The Benefits of AP Automation for Hotel Groups

Happy staff, happy guests — increase your back office bandwidth, and watch those property reviews soar.

The Plate IQ Editorial Team

Your hotel group is known for going the extra mile.

It looks easy, but it's anything but. You know all the behind-the-scenes tricks that make your hotel group's high-level guest experience feel like a cool breeze on a roof-top patio. Those tricks are your "secret sauce." They create an illusion of simplicity, and deliver on your guests' expectations of each full-service hotel or its flagship brand.

Could you say the same about your accounting systems?

Or is your back office team still doing things the hard way — slogging through the paperwork shuffle, manually checking the night auditor's work, and chasing down the right person for invoice approval at the property level?

That doesn't sound elegant.

It certainly doesn't sound efficient.

AP automation is the "secret sauce" that allows financial operations to run smoothly.

In this ebook we'll cover

- What is AP automation?
- 12 Benefits of AP automation for hotel groups
- Transitioning your hotel group to AP automation
- Cutting edge capabilities in AP automation software

RECEPTION

What is AP Automation?

AP (accounts payable) automation is an expedited system that digitally handles AP and finds ways to automate manual invoicing processes while keeping human input central to key decision areas, like payment approvals.

> The gold standard in AP automation is "zero touch" automation, where no manual data entry is required, from invoice receipt to vendor payment, except during the approvals process.

Your hotel management group's accounts payable process is complex. Your finance team is responsible for ensuring all invoices from all locations are properly authorized and promptly paid — even a small AP mistake can cause much more than a slight ripple in your system.

Those types of setbacks are not only time-consuming to find and fix, but costly to your intricate hotel group's ecosystem. Small mistakes can severely disrupt ordering, and worse.

AP automation for your hotel group streamlines and standardizes all accounts payable activities to ensure all locations stick to the same AP structure and make payments on time. Automation eradicates manual AP time-sinks. For example, paperless invoice processing allows your vendor invoices to be submitted electronically, approved electronically, and even paid electronically—without ever physically passing from hand to hand.
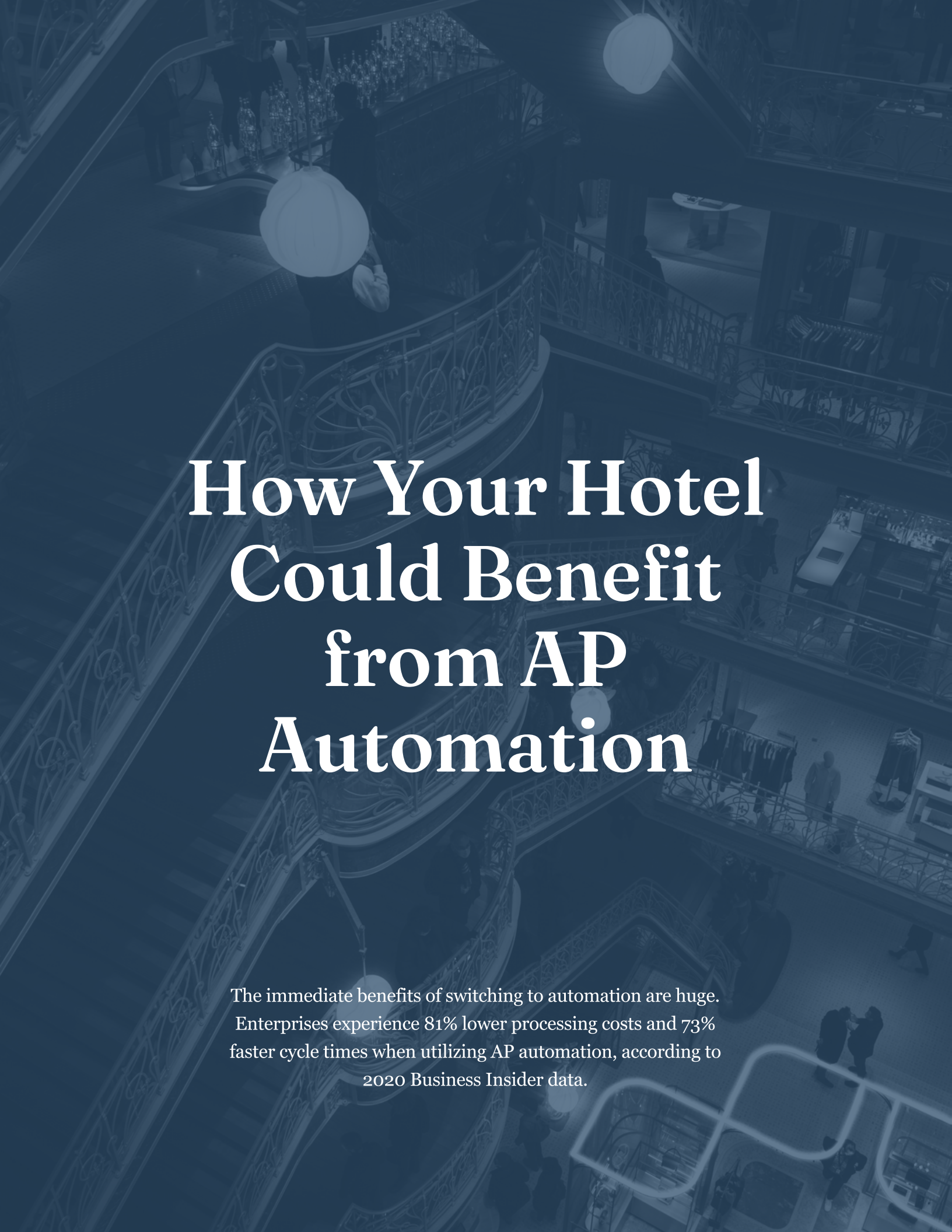
No more exhausted night auditors or dog-eared unpaid invoices. No more back-office lag and front desk confusion. Instead, free up time for your team to work on sourcing, site-specific inquiries, and timely payment solutions.

