

CASE STUDY

SCALE AP TEAM CAPACITY

INCREASE PROFITABILITY

Paths Unlocks Business Transformation Through AP Automation with PredictAP

57% reduction in invoice processing costs enabled by implementing AI/ML technology

The Challenge: A \$20-Per-Invoice Problem Hidden in Plain Sight

For Tom Scott, Chief Revenue Officer at Paths Management Services, accounts payable has always been a source of untapped value. "AP is always a ripe area for process improvement," he notes. "You never get congratulated when you've processed a payment correctly. Everybody only hears about AP when it's not working."

When Scott joined Paths, his instinct was to measure what most organizations overlook: the true cost of processing a single invoice. What he found was a cost per invoice approaching \$20. "As soon as I see anything above \$10," he says, "it's usually an area that can benefit from good process improvement, technology, or both."

The problems went beyond the number itself. Suppliers, critical to keeping tenants, happy were frustrated by slow, inconsistent payments. Utility shutoff notices arrived. Discount opportunities went uncaptured. Paths had already invested in tools like AvidPay and Yardi, but the front end of the process, invoice ingestion and coding, remained manual, slow, and dependent on knowledge held by individual staff members.

The Solution: PredictAP Enables a Process Transformation

Scott's plan was to implement PredictAP and then redistribute the team's workload, a combination that, in his words, requires "confidence in the people you're working with."

The decision to lead with PredictAP before any reorganization was deliberate. The biggest risk was losing institutional knowledge — the



"Our cost per invoice is roughly \$8.50 today, down from close to \$20 pre-PredictAP. We're saving half a million dollars a year just in the AP group."

**TOM SCOTT
CRO, PATHS**

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accumulated expertise around coding vendors, properties, and GL accounts. "We implemented PredictAP making sure the existing team was overseeing its coding decisions, correcting and teaching it, so that it absorbed their knowledge." After "only about 90 days," said Scott, Paths' unique coding practices were enshrined in the platform. "That's when we felt confident reallocating those roles," he said, which enabled the core finance team to focus on high-value work rather than data entry.

The Result: \$500K in Annual Savings and a Scalable AP Operation

The financial impact was material. Cost per invoice fell from nearly \$20 to \$8.50, a substantial 57% reduction, delivering approximately \$500,000 in annual savings from the AP function alone.

Processing speed improved too, with average invoice cycle time dropping from 8.5 days to 3.5 days. But Scott points out that speed tells only part of the story. Hands-free processing rates are now in the nineties, a figure he "would have never thought we'd be up to." Fewer manual touches mean fewer errors, fewer reclasses, and a cleaner audit cycle: "We're going through year-end needing half the staff-hours we had last year, and we're able to get through our audit period in half the time."

With a portfolio growing at roughly 20% annually, the AP function is now scaling without adding headcount, breaking what Scott calls the dangerous correlation between unit growth and cost growth.

The clearest measure of success, though, may be the quietest. **"Silence is golden in the AP function," Scott says. "That's how I know PredictAP is working."**

"PredictAP benefits us every day, in that as we are growing but we're not having to add headcount. Nothing upsets the CEO or the board more than costs exceeding growth. When I said 'I think we could save a half a million dollars a year' people were like, 'I don't believe it.' Today, the invoice processing riddle is solved – and not just temporarily. It is solved long term."

TOM SCOTT, CRO, PATHS



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Customer Overview

Paths is a full-scale, vertically integrated affordable housing developer, builder, and operator. Since 2004, the Paths team has created and preserved high-quality, affordable housing across the U.S. that enhances communities and helps residents build better lives. With over 14,000 units across 13 states under management and more than 500 employees, Paths manages a suite of capabilities spanning the entire property management life cycle, including development, construction, property management, maintenance, and security.