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# THE ENTERPRISE LEADER'S GUIDE TO BUYING AP AUTOMATION

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/ PART 3 /

DEFINING YOUR REQUIREMENTS FOR AP  
AUTOMATION

Reading time: 13 minutes

# DEFINING YOUR REQUIREMENTS FOR AP AUTOMATION BUYING

Direct Commerce delivers AP automation software solutions to the world's largest companies. This guide to defining your requirements for AP automation is part of [The Enterprise Leader's Guide to Buying AP Automation](#). Based on over 20 years of AP automation experience, the guide is designed to help you prepare your buying team as you search for the best AP automation solution for your enterprise. You can find further resources from our AP Automation Buying Guide at [this link](#) or by emailing [info@directcommerce.com](mailto:info@directcommerce.com).

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## Key Insights

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- Understanding your business requirements is the most important part of preparing your team to buy a new AP automation solution.
- Taking the time your team needs to efficiently understand the requirements of your business will avoid purchase regret, unify your team, and ensure the fastest, most compliant way to transform AP.
- By the end of this internal process all members of your buying team should be able to champion the goals of your buying project, articulate the technology requirements that will lead to buying success, and demonstrate those requirements using your AP process maps.

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# The key to AP automation buying success is understanding your AP process requirements BEFORE you go out to the market to buy a new solution.

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[According to Gartner](#), an astonishing 60% of enterprise leaders regret their software solution purchasing decisions. Without properly preparing your buying team with the right [business problem statement](#), [great process maps](#) and a well-articulated set of business requirements, you'll easily end up among them.

At Direct Commerce, too often we've seen enterprise leaders go to solution providers eager to learn what offerings are currently on the market. Perhaps they've been tasked with finding a new AP automation solution, and the first thought is, "How are other companies solving this? What AP automation solutions are helping other companies, and how are they doing it?"

Appropriately, the buying team is looking to learn what solutions can provide AP transformation. But they aren't anchored in that buying process by their actual business needs. This leads to:

- A disunified buying team
- A buying team easily swayed toward new innovation by solution providers who can't actually solve their business problems
- Outsized implementation times
- Unnecessary change management challenges
- Long-term purchase regret after implementation

**An internal, properly generated set of AP automation requirements will ensure that your buying team is able to move through the buying process efficiently. Understanding these requirements will also unify your team, ensure you've shortlisted and then selected solutions that meet your business needs, and protect against the purchase regret that plagues enterprise solution buying today.**

When we started writing our [AP automation buying guide](#), we began with how to create a Strategic Business Problem Statement that anchors your team to the realities and needs of your business. This statement is the North Star of your AP solution buying process.

Next we shared how creating a [process map](#) of your current accounts payable process will build an understanding of what needs to be transformed by an AP automation purchase.

Now, we'll take that process map and use it to create our list of requirements.

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## The right set of accounts payable automation requirements will allow your team to:

- Create more efficiency and speed in your solution buying process
- Identify gaps in your current process that either can be eliminated or solved by your new AP automation solution
- Unify your buying team, internal stakeholders, and potential solution providers to one central understanding of your requirements
- Prevent scope creep in your buying decisions
- Ensure usability and satisfaction for your business users across your AP process
- Protect against purchase regret

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# How to create your AP automation solution requirements

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To create your AP automation solution requirements you'll need:

- Your [Strategic Business Problem Statement](#)
- You [AP process map\(s\)](#)
- A list of internal and external stakeholders
- Access to critical process data, which may include number of potential users, invoice and other document counts, etc.

## Where to begin

One of the main reasons enterprise leaders do not start their buying process with their own requirements gathering (favoring instead to engage with vendors to “see what’s out there”) is that it’s simply not easy. Knowing that your AP process needs to perform is not enough. You need to know how it needs to transform on granular levels. When you have thousands or hundreds of thousands of actions in your AP process every month, even small, missed requirements can balloon into truly risky challenges because they will threaten your business if lacking at scale. Identifying those requirements is daunting. So, it’s easier to ask solution providers to tell you what your business needs (the wrong approach).

Additionally, purchase leaders are afraid that they’ll be perceived to not know their business if they start putting together requirements gathering projects before approaching the market, so they might be inclined to go straight to meeting with vendors. This hubris threatens the business because leaders and their team are unable to articulate with depth the needs of their business.

***The kind of process we’re recommending, while it can take time on the front end, will save time overall during both the buying and implementation phases of AP automation transformation.***

It starts with your **Strategic Business Problem Statement**. (If you don't have one, head to [this link](#) for our guide to creating one for your AP automation buying project.)

