



Use Cases of Artificial Intelligence within

Accounts Payable Automation



TABLE OF CONTENTS

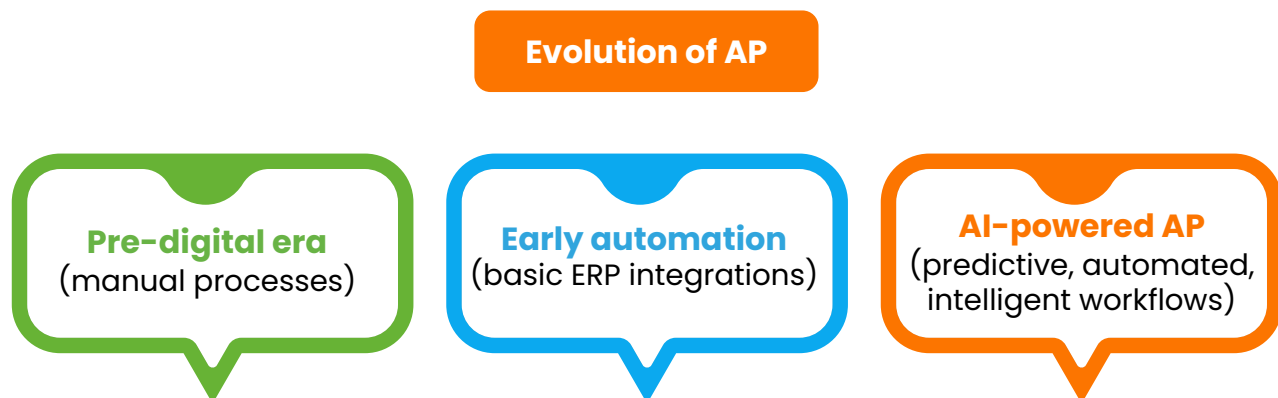
▶ Chapter 01 Introduction to AP Automation & AI	03
▶ Chapter 02 Key Impacts of AI in AP Automation	04
▶ Chapter 03 AI: The Key Differentiator in AP Automation Space	05
▶ Chapter 04 AI Invoice Capture and Processing	06
▶ Chapter 05 Intelligent Exception Handling	07
▶ Chapter 06 Automated GL Coding with AI	08
▶ Chapter 07 AI-Powered Approval Workflows	09
▶ Chapter 08 AI-Powered AP Inbox	10
▶ Chapter 09 AI for Compliance & Fraud Prevention	11
▶ Chapter 10 Conclusion & Future Outlook	12

Introduction to AP Automation & AI

Accounts Payable teams have traditionally struggled with time-consuming manual tasks like invoice processing, data entry, exception handling, and approvals. Enter 'Artificial Intelligence' – the most popular technology of today's time that brings unprecedented accuracy, speed, and strategic insights to AP operations.

As businesses evolve, the demand for efficiency, accuracy, and security in financial operations is more critical than ever. AI in accounts payable isn't just an upgrade—it's a game-changer, offering unparalleled opportunities to streamline processes, reduce errors, and elevate financial management to new heights. AI isn't just automating tasks; it's rethinking processes, enabling AP departments to shift from being cost centers to strategic assets.

Let's explore key AI use cases within AP automation and how these innovations pave the way for operational excellence.



Key Impacts of AI in AP Automation

AI is revolutionizing accounts payable operations by streamlining and enhancing financial processes. It automates routine tasks, drastically reducing the time and effort required for data entry, invoice processing, and payment approvals.

Key Impacts:

- **Cost Saving:** AI minimizes manual effort, detects errors, and enables early payment discounts while reducing operational costs through automation like RPA.
- **Automation:** OCR-powered data capture, automated workflows, and exception handling streamline operations, allowing AP teams to focus on strategic tasks.
- **Fraud Detection:** AI analyzes patterns, flags anomalies, and enhances security with features like encryption and multi-factor authentication.
- **Reporting & Analytics:** Real-time dashboards and reports provide actionable insights for better compliance and supplier management.
- **Integrations:** AI seamlessly connects with ERPs for efficient data flow and scalability.
- **Spend Management:** AI reduces invoice costs, automates payments, and optimizes supplier relationships, improving cash flow and operational efficiency.

