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Streamline, Optimize, Automate: Accounts Payable Buyer's Guide for Automotive Companies

Emerging from the economic turbulence and unprecedented challenges brought about by the COVID-19 pandemic, businesses in the automotive industry are at a turning point. According to *Alix Partners' 2023 Global Automotive Outlook*, sales of internal-combustion-engine vehicles will plateau and decline 4% per year from 2024-27. This reduction in demand will create near-term pressure on margins and cash flow to fund alternative inventory investments.

The economy is regaining its footing, finance leaders are scouring the books for opportunities to cut costs and lean into new opportunities, and digital transformation has reached a maturity tipping point: it's time to bring a focus to operational efficiency and smart automation to prepare for the next level of success.

Operational efficiency is an important area of focus because it allows finance leaders to limit the impact of inflation on the bottom line. According to the 2023 ***State of Automation in Finance*** report by e-invoicing and automated payments provider Yooz and sponsored by the Institute of Finance & Management, this is a critical priority. To manage operations in tighter monetary conditions, 40% of organizations have reduced expenses, 26% have reduced their overheads by downsizing office space or reducing energy costs, and 23% are increasing the use of technology/automation in their businesses.

The focus leans very strongly on cutting operational costs and improving automation — only 22% of firms plan to increase the price of goods and services, and only 9% are looking to reduce workforce or freeze salary bands, respectively.

Despite wanting to cut costs, 75% of CFOs **plan to increase tech spending** surrounding automation.

- CFO.com

Top reasons to increase the level of automation in the Finance Department:

Faster/more accurate cash flow reporting

Cybersecurity

General efficiencies improvements, providing better financial information to other departments and to create an environment people want to work in

The State of Automation in Finance, Yooz

If you're looking to secure the success of your automotive business, the best place to focus is the accounts payable (AP) process, the heart of your financial operations. The tech stack you use to manage vendors, payments, and invoice approvals is a key source of operational health. It's also the key for being prepared to take advantage of opportunities that present themselves, such as scaling your business or investing in new lines of business.

When looking toward the future with a growth mindset, you need to have tech in place that can help you eliminate problem areas and pain points, like paper trails and lack of visibility into financial records, while helping you make the most of your business's financial resources.

Digitizing and automating the "loose ends" of your business's financial records unlocks a greater ability to manage more complex operations, such as managing multiple locations, and supply chain dependencies.

"Automating our accounts payable process helps us cut out wasted time, build and refine more efficient workflows for payments and approvals, and **make smarter decisions about our finances.**"

Greg Stolrow, CFO at Hello Auto Group

End-to-end AP automation software for the automotive industry is a practical solution to address these pain points and prepare your business for the future. By adopting complete invoice and payment approval automation software, your business can bid farewell to error-prone and time-consuming manual invoice procedures, replacing them with streamlined and error-free invoice and payment approval workflows — and unlocking insights and opportunities for even more digital transformation.

Pain points and problem areas you can fix with automation

- Too many paper copies
- Missing invoices
- Missed or late payments
- Storing, shredding, and shipping documents
- Decentralized documents
- Difficulty preparing for audits
- Lengthy and complicated approval processes
- Lack of accountability from stakeholders

Top 3 problems with manual AP processes and systems:

Too time-consuming

Errors made in the past

Processes are too complicated & paying vendors/suppliers late

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Must-have Ap Software Features

Automation can help you drive digital transformation in the financial function within your business. Basic AP automation software features allow you to bring Artificial Intelligence (AI) with Optical Character Recognition (OCR) into your organization to eliminate manual data entry. By digitizing processes such as customized workflows that route invoices to the right approvers to-do list and ensure invoices are approved in time, you can streamline processes, reduce costs and improve the real-time accuracy, accessibility and reliability of financial data. Then you can layer in advanced features from best-in-class solutions to reach the next level, such as financial reporting, budgeting, and forecasting.

There are obvious, direct benefits from these outcomes, like increased data accuracy and generally more organized financial operations. But there are also long-term, exponential benefits that you can realize only when these systems are up and running.

For example, more accurate invoicing and fewer data errors can lead to better cash flow, which can set you up for increased resilience in hard times or increased agility to capture new opportunities. And reporting based on real-time data allows you to identify trends in the data to make strategic decisions, planning for slow seasons of cash flow in advance, identifying when vendors are paid late, and so on.

