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INSTITUTE OF FINANCIAL
OPERATIONS & LEADERSHIP

Accounts Payable Automation Trends 2023

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REPORT OVERVIEW

In partnership with our sponsor SAP® Concur®, our latest Accounts Payable Automation Trends survey revisits the current state of automation for AP teams worldwide, and uncovers shifts in automation over the last few years.

The survey was conducted over a 2-month period in 2023, with the global community of IFOL members, students and subscribers.

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KEY FINDINGS

1. Too much processing, too little productivity

The hours processing invoices and payments is still extremely high.

- Over half of AP teams (56%) spend more than ten hours a week processing invoices
- Just over two-fifths (41%) spend over ten hours a week processing supplier payments and managing supplier accounts
- 82% manually key invoices into an ERP/ accounting software

With these unnecessary hours wasted on processing, it is no wonder that productivity is down.

A full 90% of respondents believe that automating invoice management and supplier payments would free up their finance team to focus on more strategic initiatives.

2. Accounts Payable teams are still dealing with avoidable challenges

The previously cited issues caused by poor processes are still prevalent and continue to have a large impact.

The top three AP process challenges reported are:

1. Manually entering invoices
2. Data errors, exceptions, and discrepancies causing process delays
3. Too many paper documents and files

The top issue caused by poor processes is stress on the Accounts Payable team, with 44% of respondents stating this was the biggest problem faced.

Other top challenges are the damage caused to supplier relationships, and the delay in delivery of goods and services.

3. Slow but steady shift to automation, but is it fast enough?

Year over year, the data shows a trickle of Accounts Payable teams committed to automating within the next 12 months or 1-3 years, but we are still yet to see a large shift from those who remain partly automated (56%).

The 2023 data shows the majority (49%) anticipating their AP department reaching a fully automated state in 1-3 years, and 26% expect full automation in 3-5 years.

Are we on the brink of seeing full AP automation within 3-5 years?

SUMMARY

Despite the ongoing challenges that still exist, the rate and speed of automation has not picked up much pace over the last three years.

The data shows that teams recognize how technology can improve AP processes, so why are they waiting and not investing in full automation?

Next-generation AP teams need to get out of the manual processing rut, and harness technology to boost productivity, efficiency and performance so they can provide cost-savings and strategic value to the wider business.

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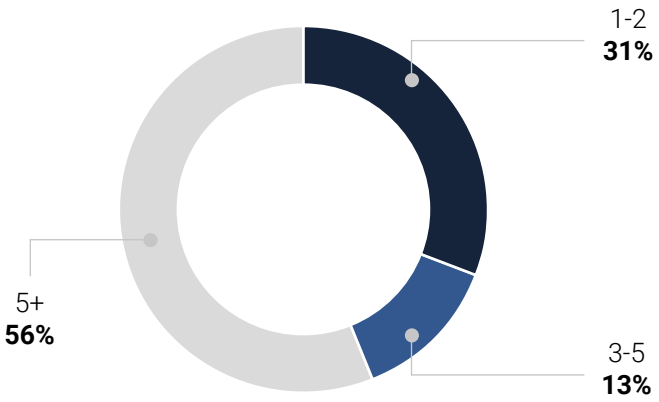
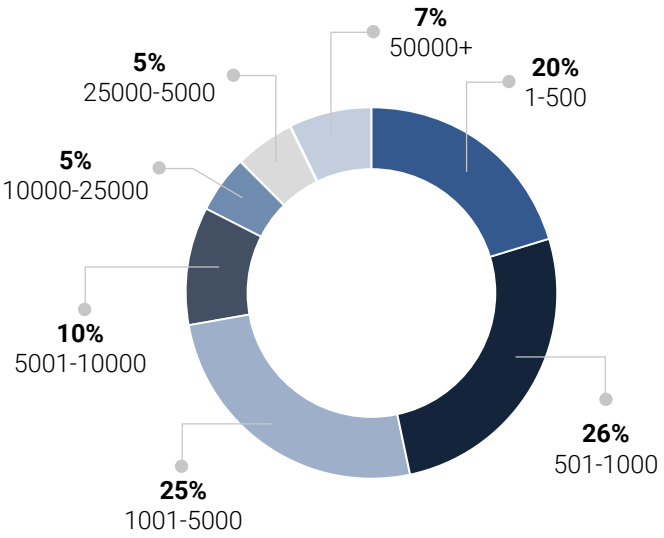
2023 ACCOUNTS PAYABLE AUTOMATION TRENDS