Take this example from our client, a fortune 500 retail company. This was their business problem statement: *“We need an AP automation solution that can automate the handling of supplier initiated disputes, align suppliers and internal stakeholders with the same data and process while greatly reducing manual steps necessary to speed up our dispute time-to-close.”*

With that example in mind, consider the buying team is speaking with a solution provider who demonstrates the way their solution includes even more stakeholders than your current process allowing everyone to take a variety of steps to address disputes. This may sound great. Perhaps your buying team is even excited about how many people will be able to align to this new process, eliminating the need for email handling.

However, go back to the business problem statement. It asks that a new solution “align suppliers and internal stakeholders... while greatly reducing manual steps...”

This new solution provider has brought more stakeholders in, which meets the need for alignment. But it also creates more manual steps across the process by bringing in more operational team members. This solution may not be a great fit for this business after all.

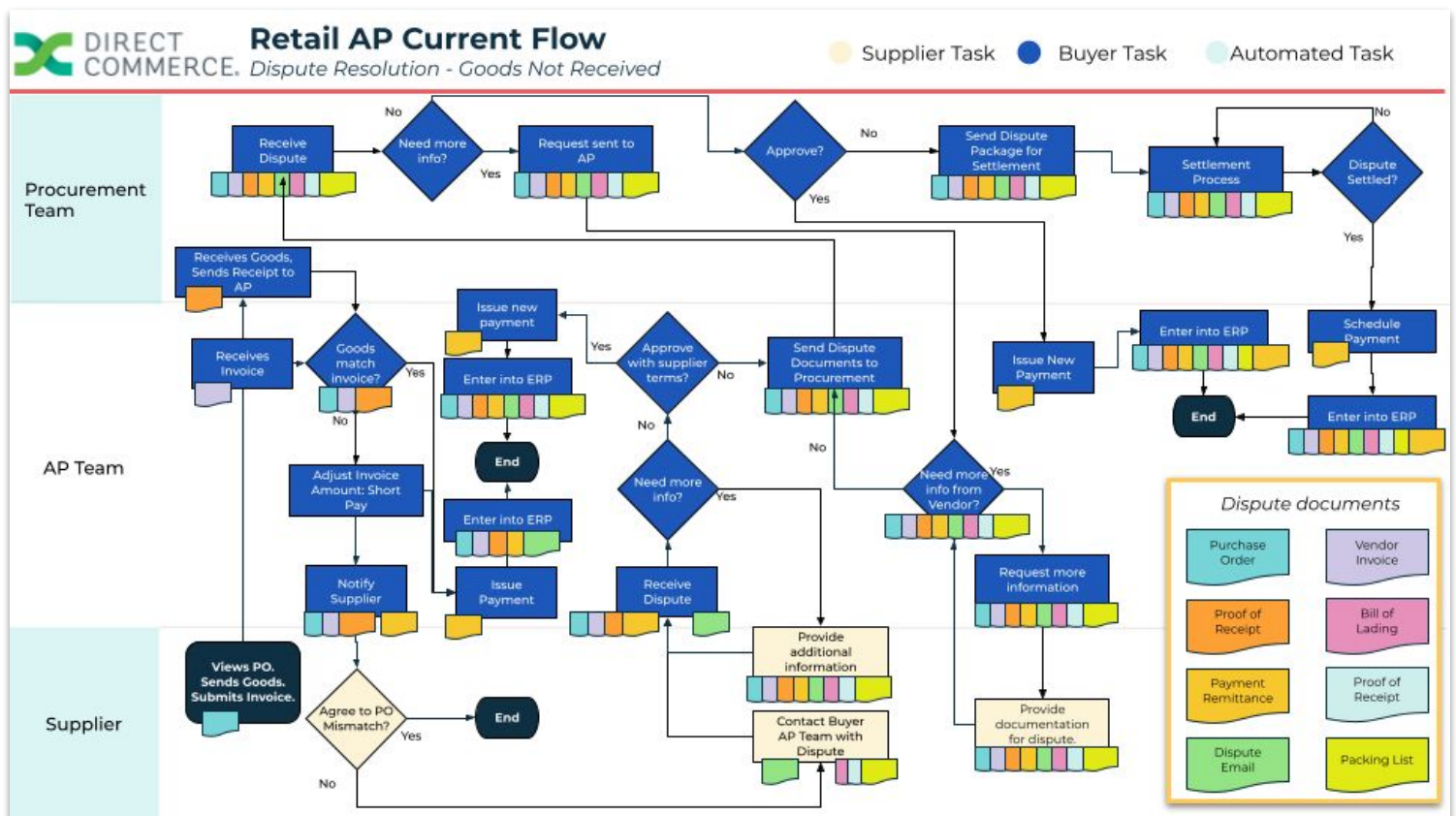


Checking your requirements against your Strategic Business Problem Statement and ensuring alignment is key to keeping your buying project in line with your business needs.

