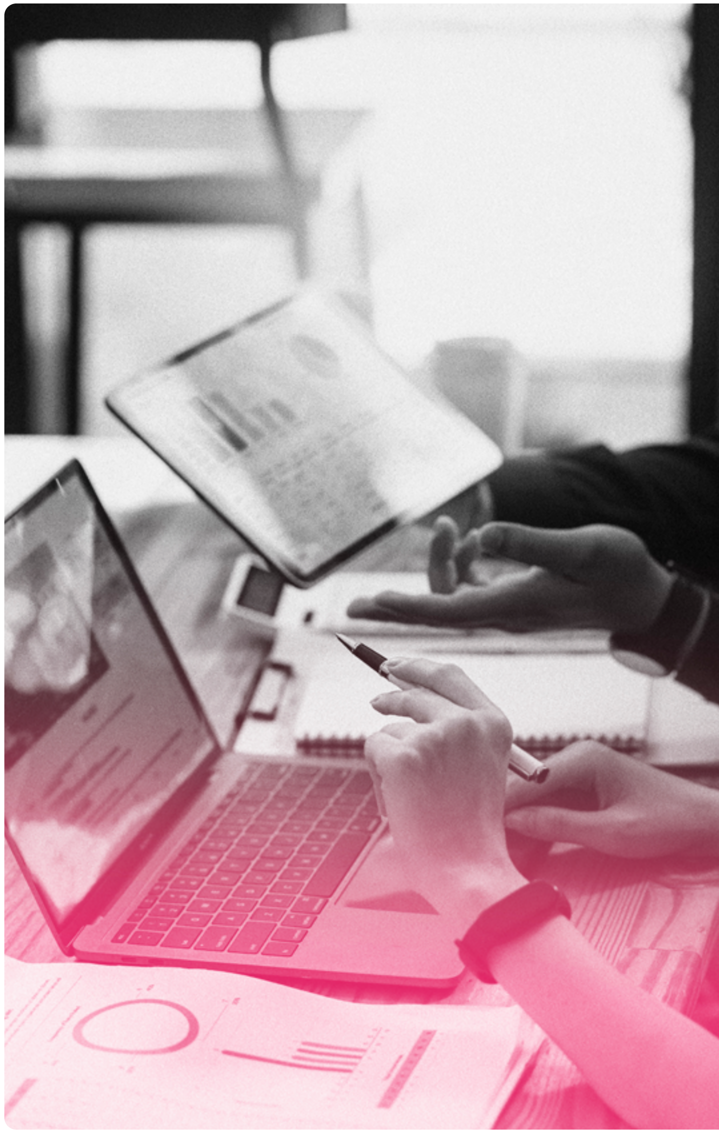
02

# 02. Why Make a Change?

People can be hesitant initially to make a change, whether adding automation or changing what they're currently using. That's because it's easy to keep doing things the same way. Inertia and fear of change are powerful forces, especially when considering a move from paper-based processes to technology. Even if the current process doesn't work particularly well, some are resigned to staying the course.

There are many reasons to move forward and make a change. Some decide to do so after a breaking point, or nagging thoughts that there may be a better way. Perhaps peers at another trucking company share their efficient P2P process, excited that AP staff is now freed up to focus other projects. Or a new staff member joins the company and proposes a change. When AP professionals or others on staff can see the promise of a faster, more transparent, effective system, they get energized to dive in to make it happen.

Here's how one trucking company decided to switch to AP automation: An AP employee was working 7 days a week, processing 4,000 invoices a month. The trucking company's leadership saw that she was burning out and knew they did not have a replacement. Without a change, they were in trouble. The company adopted an automated P2P system. That same AP staffer now has a normal work-life balance, with traditional hours 5 days a week. Not only are all 4,000 invoices processed on time, but she has capacity to take on other projects.



# What to Look For in a P2P Automation System

03

# 03. What to Look For in a P2P Automation System

*P2P automation systems offer a lot more benefits than many trucking companies realize. When a CFO researches an automation system, they should consider these potential attributes:*

- **Effects trickle down beyond AP team**

  A P2P automation system affects more than the AP team. When an invoice goes missing, AP may reach out to the affected departments for help tracking it down. A P2P automation system can help with that, while also improving vendor relationships, with faster payment, a streamlined AP cycle, and fewer vendor inquiries about late payments.