Because financial operations are the heart of an automotive business, improving those operations will benefit the whole organization.

> "We're processing financial activities much faster, and filing has gone away completely. It starts to make me think about how else we can optimize our business. **The combination of accuracy, digitization, and having one view of our information** makes this an overall platform that makes life a lot easier and frees up a ton of time."
>
> Greg Stolrow, CFO at Hello Auto Group

Five must-have features to look for in your technology investment

When you start looking at different AP automation tools, you want to make sure you choose a software that can deliver the best possible benefits. Here are five must-have features to look for in your technology investment:

01 Digitization prevents paper overload

One of the most immediate benefits of implementing an automated system for the AP process is that it liberates you and your team from the mountain of paper that typically circulates in the AP department. Today, you might accept invoices in various formats, and they might be sent to different parties or approvers, leading to a chaotic mix of physical and digital files that require labor-intensive sorting, filing, and retrieval.

With automated software, you can tame paper, eliminate it, and channel AP data through efficient, digitized workflows. You can reclaim valuable physical space and relieve your team from an enormous cognitive load. Errors become less frequent, processing times shorten, and the entire system becomes more resistant to bottlenecks and inefficiencies.

"The first thing I noticed in my previous organization was a disjointed payables process," said Greg Stolrow, CFO at Hello Auto Group. "Bills were sent all over the place, and it was a gathering act to pull it all together. Within six months, we were fully up and running with Yooz and it eliminated all of our back office filing."

Click here to learn more about how Shelor Motor Mile used Yooz to bring over 400 employees together to create a paperless culture for mobile purchase requests and orders, budgeting, electronic document storage and more.

Five must-have features to look for in your technology investment

Customizable automation lets you create flexible workflows

02

When selecting an automated AP software, don't settle for a cookie-cutter solution or resign yourself to changing your existing processes to fit the limitations of a premade solution. Instead, choose a solution that's flexible and adjustable to your needs so you can benefit from templates but never be restricted by them. You can set due dates and make sure approvals are routed to the correct reviewers before missing the time frame, which minimizes the risks of late fees or missed payment.

"The process of setting up our custom workflows allowed us to re-think our payment and disbursement process, ultimately making it even more efficient," said Stolrow. "Yooz has done away with the idea that signing a check is the ultimate validation of a billing, which can lead to errors. The validation is done before the check is signed, so we can trust that payments at the last milestone are ready to be paid, without error, because they wouldn't have made it to that milestone if everything wasn't in order."

Easy-to-use functionality gets your powerful tool up and running fast

03

The most effective automated AP software will effortlessly integrate into your existing workflow and be intuitive for your team to use. It will offer a powerful under-the-hood experience that is so optimized for non-technical users that any employee can easily adopt its use for approvals. The tool's intuitive user interface minimizes your and your team's learning curve, allowing your business to adapt quickly and focus on tasks that add more strategic value to your operations.

And, of course, there should also be easy to access 1-on-1 training and dedicated onboarding support when you need it.

"Yooz was the easiest thing I've ever implemented," said Stolrow. "I test drove it with a group of three stores, then expanded to include eight until we were completely paperless. I've never looked back."