" I like that Plate IQ understands hospitality. We're a unique industry. Whenever we're looking at vendors, we need it to be a vendor that understands the space, because we're an industry that doesn't shut down. "

Shelby Tufenk, Controller, Golder Hospitality

How Your Hotel Could Benefit from AP Automation

The immediate benefits of switching to automation are huge. Enterprises experience 81% lower processing costs and 73% faster cycle times when utilizing AP automation, according to 2020 Business Insider data.

#1

Solve Your Turnover Troubles

Want to reduce brain drain? Cut down on paperwork. You'll boost your team's bandwidth, give them hours back in their day, and encourage them to tackle challenging projects.

Manual invoicing is repetitive, mind-numbing, and not what any AP professional hopes they'll be doing every day. So keep your team engaged with automation. Digitization will ensure your AP team is able to focus on the cerebral tasks that fulfill their ambitions and contribute to your hotel group's growth. Your back office will appreciate the flexibility to reallocate precious labor, and reap the benefits of an exponentially faster AP workflow.

#2

Lower Invoice Processing Costs

Manually processing paper invoices is slow and costly. Put plainly, it drains your group's resources, because manual AP procedures require invoice handling, data entry, and reconciliation. That may mean an entire FTE — or several — depending on the number of locations your hotel group oversees from its back office.

Paperless invoice processing, on the other hand, costs less than manual invoice processing. It requires less training, less oversight and far fewer hours to complete. Automation reduces the average cost to process a single invoice from $9.66 to $6.21. That's a whopping $3.45 or 36% less, per invoice.

On Average, Automation Reduces The Cost To Process An Invoice
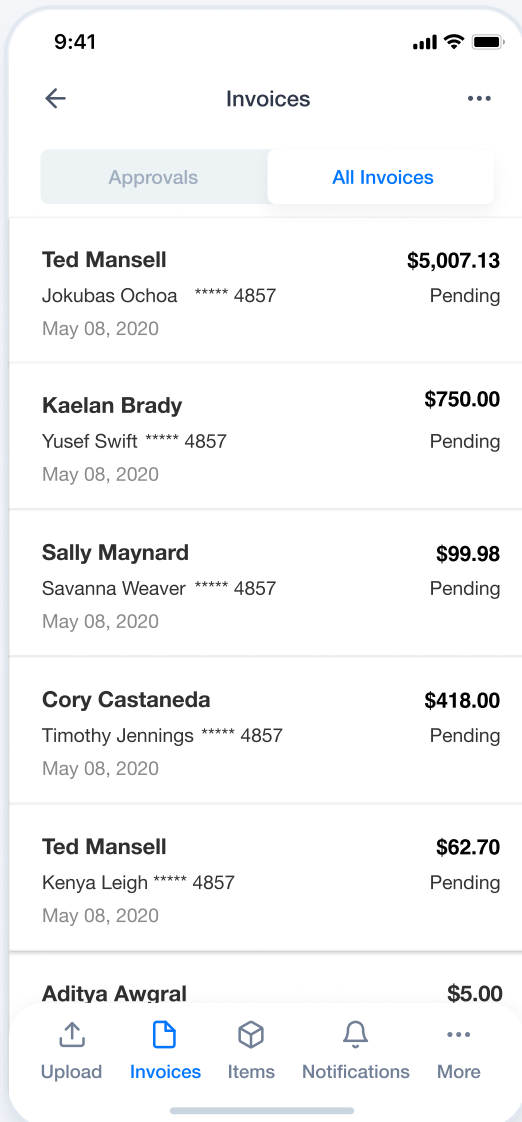
from $9.66

to $6.21

Source: Institue of Finance and Managament

#3

Faster Invoice Approval Processes

Accrued expenses on the financial statement require backup with the corresponding invoice attached for support. An aging report will tell your auditor how much money is owed to vendors and which AP accounts are over 30-60-90-120 days.

