



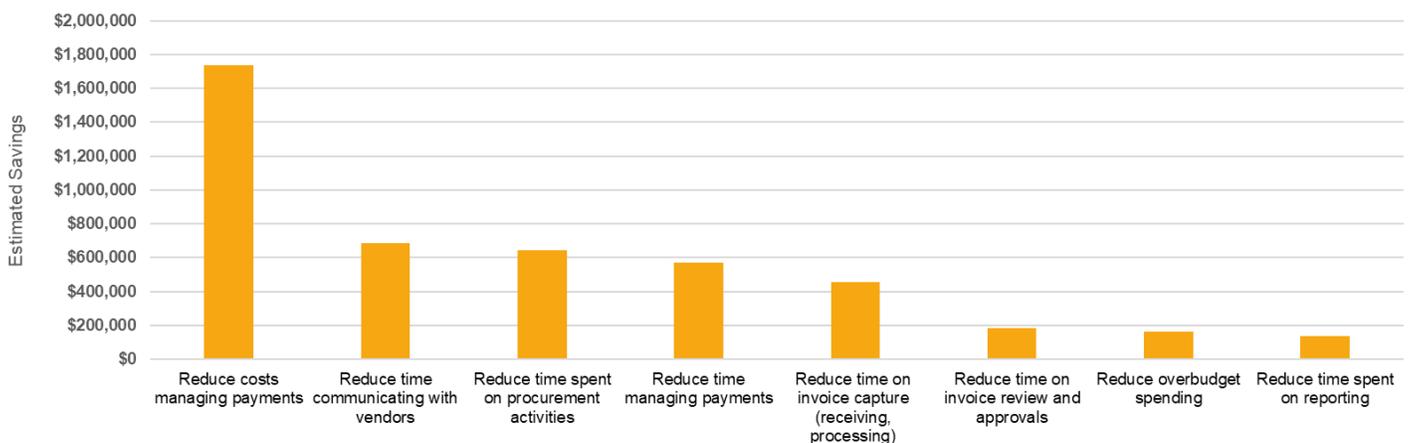
THE BUSINESS CASE FOR NEXUS AP & PAYMENTS AUTOMATION SOFTWARE

Paper-based AP processes are long and labor-intensive. They involve a lot of paper shuffling to manually receive and process invoices, get approvals, cut checks, and communicate with vendors. They also have blind spots along the way that can lead to over-budget spend.

Hobson & Company, a leading return on investment (ROI) research firm, explored the time and cost savings realized by automating those paper processes with Nexus. It interviewed a cross range of Nexus’s current retail, CRE, and multifamily clients, including those who had also used other automation solutions.

Based on its analysis, Hobson found that investing in Nexus software has a substantial payoff. By automating with Nexus, an average decentralized multifamily management company with 100,000 invoices per year, 200 FTEs who participate in the AP process (whether it be submitting invoices, coding them, or processing them), and \$7m in annual purchase orders would see a **payback in 4.8 months and generate an ROI of 201%**.

This ROI was realized through the following 8 benefits:



Overall, the value of each benefit changed depending on the volume of invoices, the number of FTEs, the number of purchases (if applicable), and the use of NexusPayments for paying vendors (if applicable).

BENEFITS OF USING NEXUS

These are the 8 benefits quantified by Hobson.

Reduce time on invoice capture (receiving, processing)

Multifamily and commercial real estate companies interviewed confirmed that using Nexus software reduced time on invoice capture by managing the entire invoice receiving process. The automated software receives invoices in digital format through API/electronic file transfer from suppliers, eliminating the need to scan, index, and code invoices, and integrates with the top real estate GLs.

Customers interviewed reported:



↓50%

REDUCTION in time on invoice capture

“We used to have 2 FTEs in AP who focused only on invoices and now we only have 1 FTE who does both invoices and payments. We also increased the number of invoices processed by 20%.”

- **Manager, Lease Administration**

Reduce time on invoice review and approvals

Customers noted that Nexus software manages the entire invoice review and approval process workflow by routing invoices electronically to the right approvers to gain approval automatically and linking directly to suppliers through an online portal where they can upload their own invoices and check status.

Customers interviewed reported:



↓40%

REDUCTION in time on invoice review and approvals

“The accountants can approve a batch of invoices much easier and there is so much more transparency. We now cut checks twice a week rather than only once per week.”