Five must-have features to look for in your technology investment

AI and OCR let you operate off of real-time data

04

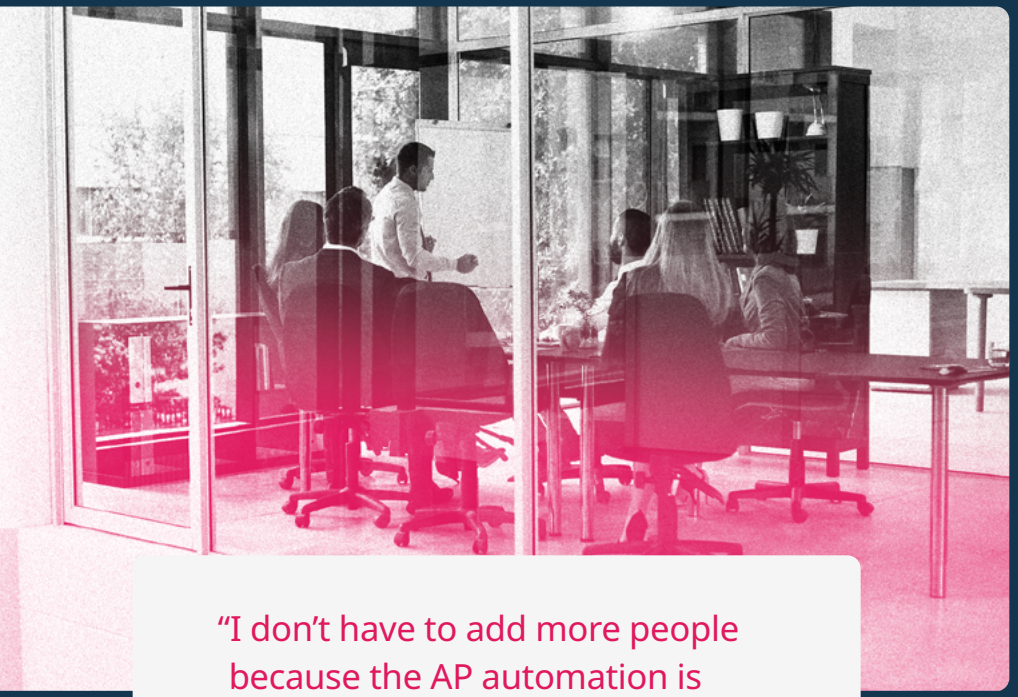
Cutting-edge automated AP software adds Artificial Intelligence (AI) with Optical Character Recognition (OCR) to the front end of your AP process. As soon as an invoice or other financial document enters the system, AI-OCR technology scans and extracts critical data, such as vendor names, invoice numbers, and payment terms. This technology removes uncertainty and ensures that information is immediately captured and updated when it comes in the door.

The result is a streamlined process where financial information is not just captured but also contextually understood and updated immediately. This real-time, accurate data capture allows for faster approvals, expedited payment cycles, and better vendor relationships.

"Before Yooz, we had boxes and boxes and boxes of paper," said Peggy Holden, Accounting Manager for WKI Kenworth. "It was absolutely ridiculous, and now we have no paper, no filing cabinets, and no boxes. The search feature in Yooz is so dynamic, I can type in pretty much anything about that invoice and find exactly what I'm looking for. It saves so much time, so much effort, and so much paper."

> "Closing the month used to take five days, and in a business like ours that relies on immediate information, it was five days too long. Now our month-end takes a half day, we're meeting our targets, the information is correct, and we can move right into the accruals stage."
>
> Shelley Duggins, Accounts Payable Manager for Go Auto

Five must-have features to look for in your technology investment



"I don't have to add more people because the AP automation is doing it for me."

Peggy Holden, Accounting Manager for WKI Kenworth

Read the success story

05

All-in-one functionality lets you benefit from simplicity

With an optimized AP workflow, the all-in-one tool allows you to gather information about your operations and benefit from your data. You don't just streamline invoice approvals and payments, but also turn your AP department into an intelligence hub for your automotive business.

