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## The State of ePayables 2022: Mastering a Key Function at a Critical Time

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# The State of ePayables 2022: Mastering a Key Function at a Critical Time

*Ardent Partners research has shown that mastering the accounts payable (AP) process requires a unique blend of talent, process excellence, automation, and intelligence. While relatively few enterprises possess AP mastery in 2022, the opportunity to achieve it has never been more appealing or necessary. It has also never been easier. Financial and operational advantage is gained with AP mastery, and against a backdrop of global conflict, supply chain disruptions, and steep inflation, achieving it is vitally important to a business and its bottom line.*

*This 17th-annual AP-themed report is part of the ongoing dialogue that Ardent Partners' analysts have had with Finance, AP, and P2P leaders for nearly two decades. The report examines the general competencies and capabilities of AP organizations today and highlights the management strategies and tactics that leading departments have utilized to drive their organizations forward over the past few years, as well as their plans and priorities for 2022 and beyond.*

*This report also presents a comprehensive, industry-wide view of what is happening in the world of accounts payable. It captures the experience, performance, perspective, and intentions of 184 AP departments. The report includes benchmark statistics, analysis, and recommendations that AP, Finance, and P2P teams can use to better understand the state of AP today, gain insight into best practices, benchmark their performance against the Best-in-Class, and ultimately improve their operations and performance.*

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# Chapter One: The State of Accounts Payable

“Most assume mastery is an end result, but at its core, mastery is a way of thinking, a way of acting, and a journey you experience.” – Gary Keller, Co-founder Keller-Williams Realty

## A Whole New World

There is no question that the COVID-19 pandemic has left an indelible mark on the lives of business professionals around the globe. And yet, almost everything written about the pandemic and its impact has been understated. COVID-19 has been far more pervasive and globally-devastating than anything experienced in our lifetimes, and the full scope and breadth of its impact cannot be accurately gauged in real time. Ardent Partners expects the long-term impact of the pandemic to play out over many years.

The pandemic underscored the fact that manual processes impede efficiency and visibility and can threaten business continuity and organizational resilience. It also highlighted the increasingly important role the AP function plays within an enterprise's financial operations, which has resulted in a more broad-based understanding of the function and its ability to impact value, savings, and intelligence.

A growing number of enterprise executives understand how AP's activities directly impact cash, working capital, and supplier relationships. As such, the AP function is newly empowered

with greater access to key stakeholders and partners and larger budgets for digital transformation. Nonetheless, the pandemic remains front and center for AP, finance, and P2P leaders (and their teams) who must both manage and mitigate it while operating in a business environment wrought with sizable operational, financial, and supply chain challenges.

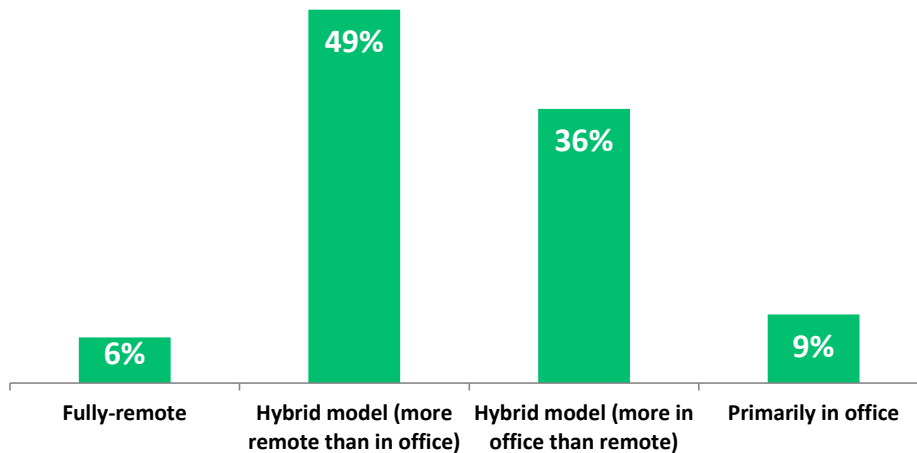
## The New Normal Workspace

Now in year three, COVID-19 continues to persist, and its outlook for the remainder of 2022 remains unclear. However, it is clear that much of the pre-pandemic world has faded away and that the “new normal” described in last year's report is beginning to take shape. One area that appears forever changed is the workplace. New Ardent Partners research (see Figure 1, next page) reveals that post-pandemic, the workplace for most AP and Procure-to-Pay (P2P) pros (85%) will mean some version of hybrid work. Less than 10% of P2P teams plan to return to the office full time, while only 6% plan to be fully remote. Given the potential impact of a permanent shift to hybrid or remote work on employee productivity and morale, workforce-related decisions should be clearly explained and closely managed.



Figure 1: Where Will AP/P2P Teams Work after the Pandemic?

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While their enterprise-level workplace strategies are being finalized, AP leaders can fine-tune their department's approach to ensure that staff productivity is optimized and worker satisfaction is maximized (an increasingly important factor to success amidst the highly-competitive job market and "The Great Resignation"). AP leaders should use the next few months to test different strategies so they will be better-equipped to manage a potential fall or winter COVID surge, while working to improve workplace culture and worker engagement. These strategies include:

- **Developing a clear but flexible in-office schedule by determining which teams and/or staffers require in-person collaboration (and at what frequency).** Workers that crave a hybrid workplace model will be much more productive if they know that their in-office days are centered around required meetings, rather than spending time on tasks and projects that can be managed remotely.
- **Evaluating the overall culture of the AP department and working proactively to positive engage and support the staff.** Culture will be an important element to departmental success in 2022, and generally plays a vital role in talent attraction and retention. Does the organization's culture reflect rigidity and an unwillingness to be flexible? How does that impact morale? Now is the ideal time to experiment with hybrid and remote models, and measure their effectiveness on the overall mood of the workplace.
- **Creating a "beyond perks" program that is attractive to both in-office and remote workers.** Some businesses are offering meal plans to those who commute to the workplace every day while supporting fully-remote workers with financial support for home office supplies. These small tokens may seem trivial; however, they can go a long way in helping workers feel appreciated.



- **Developing “safety-first” plans for high-risk individuals.** While most communities have opened up, many workers are still at risk of severe virus outcomes (i.e., immunosuppressed, etc.). Forcing high-risk workers into the office can create many potential problems and liabilities and erode team confidence in management. Smaller and mid-sized organizations can handle these situations with detailed remote and/or hybrid plans, while leaders of teams at large enterprises should review HR policies to ensure that the overall guidelines can be applied to any high-risk AP staffer.
- **Using this interim period to harness the power of ePayables technology.** Digital workspaces have become a necessity in today’s flexible business world. Since remote workers continue to require access to systems, data, and intelligence, businesses will need to enhance their workspace technology. They must ensure that professionals can tap into the power of a more secure, flexible, and agile cloud technology infrastructure that is accessible from anywhere.
- **Developing new strategies and approaches to foster collaboration.** Business leaders uniformly understand that collaboration is an effective way to elevate teams to the next level of performance. In a permanently-remote or hybrid environment, collaboration will be even more important than ever for AP organization seeking to build value-based

partnerships with key stakeholders and functional partners (like treasury and procurement) and among members of the AP team.

### Perception Performance Is Reality

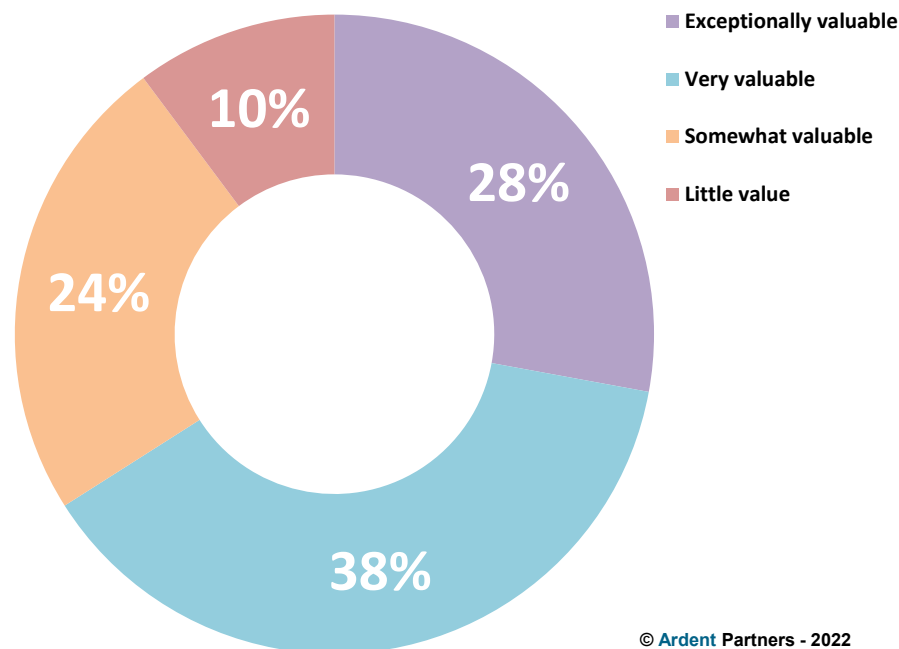
“Perception” has long been one of the biggest issues holding AP groups down within the organizational hierarchy of an enterprise. Perception acts as a lens through which reality is viewed, understood, and acted upon. As such, there is a tendency to assume that how reality is perceived is what it truly is. For many years, executives have failed to see the larger potential of AP, based on its history as a highly-siloed and very tactical unit, and generally ignored the department’s needs for new resources, attention, and systems. The pandemic has enabled executives within finance and the business to see AP with new eyes and evaluate it based on its impact on performance and operations.

