



ZoneCapture

Stop Entering Data. Start Using It.

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Automating Accounts Payable (AP) Natively in NetSuite:
A definitive guide to using data instead of entering it.

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Introduction

Take a quick glance through a list of the 26,000+ NetSuite customers around the world, and you'll likely spot a common theme in terms of the types of businesses who have implemented the world's first, and still number 1, cloud-based ERP solution.

They are companies who grow.

If you're reading this whitepaper, there is a distinct possibility that you work for one of those 26,000+ companies and are indeed looking for a way to further improve the flow of data throughout your business, with a particular focus on Accounts Payable (AP) Automation.

Great – you're in the right place. (Plus, good choice of ERP – we think it's the best!)

More specifically, they are companies who grow due to their strategic decisions to improve the flow and visibility of critical data throughout their business.

The Current AP Landscape

✓ It is fair to say the current AP landscape is vast, and busy.

Whilst thought leaders and tech blogs continually talk about the future of Accounts Payable being led by Artificial Intelligence (AI) and the evolution e-invoicing, the reality (today) is that almost every business around the world still receives at least a small number of paper invoices, the vast majority via PDF (in email), and the rest from a combination of e-invoice/EDI or bespoke supplier portals.

So, at the very least, the AP function within a business is required to have eyes on a lot of inboxes (physical and digital) and keep a lot of plates spinning. A challenge which is only amplified if everything is processed manually.

A recent survey shared by The Accounts Payable Association* reported that AP exceptions on invoices were responsible for 32% of late payments and 36% of all supplier phone calls. In a further exercise involving 500 finance professionals, the organisation also reported:

- **56% of businesses experienced cash flow forecasting problems due to AP issues**
- **63% had received duplicated invoices, of which 33% had actually paid them!**
- **78% admitted to paying supplier invoices late**
- **58% had needed to pay late payment charges to suppliers**
- **23% of businesses said that at least one supplier had refused to work with them again due to AP issues**

It is no surprise then, that Tungsten Network** reported AP Automation as the highest system-related priority for businesses, with 46% of those surveyed stating this as an immediate requirement, followed closely by 43% saying that automating order-to-cash was a priority, for largely the same reason – the need to reduce manual involvement, accelerate processes, and improve the business' cashflow.

But what does AP Automation entail? Off-the-shelf, NetSuite offers a range of features, namely configurable workflows and custom fields, to assist with the automation of approvals and subsequent processes. From our 10 years' experience implementing NetSuite and developing SuiteApps, these functions are

usually a driver for the initial purchase of the solution, and as a result are central to a lot of day-to-day tasks.

Assuming then that the processes can be automated once the transactions exist in NetSuite, the conversation turns to the way transactions are created to get them into the approval process in the first place.

In the remainder of the whitepaper, we discuss the advantages of automating invoice creation using a SuiteApp which combines OCR and AI technology natively in NetSuite, allowing you to enhance your initial investment in the system without needing to rewrite the entire playbook.

The Difference Between Native, Hybrid, and Integrated SuiteApps

If the term SuiteApp is unfamiliar to you, fear not! It simply refers to a software application developed to introduce new functionality or expand on an existing feature of NetSuite.

As you would expect, NetSuite has a stringent process to become an accredited SuiteApp provider through their SuiteCloud Developer Network (SDN), supplemented by a 'Built for NetSuite' (BFN) badge and status per app. This ensures users can purchase apps from reputable providers with clear distinctions on how their apps function alongside NetSuite, safe in the knowledge they have been vetted and approved by NetSuite themselves.

✓ There are three types of SuiteApps:

✓ 'Native'

These apps have been developed on the NetSuite platform and within the NetSuite interface specifically to function as part of the core system. So, there is no new interface, no external database and no synchronisation required.

As the apps are developed on the core platform, they are as much a part of the system as any other NetSuite module, and as such can easily incorporate and enhance existing customizations, custom fields and workflows as there is no dependency on any other platform.

All components of Native apps are tested as part of a BFN review and certification.

✓ 'Hybrid'

Hybrid apps combine on-platform functionality with external components via a custom interface or integration. So, whilst they are not completely external NetSuite, they are also not completely native.

Only the native components and integrations are tested as part of the BFN certification process.

✓ 'Integrated'

Integrated SuiteApps exist externally to NetSuite as a standalone app, and integrate via a custom integration or generic connector at certain touch points.

Only integration points are tested as part of the BFN certification process.

