

The ROI of AP Automation

Presented by:
Steve Weber, PaperTrl

Background

Steve Weber – CEO, PaperTrl

▪ An ERP & AP Automation thought leader

- Co-founder & CEO of **PaperTrl**, a platform that bridges **ERPs, banks, and suppliers** for seamless payables.
- Deep expertise in **ERP integration, financial workflows, and payment automation.**
- Formerly founded **nChannel**, a leading cloud-based ERP and eCommerce integration platform

▪ Strategic Leadership & Industry Impact

- Built **key partnerships with Visa, U.S. Bank, and Elan Financial Services** to enhance payment solutions.
- Passionate about **helping businesses streamline ERP-based AP processes** and improve financial control and buying the best software to make that easier
- Leads PaperTrl in providing **predictable, transparent, and efficient** payment automation.

Starting with the hardest part

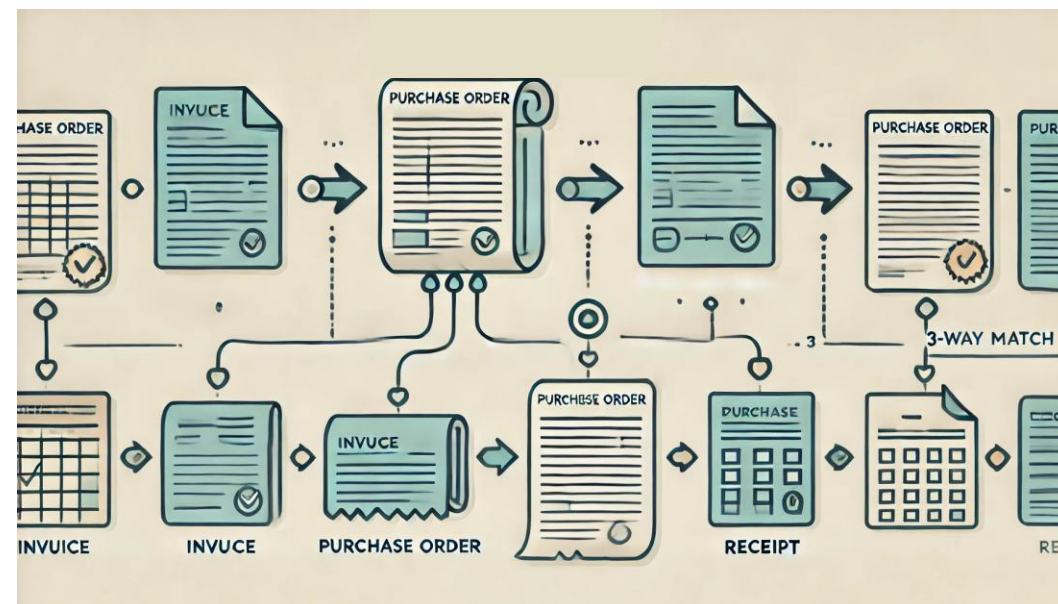
- 1990's Home Depot began automating their supply chain
- Defied conventional wisdom, started with the invoice
- More than 600 AP staff performing 3-way match



Why start with the invoice?

1. Short shipments are leading cause of inventory shrinkage for retailers
2. Starting with invoices meant all item data in all systems across the supply chain had to be in sync
3. Invoices that passed 3-way match could be automatically approved

Inventory was more accurate, POS lanes moved more quickly, invoices could be automatically approved.



The Home Depot's AP automation project led to increased sales and customer satisfaction