As shown in Figure 2 on the next page, a robust 66% of businesses state that AP is either “very” or “exceptionally” valuable to the enterprise. This clear majority is exactly double the 33% who saw AP the same way six years ago, indicating that a new era has started for the industry. This surge in perceived value shows that AP is succeeding in driving real value to the business and its suppliers by developing and producing actionable intelligence and insights that can be utilized to: 1) improve/support supply chain resiliency, 2) deliver impactful gains across multiple functional areas, 3) improve the bottom line, and 4) positively impact working capital.



That the majority of organizations today view AP as a valuable unit speaks volumes to its performance during the pandemic. And, Ardent Partners expects AP's momentum to continue throughout 2022 and the next few years.

**Figure 2: AP's Perceived Value**



At the same time, there is more work to be done to keep improving perceptions (and performance) and have AP viewed more favorably within the enterprise. In 2022, very few AP groups have mastered their function, with AP groups rarely first in line to receive budget increases and special project approvals. But the truth is that AP

does not have to be “at the top of the list” for its position to be greatly improved, it merely has to be “considered.” That said, with the wave of innovation that has recently swept across the enterprise software industry, it will be increasingly important to the longer-term success of every AP department that it be viewed similar to other strategic business functions (i.e., worthy of some investment). Failing in that regard will leave an AP operation susceptible to being left behind when innovations begin delivering breakthrough intelligence and results.

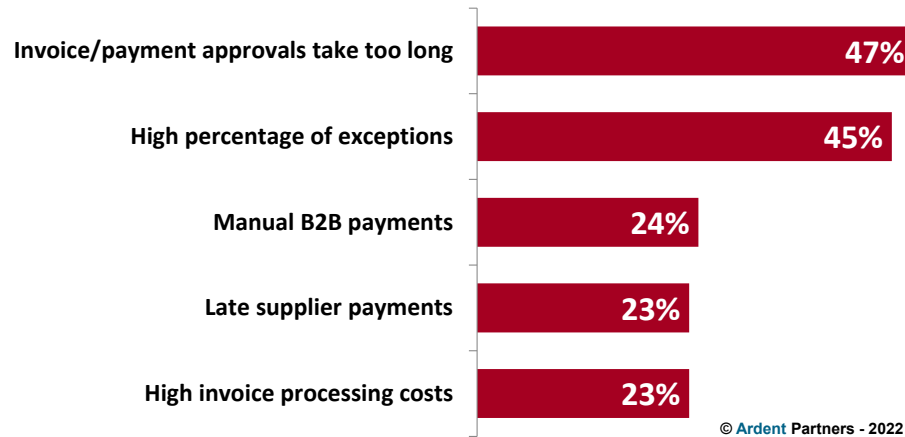
### The Hurdles to Success in 2022

Given their recent performance, many AP teams are destined for greater things, supported by the growing perception of the function as adding real value to the enterprise at large. However, as shown in Figure 3 (next page), the path forward in 2022 is paved with more hurdles standing between AP organizations and their targeted results for this year. The modern AP function's biggest issue for many years was the enormous challenge of handling and managing too many paper invoices and payments. The “persistent paper problem,” which has been described numerous times in Ardent's ePayables research through the years, had a domino effect on other operations across the business (and within both finance and procurement). But things have changed — as Figure 3 shows — “having too much paper” in the department is no longer a top challenge. That said, all of the top challenges this year are tactical problems created largely by having processes that are mostly, if not completely, paper- or manual-based.





Figure 3: AP's Top Challenges in 2022



In the world of AP, the phrase “time is money” is a literal fact — the more time it takes a department to approve invoices and payments, the more money it costs to do so. While AP’s perceived value continues to increase, it is a dirty little secret that a near majority of AP teams are dealing with classic challenges, like lengthy invoice/payment approval times (47%), which prevent teams from tackling more strategic work. For those working in a manual environment, the operational workflow of the entire AP process takes much too long. With tactical pressures continuing to threaten the strategic value of many AP units, teams must respond with technology- and program-led initiatives to reduce the time and cost of processing invoices and payments.

In 2022, the “high percentage of invoice exceptions,” was noted as a top challenge by 45% of all AP organizations. Invoice exceptions can slow processing to a crawl, creating detrimental bottlenecks that can dramatically reduce efficiency and effectiveness. That this pressure remains near the top of the “major challenges” category almost every year of this annual study is telling. Because even as AP begins to deliver more value and tackle strategic opportunities within the greater enterprise, departments that lack a clear solution to greatly reduce exceptions inevitably, hit a performance ceiling much sooner than their peers.

For many years, the B2B payment process was an extremely low priority for most AP departments. That has changed, and there is great awareness of the financial impact that a Best-in-Class B2B payments team can make. When it comes to B2B payments in 2022, 24% of all AP departments believe that the number of manual checks sent to suppliers is a hurdle to their group’s success this year. This, despite Ardent Partners research through the years showing that paper checks are inefficient and cost significantly more than electronic payments. The expectation of less paper in the process should mean that more organizations will experience cost and process savings soon. Paper-based payments worked fine once upon a time, but just as new technologies have removed other legacy business processes (e.g., the fax machine, the Rolodex, etc.), new ePayment solutions and processes have made it strikingly less economical and efficient, not to mention riskier, to pay suppliers with paper checks. There is significant business



value hidden in every B2B payment that an enterprise makes, and with the recent developments and innovations in the market, combined with increased recognition of the emerging business value of ePayments, enterprises need to continue to look at these new ways to drive financial value.

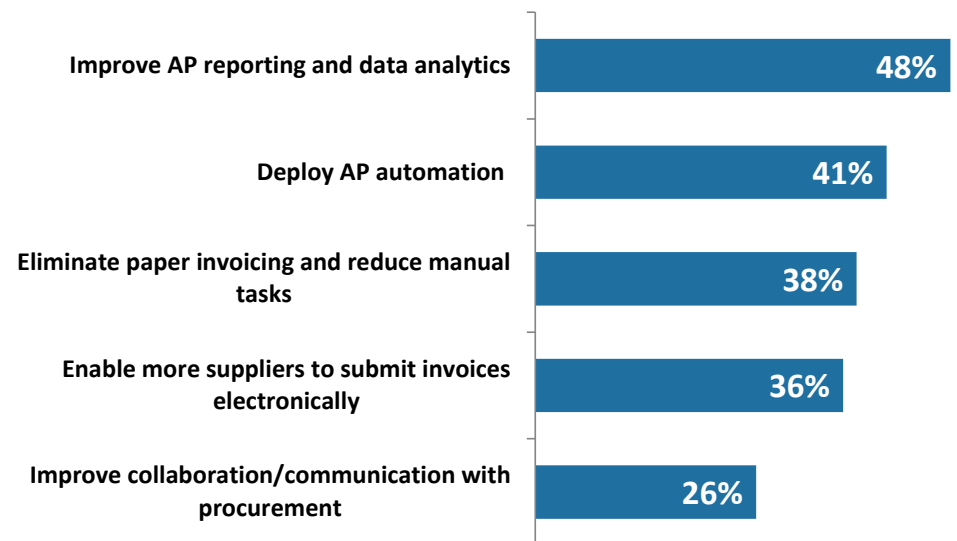
### AP's Top Priorities in 2022

In 2022, AP leaders continue to balance their traditional priorities with those that place them on the path ahead (see Figure 4 to the right). Visibility is, for any team or organization, paramount to success and fundamental to mastery. Self-knowledge is the first and main ingredient to improvement. Visibility into key information enables awareness and intelligence and improves key decision-making and executive planning. AP's prioritization of reporting and analytics (48%) shows that the professionals within this unit understand that there is significant opportunity in capturing the streams of data created across and within the AP function. Better reporting and analytical capabilities will help promote AP as an important player in business intelligence efforts. AP is already well-positioned to serve as a strategic intelligence hub. By enhancing reporting and analytics, this hub concept can help usher in a new age for the AP function.

Over the years, many groups that automated some (or all) of the invoice- and payment-processing operations have experienced positive results, including process efficiencies, cost savings, and

faster invoice and payment approval times. Others have translated automation into improved working capital management, spend management, supplier relationships, and compliance, as well as reduced fraud and less time spent on tactical activities. Over the last decade, these benefits shifted from "nice-to-have" to "must-have."

Figure 4: AP's Top Priorities in 2022



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Today, these would seemingly be table stakes for all AP, P2P, and finance teams. Nonetheless, many AP departments still have gaps. As seen in Figure 4, deploying AP automation (41%), eliminating paper invoices (38%), and enabling suppliers to submit electronic



invoices (36%) are clearly important priorities for AP leaders, as well as their finance and procurement counterparts. While investments to achieve these goals were frequently superseded by other, more important needs, enterprise executives should push more AP leaders towards digitization, automation, and the reduction, if not, ultimate eradication of paper-based tasks.

Only after AP processes have been automated and the function is in a position to focus on handling exceptions (and not handling every invoice), can it begin to move up the value chain and focus on the more strategic aspects of the operation, including data gathering, data analysis, and dissemination of data/intelligence. Ardent Partners believes that AP's ability to leverage its data to provide actionable information to key stakeholders can be critical to enterprise operations, and results. Capturing this data is only possible with automation tools.

Finally, the drive to improve its overall reporting and analytics in the months ahead is a surefire representation of the function's drive to become a "hub" of intelligence for its partners like procurement and treasury. But in the context of managing a distributed (or "permanently hybrid") workforce, collaboration should be viewed as a fundamental strategy that will keep AP more relevant and engaged in support of overall business objectives. It is, therefore, no surprise that the improvement of collaboration and communication with its functional partner, procurement, is a priority for AP teams this year. Partnership is a key element of the modern AP operation.

For AP to serve as a strong partner to critical enterprise functions (such as procurement and treasury), it must deliver value via linked processes and systems, intelligence, real-time insights, etc., to boost the power of its fellow stakeholders.

