



# AP Automation for Microsoft Dynamics Users

The Case for a Payables Solution for Mid-Market Organizations  
Using MS Dynamics as an ERP

## 2019 | Featuring Insights On...

- » Accounts Payable and Payments Management Trends
- » The ROI of Driving AP Automation with ePayments Tools
- » Features and Functionalities of Leading Solution Providers

Underwritten in Part By



## Contents

Introduction .....	3
The Current State of AP for MS Dynamics Users .....	4
A Case for Integrating a Payables Solution with MS Dynamics .....	8
An Optimal Solution for Users of MS Dynamics .....	13
About the Sponsor .....	15
About Level Research .....	17



## Introduction

Mid-market organizations face unique challenges in the back-office, especially when it comes to managing their finances. Positioned between small companies and large enterprises, is the mid-market. The main objectives of the mid-market include addressing scalability and optimizing their current state to be as efficient as possible. Mid-market organizations either have begun to outgrow small-scale accounting solutions like QuickBooks, or they have realized they cannot rely on manually-created and maintained spreadsheets or other paper-based processes. They are not yet on the level of large enterprises, who have more resources for more robust ERP platforms and other Procure to Pay (P2P) solutions.

Mid-market organizations are often looking for a baseline GAAP accounting system that can process invoices, manage GLs and AR, and business assets, and might offer, if they are interested, the options to add HR, payroll, vendor management, and other underlying financial aspects of an accounting system. This system must also be able to accommodate their growing number of employees and locations, and it must be able to span across departments.

MS Dynamics is an extremely popular enterprise resource planning system—particularly amongst mid-market organizations. There are an estimated 180,000 users of a product from the MS Dynamics family, which includes Great Plains (GP, at ~35,000 companies), NAV (~117,000 companies, mostly internationally-based), AX (~20,000 companies), and SL (~11,000 companies)<sup>1</sup>. The family of Microsoft ERPs is aimed at growing and mid-sized organizations with a high level of flexibility and scalability.

Despite these tailored and popular solutions for the mid-market, ERPs are not enough to handle all the of business processes in an organization. An ERP may consolidate a large volume of business-related information and help with creating a single database source for business intelligence, but often times, accounts payable departments are still left with cumbersome processes. In addition, ERPs cannot process and organize all commonly occurring non-digital, paper trails. ERPs alone do not help improve the payables process; organizations should consider implementing a powerful AP solution that works with their ERP.

This whitepaper will explore the specific pain points faced by MS Dynamics users and the valuable benefits of seamlessly integrating an ERP-tailored payables solution.

---

<sup>1</sup> Source: ERP Software Blog (<https://www.erpsoftwareblog.com/2015/03/how-many-companies-use-microsoft-dynamics-erp/>)



## The State of AP Automation and Payment Automation

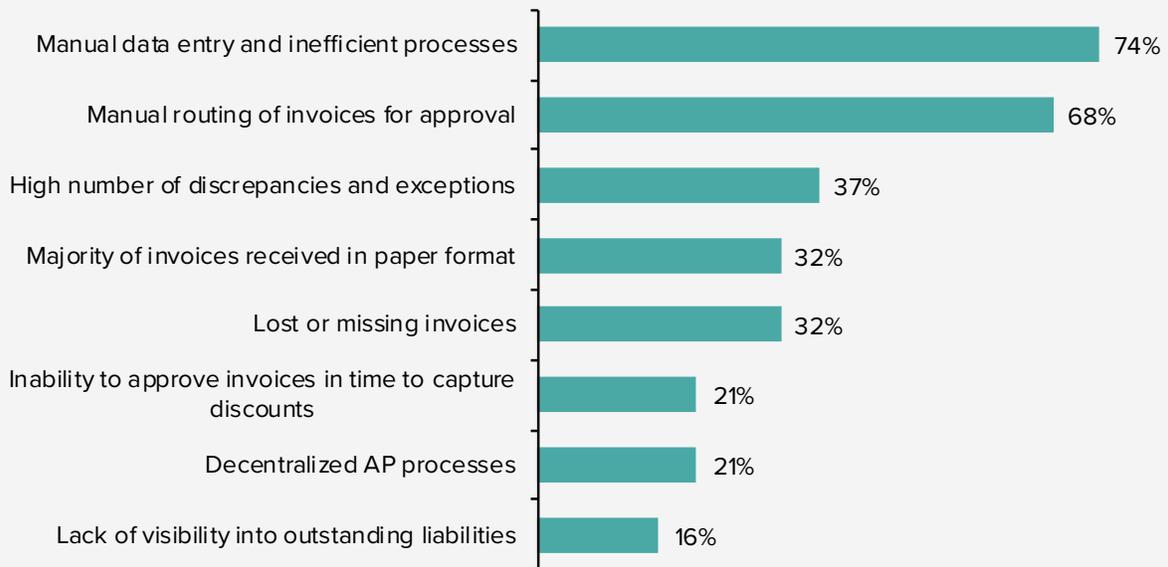
Enterprise Resource Planning software, commonly referred to as ERPs, consolidate data and business functions into a singular platform, which is valuable especially for organizations that have grown out of their initial systems. However, even with the digitization and resulting level of efficiency that comes with an ERP, organizations experience many pain points in processes that surround their ERP—especially in payables.