#4

Automatically Split Invoice Items Across Locations

Hotel groups often have invoices that require splitting between locations and departments. AP automation allows for this to be done accurately every time, which saves the CFO time on manual oversight.

#5

Improved Accuracy

Humans make mistakes. The more manual a task, the more room for errors. The most common mistakes — duplicate payments, wrong purchase order or invoice number, incorrectly entered data, payment for items never received — are virtually eliminated with AP automation.

#6 Enhanced Insights and Reporting

AP automation entails digitization of all documents, enabling your hotel group's CFO to quickly and easily access invoices, statements, receipts, and evidence of payment. This allows increased oversight of your hotel's operation and its financial health, and reduces the amount of time spent searching through filing cabinets for historical documentation. Reporting and analytics can help with your budget forecasting, especially now that you have a digitized outline of spend.

Digitally processing and paying invoices makes it easier to close and generate financial reports. Reporting is streamlined, and essentially lightens the hotel's accounting workload.

#7 Fraud Protection

An AFP Payments Fraud and Control Survey revealed a shocking 81% of companies were targeted for payment fraud in 2019. AP automation levels up your protection against fraud by safeguarding your hotel group's documents, payments, and standardized processes.

In 2019 a shocking **81% of companies** were targeted for payment fraud

81%
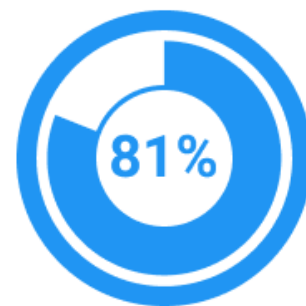
Source: Association for Financial Professionals

#8

Increased Transparency

AP automation boosts your hotel group's financial transparency. Going paperless means all financial data is available at the click of a button. Your management group or owner can be confident that your financial ops are out in the open — because they are.

#9

Low-Cost Data Storage

Paperless invoice processing means no more dusty filing cabinets or boxes of paper invoices. Rather than having to reserve (or pay for) space to store years of hotel paperwork, digital document storage keeps costs and allergies at a minimum.

#10

Easy Auditing

Audits are inevitable, but they give you an overall financial picture of your hotel group's operation. AP automation improves the speed of auditing, and eliminates the paper scavenger hunt. You'll be able to access all necessary documentation, digitally, from any office (or from home).

#11

Integration with Existing Systems

Automation streamlines the organization of your hotel group's entire invoice processing system by seamlessly integrating with existing systems. This makes adoption easy for your accounts payable team, no matter how many locations, departments, or accounting tools.

#12

Virtual Card Payments Let You Pay Vendors On Time

Manual invoice approval and processing seriously hinders* a hotel group's ability to nab early-payment discounts. With a robust AP automation software, however, you'll be able to secure cash back rewards with no-cost check payments, ACH payments, and virtual card (vCard) transactions—all from one platform.

*31% of responders to PayStream Advisors' AP & Working Capital Report claimed that manual invoicing was to blame for their inability to claim early-payment discounts.

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Home   Invoices   Insights   **Bill Pay**

Bill Pay

355	124	755	4		
Unpaid invoices	Pending approval	Scheduled payments	Pending export	Payment calendar	All payments

Location 18 with unpaid bills	Total 320 Unpaid invoices $100,00	Overdue 320 invoices $100,00	Upcoming 320 Invoices $0.00

Schedule selected bills	Schedule now	Mark as paid	Pay partially	Search unpaid invoices	Due by Anytime

☐	Vendor	Invoice #	Total	Date	Due date	Schedule this bill
☐	ILLYCAFFÉ CONTINENTAL	1050500	$302.51	Nov 30, 2018	Nov 30, 2018	Schedule this bill ⋮
☐	NEUTROGENA HOUSEKEEPING	1050500	$302.51	Nov 30, 2018	Nov 30, 2018	Schedule this bill ⋮
☐	PEPSI BAR	1050500	$302.51	Nov 30, 2018	Nov 30, 2018	Schedule this bill ⋮
☐	AMERICAN HOTEL ACH MAINTENANCE	1050500	$302.51	Nov 30, 2018	Nov 30, 2018	Schedule this bill ⋮

How to Talk to Your Team About AP Automation

Implementing AP automation requires thinking ahead
and planning, so your hotel group can transition smoothly.
Follow these essential steps to ensure success.