The "State of Accounts Payable in 2022" is stronger than ever — bolstered by a strong performance in the challenging early days of the pandemic and the increased usage of tools and strategies that drive efficiencies, generate greater intelligence, and impact the bottom line.



## New Risks to AP Performance in 2022

Unfortunately, in addition to the traditional, primarily tactical-related challenges (shown in Figure 3, page 9) facing AP year after year, Ardent Partners believes there are several new risks on the horizon that could negatively impact AP performance in 2022. AP leadership needs to be aware of these threats, monitor them, take proactive measures, and to the extent possible, be prepared to take the necessary steps to ameliorate their potential damage to not only the AP department's overall performance but also to the greater enterprise itself. These risks include:

- AP staff burnout becoming the norm.** If the pandemic was a veritable triathlon for accounts payable professionals, then the current transition period is certainly a marathon for them given how much they have to balance in the new and changing world of work. In 2020, this function was faced with a variety of challenges during those early pandemic days. Today in 2022, the world may be removed from the “acute phase” of the crisis; however, the ramifications and after effects linger within how businesses now operate. With so much to handle, AP staff may be overworked due to staffing shortages (see the “The Great Resignation”), leaving some major gaps in how invoices are processed.
- Business leaders could be distracted by larger issues.** Make no mistake about it, invoice exceptions and extended workflow and processing times are significant problems. However, businesses do not operate in a vacuum. Many executive leaders are understandably focused on globalization, increased competition, inflation, workforce management issues, and other problems that are typically higher visibility than challenges happening within the world of accounts payable.
- The business world now revolves around regular disruptions and new objectives.** The war in Ukraine rages on. The pandemic still has no end. Inflation is a cause for concern and will be for some time. Political divisions are an accepted part of our reality. These are all major global issues that are transforming the way the business functions. Couple those with continued workforce (The Great Resignation), financial (inflation and tightening budgets), and supply management (supply chain disruptions) issues that are forcing businesses to reimagine how they conduct operations. These challenges simply compound the already frustrating approval wait times and invoice exceptions that AP currently faces.



## Chapter Two: The State of ePayables

“Knowing others is intelligence; knowing yourself is true wisdom. Mastering others is strength; mastering yourself is true power.” - Lao Tzu

Although full AP automation is still the exception and not the norm, a majority of finance, AP, and P2P leaders understand that automation of the AP function as part of a broad-based digital transformation is a necessary step to becoming masters of the function and achieving Best-in-Class performance.

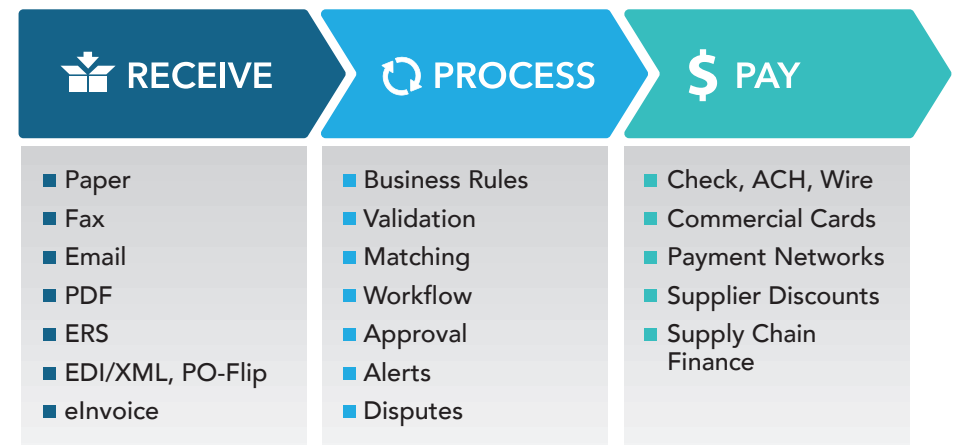
### The ePayables Framework: A Master Class

Ardent Partners developed the ePayables Framework (see Figure 5, to the right) to help AP groups streamline their operations, identify the best-fit technologies for their requirements, and increase their overall impact. For this discussion, Ardent Partners defines “ePayables” as the solutions and services that automate all or part of the three phases of the AP process — invoice receipt, invoice processing, and payments.

The ePayables Framework was designed to help AP departments of any size improve their processes by segmenting them into smaller, more manageable pieces, which ideally makes it easier for AP teams to establish an unfettered perspective on the current state of their operations and then improve upon it. It is organized into three major phases:

- **Receive** – How invoices are received.
- **Process** – How invoices are validated and approved.
- **Pay** – How payments are scheduled and executed.

Figure 5: The Ardent Partners ePayables Framework™





## “Receive” and “Process” Phases

The first two segments of the AP process — “Receive” and “Process” — include the solutions and methods that AP (or buying) organizations use to receive, validate, match, approve, and process invoice information before scheduling payment. While these phases are functionally similar in every enterprise, the sub-steps across them can vary depending on factors, such as company size, industry, and geography. The steps can also be different based on organizational maturity and the level of automation in place.

## The “Pay” Phase

Invoices that have been validated, matched, and approved move into the final phase of the ePayables Framework — the “Pay” phase — which includes both the scheduling and execution of the vendor payment. During this phase, the AP team can work most closely with treasury and finance to develop and execute supplier payment strategies that can assist with working capital optimization. As more enterprises recognize the strategic importance of the AP team, and AP expands its level of process automation and access to its financial data, AP will shift into a position to better influence and augment cash management activities.

Taken individually, the phases of the Framework allow for a modular, step-by-step approach to transforming key activities and processes within the department. When automating all three phases of the ePayables Framework together, a digital transformation of the AP department can be accomplished. The digital transformation is

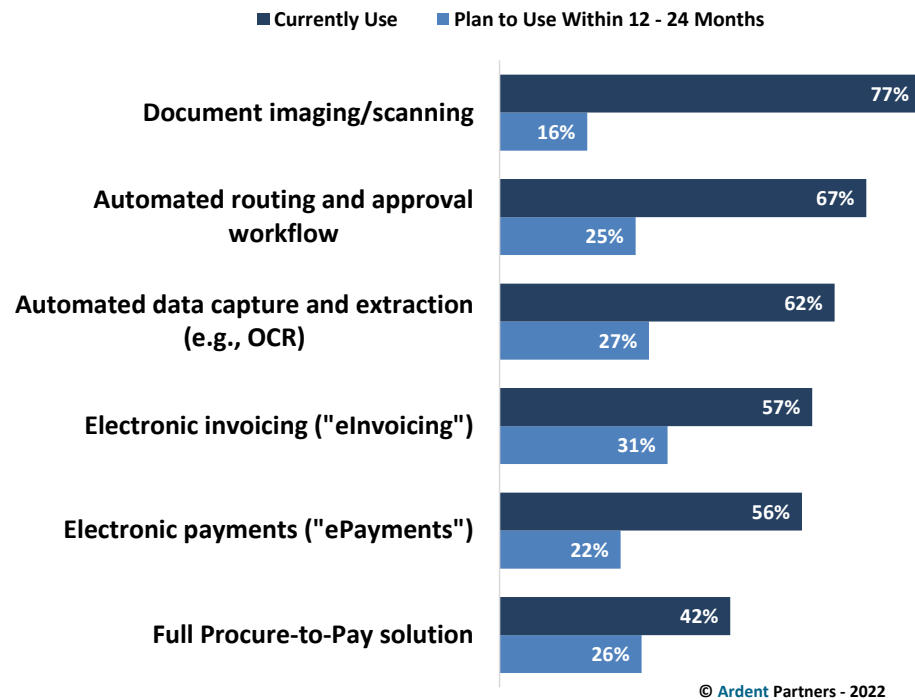
an opportunity to use technology as a means to reimagine the organization’s entire scope of operations and how it performs. Unlike the process automation initiatives that preceded it, a digital transformation does not view technology as a process enabler, but rather as the fundamental process going forward.

## ePayables Technology Adoption in 2022

Given recent trends toward improving business processes in a bid to increase efficiencies and drive down costs, one wonders why more enterprises have not fully automated their AP processes. This is especially true in light of the challenges brought on by the pandemic, which made paper-based processes unworkable with the work-from-home mandates that most employers enacted. Ardent Partners’ research has consistently shown that automated invoicing processes can cost between 40% and 90% less when compared to manual, paper-based processing methods. Figure 6 on the next page denotes the ePayables solutions currently in use and planned for usage in the next 12 to 24 months that have helped, or will help, enterprises achieve the automation required to improve process efficiency and cut costs. Document imaging/scanning solutions (77%) remain the most widely adopted solutions in the market today, while automated routing and workflow (67%) are second. A discussion of other key solutions follows.



Figure 6: ePayables Current and Planned Usage



- **Automated data capture and extraction technology (62%)** is one of the first solutions typically deployed by an AP department because it enables the transfer of key information from paper-based invoices into digital data, which is then fed into a larger solution suite (i.e., P2P platform, full AP automation suite, or ERP). While this technology delivers value in the form of increased efficiencies, it is simply a starting point in a larger AP transformation.

- **eInvoicing solutions (57%)** remove paper from the AP process by enabling suppliers to create and submit invoices electronically. The system maintains that format through the validation, matching, and approval processes. eInvoicing drives process efficiencies by eliminating data capture and manual data entry. eInvoicing solutions offer tremendous simplification on the process side, as well as cost savings in terms of price per invoice processed. This is most directly seen with solutions enabling "straight-through processing," which occurs when a submitted invoice is processed and approved without any human intervention. To gain the best returns on eInvoicing, supplier participation is needed.
- **ePayments solutions (56%)** have seen a sharp rise in adoption over the past few years due, in part, to a more holistic (and expanded) focus on the role of AP that now includes both invoice and payment processing. The increase in availability of new ePayment solutions has also triggered greater interest in the area. While many AP departments remain focused on the front end of the process, more groups are realizing that ePayment solutions (which can tailor payments specific to certain suppliers utilizing a variety of electronic means, including ACH, commercial/ payment cards, virtual cards, wire transfer, etc.) are vital to completing the full cycle of P2P.

