

5 tips for pptomizing Accounts Payable

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Accounts Payable (A/P) is currently the area of back-office operations that is getting a lot of attention in the Financial Supply Chain (FSC) circles. The reasons for this attention are that this area of FSC is ripe for cost optimization due to the following factors:

1. Manual, paper-intensive processes
2. High transaction volumes
3. Direct impact on Working Capital

The value to be gained from optimizing the A/P processes have become very well understood by organizations that are always looking to gain an operating cost advantage by continuously improving their core processes. These cost advantages directly translate into bottom-line results and therefore in enhanced enterprise value.

Based on the lessons learned by these leading business enterprises, the following 5 tips should help any

business looking to get value from A/P process optimization:

1. Measure process metrics, both financial and operations
2. Identify all interdependencies with other processes
3. Simplify the processes
4. Use web-based workflow automation
5. Avoid process variations by standardizing on the automated processes

A/P is well suited to the application of technology automation solutions. There are cost-effective options now available to companies of all sizes that did not exist a few years ago. Not leveraging these technologies in conjunction with process improvement will put a company at a disadvantage in terms of cost, agility, and speed of execution.

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