AP Automation ROI Myths

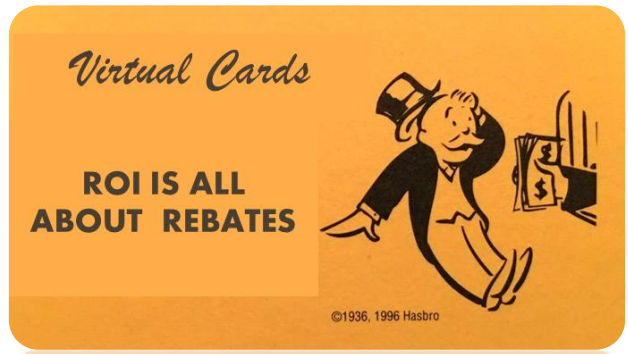
Save **BIG** on **PAPER!**



Savings are limited to accounting

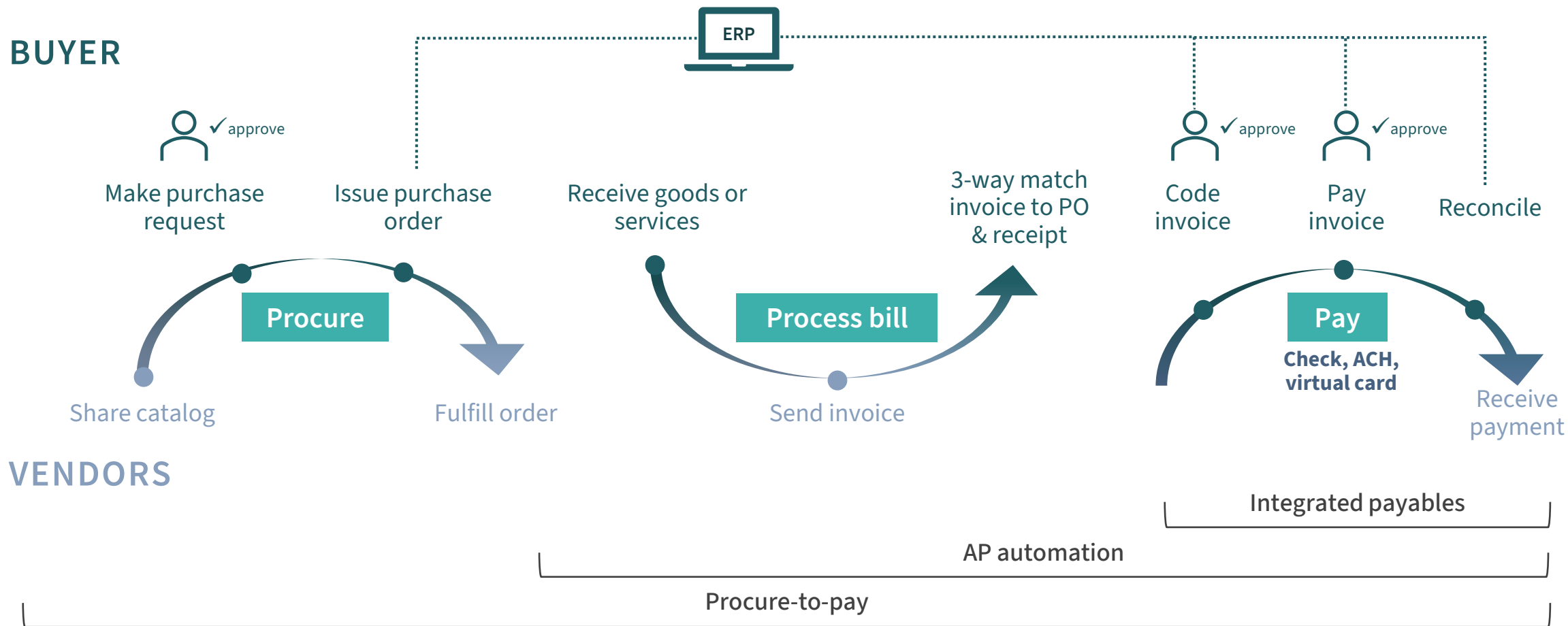


I'm too small








It's all about reducing headcount

What exactly is AP Automation?



The Universal ROI Opportunities

				
Local Government	Retailer	Not-for-profit	Manufacturer	Construction

- **Vendor Invoice Automation** - Reduced data entry time, better organization
- **Checks**
 - Check stock purchase, check printing, approval/signing, mailing
- **ACH**
 - Reduced data entry time
 - Improved accuracy
- **Simplified Recordkeeping** – Online vs. onsite
- **Virtual Card Rebates** – Rebates of 1% or more for card payments






Calculating ROI (50 invoices per month)

Cost Component	Formula	Monthly Estimate	Annual Estimate
Invoice Data Entry	$(\# \text{ of invoices} \times 5 \text{ min}) \div 60 \times \text{hourly wage}$ (assume \$15/hr)	\$65.00	\$780.00
Manual Routing/Approvals	$(\# \text{ of invoices} \times 5 \text{ min}) \div 60 \times \text{hourly wage}$	\$120.00	\$1,440.00
Payment Processing (Checks)	$\# \text{ of checks} \times \5.00 (30)	\$150.00	\$1,800.00
Payment Processing (ACH)	$\# \text{ of ACH} \times \1.00 (15) (4 min per)	\$15.00	\$180.00
Payment Processing (Card)	$\# \text{ of Card} \times \0.50 (5)	\$2.50	\$30.00
Error Resolution & Rework	$(\# \text{ of invoices} \times 2\%) \times \text{hourly wage} \times 30 \text{ min}$	\$7.50	\$90.00
Paper Storage & Printing	Flat or per invoice (e.g., \$0.25/invoice)	\$ 12.50	\$150.00
Postage (Checks)	$\# \text{ of checks} \times \0.58	<u>\$ 17.40</u>	<u>\$208.80</u>
Total Estimated Manual Cost		\$389.90	\$4,678.80