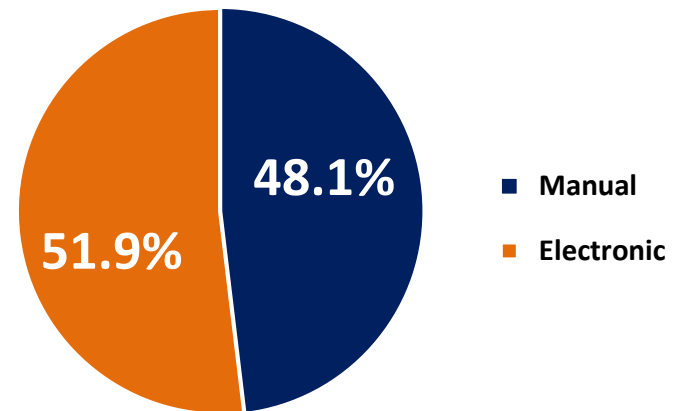


A majority of organizations will automate all facets of the procure-to-pay process by 2024. Within the next two years, nearly 68% of businesses state that they will have automated the complete P2P cycle, enabling a robust union between procurement and finance that generates power, value, and efficiency. This underlines the importance for procurement and finance leaders to view procure to pay as a single process that can optimize efficiencies and intelligence for the greater organization.

### The Answer Is Obvious

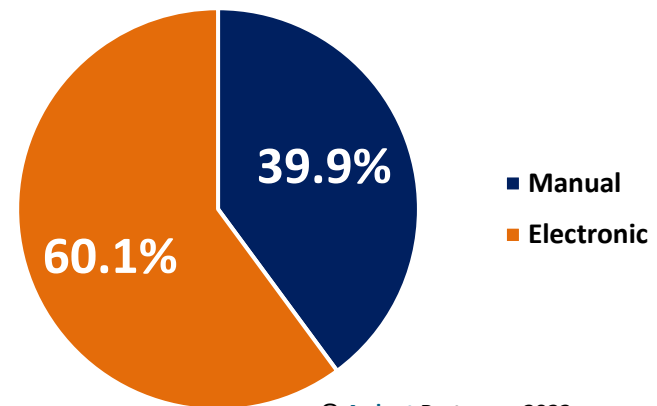
Should your AP department use paper as its main mode of supplier invoicing and payments, or should it leverage the power of automation to create repeatable, scalable processes that drive efficiencies, savings, and value? Any CEO, CFO, or Controller worth their salt would choose automation. Since that answer is obvious, the real question is...why haven't more enterprises fully automated their AP operations? ePayables technology adoption does continue to rise, albeit slowly. Similarly, the percentage of electronic invoices and payments in the overall market continues to rise as well (see Figures 7 and 8 to the right).

Figure 7: Invoices, Electronic vs. Manual



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Figure 8: B2B Payments, Electronic vs. Manual



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While the statistics in Figures 7 and 8 continue to show a steady progression towards greater automation, the paper problem is still much too persistent in a world that has become digitized and globalized. Just over half of all invoices (51.9%) today are received electronically, while 60% of payments are made in the same fashion. These are encouraging figures, but unfortunately, still too much paper in today’s enterprises.

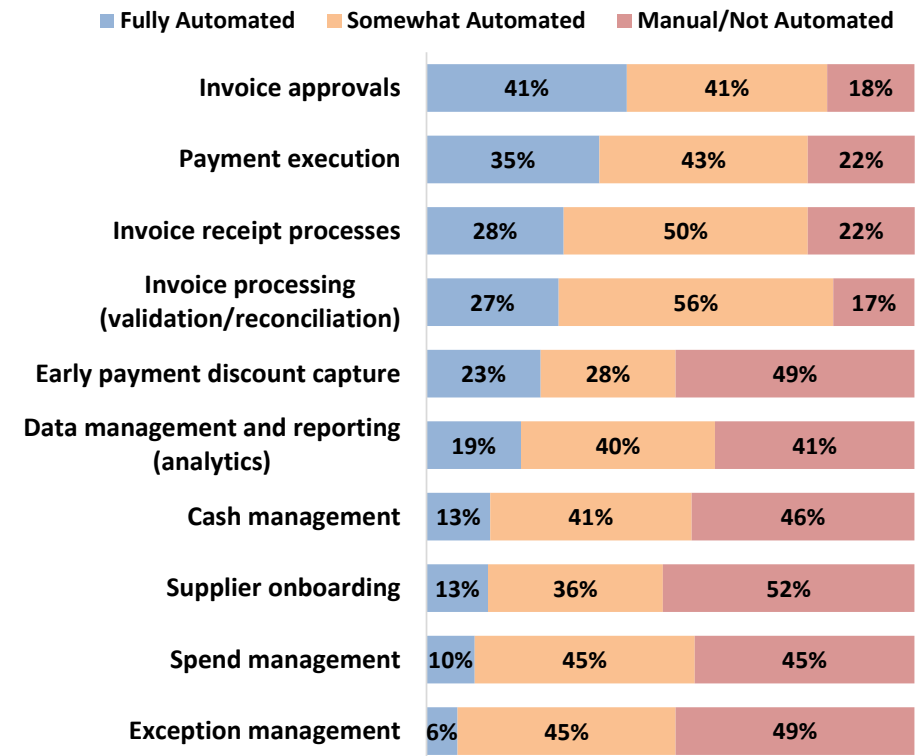
The impact of supply chain disruptions translates into a huge challenge for the procurement team, which is already paying higher prices for materials due to historic inflation. Cash management and working capital are more important today than ever before, and several dollars saved per invoice or payment (across thousands of these items) can translate into significant bottom-line numbers. In due time, many AP organizations will get to where they need to go in terms of the balance between electronic and manual invoices and payments. Today, in a world where cash is tight and every dollar is crucial, the paper problem must be solved as soon as possible.

### The Great Leap: Automation as the Foundation to AP Mastery

The best and smartest step to take towards AP mastery is to invest in automation. Since 2010, Ardent Partners’ research has quantified the benefits of automating the accounts payable process. Eliminating paper is a powerful way to drive operational efficiency while gaining greater visibility into liabilities, B2B payments, and cash positions, enabling smarter cash management decisions.

As shown in Figure 9 below, the range of “full automation” today only applies to the transactional and process-oriented aspects of accounts payable, with less than 20% (on average) of more “advanced” aspects of finance experiencing the benefits of ePayables technology adoption.

Figure 9: Levels of Automation Across Core Areas of AP



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An overall increase in electronic invoices versus paper-based ones can be attributed to a heavier concentration of full and partial automation of “early-phase” processes, such as invoice approvals (41% fully-automated, 41% partially-automated), payment execution (35% fully-automated, 43% partially-automated), invoice receipt management (28% fully automated, 50% partially automated), and validation and reconciliation of invoices (27% fully automated, 56% partially automated).

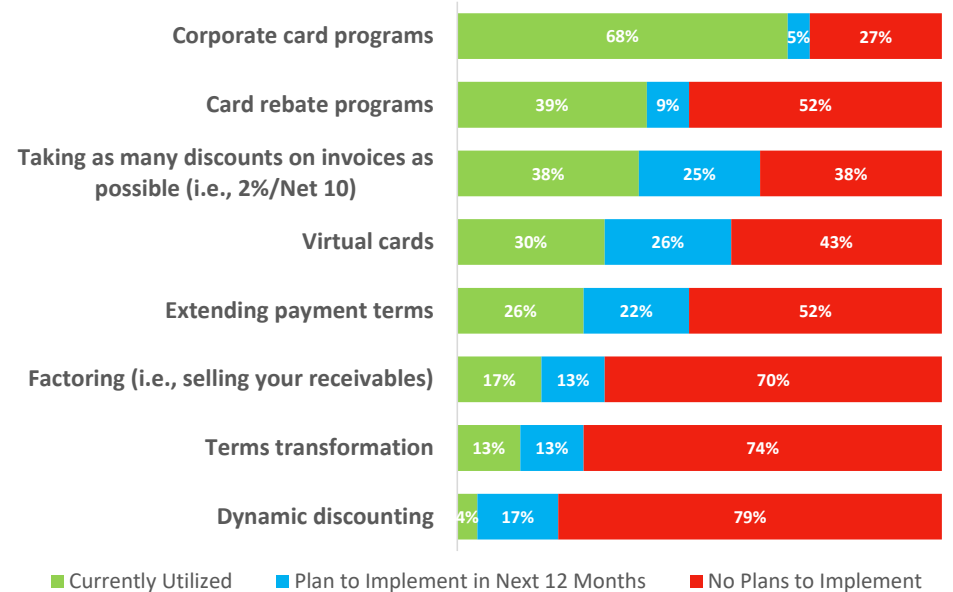
These figures show that the average AP department is not approaching mastery. On average, 13% or less of businesses today have fully automated cash management, supplier onboarding, spend management, and exception management. These competencies may be more strategic than traditional invoice processing, and thus more difficult to automate. However, the opportunities are too large not to aggressively pursue.

### A Barrier to Mastery: The Cash Management Gap

High-performing AP operations are praised for their cash management mastery and their ability to achieve “next level” results. Unfortunately, our research indicates that a vast majority of organizations lack the financial and operational prowess and automation of their cash management activities necessary to master this critical component of the AP function.