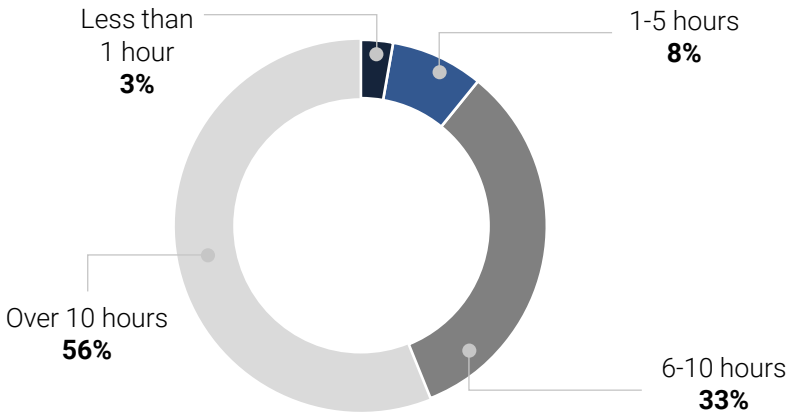
What is the size of your Accounts Payable team?



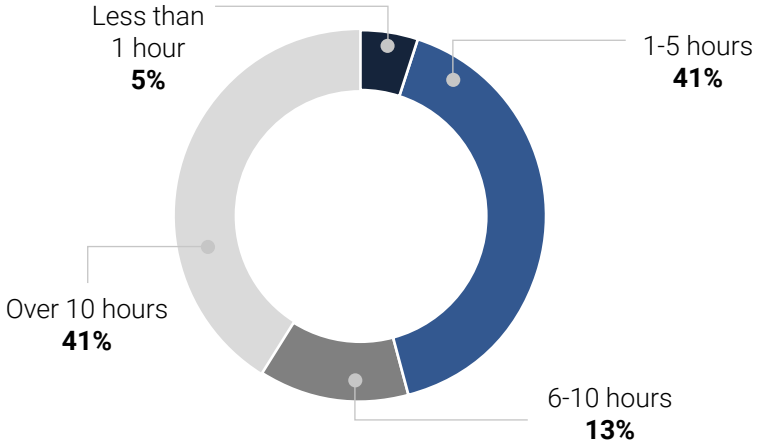
How many invoices does your Accounts Payable team process on a monthly basis?



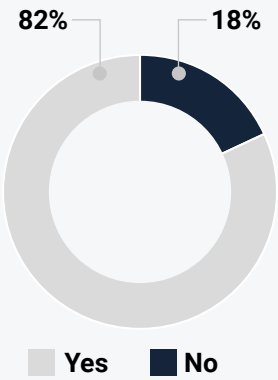
How many hours a week do you spend processing invoices?



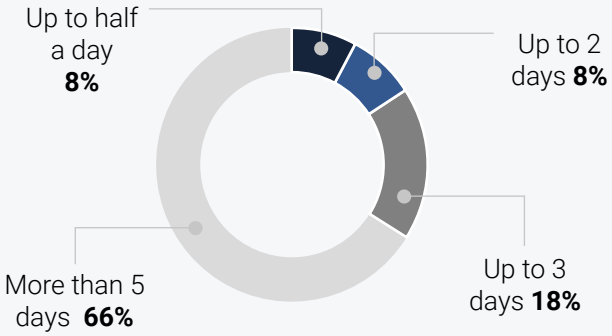
How many hours a week do you spend processing supplier payments and managing supplier accounts?