- **VP, Controller**

Reduce time communicating with vendors

Customer interviews confirmed that Nexus’s self-service portal enables suppliers to upload invoices and submit directly to their customers for approval. They can also submit, receive, and track other data and documentation (such as insurance policies), and receive/track detailed payment data.

Customers interviewed reported:



↓75%

REDUCTION in time communicating with vendors

“Vendors love using NexusConnect because they get paid quickly and they know where the payments are. It has freed up the managers who barely get any calls because the vendors look up information themselves.”

- **IT Consultant**

Reduce time spent on reporting

Customers benefited from Nexus’s standard and custom reports that help users view data on POs, receipts, invoices, payments, job costs, and purchases. Users can compare to budget with data synced automatically from their GL, see how properties are managing cash flow, and automatically create CAM reports.

Customers interviewed reported:



↓90%

REDUCTION in time spent on reporting

“With Nexus, all we need to do to create a CAM report is to click a few buttons and we get a PDF in a few minutes, with invoice back-up included.”

- **Manager, Lease Administration**

Reduce time spent on procurement activities

Customers confirmed that Nexus standardizes the PO process to purchase goods and services by enabling users to select items from multiple catalogs and place in master shopping cart for easy checkout. Users can create purchase orders with a click, and then they'll automatically get routed to the correct approvers, who can then view whether the purchase is within budget and identify how much is left in budget for each property.

Customers interviewed reported:



↓70%

REDUCTION in time spent on procurement activities

"With Nexus, everything works. We create purchase limits, and invoices are linked directly to a PO and then forwarded directly to accounting to be processed. There is tremendous time savings getting POs from the properties to Corporate to Accounting."

- **Director, Training and Compliance**

Reduce time managing payments

Customers noted that Nexus's outsourced, electronic payment system automates every aspect of disbursements - pulling funds directly from existing bank accounts, sending electronic notifications to suppliers that payments are sent, and displaying payment status and reconciliation information through an online portal.

Customers interviewed reported:



↓50%

REDUCTION in time spent managing payments

"Everything is automatic, and we no longer have to wait for checks to print and stuff them in envelopes."

- **Account Operations Manager**

Reduce costs managing payments

Customers noted that Nexus’s outsourced, electronic payments eliminate hard costs such as check printers, check stock, ink, toner, postage, etc. Instead, Nexus issues payments electronically through virtual card or ACH (or, in some cases, outsourced checks – which cost customers less than if they were issuing checks in-house).

Customers interviewed reported:



↓40%

DECREASE in costs managing payments

“It is cheaper to use NexusPayments than if we did it on our own since we don’t have to pay for envelopes and stamps.”

- **SVP, Chief Accounting Officer**

Reduce overbudget spending

Customers confirmed that Nexus’s electronic processing of invoices and purchase orders improves visibility into budget/actuals by allowing them to track spending against budget. In addition, they can always pull reports that compare invoices against budget, accurately track expenditures, and set limits on spending.

Customers interviewed reported:



↓0.5%

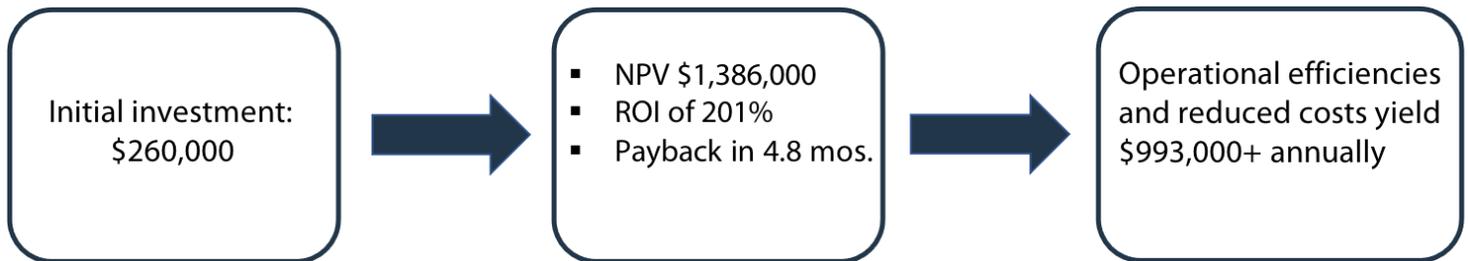
DECREASE in overbudget spending

“Nexus shows us which line items in each category are over budget during the month. As a result, we have now eliminated going over budget since there are limits in place by category. There is no surprise spending.”