As we can see in Figure 10 below, beyond corporate card programs (68% adoption), today’s AP organizations are woefully behind in terms of the technology, payment, and programmatic capabilities required to optimize the use of working capital and effectively achieve cash management mastery. The data is reason for concern. Less than 4 out of 10 organizations (39%) are pushing supplier payment spend to card programs in order to receive the cash rebates these programs offer. Only 38% of businesses are now taking as many payment discounts as are made available to them from suppliers. Less than a third (30%) of organizations currently use virtual cards which offer significant fraud protection capabilities.

**Figure 10: Current Adoption of Cash Management Tech and Capabilities**



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While the overall lack of adoption of cash management technologies and capabilities currently in use across the board is shockingly low, what is more concerning is the high percentage of organizations that don't plan to address these critical areas at all. Just over half of AP departments (52%) indicate they have plans to leverage card rebate programs, which have proven to be an effective way to not only generate a new stream of revenue for buying organizations, but also as a means to provide suppliers quicker access to funds due. A full 43% have no plans to leverage virtual card payments. And 38% are missing out on taking discounts available to them.

Given that AP is fundamentally a cash-distribution function, mastery of cash management activities is crucial to the overall mastery of the AP function. However, as the research shows, a great deal of increased attention and work is required by the average organization to bridge the "cash management" gap and achieve true mastery of this critical area.



## **Ardent Partners' Extreme Technology Adoption Plan**

This is not a “modest proposal.” This is a simple and direct plan to maximize solution usage and the returns generated from an accounts payable organization’s investment in AP automation technology. High and strong usage of ePayables technology is achievable by any organization. Full stop. Each year, some of the respondents in this survey process hundreds of thousands of invoices straight through and without any human interaction. Some respondents have 90%+ of their invoices linked to a purchase order.

To get a strong ROI on technology, AP leadership teams simply *have* to make technology adoption a priority over other considerations. If they cannot make it a priority, and choose to pursue user adoption and program support half-heartedly, it should be so stated from the start. Yes, there are outside factors that come into play (like selecting the right solution provider), but there are always outside factors. That does not change the fact that high and strong usage of ePayables solutions is achievable by any organization.

## **Ardent Partners' Extreme Technology Adoption Plan**

The plan was developed because Ardent Partners believes that anything performed by the AP department should be done extremely well. AP professionals who do not ascribe to this view should reconsider their careers. From the plan’s title, readers can surmise that the adoption plan is intense and disruptive. That is by design because it sets the proper tone for technology deployment. Here are the main operating principles of the plan:

- ✔ **This is Big Change!** – The traditional technology roll-out strategy is for the project team to focus on minimizing and mitigating the “change” issues. This is a fool’s errand, for the most part anyway. Stop pretending that the new solutions are a slight variation of the “legacy process” (despite their claims, most staffers were not following the defined legacy process anyway). The reality is that almost any new technology requires a fundamental change in how a worker does a task...and, that is perfectly acceptable because the solution is introducing a new, streamlined, and standardized approach to an activity, enabling important things like visibility and reporting.
- ✔ **Organizational innovation** – Technology can no longer be an afterthought. It must become an organizing principle that demands organizational change and innovation. All users need access to peers and power users that are available to provide fast and practical guidance. But, different teams within AP will be using different systems in different ways. This group of users may need different types and levels of support. AP and finance leaders should consider the development of centralized technology operations teams that support the users of different applications, like ePayments. These professionals can be relatively “junior” while still serving as the “solution” experts needed to facilitate throughput.



- ✓ **Minimalist design** – Each step or action added to an automated workflow adds an exponential amount of complexity. The project team must ask itself daily “what is the absolute minimum number of steps or actions needed to complete an activity or task?” Then, design a system that reflects that answer. “Plain-vanilla” deployments are acceptable, just make sure to add an organizational “stamp” so users feel a sense of ownership.
- ✓ **CFO: “Yes, but we still need to use the system.”** – Counteract organizational complaints about, and prejudices towards, the new system with this simple, standard reply from the CFO.
- ✓ **50 – 75 – 90** – Mandate system usage for the following schedule: Month 1: 50% of every staffer’s activities must be completed in the tool. Month 2: 75% of every staffer’s activities must be completed in the tool. Month 3: 90% of every staffer’s activities must be completed in the tool. No exceptions.
- ✓ **Bonus eligibility linked to system usage** – Staff eligibility for their bonus is contingent upon meeting the 50 – 75 – 90 usage plan. No exceptions.
- ✓ **No exceptions** – Studies have shown that the age of a worker impacts their response to new technology. So what?

Age cannot be used as an excuse to explain a lack of system usage. Until a staffer becomes too old to collect a paycheck, he/she needs to learn how to use new systems.

- ✓ **“There will be pain, but we will get through it.”** – Prepare the staff for an intense first quarter of system usage. Prepare the larger organization for potential disruption, too. Use the AP leadership team as an overlay to the project team and assign every leader a specific set of daily duties and responsibilities during the first quarter after system launch.
- ✓ **Reward the right failures; punish mediocre success** – New system users will make plenty of mistakes. Reward their efforts. Support and encourage their growth and development. Strive for excellence, not simply competence.
- ✓ **Adopt, adapt, and improve** – When it comes to getting full value out of a technology investment, these three words boil it down perfectly:

Adopt - mandate usage

Adapt - adapt the organization to the new systems

Improve - the staff is committed to using the solutions, and management must be committed to making them better.



# Chapter Three: Best-in-Class Accounts Payable

“One can have no smaller or greater mastery than mastery of oneself.”  
– Leonardo da Vinci

This chapter is designed to enable readers to do the following:

- Benchmark their performance to industry averages and understand how they perform relative to the average AP program in the marketplace.
- Understand which operational and performance metrics define Best-in-Class performance levels for accounts payable programs today.
- Discern the wide range of capabilities that Best-in-Class AP departments use to outperform the market.

Accounts payable executives and professionals can gain a rewarding and strategic outcome if they understand the inherent value in AP mastery, push the envelope regarding innovation, and serve as a hub of efficiency and intelligence in the months and years ahead. To achieve these objectives, today's AP departments must follow the course developed by Best-in-Class organizations and the accounts payable programs they have cultivated by

building on core competencies and capabilities, cash management approaches, supplier management principles, and intelligence-led strategies.

## Examining AP Performance

The measurement of key performance metrics is an important part of understanding any business function, especially accounts payable. AP and finance leaders can use the core benchmarks in Table 1 (next page) to compare their performance to the overall market and to better identify and understand the bottlenecks and hurdles that must be surpassed to drive true AP mastery. The benchmarks included in Table 1 represent the full gamut of AP performance in 2022 and should be viewed as key milestones on the path to organizational mastery.



Table 1: The 2022 AP Benchmarks

Metrics	Average
Cost to process a single invoice (all-inclusive cost)	<b>\$10.18</b>
Time to process a single invoice	<b>10.9 Days</b>
Invoice exception rate	<b>22.5%</b>
Invoices processed "straight-through"	<b>30.2%</b>
Suppliers that submit invoices electronically	<b>44.9%</b>
Staff time spent responding to inquires	<b>22.5%</b>

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Many insights spring from the metrics included in Table 1, for example:

- The average organization spends just over \$10 to process a single invoice (an all-inclusive cost spanning receipt, processing, human intervention, approval time, etc.), which, in 2022, should spark a drive for change across the majority of AP functions. Multiplied by the thousands or tens of thousands of invoices processed per month regularly, even small- and mid-sized organizations can face high processing costs by not introducing new efficiencies into the AP process. For larger organizations, this average cost is negatively impacting the bottom line and eroding the overall value of accounts payable.
- By taking nearly 11 days to process the average single invoice, today's AP departments are losing considerable time in the overall invoice-processing scheme, while also failing to capitalize on the early payment discounts that some suppliers offer. Not every supplier offers early payment discounts, but the ones that do can help return sizable amounts of money into enterprise coffers, thereby boosting the value of the function and its place within the corporate hierarchy. Additionally, the amount of time to process an invoice can have consequences that go beyond tactical processing issues and into the more strategic areas of cash management and forecasting. The quicker an invoice gets processed, the earlier it is noted as a financial liability by the accountants, providing more time to determine how and when to pay it.
- Invoice exceptions remain the bane of AP's existence, as 22.5% of all invoices within the typical AP department are flagged, according to this year's Ardent Partners' study. This figure remains consistently too high for all units, but especially those that aspire for greatness and anticipate a more strategic role within the organization. Invoices that are flagged due to coding errors, missing information, approval bottlenecks, lack of purchase order data, etc., all bog down the AP staff. The time spent addressing invoice exceptions can be better utilized advancing the function forward in innovative and more strategic ways.



- Straight-through processing remains a primary goal for all AP organizations in 2022. It should be because processing invoices in a “straight-through” manner without human intervention represents the very future of AP. The AP groups that experience the normal flux of invoices traversing through automated processes and paid via those same technology-supported methods are on the cusp of true enterprise value. However, only just under one-third of today’s invoices (30.2%) are processed in a straight-through manner.

### Best-in-Class AP Performance

For nearly two decades, Ardent Partners has leveraged a unique framework to highlight the performance of top-tier organizations (formally referred to as the “Best-in-Class”) by analyzing a specific set of performance benchmarks. In this research study, Ardent Partners has defined Best-in-Class performance as the 20% of enterprises with the lowest average invoice-processing costs and shortest average invoice process cycle times. Top-performing enterprises have taken their AP operations to the next level by leveraging technology to streamline the AP process, making it more efficient and enabling more strategic activities. Best-in-Class enterprises have demonstrated their ability to drive superior performance across both traditional and contemporary accounts payable metrics. These Best-in-Class AP departments are clear and absolute proof that AP can be mastered. Likewise, their results

show that mastering AP at this critical time generates a great impact on financial operations and the enterprise’s bottom line.