Level Research has used 2019 survey data on AP process trends to analyze the main challenges of organizations that use MS Dynamics ERP systems.

The main pain points for MS Dynamics users include manual processes: namely, manual data entry and manual routing (see Figure 1).

FIGURE 1

### Pain Points of MS Dynamics Users



SOURCE: LEVEL RESEARCH AP SURVEY, 2019

#### Main AP Pain Points Include Manual Processes

*What are the top three biggest pain points you experience in your workflow process? (Select up to 3)*



Many AP departments manually enter invoice information into their ERP, often transferring information from a mailed piece of paper and keying it into their system or copying over information from a digitally sent invoice. Digital rekeying and coding are time-consuming tasks, and a drain on company resources rather than a value-add function—especially when small AP teams are tasked with processes 1,000 invoices per month or more. Further inefficiencies are revealed when an accounting or finance officers waste time looking for paper documents during auditing scenarios.

Often times, processes in place are fraught with unnecessary steps, like scanning in paper, reprinting at approval steps, and then rescanning, only relying on an email notification to signal to a manager that approval is needed for a payment. These steps create many bottlenecks, especially when approvers might be out of the office or when new employees are assigned approval responsibilities. Invoices that are only a level removed are completely out of sight in a manual approval process.

Because of these frustrating pain points, many organizations, especially as they grow in the mid-market segment, see the value, if not necessity, of AP automation.



If they have adopted a solution, adoption trends differ between MS Dynamics users and those using other ERPs. Namely, Dynamics users are almost twice as likely to adopt a separate, cloud-based solution than a different tool (see Figure 2). This statistic is in contrast to organizations using a different ERP or operating without an ERP at all, who are slightly more inclined to utilize a homegrown or accounting platform/ERP-based solution. This trend amongst Dynamics users may reflect the limited AP functions offered by Microsoft within its platform (simple accounts payable and receivable processing are offered on Microsoft AX), which turns organizations toward external AP software, as well as the challenges of building integrations with the extensive ERP.

FIGURE 2

### Automation Tool Type by ERP



SOURCE: LEVEL RESEARCH AP SURVEY, 2019

#### MS Dynamics Users are More Likely to Use a Cloud-Based Solution

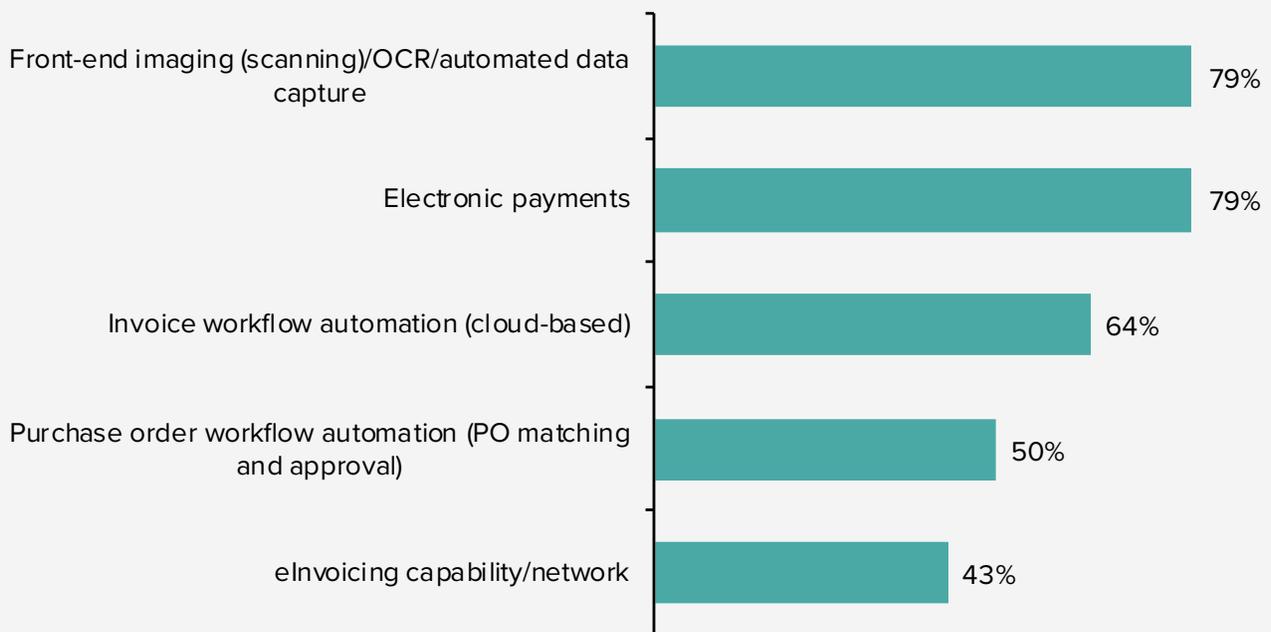
*If your organization is using an AP automation tool, which tool do you use for the majority of your AP processes?*