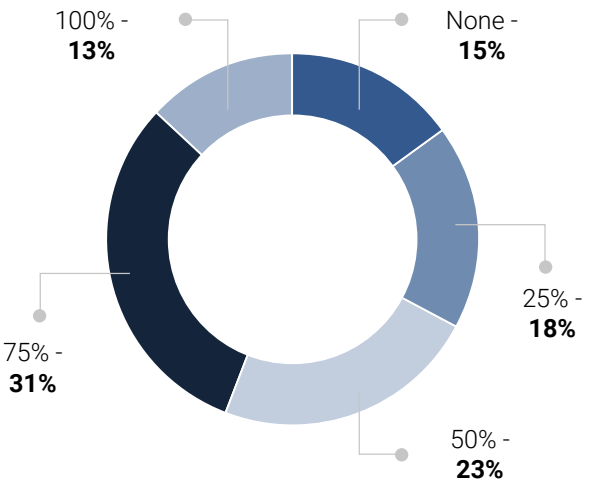
Do you (or a member of your team) manually key invoices into your ERP/accounting software?



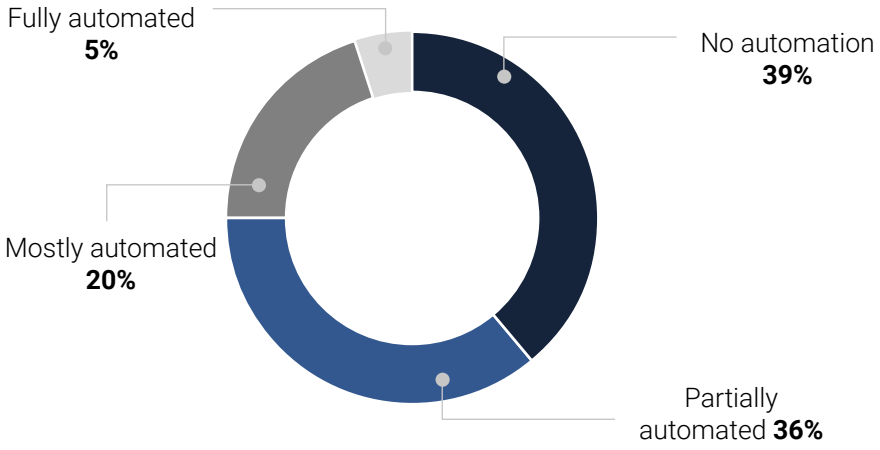
How much time do you spend on a monthly basis processing invoices?



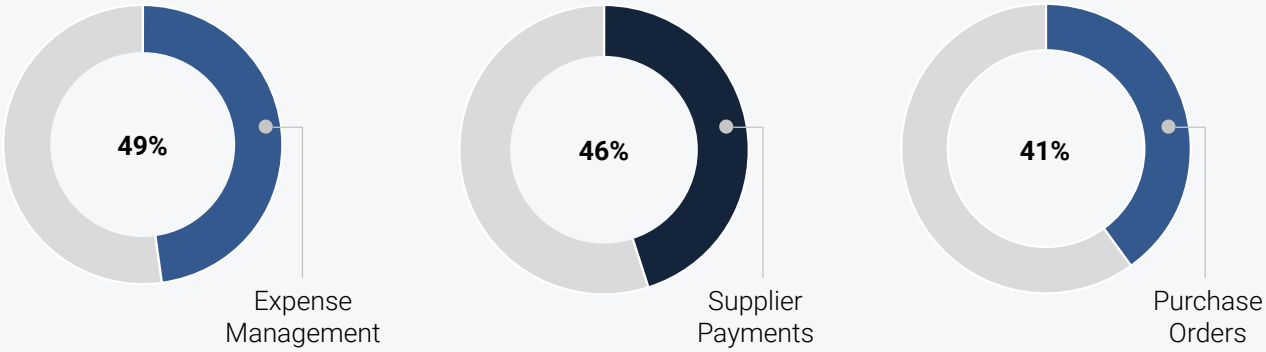
What percentage of your monthly invoices go through a purchase order process?



