



Safeguard Margins and Improve Cost Controls: A Guide to AP Automation for Grocery

Don't Just Automate AP. **Ottimate** it

 **ottimate**

Welcome to the ultimate guide to AP automation for grocery, where cost-saving maximization meets cutting-edge efficiency. Imagine transforming the hustle and bustle of your back office into a well-oiled organizational machine, allowing you to easily catch cost discrepancies and freeing up your time to focus on what truly matters: providing customers with the best possible shopping experience.

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Improve Cost Controls by Streamlining your AP

Whether it's a one-off market or a chain with hundreds of storefronts, your grocery business is committed to giving shoppers quality products at affordable prices. To achieve this, staff must also complete administrative tasks effectively and quickly and understand potential pricing discrepancies. And when it comes to the back office, efficient processes and attention to detail become even more critical — especially when it comes to the accounts payable process.

Accounts payable (AP) plays a crucial role in maintaining your company's financial well-being. Making timely payments to vendors and suppliers and managing cash flow ensures the processes, products, and services that impact customer service continue uninterrupted. But as the grocery industry continues to evolve, so does the need for stronger, more efficient AP processes.

That's why it's time to mix things up by adding AP automation to your list of must-have financial solutions. Because just as you wouldn't dream of leaving shoppers with empty shelves, you shouldn't handle your AP without the right tools.

This guide will walk you through the ins and outs of automating your accounts payable processes, ensuring you have more time to focus on customers and spend less time buried in paperwork. Whether you're running a single location or managing many, we'll show you how to streamline your operations, maximize savings, improve accuracy, and enhance your overall efficiency.

[Let's explore how AP automation can unlock the door to your grocery company's success.](#)



Understanding AP Automation

Think of AP automation as your financial customer service manager, meticulously handling invoices and payments with the same care and expertise you provide to shoppers.

Accounts payable automation is the process of using technology to streamline and automate the tasks involved in managing your grocery company's accounts payable processes. This includes everything from receiving invoices to processing payments. By moving away from manual methods, AP automation reduces errors, saves time, enhances accuracy, and ensures grocery stores provide customers with a wide range of quality merchandise.

Benefits of AP Automation

✓ Find Price Discrepancies:

Variances in pricing and amounts delivered can impact the bottom line. AP automation can help to uncover these discrepancies and reduce shrinkage.

✓ Reduced Processing Costs:

Automated systems operate at a fraction of the cost of manual processing, reducing the need for paper, storage space, and manual labor.

✓ Improved Cash Flow:

Boost cash flow by capitalizing on vendor-sponsored payment discounts, eliminating unapproved spending, and earning cashback with select payment types.

✓ Enhanced Security:

Robust security features are more accessible with automated systems, protecting your sensitive data through every step of the AP process.

✓ Gain Insights into the Purchase Process:

Remove the guesswork from inventory requested to inventory received to stock and sell at the best value.

✓ Faster Approval Times:

With automation, invoices and payments can be approved in minutes rather than days, as the system instantly routes them to the appropriate departments and individuals.

✓ Better Accuracy:

Automated data capture and validation features lower the likelihood of errors, which can be costly and time-consuming to fix.

✓ Real-Time Visibility:

AP automation gives you real-time insights into your entire AP workflow, allowing for better decision-making.

The Challenges of Manual AP Processes

Managing finances can be just as demanding as running a busy grocery business.

Manual AP processes add a layer of complexity and stress, potentially impacting your restaurant's efficiency and profitability. Let's explore the general challenges the restaurant industry faces, along with specific hurdles encountered by fine-dining and fast-casual establishments.

General Industry Challenges



Time-consuming Processes:

Manual handling of invoices, data entry, and payment processing consumes valuable time.



Lack of Visibility:

Without automated systems, tracking expenses and monitoring cash flow becomes difficult.



High Risk of Error:

Human error in data entry leads to incorrect entries, duplicate payments, and reconciliation issues.



Security Risks:

Manual processes are more [susceptible to frauds](#) and data loss, compromising financial records.



Added Expenses:

Labor-intensive processes increase labor costs, and operational expenses rise with paper usage and storage needs.