When MS Dynamics organizations do decide to adopt an AP tool, they do not necessarily implement all modules within a comprehensive payables solution; rather they will prioritize certain functions over others, mostly based on their needs. Organizations using MS Dynamics are often looking for automated data capture, automated workflow, and electronic payments capabilities (see Figure 3).

FIGURE 3

### AP Tool Features Adopted by MS Dynamics Users



SOURCE: LEVEL RESEARCH AP SURVEY, 2019

#### OCR and ePayments Are the Most Adopted AP Tool Features by MS Dynamics Users

*Which of the following features does your primary AP management tool have?*

Automated data capture accelerates the steps taken by the traditional AP clerk, who must manually key in data and scan paper invoices for document filing. An invoice workflow solution streamlines the movement of an invoice from beginning to end, which will ultimately lead to quicker payments. Electronic payments address another payables facet that might be heavily reliant on paper—i.e. checks. Connecting with suppliers and vendors on an ePayments network would not only prevent late payment fees, but also improve early payment discount capture and supplier relationships.



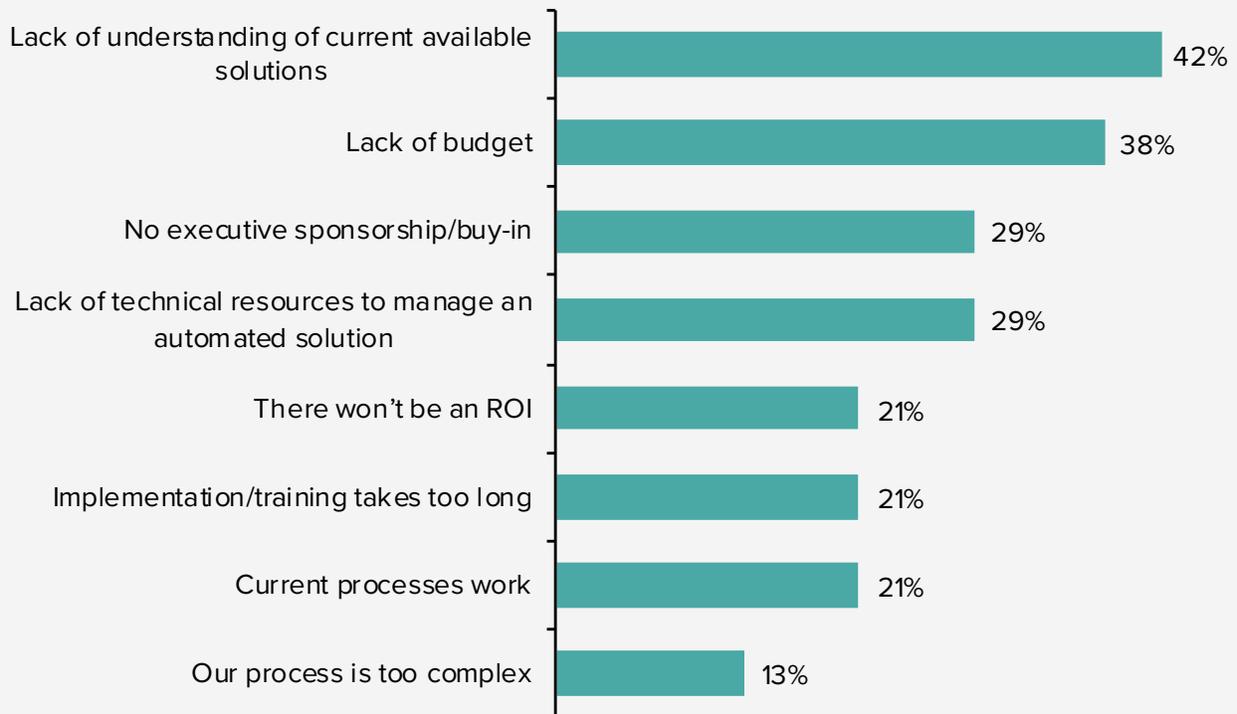
## A Case for Integrating a Payables Solution with MS Dynamics