The metrics outlined in Table 2 (next page) represent the culmination of the Best-in-Class AP teams’ skills and efforts, and stand in sharp contrast with those of the “All Others” maturity class. Mastering AP is possible, and it is the AP leaders and teams that develop the ability to consistently leverage innovative technologies and ideas that will reap a significant competitive advantage and challenge the conventional wisdom of what is possible for AP. The rest of this chapter will highlight specific and programmatic advantages that enable Best-in-Class accounts payable mastery.

Best-in-Class AP teams achieve per-invoice processing costs that are 76% lower than their peers, and invoice processing times that are 81% faster than all other groups. Their invoice exception rates are 60% lower than the rest of the marketplace. Notably, Best-in-Class enterprises have 50% more of their suppliers enabled to submit electronic invoices and, as a result, process more than twice as many of their invoices in a straight-through manner than their peers, which greatly contributes to their strong performance across all metrics.





Table 2: ePayables Performance: Best-in-Class vs. All Others

Metrics	Best-in-Class	All Others
Cost to process a single invoice (all-inclusive cost)	<b>\$3.12</b>	<b>\$13.11</b>
Time to process a single invoice (days)	<b>3.71</b>	<b>19.37</b>
Invoice exception rate	<b>11.8%</b>	<b>29.1%</b>
Invoices processed "straight-through"	<b>47.2%</b>	<b>21.4%</b>
Suppliers that submit invoices electronically	<b>55.7%</b>	<b>37.1%</b>
Staff time spent responding to inquires	<b>15.0%</b>	<b>28.8%</b>

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As Table 2 highlights, these high-performing organizations have significant performance advantages when compared with the rest of the marketplace. A more detailed look at the broad range of performance advantages that the Best-in-Class organizations currently enjoy over their peers (the other 80% of AP groups in the marketplace) follows. The Best-in-Class AP departments possess:

- A 76% lower cost to process an invoice.** Invoice-processing costs, as simple and fundamental as they may be, remain a major benchmark for accounts payable performance because the metric reflects the level of efficiency present within the program. Best-in-Class enterprises have long driven a significantly lower invoice-processing cost due to their reliance on core capabilities and higher usage of ePayables solutions.
- An 81% faster time to process a single invoice.** Invoice-processing speed remains a core KPI from which to gauge the effectiveness of vital AP competencies. Best-in-Class organizations leverage the power of automation and efficiency to improve processes related to invoice receipt, approval workflow, and payment scheduling. Combined with the KPIs above, both cost and speed reflect the power of a Best-in-Class AP function and its ability to master the art of tactical financial operations.
- A 60% lower invoice exception rate.** Most AP teams spend too much time managing them. By doing so, the greater enterprise misses out on valuable early-payment discounts, and the bottlenecks created by them destroy any efficiencies driven by the function. Best-in-Class organizations have long realized the invoice exception problem, with only 11.8% of their overall invoices flagged for issues (less than half the rate of their peers). This is yet another instance of the top performers' overall advantage.
- A 2.2-times higher rate of straight-through processing ("STP").** Straight-through processing rates are emblematic of the overall maturity of an AP operation and the impact of any AP transformation initiative. Invoices that avoid human intervention generally speed through all phases of the ePayables Framework with ease. Straight-through processing is an important benchmark for today's AP



organizations and increasing that number helps AP align itself with the digitized enterprise.

- **57.7% more suppliers can submit electronic invoices.** The huge advantage in STP is powered by the high percentage of suppliers that the Best-in-Class has enabled. Top-performing organizations understand the critical importance of receiving invoices electronically and dedicate the time and resources necessary to onboard and enable suppliers to submit their invoices electronically.
- **Almost 50% less time and resources spent responding to supplier inquiries.** When manual, paper-based methods are the norm, an AP staff is trapped at the transaction level, leaving a wealth of information that has never been captured nor leveraged to its greatest value. “All Other” departments spend more than a quarter (28.9%) of their time on the tactical activity of managing supplier inquiries.

Automating manual invoice processes, which are paper-laden, staff-intensive, and error-prone, can be game-changing. AP departments that automate their processes can spend less of their time on the traditional back-room work, like entering data into their systems manually, routing paper/emailed invoices for approval, and attempting to manage exceptions without full context and visibility. The benefits that automation can deliver to an AP group can lead

to wholesale gains in efficiency and effectiveness within the organization, including large reductions in average invoice processing time and costs, large drops in the number of exceptions, and increased visibility. And when organizations can minimize the time that staff spends on manual/tactical work, their teams can focus on more strategic, value-added activities.

## The Best-in-Class, Part I: Tools of the Trade

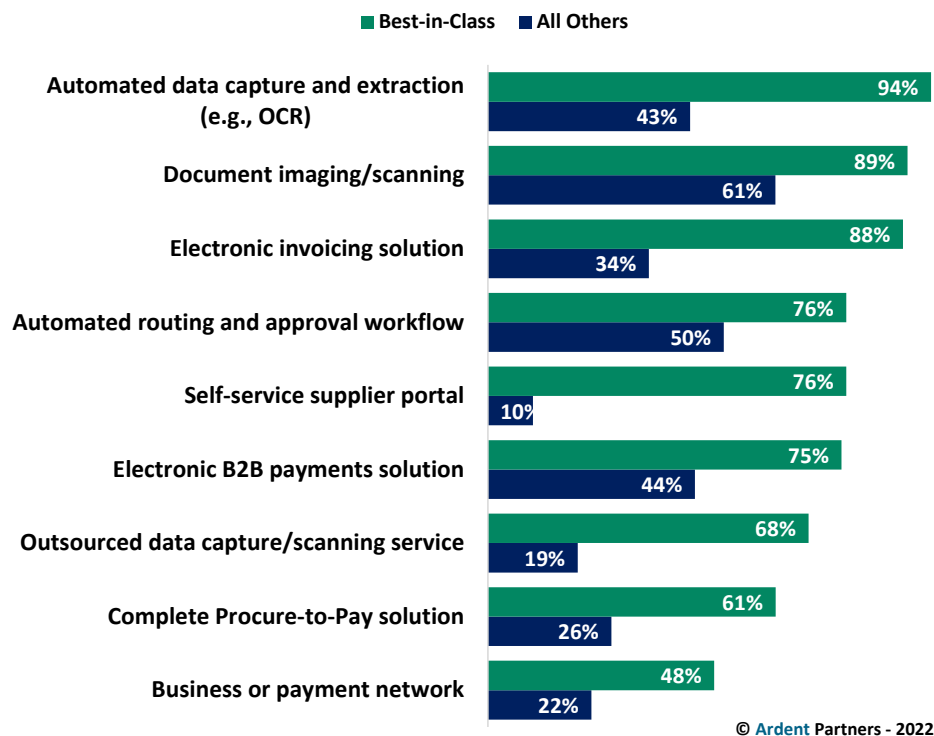
A view into a master’s studio reveals the craftsman’s tools of the trade and the materials that they use to create their work. For Best-in-Class AP departments, technology has long been a key determinant in the success of the modern operation. In 2022, the enterprises that choose to ignore innovation will be left behind. Those that embrace automation and next-generation solutions are the ones that will thrive in an increasingly dynamic and turbulent business world. With all AP teams, core automation is key to the immediate success of the unit; however, innovation is what positions its mastery.

Adoption of technology is one area where the Best-in-Class differentiates itself from the rest of the market. These leading groups not only deploy solutions to a much greater degree (see Figure 11, next page), but just as importantly, their users and suppliers adopt and use them more actively. The differences in technology usage manifest themselves in the large metrics gaps shown in Table 2 above. The most widely-adopted solutions are



admittedly the most tactical, focused on capturing data and images from paper invoices. As Figure 11 shows, the Best-in-Class AP department is built on a robust foundation of key solutions, platforms, and automated technologies that address multiple facets of the ePayables Framework.

Figure 11: The Best-in-Class Technology Advantage



Best-in-Class AP groups have a distinct technology adoption advantage, including:

- eInvoicing (88%).** Leading organizations long ago realized the disadvantages of receiving paper invoices from suppliers and took major strides to eliminate them from the process. To this end, Best-in-Class AP groups are 2.5 times more likely to have eInvoicing in place.
- ePayments (75%).** ePayments represent the current focus for many AP teams as well as the next wave of AP innovation. B2B payments can no longer be overlooked. There is inherent value in automating payment management. Best-in-Class organizations have ePayments in place 75% more often than all others.
- Complete procure-to-pay (P2P) automation (61%).** There is, and always will be, a transactional link between procurement and finance. P2P automation ensures that the buying, invoicing, payment, and reconciliation processes are interconnected in such a way that improves total spend management and financial visibility. Best-in-Class organizations are 2.3 times as likely as all others to leverage complete P2P technology. Also, the advantages that P2P suites bring to organizations are numerous. In addition to automating tactical processes, the linked series of phases under the ePayables Framework ensures centralized control of data, standardized capabilities across all enterprise locations, and free flow of information from invoices, payments, and other types of financial transactions.



The evidence is clear: The organizations that leverage technology to automate the AP process perform better and deliver greater value. What is also obvious is that automating the core processes of the ePayables Framework can open new doors of opportunity for the AP function to move beyond the tactical endeavors of the past and present. The AP teams that leverage automation can then turn their focus to higher-level activities, such as capturing and sharing intelligence and data that can enhance AP, stakeholder, and enterprise performance. Best-in-Class organizations have shown what can be achieved when AP performs to its full potential.