# Using your AP Process Map to articulate requirements.

With the safeguards of your Strategic Business Problem Statement in place, the idea of requirements gathering can still be daunting. “What are our requirements for purchasing an AP automation solution?” is a broad question. Your [AP process map](#) will help you thoroughly address each part of the process you are trying to transform, taking your process and separating it into manageable pieces.

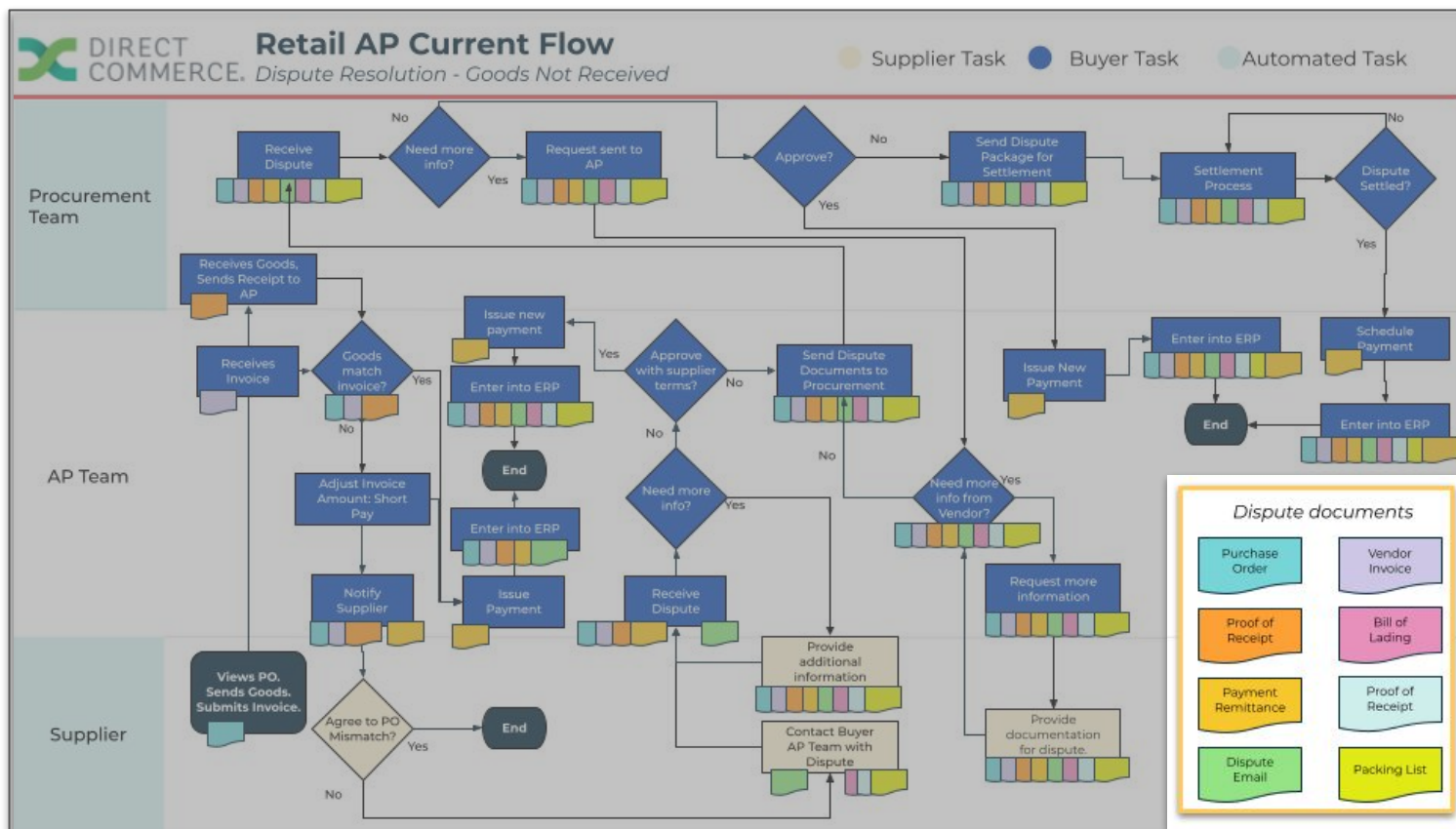
**Let’s use this example of a process map from our retail client before they automated AP.**



This process map documented how this Fortune 500 retail company was previously managing their process for supplier invoice disputes. It starts from the fulfillment of a PO; includes a match between invoice, PO, and goods receipt; and follows the dispute process, including actions and decisions taken by suppliers, buyer AP, and buyer procurement.