Feature	Manual Process	AI-Driven Process
Invoice Accuracy	~65%	~99%
Processing Time	~10 days	~2 days
Cost per Invoice	\$10 - \$15	\$3 - \$5

Get an estimation of the time and costs your organization can save with our Accounts Payable Automation Software

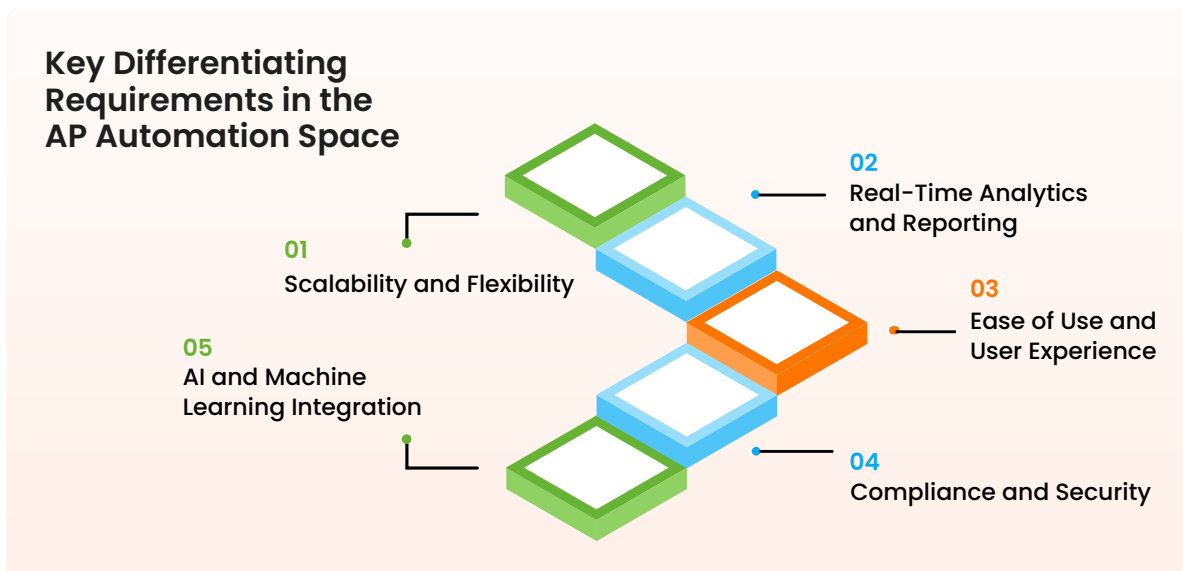
[CALCULATE NOW](#)



AI: The Key Differentiator in AP Automation Space

According to Forrester's report on Accounts Payable Invoice Automation Landscape 2024, AI is the key differentiator while selecting the right supplier for your business.

To navigate the crowded AP automation market, organizations must consider several key differentiating factors. These factors help ensure that the chosen solution not only meets immediate needs but also supports future growth and innovation. The following are some critical differentiating requirements in the AP automation space -