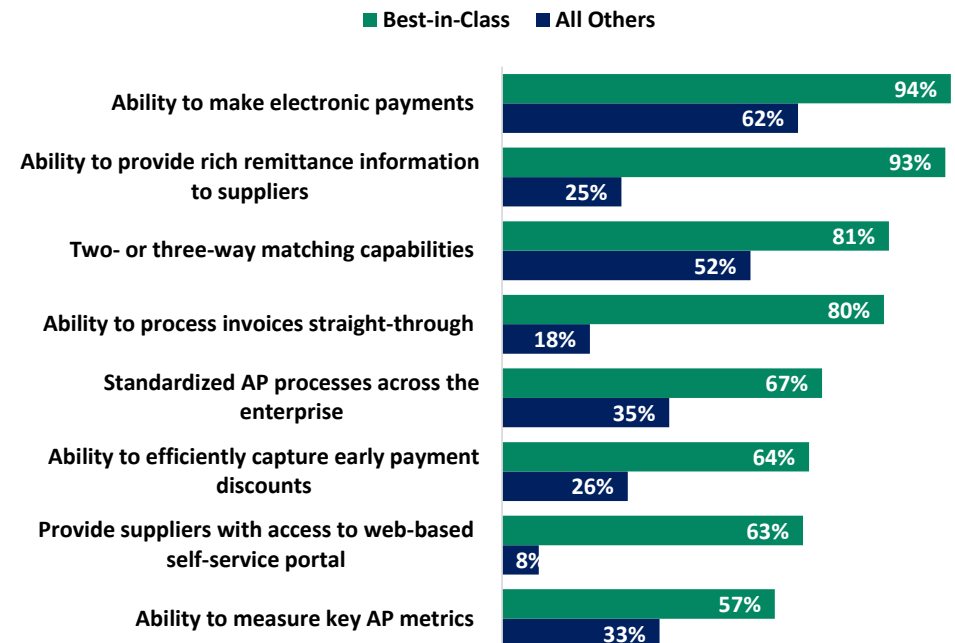
## The Best-in-Class, Part II: Key Competencies

While quality tools are essential to top craftsmanship, it is the skills, experience, and ideas of the master that are the creative elements that bring his/her work to life. For the Best-in-Class AP department, key competencies (see Figure 12, to the right) serve as both the foundation for top performance and an enabler of continuous improvement. Best-in-Class AP groups have a distinct advantage in key competencies, including:

- **The ability to pay suppliers electronically (94%) and provide rich remittance (93%).** The Best-in-Class view the entire accounts payable process holistically and work to master each part. Payments are not an afterthought in this mindset and suppliers are viewed as partners.

- **Two- or three-way matching capabilities (81%)** allow AP teams to match invoices to contracts and purchase orders, thereby increasing the accuracy and timing of payments. These capabilities can greatly reduce invoice exceptions and allow AP professionals to enable superior control of the invoice process.

Figure 12: The Best-in-Class Key Competencies



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- **Straight-through processing (80%).** Taking a cue from Table 2 (page 25), Best-in-Class enterprises are 2.1 times more likely than all other organizations to process invoices in a straight-through manner. This factor, which eliminates the human intervention of the AP process, is key to boosting the bottom-line value of the function and augmenting activities that AP staff can execute with the time enabled by straight-through processing.
- **Process standardization (67%)** on the surface may always seem like a given for successful organizations; however, for those not in the scope of the Best-in-Class, it is an ideal starting point. Standardized AP processes ensure that rigorous, consistent steps are followed throughout the ePayables Framework, helping to avoid invoice exceptions, bloated invoice-processing costs, extended approval times, and a lack of general financial visibility.
- **The ability to measure key metrics (57%)** is the other area where Best-in-Class enterprises excel. They are more than twice as likely to have the capability to measure both productivity (e.g., invoice processing cycle time, invoices processed straight-through) and financial metrics (e.g., invoices coming due, discounts coming due, goods received not invoiced). This is an important characteristic as performance can only be improved if it is measured. It should be noted that here too, the Best-in-Class has room for improvement.



## Chapter Four: Strategies for Success

“Mastery is a journey, not a destination. True masters never believe they have attained mastery. There is always more to be learned and greater skill to be developed.” – Timothy Ferriss

### AP Mastery: A Journey, Not a Destination

Once upon a time, automating time-consuming manual tasks was an end goal for AP organizations. Today, many AP leaders now realize that to live happily ever after and operate within a strategic business process, automation is just the first chapter of a longer story. Only after AP processes have been automated and the function is in a position to focus on handling exceptions (and not handling every invoice), can it begin to move up the value chain and focus on more strategic aspects of the operation, including data gathering, data analysis, and dissemination of that data/intelligence. Ardent Partners believes that AP's ability to leverage its data to provide actionable information to key stakeholders is the “golden goose” the organization can use to impact enterprise operations and results. Of course, capturing this data without the use of automation tools is a fool's errand.

Despite the general pressure on businesses to modernize themselves and comprehensively digitize the entire enterprise, many AP departments have been largely overlooked when it comes to technology investments. The simple fact that other business units and functions have been prioritized ahead of AP in

the current technology movement means that AP will have to work hard and deliberately to argue its case for enterprise relevancy and new investment. At the same time, AP leaders must be keenly aware of the need to build an organizational foundation that is firm enough to support current business needs and objectives, but is also flexible and agile enough to develop the capacity to identify and support the future needs of the enterprise as they emerge.

For most enterprises, the opportunity to transform and modernize the AP organization is both significant and achievable and should be undertaken sooner rather than later. To accomplish this, most AP departments will need to find both a business catalyst (like an enterprise-wide drive for efficiency or a focus on improving procure-to-pay operations) and either an executive sponsor (like the CFO or Treasurer) or a strong functional partner (like procurement) to successfully initiate the process. Until these are found, AP departments can greatly aid their cause by promoting an agenda focused on becoming a more strategic business unit and a more trusted business partner for supplier, data, and cash management needs.



## Strategies for Success

The results from Best-in-Class organizations show that an investment in AP can pay large dividends. It is the relentless pressure on performance, innovation, and agility that makes an investment in AP all but necessary for most enterprises. While the speed and level of returns from an AP transformation initiative can and do vary widely, with proper planning and execution, the long-term value that a cohesive and comprehensive AP program can deliver will be realized. Beyond modeling the Best-in-Class attributes, capabilities, and approaches (discussed in the preceding chapter), Ardent recommends the following strategies for AP departments seeking to improve their performance and build a better, brighter future.

### Develop a Strategic Business Plan for Accounts Payable

If you don't know where you are going, any road will take you there. Unfortunately, more than 50% of AP organizations surveyed don't have a multi-year strategic business plan. Why is planning so important for AP? Ardent's research shows that compared to their peers, those with plans in place are more than six times as likely to achieve Best-in-Class results.

Success just doesn't happen, mastering today's new AP landscape begins with planning and preparation. The plan should include both short- and long-term goals that are measurable so as to better gauge how well the department is performing against its

plan and take corrective actions if necessary. It is also important to remember that the plan is not just a static document, but one that should be reviewed and updated regularly. Many of the whether that be every six months, annually, or whatever you and your team deem appropriate. Many of the other strategies for success discussed below go into greater detail about the items that should be included when developing a strategic plan. But there is no better time than *right now* to get organized and develop AP's roadmap to the future.

### Train Staff to Ensure Future Success

The business world is always changing, and AP teams must change with it. The role of AP within the organization has changed as it continues to evolve and become more strategic to overall operations. The scope of today's AP staff extends far outside of its traditional functions. To be successful, requires mastering a broader knowledge of the enterprise itself and how it interacts with AP. For example, with inflationary pressures and interest rates on the rise, AP's ability to impact cash management continues to grow, and a new set of skills and training is needed to capitalize on the opportunity. As Jeff Bezos said, "*In business, what's dangerous is not to evolve*". AP leaders must regularly evaluate the skills and competencies of the AP team as a way to ensure the function remains vital in the years ahead.



## Protect AP from Criminal Mischief

Fraud and security breaches are a very real threat to organizations all over the world. Greater than one-third of all organizations in this year's study reported being the target of an invoice or payment fraud attempt. The real number is probably much higher since many attacks go unreported while others are not identified or seen. Mastering your organization's protection against fraud requires providing staff with applicable training on fraud prevention and compliance skills. Training can be an effective tool in preventing and mitigating fraud, as is leveraging AP automation and electronic B2B payment solutions to eliminate paper and manual processes from the invoice approval and payment cycle. The best way to combat fraud is constant vigilance and active monitoring tools that limit fraud attempts from happening in the first place.

## Accelerate AP's Digital Transformation

Automation, now more than ever, is critically important. AP can create enormous value for the enterprise, but only if the function can focus on the more strategic aspects of the operation. The events of the past three years helped highlight the crucial importance of the AP function to ensure business continuity and an organization's overall well-being. They also highlighted the challenges of paper-driven, manual processes. AP automation is no longer a nice-to-have, it is essential to not only surviving but also thriving in an uncertain future with looming inflation, rising

costs, labor shortages, supply chain disruptions, and unknown global pandemics. AP leaders need to look holistically at their operations and leverage automation wherever possible.

## Adopt a Collaborative, Customer Service Mindset

AP needs to start thinking of itself as a customer-focused operation and understand the needs and wants of its clients (both internal and external) and those that it supports. If it has not already happened, each AP team should lose its back-office mindset and add functionality and services, such as sharing data, information, and knowledge, that optimize the value and experience it provides to its key constituents. Customer service matters. A good user experience can improve the overall impression of AP from those outside the function (or company in the case of suppliers).

*"Perception is reality,"* and in the case of AP, perception really does matter. It translates into suppliers that want to do business with your firm, buyers that want to buy more, and recognition internally of the value that AP can (and does) provide. To get started, begin measuring customer satisfaction and take the necessary steps to continually improve upon it.