Research

Do stellar research to find which platforms integrate best with your current setup — it's easier to use AP platforms that "drop in" to your current workflows and tools, rather than a system that forces you to rip out your entire system.

Prep Your Team

Plan your implementation with your team. Review your current workflows to determine where you need to streamline. Assign responsibilities and delegate tasks involved with the transition. Encourage open communication throughout the process.

Map Out Your Timeline

Setting a timeline for the transition helps ready your team for the process and be clear on your completion goals. Remember, your hotel group still has daily financial transactions that you must stay on top of while you're in the transition phase.

Ditch Paper For Digital

Ditching paper in favor of digital will be life-changing for your AP team and your hotel group's future viability. Digitizing all documents is a task that needs to be delegated to ensure all historical invoices and statements are accounted for and uploaded to your AP automation system.

Organize Your Vendor List

Identify and organize your vendor list to figure out monthly spend per vendor. Annotate which vendors accept credit card payments. This will help you calculate all of your potential savings, ranging from available vendor rebates, to cash back, etc.

Notify Your Vendors

Let your vendors know what you're up to and what you need from them. If you have resistant vendors, help them understand that paperless invoices and electronic payments get them paid faster. Plate IQ's VendorPay network helps your vendors onboard, and gets them up and running.

" I love that every property has its own email address. After the invoices are automatically coded, the GM goes in and says, "Yep, this all looks good." It's so easy: it's just one, two, three — done. If we need to make any changes, it's just so user-friendly to go in and reassign an item's GL code. "

Shelby Tufenk, Controller, Golder Hospitality

What to Look for When Evaluating an AP Automation Platform

As you move toward automating your hotel group's financial operation, make sure to get the most for your money. Here's a checklist of "must-have" features:

#1 Integrations

It's important to choose an AP automation solution that integrates with your current systems. There's no need to tear apart every system you already have in place that's working well for your hotel. It's wise to select a solution that can "drop in" to your current systems and keep your group's workflows fluid.

#2 Digital Quality

Paperless invoicing and automatic invoice approval will revolutionize your invoice process from tip to tail, reducing time spent on invoicing by as much as 80%. Invoice automation includes integration with your accounting platforms, the ability to automatically route invoices for approval, and a vendor portal to electronically receive invoices.

#3 Automation

A word to the wise: world-class invoice automation uses neural network-based artificial intelligence (AI) and Optical Character Recognition (OCR) for invoice digitization, because those technologies are best able to process handwriting, non-standard invoice formats, and other less-than-pristine documentation that your standard, rules-based OCR would struggle to handle.

Single Expense   Multiple   Mileage

Date

Enter date

Date

Enter amount

Merchant

Enter merchant name

Purpose

Enter purpose

Additional details

Add additional details about the transaction

Drag and Drop Receipt

We accept JPG, PNG,
and PDF files

Cancel   Next

#4

Bill Pay

You must have the ability to pay vendors electronically (and remotely) within your AP automation platform for a true zero-touch process. It's important that you're able to pay on your own terms (like a partial invoice payment, due to missing or damaged goods) and through a variety of payment methods.

The ability to use virtual cards to pay vendors and earn cash back is forward-thinking when it comes to your hotel group's bottom line. The Plate IQ card lets you earn up to 1% cash back by simply paying your vendors.

#5

Integration with Existing Systems

Expense management is an essential feature of any automation platform. You must be able to track and analyze spending by department. The ability to get a detailed trail of every invoice and payment approval helps eliminate eleventh-hour spending.

Virtual cards offer expense control, in-real-time expense tracking, and the pièce de résistance: cash back on all your transactions.

#6

Document Storage

You must have the ability to pay vendors electronically (and remotely) within your AP automation platform for a true zero-touch process. It's important that you're able to pay on your own terms (like a partial invoice payment, due to missing or damaged goods) and through a variety of payment methods.

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#7

Automatic Line Item Mapping to GL Code

Automation means processes become automatic — that's the ultimate benefit. A top-notch automation platform should allow you to map invoice items to your chart of accounts, once. From that point on, those items should code correctly and automatically to your GL.