Savings Estimate -

Cost Component	Formula	Monthly Estimate	Annual Estimate
<u>Total Estimated Manual Cost</u>		<u>\$389.90</u>	<u>\$4,678.80</u>
AP Automation Fees			
- Monthly subscription	Starter subscription	\$45.00	\$540.00
- Check printing & mailing	30 checks @ \$2	\$60.00	\$720.00
- ACH Fees	ACH Payments (15 @ \$0.60)	<u>\$9.00</u>	<u>\$108.00</u>
Total Estimated Manual Cost		\$114.00	\$1,368.00
Total Savings		\$275.90	\$3,310.80

Industry Specific ROI Opportunities

				
Local Government	Retailer	Not-for-profit	Manufacturer	Construction
<ul style="list-style-type: none"> • PO Automation • Audit cost • Policy enforcement • Transparency • Record retention 	<ul style="list-style-type: none"> • Inventory shrinkage • Improved sourcing • POS accuracy • 3-way match 	<ul style="list-style-type: none"> • Audit cost • Transparency • Simplified expense management • Record retention 	<ul style="list-style-type: none"> • Improved sourcing • 3-way match • Optimized inventory management 	<ul style="list-style-type: none"> • Project cost control • Improved estimating • Distributed receiving • Automated PM routing/approval

Virtual card rebates are real

Mid-market example (\$3.4M Card Spend)

ACME INDUSTRIES	
NET BENEFIT SUMMARY - ALL SERVICES - ESTIMATED ANNUALIZED	

Visa Card Program - Virtual Payment Spend	
Description	
Estimated Annual Virtual Card Rebate	\$ 42,167
Subtotal: Estimated Virtual Card Rebate Paid	\$ 42,167

PaperTrl Integrated Payables Fee *					
Description	Monthly Transactions	Annual Transactions	Per Item Cost	Monthly Cost	Annual Cost
Annual Subscription Fee **	800	9,600	-	\$ 384	\$ 4,608
TRANSACTION FEES					
Virtual Payments	49	593	\$ -	\$ -	\$ -
ACH Payments	175	2,103	\$ 0.25	\$ 44	\$ 526
Checks	75	901	\$ 1.75	\$ 131	\$ 1,577
Estimated PaperTrl IP Services					\$ 6,711
Total Estimated Net Annual Benefit					\$ 35,457

ROI Hype vs Reality

Overhyped AP Automation Feature	Vendor's ROI Claims (Overhype)	Realistic ROI Perspective
OCR Accuracy Alone	High OCR accuracy significantly reduces costs and boosts ROI.	OCR alone doesn't significantly impact ROI unless paired with strong workflow automation and exception management.
"Paperless Office" Claims	Going paperless dramatically cuts costs through reduced printing/storage.	Paper reduction offers minimal financial savings. True ROI comes from workflow automation, accuracy, and strategic
Vendor Networks	Thousands of enabled vendors are ready to implement right away.	Switching payment methods is always requires some hand-to-hand combat.
Capturing Early Payment Discounts	Capturing early discounts easily delivers substantial ROI.	Discounts depend heavily on disciplined cash management and vendor negotiation, not just invoice processing speed.
Virtual Card Acceptance Rates	We can convince more of your vendors to accept virtual cards than anyone else.	Some AP automation companies use strong-arm tactics to convince vendors to switch, even holding up approved ACH payments.
Invoice Processing Speed	Faster invoice processing equals direct, significant ROI.	Processing speed helps, but real ROI comes from fewer errors, better financial visibility, and improved working capital management.
AI and Machine Learning "Magic"	AI-powered automation automatically transforms ROI.	AI drives ROI only when integrated thoughtfully with workflows, supported by human oversight, and clearly applied to specific business outcomes.

Strategic and Indirect Benefits

- Reduce fraud “attack surface”
- Reduced training time for AP Team
- Process consistency
- Better organization
- Stronger vendor relationships

Next Steps

- **Assess your current program**
 - Gather transaction statistics
 - How many invoices, payments (check, card, ACH) are you sending per month
 - Gather spend statistics by vendor
- **Talk to your bank**
 - They can discuss potential virtual card programs and rebates
 - Banks can offer relationship “portfolio” pricing
- **Evaluate AP Automation solutions**
 - Avoid those that require pre-funding
 - Fees for same-day payments or vendor disbursements
 - Customizable payment timing
 - Vendor-specific overrides
 - Integration with your ERP and accounting
- **Need help?**
 - Email hello@papertrl.com for our free ROI modeling tool or to schedule time with an AP Automation consultant

Thank You!

Steve Weber

steve.w@papertrl.com