Challenges for Single Grocery Stores and Small Companies

A small grocery company with one location or just a few stores often doesn't have an AP automation system. This means that they either have to manually look for unexpected discrepancies in each delivery or pay invoices without comparing them to quoted pricing from suppliers on PO and non-PO DSD purchases. A lean team typically handles every manual step of capturing, processing, and approving invoices for every product category and department, as well as authorizing and making payments. If the company intends to add more locations, they might not be able to scale without hiring more AP staff members.

Challenges for Multi-Storefront Grocery Chains

When a grocery company manages numerous storefronts, they can be dispersed across several states or even the entire country.

AP automation completely transforms how grocery stores handle their money, bringing a slew of benefits that can improve your daily operations. By streamlining tasks like sorting invoices and processing payments, automation cuts down on the time and effort your team spends on manual work. This means less hassle for staff and more time to focus on what really matters: providing groceries with great value and top-notch customer service.

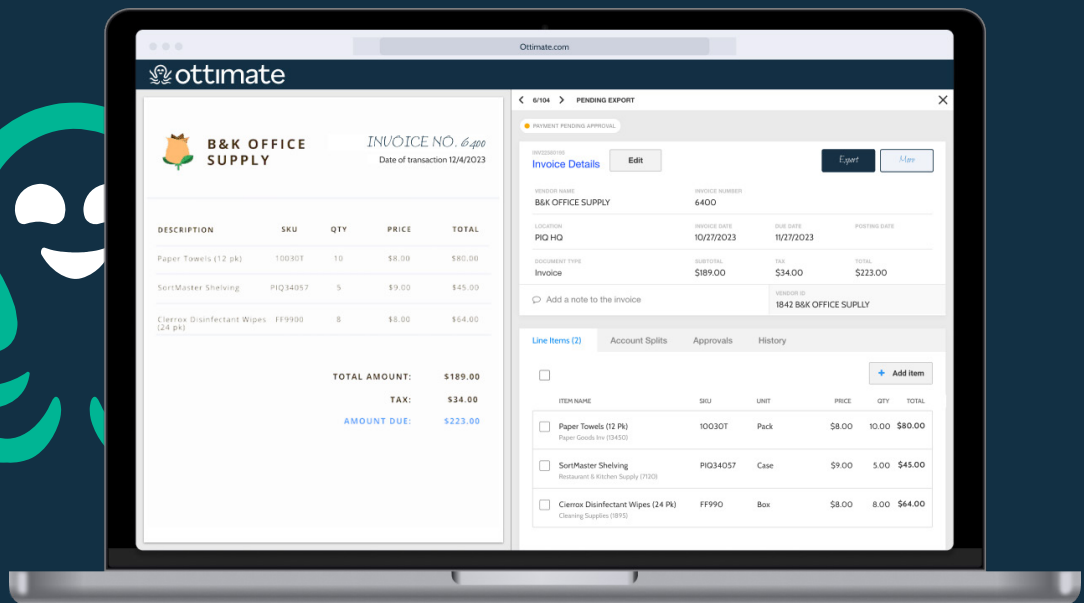
With AP automation, grocery companies like yours can keep a closer eye on their finances, make smarter decisions, and even save some cash in the process. Plus, with everything managed automatically, there's less chance of mistakes sneaking in. And let's not forget about security: automation beefs up protection for sensitive financial information, keeping it safe from prying eyes. AP automation gives your grocery store or chain the tools it needs to stay on top of the game and keep the financial process flowing.

Heritage Grocers Group: Processing Invoices 50 to 70% Faster and Expanding with an Efficient AP Team

“Now that we’re not manually handling 75,000 invoices a month, we’re no longer miscoding, misplacing, or forgetting to send them to the right people. Ottimate is around 97 percent accurate and is more consistent than human data entry.”

Greg Flores, corporate controller
Heritage Grocers Group

[Read their Story](#)



Writing Your Financial Grocery List: Starting AP Automation

Ready to get your grocery business going with AP automation?

The process can be boiled down to five essential steps. Each one ensures a smooth transition, maximizing efficiency and enhancing your grocery company's financial management.

5 Steps to Implementing AP Automation for Your Grocery Business

1. Evaluate Your Current Process

The first step is to assess your current accounts payable workflows. This involves examining the entire invoice lifecycle, from receipt to payment approval. Identify any pain points or inefficiencies, such as delays in processing or errors in data entry. Understanding these challenges will help you define clear objectives for automation, whether it's reducing processing time or improving cash flow management.