Item Name

SKU

Men's Shave Cream 3 oz.
Incidentals — 6793

26GF

GL Code
Automatically Added

7593
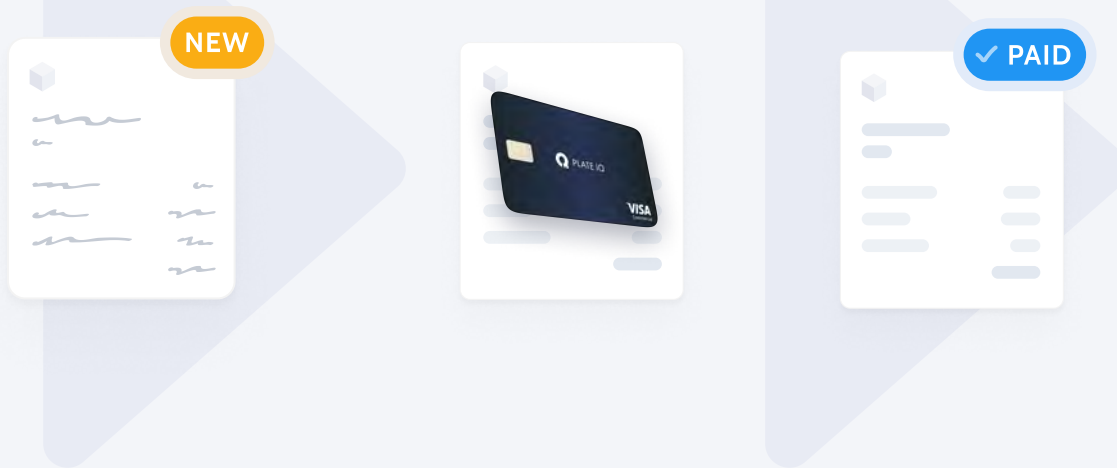
AP Automation Will Revolutionize Your Hotel

Sloth-speed, manual AP processes should be a thing of the past — in most businesses, they already are. More and more hotel groups are utilizing technology to bring their back offices up to date, boosting service and saving on labor. Shouldn't yours?

Accounts payable plays a critical role in maintaining the overall health of your hotel group. By significantly improving the
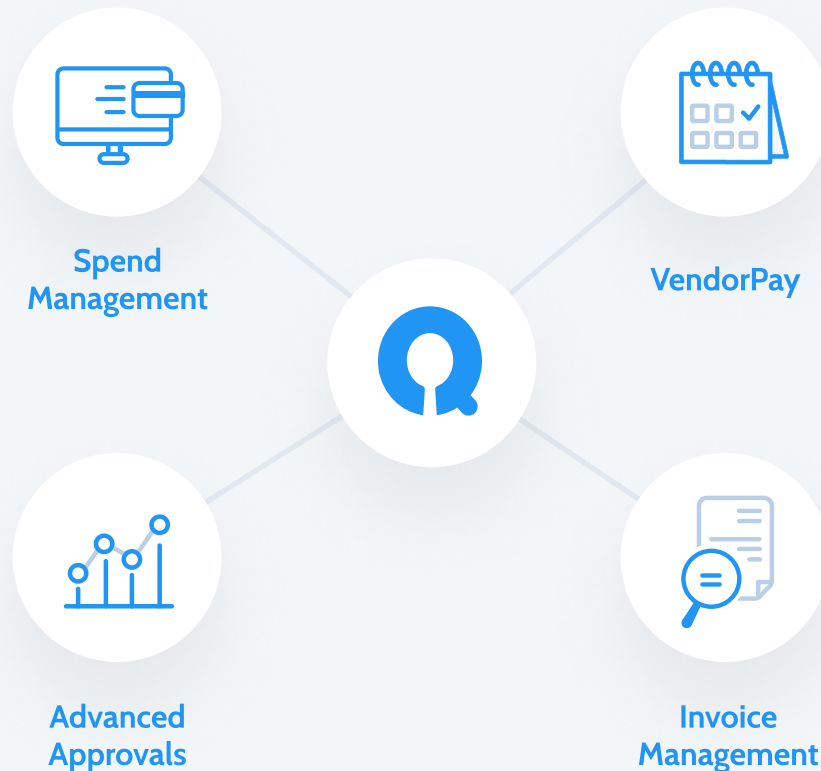
efficiency and effectiveness of your AP processes, you'll be setting your group up for long term growth and resilience in the face of labor issues and turnover.

You know how beneficial accounting tools can be for autonomy, continuity, and consistency in the back office, so don't spend another day entrusting your business to the whims of fate. Instead, take control of your profit margins and invest in Plate IQ, the right accounting tool for your hotel group.

PLATE IQ

The Complete AP Automation Platform

Get your demo at **www.plateiq.com**

Spend Management

VendorPay

Advanced Approvals

Invoice Management

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