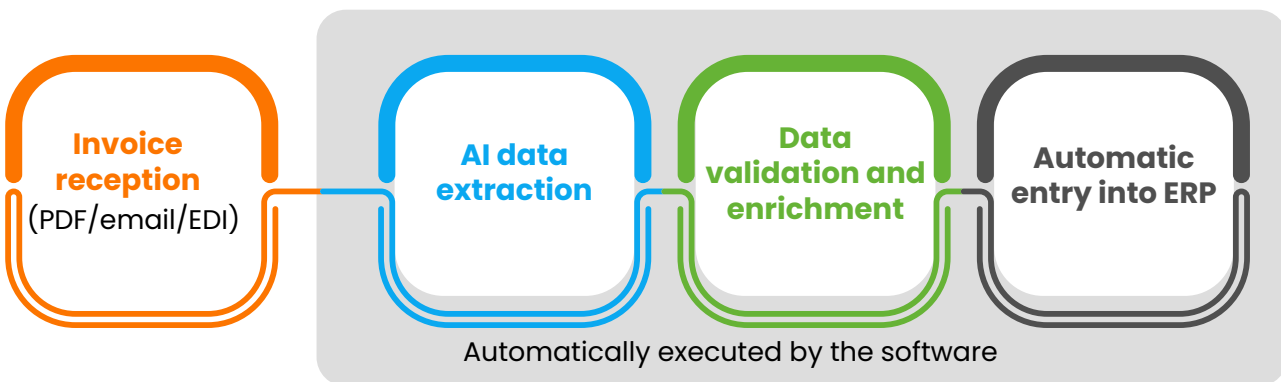
- **Scalability & Flexibility:** Solutions must handle growing transaction volumes and integrate with various systems. Scalability ensures performance under heavy workloads, while flexibility adapts to unique business processes.
- **Real-Time Analytics:** Advanced analytics and live reporting provide insights into KPIs, enabling quick issue resolution and improved efficiency.
- **Ease of Use:** Intuitive interfaces reduce training needs, streamline workflows, and boost adoption.
- **Compliance & Security:** Robust features safeguard sensitive data and ensure adherence to regulatory standards.
- **AI Integration:** Machine learning enhances accuracy, automates complex tasks, and offers predictive insights for continuous optimization.

Let's take a look at the primary AI use cases within Accounts Payable Automation space.

AI Invoice Capture and Processing

Manually keying in invoice data is prone to errors and inefficiencies. In fact, even traditional systems only have a data accuracy of just 60–70%. AI-powered invoice capture uses optical character recognition (OCR) combined with machine learning to extract data from invoices in any format. Advanced systems validate the data against purchase orders and contracts, reducing discrepancies.

AI also learns from historical data to enhance future accuracy, making this technology adaptive and ever-improving.



HighRadius Example

HighRadius' Invoice Capture uses GenAI and OCR to ensure accurate, rapid data extraction with minimal manual intervention with 99% data capture accuracy.

Intelligent Exception Handling

Exception handling is one of the biggest bottlenecks in traditional AP workflows – right from identifying an exception to resolving one through multiple touchpoints across the organization. AI helps in mitigating this by:

- Predicting Exceptions: Identifying patterns that might lead to errors.
- Automated Resolutions: Auto-resolving less critical exceptions based on pre-defined rules.
- Reducing Manual Effort: Flagging only the most critical issues for human intervention while recommending corrective actions based on past data.

This minimizes delays and ensures invoices are processed without unnecessary back-and-forth communications.

AI-assisted process:
Real-time or within hours

Manual process: Average
of **4 days**



HighRadius Example

HighRadius AI identifies and flags exceptions autonomously by analyzing payment terms, invoice discrepancies, and supplier profiles for analysts to take quick actions and **resolve exceptions 3x faster** than traditional systems.

Automated GL Coding with AI

Automating tasks like coding and mapping invoices is challenging due to the complexity of General Ledger (GL) codes. These codes can apply to various expenses, split by line items or specific product codes, necessitating manual intervention often involving consultations with business teams or the CFO. Assigning these codes can be subjective, potentially leading to misclassification of expenses.

However, AI streamlines GL coding by learning from historical invoice data and accurately predicting GL accounts, cost centers, and dimensions. It eliminates guesswork and ensures compliance with accounting policies, particularly for non-PO invoices.

Coding Details				
Search				
INVOICE DETAILS				
ID	Line Details	Amount	Accounting	Service
	Description	Total Amount	Ledger Account:	Pre-paid
	Apple MacBook Pro	\$25,990	Small IT hardware	
	16-inch, 16 GB			Start Date
	PO#	Unit Price	◆◆ Speed Category: Workplace	End Date
		\$2,599	◆◆ Postage and freight	
	POLine #	Quantity	◆◆ Cost Center: Facilities	
		10	◆◆ Region: USA Corporate	
			◆◆ Location: San Francisco - Office	
			◆◆ Department: Marketing	



HighRadius Example

HighRadius' AI-powered GL coding improves consistency in ledger entries, supporting financial audits and reporting. It streamlines coding for non-PO invoices by automatically assigning GL accounts and allocating costs across dimensions such as departments, cost centers, or projects.