## Build Out AP's Data Intelligence Capabilities

There is no getting around it, we live in an increasingly data-driven world. That's good news for AP which has direct access to a wealth of transactional data for a clear view of what is happening across the





organization from a spend perspective. AP teams need to harness this data and make it available for use by stakeholders throughout the organization. This, in turn, can help business leaders make better-informed (and timelier) decisions with on-demand financial and supplier intelligence.

### Optimize Cash Management and B2B Payment Strategies

*“When people talk about cash being king, it’s not king if it just sits there and never does anything.”* – Warren Buffet. The link between AP and overall cash management has never been more appreciated. When and how invoices get paid can have a huge impact on an organization’s cash flow, liquidity, profitability, as well as supplier relationships. It is crucial that AP provide intelligence around cash management in a timely and accurate way, and that it also incorporates real-time directions for optimizing and executing its B2B payments.

### Be a Leader, Not a Follower

For far too long, the expectations of the AP function were tactical, inward-looking, and back office in nature. Today, however, the role of AP within enterprises, and the business world at large, has changed. AP is finally being broadly recognized and appreciated for the strategic value it can provide. For AP to fulfill its potential, those in charge must be leaders with vision, strategies, and plans for the expanded role AP will have in enabling overall enterprise

success. AP leaders need to take a more assertive role in adding value to the rest of the organization. AP needs to be proactive and look for ways to improve efficiency, drive value, reduce costs, and anticipate the needs of other business functions and suppliers.

### Conclusion

True mastery is the art of perfecting a craft. But in the context of the modern business world, value is much more important than perfection. In 2022, mastering AP is evidenced by consistently delivering Best-in-Class levels of performance that translate into high value and a competitive advantage in the market. AP mastery starts with automation and builds upon broad-based proficiency. The challenging times brought on by the COVID-19 pandemic have provided a great catalyst for investment in and focus on the AP function. It now falls upon AP leaders to convert these investments into performance. And, as market uncertainty continues to snowball with additional financial and global pressures added daily, organizations of all sizes and in all regions that master AP have a window of opportunity to deliver outsized-performance at this critical time and into the future.



# Appendix

## About the Authors



### **Andrew Bartolini, Founder & Chief Research Officer, Ardent Partners**

With 23 years in the industry and 13 years leading the charge at Ardent Partners, Andrew Bartolini is a globally-recognized expert in sourcing, procurement, supply management, and accounts payable. As

the Chief Research Officer at Ardent Partners, Andrew oversees all research and client programs, including the annual State of the Market and Metrics that Matter eBook Series', Technology Advisor Reports, Ardent's monthly webinar series, as well as its in-person and virtual CPO Rising Summits. Andrew is also the publisher of CPO Rising, the news and research site for Chief Procurement Officers and other procurement leaders ([www.cporising.com](http://www.cporising.com)).

Advisor to corporate executives and leading solution providers alike, Andrew is a sought-after presenter, having lectured and presented more than 525 times in nine different countries. Over the past decade, Andrew has benchmarked thousands of enterprises across all facets of their sourcing, procurement, supply management, and accounts payable operations and his research is currently part of the Supply Chain/Management curriculum at several U.S.

universities. He actively covers the technology marketplace as well as trends in sourcing, procurement, supply management, and accounts payable and has been published or quoted in leading business publications including The Wall Street Journal, Business Week, Investor's Business Daily, Forbes, and Fortune, as well as the major trade publications focused on accounts payable and supply management.

Prior to becoming an industry analyst, Andrew developed, packaged, deployed, and used supply management solutions on behalf of enterprises in the Global 2000 while working for several prominent spend management solution providers. Additionally, his experience in strategic sourcing (where he managed sourcing projects totaling more than \$500 million in aggregate client spend), business process transformation, and software implementation provides a "real-world" context for his research and writing.

Andrew's post-MBA work started in management consulting and investment banking where he structured, managed, and advised on large capital market transactions. Andrew began his professional career running a homeless family shelter in Los Angeles. He welcomes your comments at [abartolini \[at\] ardentpartners.com](mailto:abartolini@ardentpartners.com) or 617.752.1620.



**Bob Cohen, Vice President of Research,  
Ardent Partners**

A seasoned professional with more than 20 years of experience helping enterprises transform their Procure-to-Pay operations. In recent years, Bob has become the industry's lead analyst covering AP and ePayables. At Ardent Partners, Bob heads up the ePayables practice which includes coverage of accounts payable, B2B payments, business networks, and travel and expense management. Prior to joining Ardent, Bob spent 12 years working as a Vice President at Basware, where he helped establish the firm's U.S. presence in the AP automation and Procure-to-Pay spaces. He has also worked at American Express where he enabled the commercial card giant better alignment to its products and services with a continually evolving market.

Over his career, he has helped hundreds of AP and P2P teams achieve Best-in-Class performance via their use of ePayables, B2B Payments, P2P, and Business Network solutions. He is a sought-after speaker having given hundreds of presentations at industry conferences, user group meetings, webinars, and customer-facing events. He is also the publisher of Payables Place, the news and research site for Accounts Payable and Finance leaders ([www.payablesplace.com](http://www.payablesplace.com)). Bob holds a B.A. in Marketing from Bryant University and an M.B.A. in Finance from The University of Connecticut. He welcomes your comments at rcohen [at] ardentpartners.com



## About Ardent Partners

**Ardent Partners** is a Boston-based research and advisory firm focused on defining and advancing the supply management strategies, processes, and technologies that drive business value and accelerate organizational transformation within the enterprise. Ardent also publishes the CPO Rising and Payables Place websites. Register for exclusive access to Ardent Partners research at [ardentpartners.com/newsletter-registration/](https://ardentpartners.com/newsletter-registration/).

## Research Methodology

Ardent Partners follows a rigorous research process developed over years spent researching the accounts payable market. The research in this report represents the web-based survey responses of 184 AP and finance leaders captured between March and May, 2022 and includes direct interviews with several survey respondents. These 184 participants shared their strategies and intentions, as well as their operational and performance results to help us define Best-in-Class AP performance and understand what levers the leading groups pull to obtain their advantage. This primary research effort was also informed by the experience and analysis of the report author and the entire Ardent Partners research team. Complete respondent demographics are included to the right.

## Report Demographics

The research in this report is drawn from 184 respondents representing the following demographics:

**Job Function:** 47% accounts payable; 14% finance/accounting; 13% procurement; 12% P2P; 10% information technology; 4% treasury

**Job Role:** 35% VP-level or higher; 12% director-level; 30% manager-level; 23% staff-level

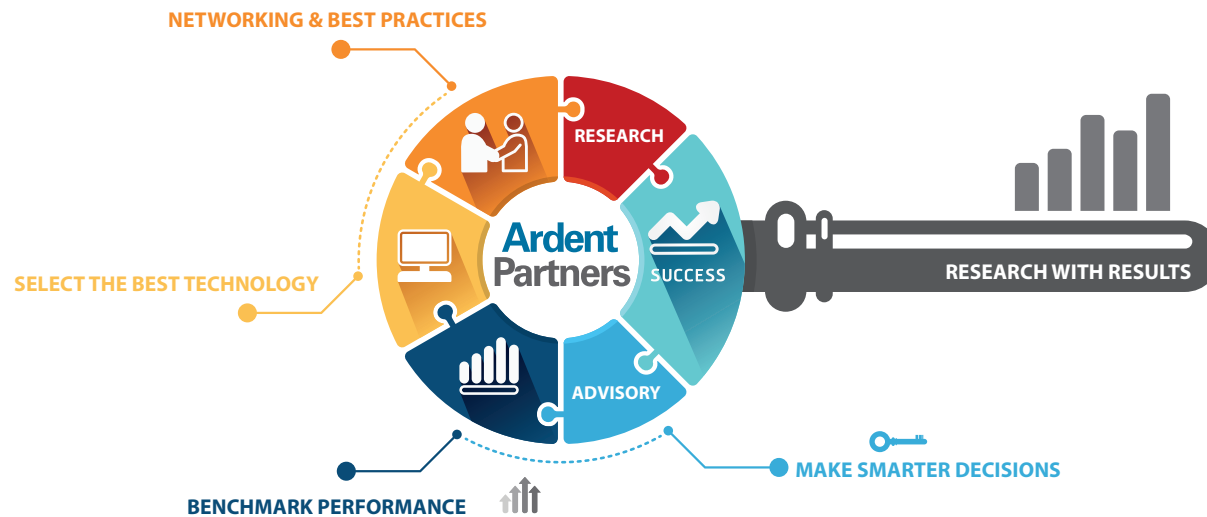
**Company Revenue:** 57% Large (revenue > \$1 billion); 21% Mid-market (revenue between \$250 million - \$1 billion); 22% Small (revenue < \$250 million)

**Region:** 65% North America; 30% EMEA; 5% Asia-Pac

**Industry:** More than 20 distinct industries are represented. Manufacturing, Healthcare, Financial Services, Technology, and Retail are the largest industries in the survey pool; no industry represents more than 15% of the overall survey respondents.

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**Ardent Partners** is a research and advisory firm focused on defining, and advancing the supply management strategies, processes, and technologies that drive business value and accelerate organizational transformation within the enterprise. Ardent Partners was founded by Andrew Bartolini.

**Ardent Partners** actively covers the supply management marketplace and produces research to help business decision-makers understand (1) industry best practices and how to improve performance & (2) the technology landscape and how to identify the best-fit solution(s) for their specific budget and requirements.

Contact [research@ardentpartners.com](mailto:research@ardentpartners.com) if you have any questions about this report or our research in general.

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Market ▲ 0.5 ▼ 0.12

Oil ▲ 2.45 ▼ 0.96

Forex ▲ 3.6 ▼ 1.65

Gold ▲ 0.02 ▼ 0.25

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