Despite the acknowledgement of a payables process that is fraught with inefficiencies, MS Dynamics users often don't adopt a software solution. For smaller organizations, many do not believe they have a high enough document volume to warrant automation, or they believe their ERP already grants them enough visibility and access to necessary data.

For those using MS Dynamics, however, the barriers to adoption often reflect the struggles of growing pains of mid-market organizations. The most common barrier is a lack of understanding of current available AP solutions (see Figure 4). This is due to the fact that Dynamics users are often immersed in the Microsoft world, where the reach of such a large-scale and popular platform constricts their view of the whole market. They may see that another module of Dynamics may

FIGURE 4

### Barriers to Automation for MS Dynamics Users



SOURCE: LEVEL RESEARCH AP SURVEY, 2019

#### Lack of Understanding of Solutions is the Top Barrier to Adoption

*What do you perceive to be the greatest barriers to adopting a cloud-based AP automation solution in your organization?*



address their needs, even if only partially. And when a problem is addressed with Dynamics, they do not feel the need to do further external research. Also, before reaching their current state, mid-market organizations, in particular, don't feel the need to learn about available tools in the market and how their growing AP processes could transform profoundly with automation. Instead, many companies may turn to their Microsoft Partner of Record for guidance and recommendations for point solutions.

The next barrier is a lack of budget. With the resources allocated for implementing and maintaining an ERP for the organization, there may not be much flexibility in what is left for a new software tool. Mid-market organizations especially feel this restriction due to limited resources that might be prioritized for another strategic part of the company. A lack of executive sponsorship goes along with this, as decisionmakers often do not immediately realize the ROI that results in automating back-office P2P processes, and thus limit buy-in for pursuing such a solution.

Going along with a lack of resources, organizations with MS Dynamics often do not have existing technology teams that can support software outside of their current ecosystem. Instead, Microsoft customers often turn to their MS partner, as well as community peers, associated forums, and other trusted sources in order to make informed decisions regarding their existing technology. In order to address a lack of technical resources for an AP solution implementation project, organizations should look for solutions that offer a high level of integration to their existing ERP.



Challenges that ultimately lead Dynamics organizations to automating AP emphasize the pain points of a manual, paper-based process. The greatest driver towards automation is manual data entry (see Figure 5). OCR and automation eliminate this problem by capturing data from an invoice and automatically filling in form fields.