The Advantages of AP Automation in NetSuite, and Why Native is Best

There are several obvious advantages to implementing an AP Automation solution, many of which you will find in whitepapers like this or vendor websites; however, unlike many other documents or websites, we discuss these advantages in the context of a NetSuite AP environment.

1. Efficiency

Undoubtedly one of the biggest drivers for reviewing AP Automation. When discussing efficiency, we are really talking about a combination of the remaining sections on this page to focus on:

The cost per invoice, including the processing time and salary of a full-time equivalent employee processing the same number of invoices. Naturally, reducing the cost per invoice should have a positive impact on your bottom line, either directly or indirectly (mostly directly though!)

Impact on reporting and cash by getting critical data into the system more quickly, and accurately, ensuring payments are made when they should be, and that the right people have live visibility into the current and future cashflow of the business.

Staff engagement – for us this is the most important point. People are better than manual data entry...the less time they spend typing and re-typing data, the more time they can spend using that data to add value and drive innovation in your organisation! Don't be the business that makes your staff enter everything manually, it's no fun, in fact, it's demoralising and just a terrible use of a unique human being's time on this planet!

✓ The Native NetSuite Perspective

NetSuite's reason for being is literally to make businesses more efficient by centralising critical data and processes in one system. If you currently use NetSuite for your core financials and are looking to automate AP, ask 'how can we do this in NetSuite?'. Using a Native SuiteApp (like our ZoneCapture Solution) provides the automation you need whilst keeping everything in NetSuite.

This way all your existing approval processes, custom fields, and reports can remain in place, or even be enhanced, as opposed to replaced (which could mean losing the value in your initial investment in NetSuite, as well as paying for functionality twice).

2. Accuracy

Like efficiency, accuracy impacts various elements of the AP function within your business, and is usually more of a driver after it becomes apparent that the business is either: paying for things they have not received; paying the same invoice multiple times; or, someone has accidentally added a zero to an invoice.

At the most basic level, the automatic creation of transactions removes the risk of the latter two scenarios by removing the opportunity for human error.

A more common challenge may be that of paying for goods or services which have not been received and that finance had no knowledge of prior to receiving the invoice. This relates to a process commonly known as 'three-way matching', i.e. 'did we request to buy this? (approved PO), did we receive what we ordered? (goods received), and does the invoice match the PO and the Goods Received?

It seems like common sense, but as businesses grow these are the processes which can fall through the cracks for any number of reasons including the time taken to manually create the transaction every time, different departments having different processes or authority, or the lack of a defined, end-to-end system-driven process.

✓ The Native NetSuite Perspective

Again, there are comparisons to be drawn with the efficiency discussion on how NetSuite empowers businesses to manage invoice accuracy. Given it is the primary financial management system, NetSuite should be the driver and repository for all financial transactions – orders through to invoice – and it provides tremendous functionality for each of these tasks off-the-shelf.

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As a result, when looking to improve the accuracy of invoices and credits in NetSuite it is important to understand: where the process happens; does it occur to line level, and does the full transaction with supporting document appear in NetSuite to allow you to use the core functionality for approvals and matching?

As ZoneCapture functions natively in NetSuite, all bills are linked to the original POs, data and classifications are captured and managed to line level as standard, and the original document can be viewed within the transaction record using a unique split-screen view.

If transactions are created and processed externally to NetSuite, as opposed to natively, it can often lead to third party assuming responsibility for capturing, storing and approving transactions before integrating to import summarised details. This means that you may end up reviewing and migrating your entire procure-to-pay process as opposed to just automating the creation of an invoice.

3. Security

Quite simply this is about removing the risk of someone altering invoices. Whilst it's not something any of us like to think of happening in our own organisation, in 2020, the AFCE* reported 2,504 cases of fraud from 125 countries totalling losses of \$3.6 Billion (USD), finding that smaller businesses were twice as likely to suffer billing related fraud, and four times more likely to be the victim of check and payment tampering.

✓ The Native NetSuite Perspective

Oooh, this is a good one! How much do you love the 'system information' tab as a little cherry on the cake? As standard, NetSuite provides a complete audit trail, time, and date stamping all changes made to any record within the system.

By automating the creation of invoices, you remove the biggest chance someone has to alter critical details in relation to the invoice (e.g. supplier name, bank details, or payment amount). Combining the automatic creation of transactions with a three-way matching process for each invoice should deliver an airtight process to remove any risk of fraud, certainly from the perspective of creating, processing, and paying invoices.