This map covers their process complexity before automation. Taking a look at the details allows us to start documenting requirements. Let's draw out a few examples.

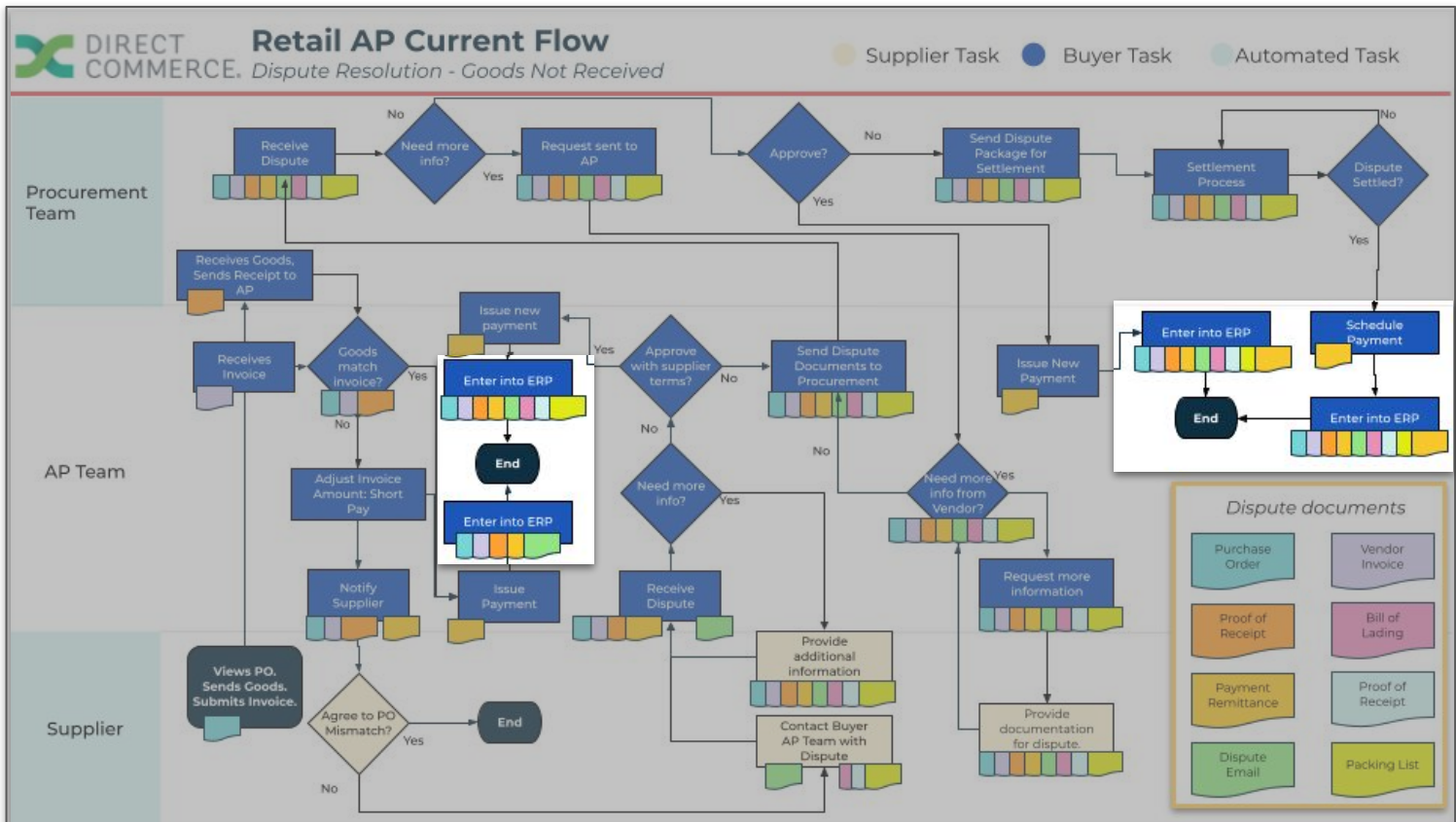
### Example 1: Documents and Data



Mapping their process revealed each document involved in a dispute from PO fulfillment to payment remittance. The process map also revealed who was managing the creation, maintenance, update, distribution, and archiving of these documents and the data within them. While creating this process map, the team began referring to this collection of documents as a “Dispute Package,” and recognized the requirements for not only data entry but document management and collaboration. They then defined the solution requirement – **A new solution must be able to eliminate the manual handling of dispute documentation of all kinds and must provide users the ability to collaborate on documents; use those documents for research; automatically route, review and approve documents; and archive those documents within the ERP as well as within the solution itself.**