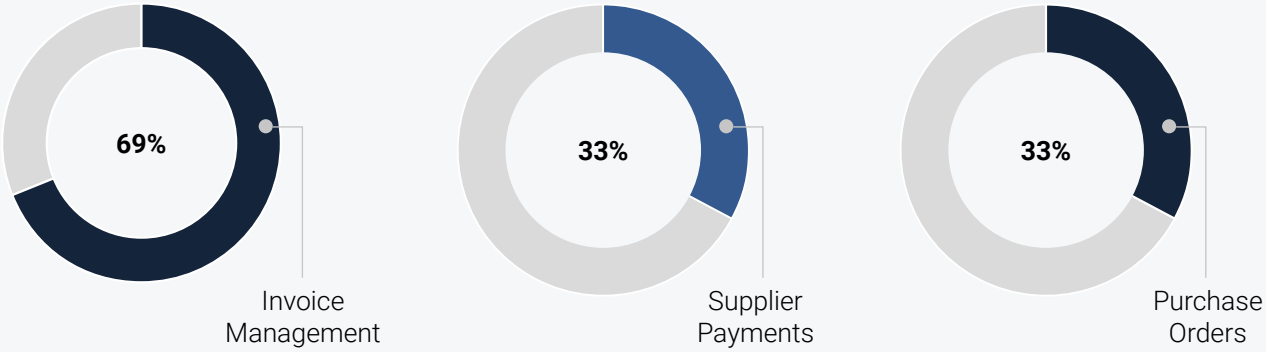
How would you describe the current state of the automation in your Accounts Payable department?



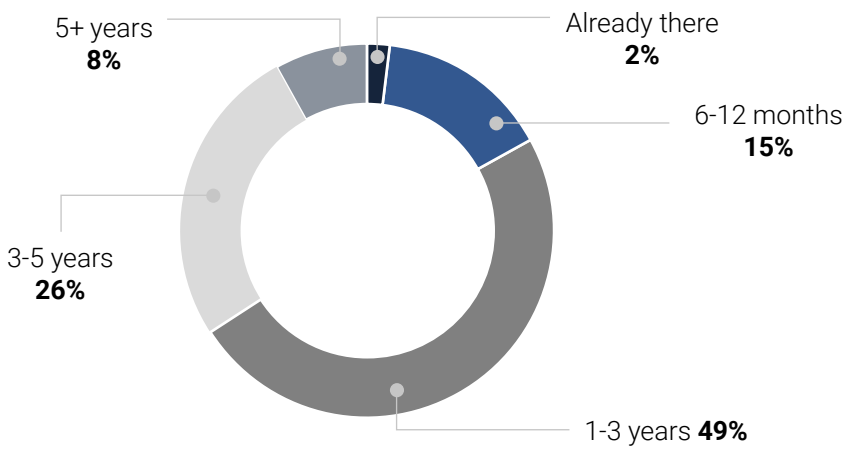
Top three financial processes already automated



What areas of AP management are you planning on automating in the next 12 months?



When do you anticipate your AP department reaching a fully automated state?



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Top three Accounts Payable process challenges in your company:

Manually entering invoices

Data errors, exceptions, and discrepancies causing process delays

Too many paper documents and files

Top three issues faced in your team as a result of delayed processes

Stress on the AP team

Damaged vendor/supplier relationship

Delayed delivery of goods and services

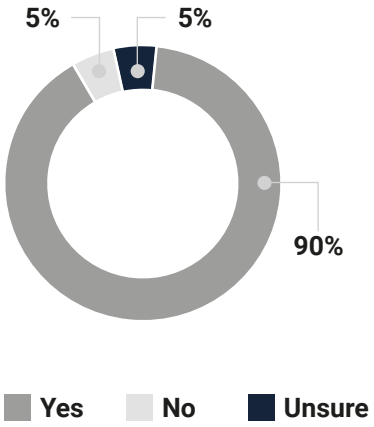
What would be the top three reasons for automating AP processes for your business?