So, by automating the creation of invoices and removing the ability to amend details at the point of creation, any future changes are completely traceable by user, and you can even use workflows to send automated alerts if changes are made to invoices.

How. Good. Is. That?

And to completely labor the point, using a Native SuiteApp like ZoneCapture ensures that NetSuite remains the single source of truth. This means that you only one place to manage your data and processes as opposed to splitting interfaces and databases which will require your team to look in different locations and essentially still manually reconcile the transactions in each system.

4. Improved Reporting

Increased efficiency + improved accuracy = better reporting. It's a pretty simple formula, really. As previously covered, automating the creation of invoices gets the data in quicker, and more accurately, meaning those who need to access it can see it more rapidly, trust it implicitly and make better decisions as a result. Don't think we need to say much more than that.

✓ The Native NetSuite Perspective

Reporting is at the heart of any financial system, but the first thing you see when NetSuite is demonstrated to you is a dashboard, KPIs, reminder portlets, and an endless array of

interactive reports in which you can drilldown to the GL impact of a transaction.

So, the reporting and availability of live data is central to many customers' decision to purchase the software, meaning that any enhancements should be welcomed across the board.

Operating natively in NetSuite, ZoneCapture ensures all of the data captured (including custom fields) are processed into the core database...so, you have all of the data you need to produce the reports you want, completely within NetSuite.

5. Enhanced Financial Performance & Improved Supplier Relations

Now we're talking! Beyond the myriad of benefits to internal processes, security, and staff engagement, automating your AP ensures that some of the most important relationships for your business, your supplier relationships, are not only managed, but optimised.

When invoices are managed manually there is always a risk that they are missed, misplaced, or that data relating to the amounts and due dates is entered incorrectly. Whether it is missed incentives for early settlement, interest charges for late payment, or bank fees for same day payments there can be a financial cost to not managing supplier payments optimally.

Beyond that, it's just not a good image for your company to be seen as a bad payer. At a bare minimum, we all want and expect to be paid ontime, and in this service focussed, partnershipdriven economy we all exist in, supplier relationships are as important as customer relationships to ensure the long-term success of your business.

✓ The Native NetSuite Perspective

It's all about the workflow functionality and reporting again! Apps which operate externally, or integrate to NetSuite may not provide the capability to link to the original PO, or capture custom fields, all of which can impact on the criteria to automate and report on your AP transactions.

Automating AP natively in NetSuite ensures all of your invoice data is in the core database and you can use standard functionality for invoice approvals, to view corresponding transactions, and schedule suggested payment reports without leaving the core system.

At a bare minimum, we all want and expect to be paid on-time, and in this service focussed, partnership-driven economy we all exist in, supplier relationships are as important as customer relationships to ensure the long-term success of your business.

6. Sustainability

Saving the planet, one PDF at a time! Ok, ok, so this may be a tiny bit of a stretch given that the majority of transactions are now managed in some kind of digital format, but still, anything we can do to eliminate unnecessary printing and paper is a good thing, right?

✓ The Native NetSuite Perspective

Evan Goldberg didn't go to all the effort in 1998 to create the world's first cloud ERP solution for us all still to be running around printing everything!

Additional Advantages of Automating AP Natively in NetSuite

Guaranteed compatibility with existing, and future, custom fields, customizations and workflows:

One of NetSuite's greatest features is the power of customization and automation: forms, fields, workflows and scripts.

From basic checks and balances to complete processes, you can ensure data flows throughout your entire organisation, as it should, without needing the need of a developer to create custom functionality. The most common executions of this relate to improving accuracy, and efficiency.

Often, such automation and flexibility is not possible in an external system. As ZoneCapture operates natively in NetSuite, NetSuite remains the single system in play, and as such, all customizations and workflows operate as they would regardless of how the transaction was created.

✓ Integrated is still detached, native is unified:

Even the best integrations don't integrate every possible scenario. It's like having cream in one bowl and your cake in another...ultimately you can still enjoy both, but clearly it's better if everything is in the one bowl.

On a more technical level, if you work with two separate systems, they both have their own databases, fields and table formats, which lead to their own way of doing everything. So, whilst they can share data, it is shared only at common points manufactured to do so.

For example, external or integrated systems do not always support NetSuite mandatory or custom fields at line level, or two VAT percentages on one bill, because they are quite specific situations which every other finance system will process differently. Again, ZoneCapture is native, so it manages these scenarios and anything else NetSuite can manage, off-the-shelf.