2. Choose an Automation Tool

Research and compare different AP automation solutions. Look for features like invoice capture, automated workflows, and [integration capabilities](#) with your existing systems. Also consider factors like ease of use, reputation, and industry experience when selecting a provider. Request demos or trial periods to understand how each tool can meet your grocery company's needs.

3. Set Up Your Workflow

Once you've chosen an automation tool, it's time to customize it to fit your grocery company's unique AP processes. This includes defining user roles, permissions, dimensions, and [approval hierarchies](#) within the system. Thoroughly test the new workflows to ensure they align with your objectives and address any issues before full implementation.

4. Train Your Team

Provide comprehensive training for all team members involved in the AP process, including ongoing support and troubleshooting to ensure everyone is on the same page. Clearly communicate the benefits of the new system to encourage adoption and work closely with your team to address any questions or concerns.

5. Monitor and Optimize

After your new system is up and running, observe how your new AP automation tool and processes are performing. Track key metrics, like processing time and error rates, and gather feedback from your team regularly to identify areas for improvement. This will help you continuously refine and optimize your AP workflows.

Ottimate is a great application that will assist in organizing your accounts payable & streamline the payment process. If you are looking to open up your available time to be productive in other areas of your business, then I would definitely suggest looking to Ottimate.

David H. G2 Verified, Mid-Market User

Choosing the Right AP Automation Solution for Grocery

For your back office, selecting the right AP automation solution is just as important as your produce department offering fresh fruit and vegetables. But with so many options available, it's essential to identify the features and benefits that align with the unique needs of grocery companies. Here's what to consider when seeking the best AP automation solution for your financial operations:

Assess Your Needs

- ☑ **Transaction Volume:** Consider the number of invoices and payments you process monthly.
- ☑ **Security Features:** Ensure advanced security measures are in place to protect sensitive financial data.
- ☑ **Integration Requirements:** Ensure compatibility with your existing POS, ERP, accounting software, CRM, and inventory management systems.
- ☑ **User-Friendliness:** Look for an interface that's intuitive and easy for your staff to use, minimizing training time and errors.
- ☑ **Scalability:** Choose a solution that can grow with your business, accommodating future expansions and increased transaction volumes.
- ☑ **Support and Training:** Make sure the provider offers robust customer support, comprehensive onboarding, and helpful resources.

Key Features to Look For

- ☑ **Invoice Automation:**
Automatically capture, validate, and approve invoices.
- ☑ **Payment Processing:**
Streamline payment workflows, including [automated payments](#) and vendor management.
- ☑ **Real-Time Reporting and Analytics:**
Access detailed financial [reports and insights](#) to make informed decisions.
- ☑ **Compliance and Audit Trails:**
Maintain thorough records for auditing and compliance purposes.
- ☑ **Cost Tracking:**
Monitor expenses and analyze cost trends for better financial control.
- ☑ **Customizable Workflows:**
Tailor the system to match your grocery company's specific processes and [approval hierarchies](#).

Other Things to Consider

- ☑ **Reputation and Reviews:**
Research the company's reputation and expertise in the grocery industry, and read customer reviews and case studies to see what actual users are saying.
- ☑ **Demonstrations:**
Speak with a sales rep and request a demo to evaluate the software's performance and suitability.
- ☑ **Pricing Structure:**
Understand the pricing model, including any hidden costs or additional fees.
- ☑ **Future-Proofing:**
Choose a vendor committed to continuous improvement, innovation, and upgrades, ensuring your solution remains cutting edge.

Meet Ottimate

Now that you know what to look for in an AP automation solution, let's introduce Ottimate, an AI-powered solution that gives your team a smarter way to work through the entire invoice and payments lifecycle. With its robust features and dedicated support, Ottimate is on a mission to make life a little easier for anyone eager to spend less time on AP and more time serving customers.

Meet Ottimate: the perfect partner for your back-office operations.



Why Choose Ottimate?

Ottimate is designed to address the unique challenges grocery stores face, offering a comprehensive suite of features that streamline financial processes and enhance overall efficiency.

Ottimate adapts to the grocery industry's need for quick approvals and seamless payment processing. With features like easy integration with a variety of POS and ERP systems and real-time expense tracking, Ottimate ensures an optimized financial experience for your company.