FIGURE 5

### Challenges Leading to AP Automation for MS Dynamics Users



SOURCE: LEVEL RESEARCH AP SURVEY, 2019

#### Manual Data Entry and Inefficient Processes Driver MS Dynamics Users Toward Automation

*What challenges ultimately led you to automate your AP process?*

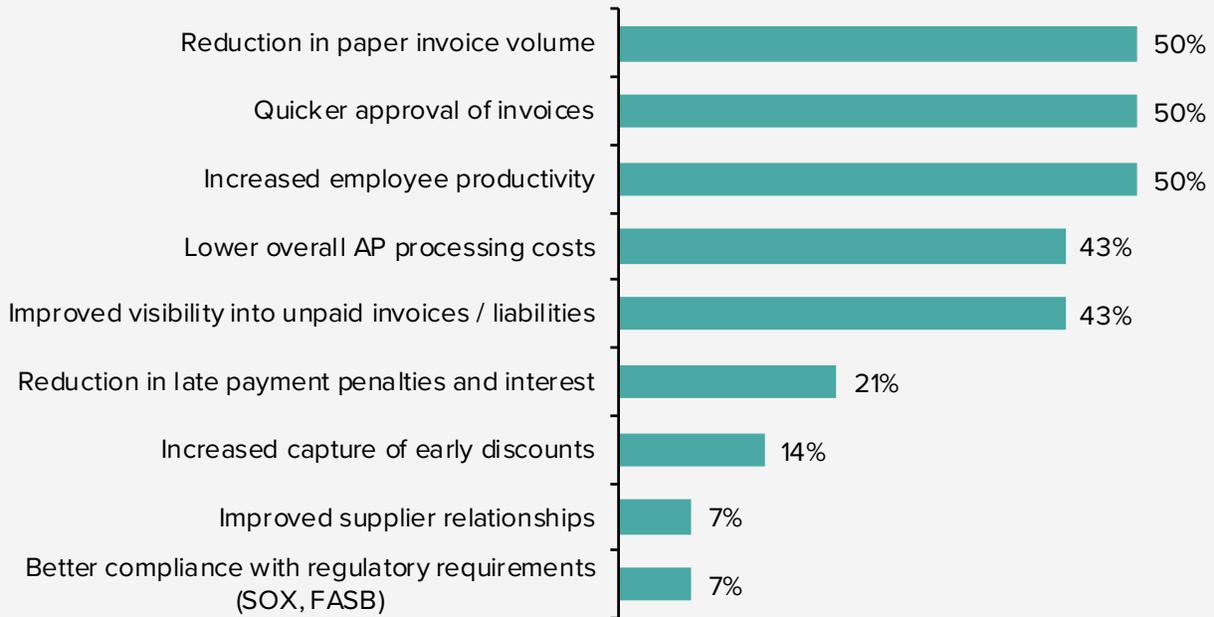
The next greatest driver is a common problem associated with paper: lost or missing items. An electronic content management solution can digitally store all copies of invoices and file them for easy access and without storage limit concerns. In addition, keeping all steps of the AP process trackable and secure on a cloud-based system prevents fraud and potential leaks of confidential information.



When MS Dynamics users do choose to adopt AP automation, they experience many improvements: mainly a reduction in paper invoice volume, quicker routing of invoices, and increased employee productivity (see Figure 6). AP clerks are no longer going through paper manually and going through their ERP systems for information. Their time is freed up for more strategic tasks, such as analysis or reporting.

FIGURE 6

### Automation Improvements Experienced by MS Dynamics Users



SOURCE: LEVEL RESEARCH AP SURVEY, 2019

#### Greatest Improvements from Automation Include Reduced Paper, Faster Approval Times, and Increased Productivity

*What are the greatest improvements you have seen since implementing an AP management solution? (Select 3)*

The barriers, drivers, and improvements discussed above paint a comprehensive picture of the AP state of MS Dynamics users and why they should consider adopting a payables solution. Many organizations, particularly those who are preparing for or experiencing growth, are faced with the question: “Do we hire another AP clerk for data entry, or do we automate?” The best-case scenario is twofold: they would automate and grow their AP department. Organizations



should automate their AP processes, as hiring a person simply for their data entry skills does not scale well with a growing business. In addition, organizations should work to transform their AP operations from a task-oriented back-office to a strategic profit center. This can be accomplished by growing their AP department by hiring skilled finance professionals with analysis and reporting skills.



## An Optimal Solution for Users of MS Dynamics

The following section is intended for organizations on MS Dynamics that are considering adopting a payables solution. Level Research notes these key features to prioritize.

### » *Ease of implementation and use*

In order to minimize the burden of any extensive process overhaul or time-consuming user training, an ideal payables solution will mirror the structure, look, and feel of existing systems (e.g. a payables solution may have its own version of the “Payables Transaction Entry” screen in Great Plains). Often features of Dynamics are offered in the same way on the AP tool. For example, the tab-through and predictive typing functionalities of a solution would mirror Dynamics, which gives users the familiarity of operating mainly from their keyboards. as well as have a smooth implementation roadmap. This ease of use and implementation ensures fast user adoption and decreases the learning curve associated with new technological systems.

Organizations are often looking for a solution that won’t require learning about completely new methods or patterns. AP solutions can make it easier by basing their design off of Dynamics.

### » *Deep level of integration with MS Dynamics*

Going beyond the usability of the tools, favorable AP solutions will have their functions embedded within the screens of MS Dynamics. AP modules will be seamlessly incorporated into Dynamics for a common and familiar experience. These functions may include tagging invoices, viewing documents, and searching line items, all from directly within the ERP. Being able to operate payables and use powerful tools from within an ERP saves time and increases the efficiency of AP and financial teams.