## Example 2: ERP integration



Within this company's process map there were a variety of actions throughout the current process that required the manual entry of financial data into the ERP. There wasn't one end point during which all financial data should be entered, but actually many different possible end points. Each of those endpoints included different data sets depending on the process preceding them. The team documented this requirement - **A new solution must be able to seamlessly integrate with financial systems and accommodate a variety of data sets during that process.**

## Example 3: Automated Communication

The process map showed the buying team at this retail company the number of communications sent between suppliers and AP and procurement teams. They analyzed the number of emails sent, who sent them, and what events triggered the need for communication. One of the key parts of their business problem statement indicated the need to greatly reduce manual steps in processing a dispute. This includes eliminating communications and email inboxes dedicated to dispute handling. Their new requirement said this – **A new solution must be able to automate nearly all communication between suppliers and our team, including initiating dispute review, notifying users of new tasks, and automating time outs and escalations.**

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### Completing your AP automation solution requirements

Your first draft of your AP automation solution requirements should be extensive though it will likely undergo changes as the buying process continues. What are the steps to completing this first draft?

1. Complete your [Strategic Business Problem Statement](#) and [AP Process Map](#)
2. Using your AP process map, review each part of your AP process, looking for stakeholder actions and decisions as well as data and documentation that are captured, managed, collaborated on and archived.
3. Consider all kinds of requirements in your solution requirement gathering including document capture, document processing, supplier collaboration, research, and communication requirements.
4. Collect requirements in a central document or platform and distribute them internally for review.

Once you have a first draft of each resource, revisit each to make sure they are complete, especially as you learn new information. Keep the most current requirements available to all stakeholders and know who on the team is responsible for updating these requirements as the buying process continues.

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## Next Steps

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Once you've completed your solution requirements, your process map, and your business problem statement, you'll have key resources you need to begin AP automation buying.

Each of these resources can be revisited and iterated throughout the process. Perhaps during the creation of your AP process map, you realized that there's an entire area of transformation necessary to meet your goals, and you want to redraft your [Strategic Business Problem Statement](#) to include this. Or maybe while drafting your solution requirements, you realized there's an area of your [process map](#) that needs further exploration, and you now plan to revisit that part of the process map with internal stakeholders before adding to your requirements and your process map.

These can be revised with your buying team and will continue to grow in their breadth and completeness. Your buying team leader or project manager should be able to manage these revisions, and if you don't have a team member who can do so, consider outside expertise.

In the next part of our [Enterprise Leader's Guide to Buying AP Automation](#), we talk about getting your team ready to engage solution providers including understanding key KPIs and methods of collaboration.

**As you embark on transforming accounts payable, we at Direct Commerce realize the task can seem daunting. After more than 20 years helping the world's largest businesses purchase and implement enterprise AP solutions, we guide teams through requirements definition to ensure they find the solution that best fits their goals.**

If you need outside expertise to help define your AP automation solution requirements reach out to us at [info@directcommerce.com](mailto:info@directcommerce.com). Our AP automation experts can help define requirements, help set your goals and make sure your buying team is on track to bring in the solution you need to take on your current challenges. .

This guide to mapping your AP process is part of our [Enterprise Leader's Guide to Buying AP Automation](#) which will help you engage with the AP automation market, find the solution provider that's right for you, and build a business case for buying the right solution. If you're building a business case for buying new AP automation for your enterprise, make sure you're subscribed, and reach out to us at [info@directcommerce.com](mailto:info@directcommerce.com). We'll send you resources like:

- Writing a Strategic Business Problem Statement and Why It Matters That You Get It Right
- Mapping Your AP Process
- AP automation - Building Consensus on Your Buying Team
- Calculating ROI for AP automation

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## Value Delivered by Direct Commerce

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With end-to-end solutions for customers across industries, including retail, manufacturing, transportation, healthcare, and pharmaceuticals, Direct Commerce delivers industry-leading AP solutions that:

- Unify AP into one centralized, scalable environment
- Optimize team structure and focus
- Guide faster decision making
- Increase supplier satisfaction
- Accelerate time-to-close
- Ensure compliance and security
- Expand supplier payment strategies
- Drive revenue and improves cashflow
- Fast track ROI through best-in-class supplier onboarding