✓ PO Matching

Purchase Orders live in NetSuite, and bills need to be created from a PO. If you submit a bill in NetSuite that is not linked to a PO, you cannot link it to a PO later. So, if a user forgets to attach the bill to a PO in the external system, or the external system does not integrate to NetSuite POs, they have to delete and reprocess the bill completely.

As with everything else so far, managing this natively in NetSuite means that everything, by default, is going into the core NetSuite database and as a result can be linked to the corresponding transactions as required.

Questions to ask of when considering an AP Automation Solution

If you are considering AP Automation for NetSuite, we know that a challenge can be that you don't know what you don't know. So, we have created a list of questions below to ask of any potential provider, along with a quick explanation of how our BFN Native SuiteApp, ZoneCapture, tackles each point.

Where does the activity actually happen?

Are my invoices created automatically in NetSuite, or are they created and processed externally to NetSuite with only the end result appearing in NetSuite for reporting?

If the answer is external and integrated, be sure to ask about support for custom fields, and be clear where the approval processes take place. It can be a costly process to replace your current AP process in NetSuite only to discover that certain critical data you capture via custom fields is not supported in a new external interface.

ZoneCapture: As a native SuiteApp, all invoices are automatically created and posted within NetSuite. Custom fields and workflows are supported as standard, and users can access a new transaction dashboard with a RAG indicator to detail the status of each transaction.

Can I see my documents in NetSuite?

Beyond the actual creation of the transaction record, is the physical invoice (PDF Attachment/ scanned image) visible within NetSuite for approvers to compare the transaction to document?

If not, again, clarify where and how the approval process occurs. Will everything now be managed externally to NetSuite apart from the financial reporting?

ZoneCapture: The invoice document is automatically uploaded to the corresponding transaction in NetSuite and is visible via a unique split-screen view for users, approvers and auditors to easily compare details.

Questions to Ask: Continued

Is your technology built using OCR or AI?

If you are researching AP automation you have likely encountered some discussion around OCR templates vs AI. Basically, this boils down to whether the system is 'clever' enough to manage variations in the documents they are scanning. The use of the word 'template' after OCR is the telltale.

Whilst OCR is a step forward, if it relies on every invoice template being created manually so that it can recognise future transactions, you still have a reasonable amount of manual processing on your hands. Conversely, a fully developed AI solution tends to be more on the expensive side and are built on lesser established technologies.

ZoneCapture: OCR is the core technology for our S&C SuiteApp, however working with the leading OCR providers globally our app combines elements of AI and auto-learning technology to ensure that documents can be scanned to linelevel detail without the need to create a template for every eventuality.

Do you support e-invoicing?

A hot topic in AP Automation at the moment is e-invoicing. Commonplace in Nordic countries, with growing popularity throughout EMEA, Australia and New Zealand, e-invoicing seems to be the future of AP.

In short, e-invoicing is a system through which B2B transactions are submitted from suppliers directly into customer back-office solutions via predefined and regulated formats.

ZoneCapture: E-invoicing is supported as standard, the solution is PEPPOL compliant and is currently being used by hundreds of businesses worldwide to automate e-invoicing processes.

Questions to Ask: Continued

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Three-way Matching

How does the system support three-way matching? Ensure that in addition to creating invoice transactions, whatever solution you are considering can complete a three-way match process with your PO and invoice in NetSuite.

ZoneCapture: Three-way matching is supported as standard, to line-level detail with a simple to use traffic light dashboard which flags whether transactions are a complete match, partial match, or failed match.

Custom Fields

This is an easy one. Just ask if the solution you are reviewing can support custom fields from NetSuite as standard. If the answer is no, you need to consider the impact that could have on the information you capture from every invoice and the subsequent reports.

ZoneCapture: As a native app, ZoneCapture supports custom fields and workflows as standard.

ROI – Cost per invoice per FTE

How much time will the solution save you, and what will be the average cost per invoice including processing time and any transaction fees.

ZoneCapture: On average, ZoneCapture reduces the time to process an invoice from three minutes to thirty seconds, representing an 83% reduction in processing time. The app also operates on a clearly defined usage-based pricing structure to ensure you only pay for the pages you automate. Simple!

**Ready to Automate your
Accounts Payable, natively?**
Of course you are.



**Schedule
A Demo**