### » *Cloud-based solution*

A cloud-based solution gives a real-time functionality and updates to the system, as well as flexible access and a single source of truth for invoice data. Cloud-based software also boasts several other benefits, including, but not limited to supported scalability, reduced IT maintenance costs, and secure business continuity, in case of any technological failures.



» *Document management capabilities*

Even just honing in on their payables processes, organizations must manage a tremendous amount of information. Enterprise content management, or ECM software captures, stores, and manages vital business information in a variety of document formats and allows different teams to collaborate within the same workflows. ECM serves as a single repository for all content, collecting information in a uniform structure, regardless of original format. This method reduces issues of inconsistent or redundant data, and greatly improves an organization's access to necessary information.

Adopting a scalable, cloud-based ECM platform that is completely integrated with an AP solution often yields great benefits, including higher ROI and a greater push towards the long-term benefits of digital transformation.

» *Ability to pull in other functionality later on, like expense management*

Level Research encourages organizations to consider a software solution that may be able to activate other modules or functionality that are part of a larger suite of P2P tools, such as expense management or onboarding automation. Choosing a solution with this scope may be strategic for future growth, as organizations can easily activate features as needed without needing to turn to another solution provider.



## About the Sponsor

KwikTag by enChoice is a document management and business process automation solution for the mid-market. The company first offered its ECM solution in 1997, later adding ERP system integration and AP workflow automation to its core capture platform, KwikTag. Today, KwikTag provides customers with a holistic system for managing document processes across their entire organization. KwikPayables, the accounts payable automation solution, can manage the end-to-end invoice routing process while storing all of an organization's business documents in the same system, reducing the need for many separate software solutions. KwikExpense, the expense management module, adds a mobile app and workflows for reimbursable and corporate credit card expenses. The KwikTag solution includes several advanced tools for capturing, storing, and searching for documents, and routing using dynamic workflows for necessary reviews, edits and approvals.

Founded	1997
Headquarters	Tempe, AZ
Other Locations	Tucson, AZ; Fort Lauderdale, FL; Shelton, CT
Number of Employees	125
Number of Customers	1,200 companies; 120,000+ business users globalls
Target Verticals	Healthcare/Insurance, Financial Services, Manufacturing, Restaurant and Food Services, Construction, Professional Services, Sports and Entertainment, Education and Government, Nonprofit
Partners/Resellers	Velosio, Sikich, DXC-Tribridge, RSM, Columbus
Awards / Recognitions	Microsoft Gold Partner, 9 Patents; Previous: Microsoft Partner of the Year Finalist

## Solution Overview

KwikTag integrates directly with Microsoft Dynamics GP, NAV, SL, AX and D365, allowing customers to tag, view, search for, and easily retrieve any document that has been captured by KwikTag. The solution is supported on multiple devices and browsers through the KwikTag ktX Web application.



KwikTag provides great value for mid-market and growing organizations with the solution's deep integration specifically within the Microsoft Dynamics ERP suite. The solution suite is also easily scalable across different business units, making it suitable for mid-market organization with more modest budgets.



## About Level Research

Level Research, formerly PayStream Advisors, is a research and advisory firm that operates within the IT consulting company, Level. Level Research is focused on many areas of innovative technology, including business process automation, DevOps, emerging payment technologies, full-stack software development, mobile application development, cloud infrastructure, and content publishing automation. Level Research's team of experts provide targeted research content to address the changing technology and business process needs of competitive organizations across a range of verticals. In short, Level Research is dedicated to maximizing returns and minimizing risks associated with technology investment. Level Research's reports, white papers, webinars, and tools are available free of charge at [www.level.io](http://www.level.io)

### DISCLAIMER

All Research Reports produced by Level Research are a collection of Level Research's professional opinions and are based on Level Research's reasonable efforts to compile and analyze, in Level Research's sole professional opinion, the best sources reasonably available to Level Research at any given time. Any opinions reflect Level Research's judgment at the time and are subject to change. Anyone using this report assumes sole responsibility for the selection and / or use of any and all content, research, publications, materials, work product or other item contained herein. As such Level Research does not make any warranties, express or implied, with respect to the content of this Report, including, without limitation, those of merchantability or fitness for a particular purpose. Level Research shall not be liable under any circumstances or under any theory of law for any direct, indirect, special, consequential or incidental damages, including without limitation, damages for lost profits, business failure or loss, arising out of use of the content of the Report, whether or not Level Research has been advised of the possibility of such damages and shall not be liable for any damages incurred arising as a result of reliance upon the content or any claim attributable to errors, omissions or other inaccuracies in the content or interpretations thereof.