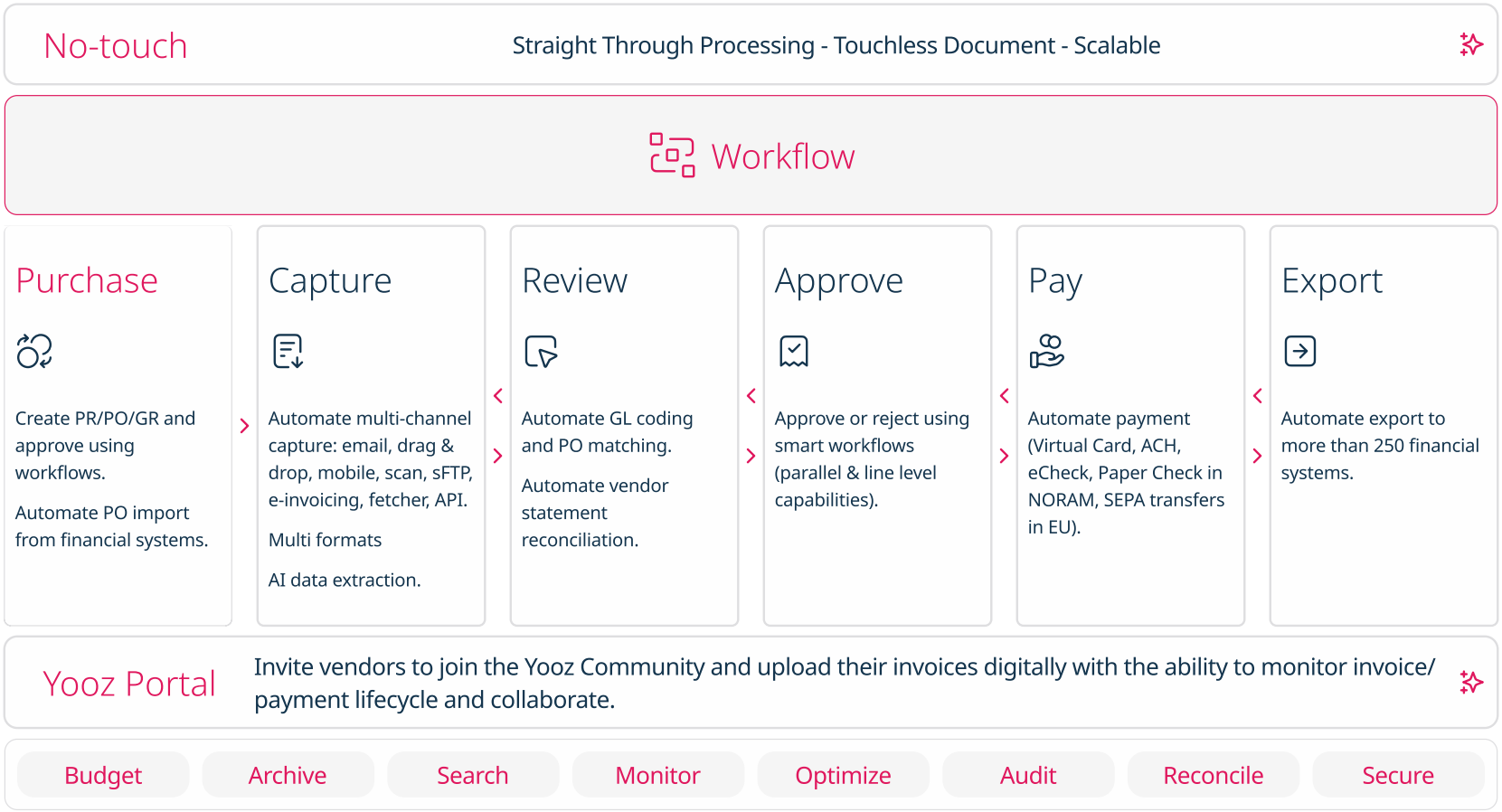
Collecting and processing this data in one platform, seamlessly integrated with your ERP, allows you to easily automate the entire process from purchase to payment.

Your staff is freed from time-consuming manual tasks, allowing them to focus on more strategic initiatives. Having all of your information in one place also makes it easier to trust your data and collaborate with third parties such as business partners or even auditors.

"An added benefit of using Yooz has been the trustworthiness of our financial data," said Stolrow. "Even in situations where we had to work with auditors, there was never a question about our disbursement process. We sat down for 20 minutes, showed the auditors the workflows, and all their questions were answered."

Maximize the value of AP automation with Yooz

Yooz is the most intelligent financial operations automation solution that fights waste, risk, fraud, and errors – all while driving growth and profitability. Owr solutions powers financial operations automation with an unmatched combination with the most flexible workflow engine, the smartest real-time applied AI 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. **Here's how it works:**



Better processes, better business

In today's rapidly evolving automotive landscape, where financial resilience and agility are more critical, AP automation is a pivotal tool finance leaders can use to drive transformational change. **Automating the AP invoice and payment approval process to streamline, optimize, and digitize a previously manual process offers a boost to efficiency and productivity.** Combined with more advanced automation and workflows, you set yourself up to manage ongoing pressures, capture and leverage accurate insights about your customers and cash flow, and make the biggest possible impact in scaling or optimizing your automotive business.