The AP team defines the rules for coding invoices by supplier, item, or company details and once set, the system auto-fills the required account details and cost allocations whenever a matching invoice is received—saving time and reducing errors.

AI-Powered Approval Workflows

Manual approval workflows often result in delays and errors. AI transforms these workflows by:

- Routing invoices based on historical approval patterns.
- Automating escalations for overdue tasks.
- Prioritizing invoices by due dates, supplier importance, and discount eligibility.

AI automatically identifies approvers



Tracks approval status and reminders



Ensures compliance with organizational policies



HighRadius Example

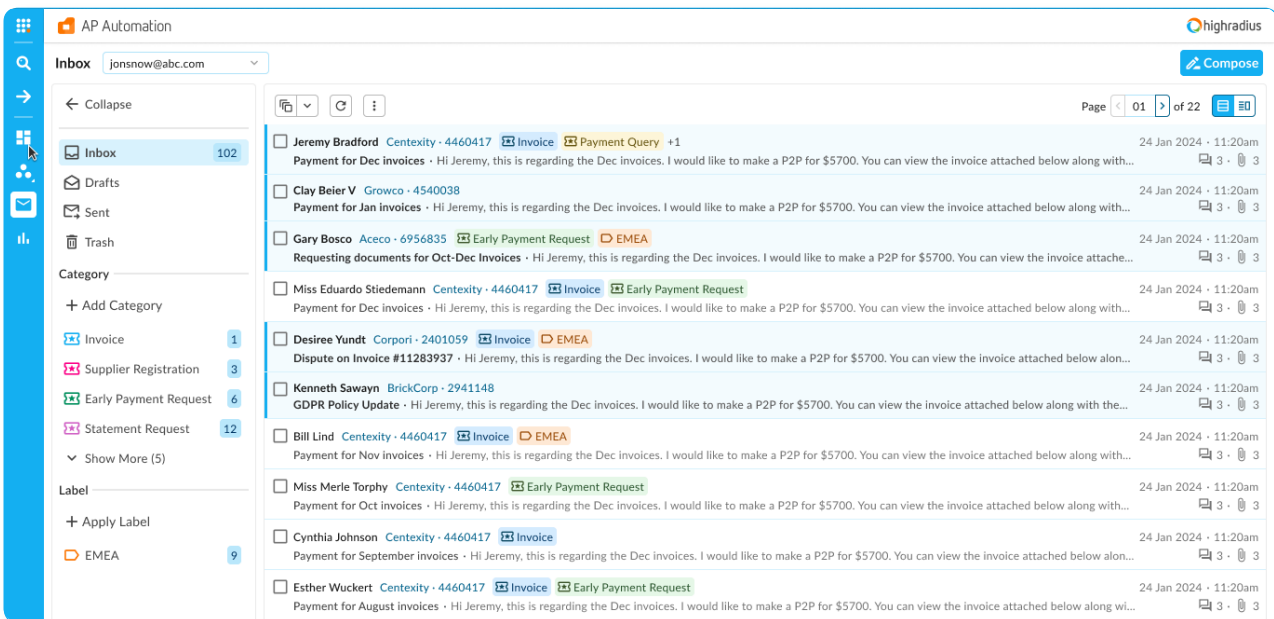
HighRadius helps in creating custom invoice approval workflows based on company, business unit, and location (CBL). You can define approval paths by invoice attributes like amount, type, or purchase category.

AI-Powered AP Inbox

AP teams face difficulties organizing, interpreting, and responding to a flood of supplier emails, leading to delays and inefficiencies. Manually categorizing emails, understanding intent, and ensuring accurate responses are time-intensive and prone to errors.

How AI Helps:

- **Smart Email Organization:** Automatically classifies emails into predefined labels like W9, Invoice Submission, or Payment Follow-Up, ensuring a structured inbox.
- **Intent Interpretation:** Uses AI to analyze email content and history to infer supplier intent, simplifying communication management.
- **AI-Powered Draft Responses:** Recommends data-driven email drafts tailored to supplier inquiries, allowing users to adjust tone or length before sending.