[Learn more about Ottimate for grocery.](#)



Ottimate's Key Features

Ottimate offers a variety of features to meet your grocery company's needs:

- ✓ **Invoice Automation:**
Captures, verifies, and approves invoices automatically, reducing manual intervention and errors.
- ✓ **Payment Processing:**
Streamlines payment workflows, automates vendor payments, and ensures timely disbursements all while using your preferred payment types (virtual card, ACH, and check)
- ✓ **Real-Time Reporting & Analytics:**
Offers detailed financial reports and insights, helping you make data-driven decisions.
- ✓ **Seamless Integration:**
Easily sync with your existing POS, ERP, accounting software, CRM, and inventory management systems, ensuring a cohesive workflow.
- ✓ **PO Matching:**
Ottimate's 3-way matching uses AI and machine learning to automatically link invoices to the corresponding PO and receipt.
- ✓ **Custom Dimensions:**
Tailor workflows to meet your needs, with custom dimensions to match what's in your accounting software, like departments, projects, locations, or any other relevant criteria.
- ✓ **AI & Machine-Learning Advantage:**
Ottimate's AP Automation Platform harnesses the power of AI & machine learning to tailor itself to your unique processes — meaning less work for you and your team.
- ✓ **Advanced Security:**
Ottimate is SOC 2 compliant, meaning your data is protected with top-tier security measures, giving you peace of mind.
- ✓ **Onboarding & Support:**
Provides continuous support and thorough training to help your team adapt and excel with the new system.
- ✓ **Document Integration:**
Every invoice is securely stored and easily accessible in your Digital Filing Cabinet.
- ✓ **Compliance & Audit Trails:**
Maintains comprehensive records for auditing and compliance, simplifying regulatory adherence.
- ✓ **Cost Tracking:**
Monitors expenses and provides detailed cost analysis, helping you manage your finances more effectively.
- ✓ **Scalability:**
Adapts to your grocery company's growth, whether you're a single location or a multi-unit enterprise, ensuring long-term usability.
- ✓ **Mobile App:**
Whether you're in the office or on the go, Ottimate's Mobile App lets you capture documents, review and approve invoices, receive real-time notifications, and monitor your accounts payable lifecycle — from wherever you are.

Improving Inventory Management

To provide shoppers with the best brands and products, grocery companies must tightly control their inventory. Effective inventory management ensures you have the right amount of supplies without overbuying, helping you reduce waste and save money. Integrating your inventory management and POS systems with an AP automation solution helps streamline this process.

AP automation gives you...

- ✓ **Real-Time Data:** Provides up-to-date inventory levels, reducing the risk of overstocking or stockouts.
- ✓ **Automated Reordering:** Automatically generates purchase orders based on predefined thresholds.
- ✓ **Cost Control:** Compares inventory purchases with your finances, ensuring accurate cost tracking.

Petty Cash vs. Spend Management

Petty cash is often used for small, everyday expenses by grocery companies like yours. A dedicated [spend management solution](#) digitizes how you track employee expenses, giving you greater control over budgeting and company spending.

AP automation gives you...

- ✓ **Transparency:** Detailed tracking of all expenses, no matter how small.
- ✓ **Reporting:** Pull detailed reports to analyze spending patterns and make informed decisions.
- ✓ **Efficiency:** Reduce the need for cash handling and manual reconciliation.
- ✓ **Control:** Set spending limits and approval workflows to prevent overspending.

Validating Costs and **Preventing Misspend**

Cost File Validation

Some grocery transactions don't have a formal procurement document like a PO. But given the low profit margins in the industry, it's essential that stores don't overpay. The Ottimate cost file validation tool ensures that the amounts on each invoice match what the purchasing department expected to pay, highlights variances so they can quickly be resolved, and makes cost changes in your POS system. This is the perfect solution for direct store delivery (DSD) purchases.

Receiver Validation

AP automation is also helping grocery stores improve spend management for transactions with procurement documents. Typically, the AP team manually reviews every invoice line item and checks for discrepancies by matching them against your accounts. Ottimate's procure-to-pay PO Match feature eliminates this step, using AI and machine learning to compare invoice data with POs (two-way matching) or POs and receipts (three-way matching). This identifies variances in pricing, quantity, item type, and more, helping prevent misspending, control costs, and speed reconciliations.