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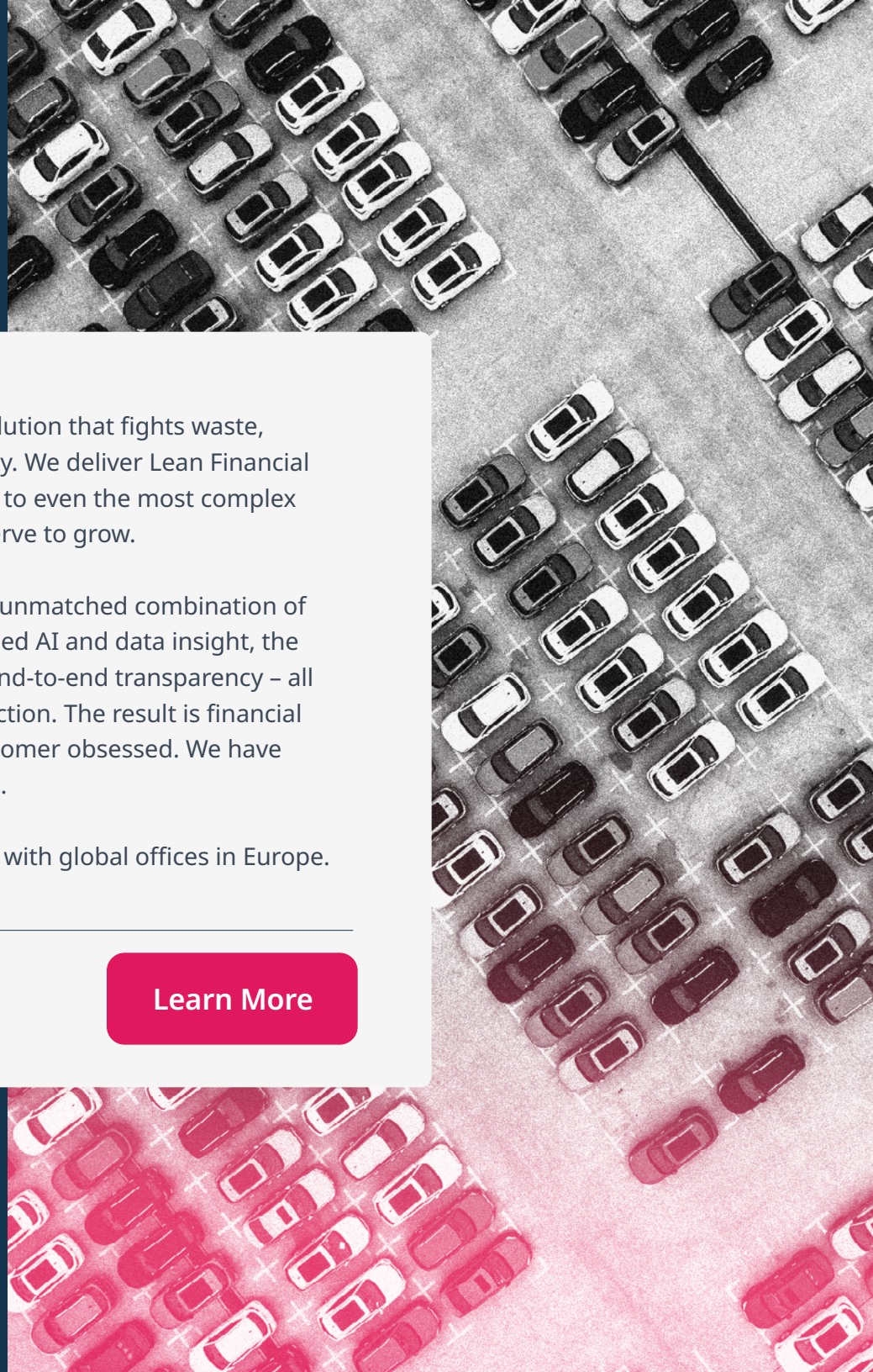

Yooz is the most intelligent financial operations automation solution that fights waste, risk, fraud, and errors – all while driving growth and profitability. We deliver Lean Financial Operations™ for the most ambitious companies on the planet, to even the most complex financial environments, so you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

Visit us at getyooz.com |

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