HighRadius Example

HighRadius AI-Powered AP Inbox organizes the AP Inbox (Gmail or Outlook) by classifying emails into various categories and creating action items. It leverages GenAI to interpret the intent behind supplier emails and recommends data-driven draft responses. This allows the AP team to respond to supplier emails quickly and accurately, enhancing efficiency and productivity.

AI for Compliance & Fraud Prevention

Fraud and compliance issues can significantly impact the AP process by increasing the risk of financial losses, reputational damage, and regulatory penalties. Fraud, such as duplicate invoicing or misclassification of expenses, can result in overpayments or incorrect financial reporting.

Compliance challenges arise from managing complex tax regulations, adhering to local and global standards, and ensuring that invoices meet legal requirements. Non-compliance or fraud can lead to audits, legal disputes, and inefficiencies in processing, which affect cash flow and operational efficiency.

AI reduces compliance risks by:

- **Automated Validation:** AI ensures that invoices comply with company policies, checking for discrepancies such as incorrect tax rates or invalid purchase orders. It also identifies and flags invoices that fail compliance rules, such as mismatched tax amounts or invalid supplier details.
- **Duplicate Invoice Detection:** AI identifies and flags duplicate invoices by cross-referencing supplier data, invoice amounts, and other relevant details, reducing the risk of fraudulent payments.
- **Legislative Compliance:** AI captures and validates tax details, ensuring invoices adhere to local tax laws and regulations, such as verifying sales tax percentages based on delivery location.



HighRadius Example

HighRadius leverages AI to ensure global tax compliance by capturing tax details from supplier invoices and validating them against local sales tax regulations. The system identifies discrepancies, ensuring compliance with regional standards.

Also, it detects potential duplicate invoices by clustering data based on supplier and legal entity information and performing checks on key fields like invoice number, line item description, and dates. Anomalies are flagged for AP teams, minimizing errors and streamlining invoice validation.



Conclusion & Future Outlook

AI is not just a trend—it's the future of Accounts Payable. With capabilities like predictive analytics, fraud prevention, and intelligent workflows, AI enables businesses to achieve unprecedented efficiency and accuracy. Companies embracing this technology today will lead tomorrow's financial landscape.

Reduce Invoice Processing Costs With HighRadius Accounts Payable Software

Don't settle for the ordinary. Discover the extraordinary with HighRadius.

[BOOK A DEMO](#)





About HighRadius

HighRadius offers cloud-based **Autonomous Software** for the Office of the CFO. More than 850 of the world's leading companies have transformed their Order to Cash, Treasury & Risk, Record to Report, B2B Payments and Accounts Payable processes with HighRadius. Our customers include 3M, Unilever, Anheuser-Busch InBev, Sanofi, Kellogg Company, Danone, Hershey's and many more.

Autonomous software is data-driven software that continuously morphs its behavior to the ever-changing underlying domain transactional data. It brings modern digital transformation capabilities like artificial intelligence, robotic process automation, natural language processing, and connected workspaces as out-of-the-box features for the finance & accounting domain.

Before the availability of autonomous software, finance stakeholders had to pick between a digital replacement of a paper-based solution or build & maintain custom RPA/AI-based tools in-house. In contrast, HighRadius' Autonomous platform combines the best of both worlds to deliver measurable business outcomes such as DSO reduction, working capital optimization, bad-debt reduction, reduced month-end close timelines, and improved productivity in under six months.

[Click here](#) to see Autonomous Software in action.

Corporate Headquarters

HighRadius Corporation
2107 CityWest Blvd,
Suite 1100,
Houston, TX 77042

(281) 968-4473
(281) 404-9002

India

HighRadius Technologies
Pvt. Ltd., 1st Floor,
Building No: 12C,
MindSpace, Hitech City,
Madhapur, Hyderabad,
Telangana, PIN-500081

Amsterdam

EDGE Workspaces Olympic
Fred. Roeskestraat 100,
1076 EE Amsterdam,
Netherlands

+31 (20) 8885054

London

HighRadius UK Limited
15 Alfred Place,
London,
WC1E 7EB

+44 (0) 203 997 9400

France

HighRadius France
32 rue de Trevise
75009, Paris
France