- **EVP, Chief Administrative Officer**

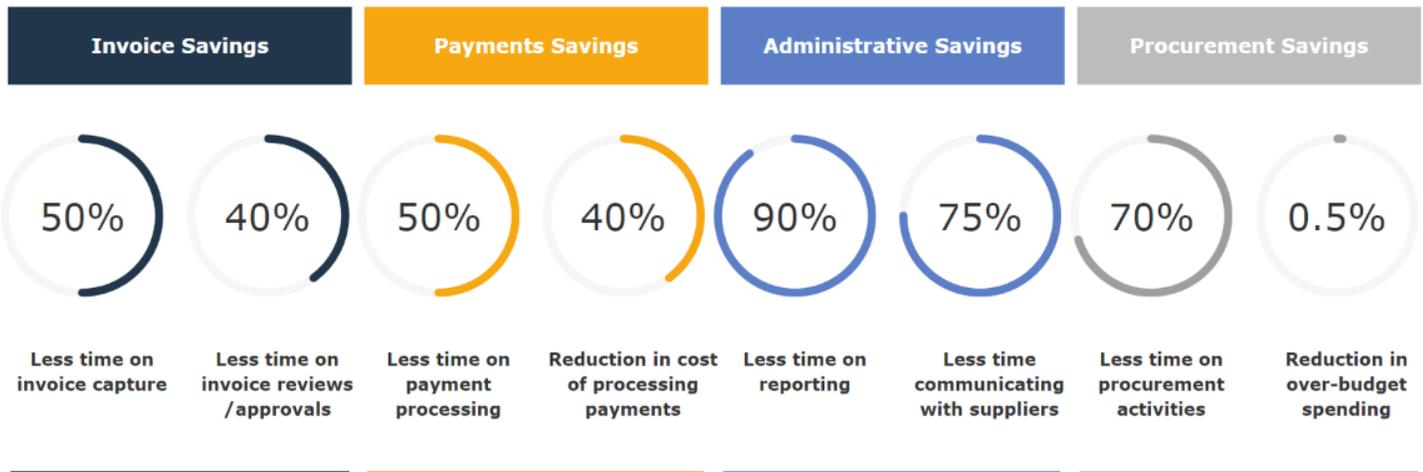
SUMMARY

The value of Nexus software is immediate and demonstrable. For the sample company (a multifamily company with 100,000 invoices per year, \$7m in purchase order spend, and 200 FTEs who play a part in the AP process), an initial investment of \$260,000 generates a positive return in 4.8 months with annual benefits exceeding \$993,000 per year. The 3-year net present value (NPV) and return on investment (ROI) are strong at \$1,386,000 and 201%, respectively. The key financial metrics for the sample company were calculated by standard methods and are shown below. The NPV calculation assumes a 10% cost of capital.



While actual ROI may vary (depending on FTES, invoice, purchase, and payment volume), Nexus has a demonstrable effect on saving time/money, and improving visibility and control.

Nexus clients generally realize the following savings over paper-based processes and other automation systems.



Learn about additional ways Nexus software can save you time and money by booking a demo [here](#).



NEXUS

About Nexus

Nexus provides the fastest way for real estate companies to ditch paper checks and send secure payments to their suppliers. With its roots in AP automation, the 21-year-old software company has built the largest, validated community of suppliers serving multifamily, CRE, and other real estate segments. Using just clicks, real estate companies can connect to their suppliers and send them payments electronically. In addition to vendor payments, Nexus also offers a full procure-to-pay solution, designed for real estate. Visit www.nexusystems.com to learn more.

H & C

About Hobson & Company

Hobson & Company helps technology vendors and purchasers uncover, quantify and validate the key sources of value driving the adoption of new and emerging technologies. Our focus on robust validation has helped many technology purchasers more objectively evaluate the underlying business case of a new technology, while better understanding which vendors best deliver against the key value drivers. Our well researched, yet easy-to-use ROI and TCO tools have also helped many technology companies better position and justify their unique value proposition. For more information, please visit www.hobsonco.com

Disclaimer: The Return-on-Investment (ROI) and other financial calculations performed by this tool are based on data provided by Nexus Systems customers and various assumptions and estimates only. The actual ROI realized by customers may vary from the estimates provided. Nexus offers this tool to assist customers with evaluating procure to pay platforms, however, Insurity and Hobson & Company (the firm that created the tool) are not responsible for the accuracy of any estimates.

No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording or any retrieval system, without the written permission of the copyright holder. © Hobson & Company, 2021. All rights reserved. All other marks are the property of their respective owners.