The Value of Keeping Humans in the Loop in an Automated Environment

Accounts payable (AP) leaders must cut through a lot of hype around automation.

From self-service supplier onboarding and touch-free invoice processing to digital payments and bots that respond to supplier inquiries, emerging technologies promise to replace workers with machines.

As tempting as it sounds, the key to optimizing AP lies in balancing people and process automation.

AP leaders must find automated solutions that redefine the role that humans play, otherwise they risk deploying a fractional solution that takes the organization one step forward and two steps back.

That's why more AP leaders are embracing automated systems that combine advanced technology with white-glove service. By putting people at the center of automation, organizations can achieve faster payback, stronger supplier relationships, reduced risk of fraud, and better business continuity.

Balancing people and process automation

Automation is transforming finance.

Consider the way that organizations pay suppliers. Over the past two years, the percentage of businesses that pay their suppliers with a paper check has declined by 7 percentage points. What's more, 4 percent of all businesses now make all their payments to suppliers electronically. [1]

Ninety-two percent of treasurers say that increased efficiency was the primary reason for transitioning to electronic payments. Eighty-two percent of treasurers cited cost reduction.[2]

Beyond digital payment methods, new generations of more capable automated systems are emerging that eliminate friction across the invoice-to-pay lifecycle. Artificial intelligence (AI) and machine learning have made especially big strides in AP departments in recent years. These technologies are generating tremendous value, and companies of all sizes and across all industries are using them to uncover opportunities to earn early payment discounts, identify fraudulent transactions, and more.

About half of the activities (not jobs) carried out by workers could be automated. [3]

At the same time, technology is transforming the workplace itself. Rapidly evolving machines are performing more tasks previously done by humans. Work activities like data collection and data processing are easily automated, for instance. But that's not to say that technology will spell the end of finance jobs.

In fact, the best results are achieved when humans work cooperatively alongside automated systems.

More jobs will be changed, rather than lost or gained, as machines complement human labor in the workplace. [4]

1   Institute of Finance and Management (IOFM)
2   Association for Financial Professionals (AFP), 2022 Payments Cost Benchmarking Survey
3   McKinsey Global Institute
4   McKinsey Global Institute
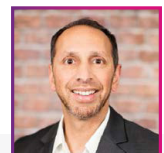
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The most powerful automated systems are meaningless without people. For starters, someone needs to manage and troubleshoot automated systems. Someone needs to talk a supplier through their frustration with an erroneous payment. Someone may be required to explain the benefits of electronic payments to a supplier. Humans will always be needed to step in to assist with unusual or risky situations. And there always will be payment exceptions that require human intervention.

Humans may no longer do routine work. But they will play a big role in an automated environment.

Unfortunately, many approaches to AP automation are so focused on replacing human workers that they miss this fundamental point. Only when AP departments combine advanced technology with human workers will they achieve optimal benefits. Partnering with a finance automation provider that keeps humans "in the loop" can help an organization migrate to electronic payments faster, drive supplier adoption of digital payments, strengthen supplier relationships, ensure business continuity, and mitigate fraud risk.

To learn more about automation, visit www.paymerang.com