Speed up the payables process

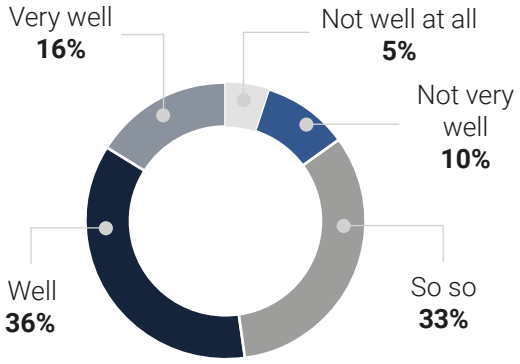
Increase visibility across the invoice process

Increase controls and reduce risk

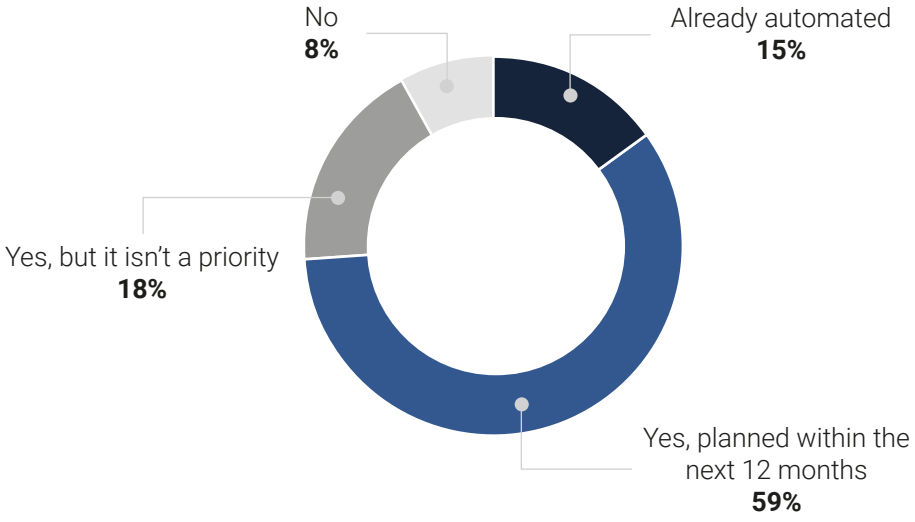
Do you believe that automating invoice management and supplier payments would free up your finance team to focus on more strategic initiatives?



How well equipped would you describe your AP team to handle a sudden increase in invoice volume?



Are you planning on automating your Accounts Payable process?



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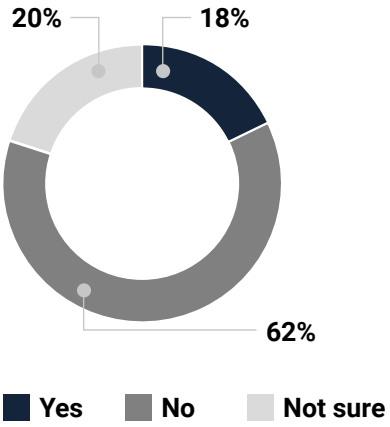
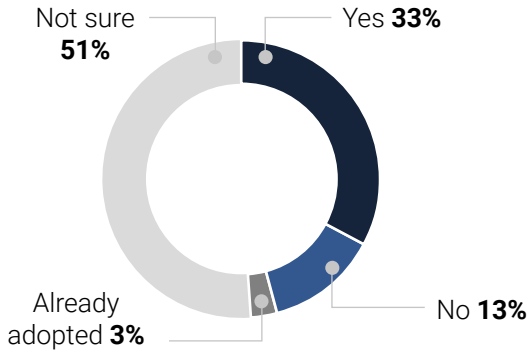
Do you currently use AI technologies in any of your spend management processes? i.e. identifying expense compliance and fraud, analyzing spending trends.



Are you considering adopting AI technologies for spend management in the next year?