- **Visibility into insights and cash flow**

  Understanding where invoices are in the process is easy with P2P automation. It provides visibility into that status, reducing delays and ensuring payments are made on time. It also provides real-time and accurate data for forecasting and decision making. With P2P automation, you can schedule your payments to ensure they are made on time, so you can maximize the working capital.

- **Regulatory compliance and fraud prevention**

  Access to centralized data means there is one source of truth for tax calculations. Also the platform should be audit-ready, providing an audit view on demand. P2P automation is also helpful with fraud prevention, identifying duplicate invoices, and making it easier to identify invoicing errors.

# 03. What to Look For in a P2P Automation System

- ## Improved productivity

  Smart automation allows AP staff members to handle high numbers of invoices in less time, eliminating the manual processes and data entry to get faster approvals. It also simplifies workflows, with automated invoice routing and parallel approval ability.

- ## Do more without adding staff

  While P2P automation costs money, company AP staff can process more, even if the company is growing, without adding headcount.

- ## Integration with dealer management systems

  Though not every AP automation platform has the same ease of use and effectiveness, it should seamlessly integrate with your DMS to share and transfer data.

- ## Smart data extraction

  Look carefully when choosing a P2P automation solution, as some go further than just using OCR image to text technology to extract data. Proprietary and smart systems can correctly identify and process up to 80% of invoicing information automatically with no prior configuration.

# 03. What to Look For in a P2P Automation System

- ## Workflow customization

The most powerful AP automation solutions allow for unlimited customization with as many steps or routes as needed to accomplish complex workflows. The tool you choose should understand your company's process and needs and accommodate them, not force you to fit into their preset templates.

- ## A cloud-based system

An automation system should provide greater staffing flexibility by using centralized, cloud-based data storage that allows 24/7 remote system access from anywhere. Staff members and management can gain visibility and insights at any time, from any place.

# Implementation Should be Easy

04

# 04. Implementation Should be Easy

Implementing a P2P automation system does not have to be difficult. Find out about the implementation process when you're looking into AP automation options. For example, does the vendor provide each customer with their own integration partner who stays with them throughout the integration process?

Know that each company is different in its customization needs and chosen implementation pace. New Jersey Truck Center, for example, trained one AP person at a time. CSM implemented it store by store, to solidify employee buy-in and support change management. Ben Sager, corporate controller at CSM Truck, notes that Yooz was by their side the whole time. "The support we received post contract-signing was just phenomenal," he says.

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Ben Sager
Corporate controller, CSM Truck

# What Are You Waiting For?

05

# 05. What Are Your Waiting For?

It’s hard to choose the best reason to adopt an automated AP process. It could be for the potential cost savings and automated payments. Maybe it’s to free up staff time to focus on other work. For some, it’s compliance and reducing fraud risks — minimizing invoice duplicates and clear visibility into the invoicing process. For many CFOs, it’s the real-time financial insights and automated workflows, improving the company’s operations and finances without additional work.

Not all automated AP systems are the same — WKI Kenworth found that out the hard way. An AP-focused system which is developed and supported as a best-in-breed tool, can help trucking companies with an easy-to-use, smart, fast, and secure solution. Find one that meets your needs and integrates with your dealer management system, including the heavyweights like and CDK Global and Karmak.

To learn more about how P2P automation can help you, visit us at **getyooz.com.**

Yooz is the most intelligent financial operations automation solution that fights waste, risk, fraud, and errors – all while driving growth and profitability. We deliver Lean Financial Operations™ for the most ambitious companies on the planet, to even the most complex financial environments, so you can achieve the clarity you deserve to grow.

Our solutions powers financial operations automation with an unmatched combination of the most flexible workflow engine, the smartest real-time applied AI and data insight, the most intuitive user experience, and the most comprehensive end-to-end transparency – all protected by the most secure, AI-driven document fraud protection. The result is financial operations that are faster, simpler, deeper and safer. We're customer obsessed. We have 7,000+ customers globally and have processed 300m+ invoices.

Yooz North America is HQ'd in the Dallas, TX metropolitan area with global offices in Europe.

To learn more about how Yooz can help you safeguard your AP process, **visit www.getyooz.com**

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