The receiver match is more immediate now because we scan the invoice into Ottimate, it matches instantly against the PO, and we catch the exceptions.

Greg Flores, corporate controller
Heritage Grocers Group



Benefits of Using Ottimate

Enhanced Efficiency: Automates repetitive tasks, freeing your staff to focus on more critical areas.

Improved Accuracy: Reduces human error, ensuring your financial data is always accurate and reliable.

Better Cash Flow Management: Provides clear visibility into your spending, helping you manage cash flow more effectively.



Stronger Vendor Relationships: Ensures timely and accurate payments, enhancing your relationships with vendors.

Scalable Solutions: Grows with your business, accommodating new locations and increased transaction volumes.

With Ottimate, you're investing in a solution that can meet the unique needs of the grocery industry, providing the tools and support required to streamline your accounts payable processes and focus on what you do best — building lasting loyalty with customers and improving relationships with vendors.



Maximizing the Benefits of AP Automation



AP Best Practices

Regular Updates:

Stay up-to-date on the latest trends in AP technology to benefit from helpful features and new processes.

Continuous Training:

Provide ongoing training to ensure your entire team can easily use your system and workflows, especially when new features are added.

Vendor Management:

Maintain good relationships with your vendors by choosing a system that not only ensures timely and accurate payments but also provides a platform for them to track and monitor payments.

Regularly Review Your Processes

Conduct periodic reviews of your AP processes and your automation system's performance. Gather feedback from your team and vendors to identify areas for improvement and ensure the entire end-to-end workflow still works for your needs — and is delivering top-notch results.

Tracking and Analyzing Spending and Cost of Goods

Accurate tracking and analysis of the cost of goods sold (COGS) and responsible spend management is vital for maintaining healthy profit margins at every grocery company. AP automation tools, like Ottimate, provide detailed insights into your spending patterns, helping you make informed decisions about pricing, procurement, and inventory management.

AP automation helps you...

- ✔ **Monitor Spending:**
Track all expenses related to supplies and compare these to budgets.
- ✔ **Analyze Trends:**
Identify trends in pricing and consumption to optimize purchasing strategies.

- ✔ **Adjust Pricing:**
Adjust pricing based on current cost data to ensure profitability.
- ✔ **Discover Vendor Savings:**
Improve margins and reduce costs by using real-time data to find better deals on goods and services.

The Future of AP Automation for Grocery

AP automation is transforming how grocery stores and chains manage invoice and payment processing. But as the need for AP automation grows, so too will the technology that supports it. Here's what you can expect as automation solutions for grocery continue to evolve.

The Role of Artificial Intelligence & Machine Learning

AI and machine learning have revolutionized AP automation by enhancing invoice processing and predictive analytics. These technologies can identify patterns, predict cash flow needs, and provide more accurate financial forecasting. As AI becomes more and more sophisticated, these technologies will continue to advance and provide even faster and more efficient AP processing.

Stronger Integration with Other Grocery Technologies

The future of AP automation lies in greater, more fluid integrations with other grocery technologies, such as POS and ERP systems, inventory management, and customer relationship management (CRM) software. This holistic approach will enhance overall operational efficiency.

Enhanced Mobile Capabilities

Mobile-friendly AP automation solutions allow grocery store managers to oversee AP processes on the go. Enhanced mobile capabilities will ensure that AP tasks can be handled anytime, anywhere — increasing flexibility and responsiveness.

Greater Emphasis on Data Security & Privacy

As data security becomes more important, AP automation providers will continue to find ways to strengthen their security measures. This focus will ensure that grocery companies' sensitive financial data is protected against breaches and unauthorized access.

Staying Ahead

You can ensure your grocery business remains at the forefront of technological advancements by staying current on the latest solutions and trends and regularly evaluating and updating your accounts payable processes. You can also attend industry seminars, [participate in webinars](#), and read up on the latest innovations in the AP automation space.

Achieving Automated Success

AP automation is the key to more efficient, accurate, and timely AP processes at your grocery company. By understanding the basics, choosing the right solution, and implementing it effectively, you can streamline financial operations and focus more on serving shoppers. With Ottimate, you can transform your accounts payable experience with our full suite of automation solutions. Check out our wide range of products and request a demo today!

See how Ottimate can work for your team!

[Meet Ottimate Today](#)

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