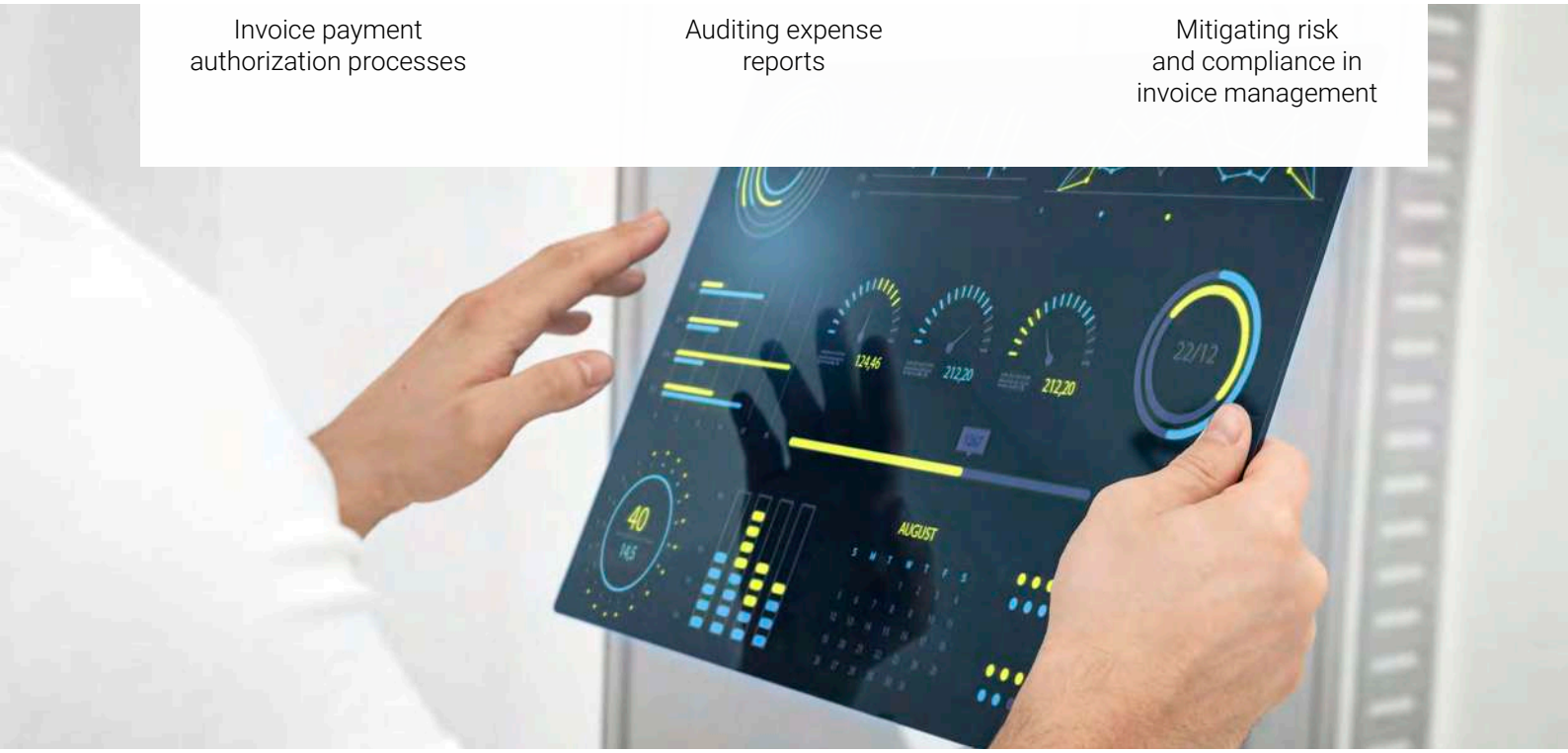


The top three spend management processes that you looking for AI to improve:

Invoice payment authorization processes

Auditing expense reports

Mitigating risk and compliance in invoice management



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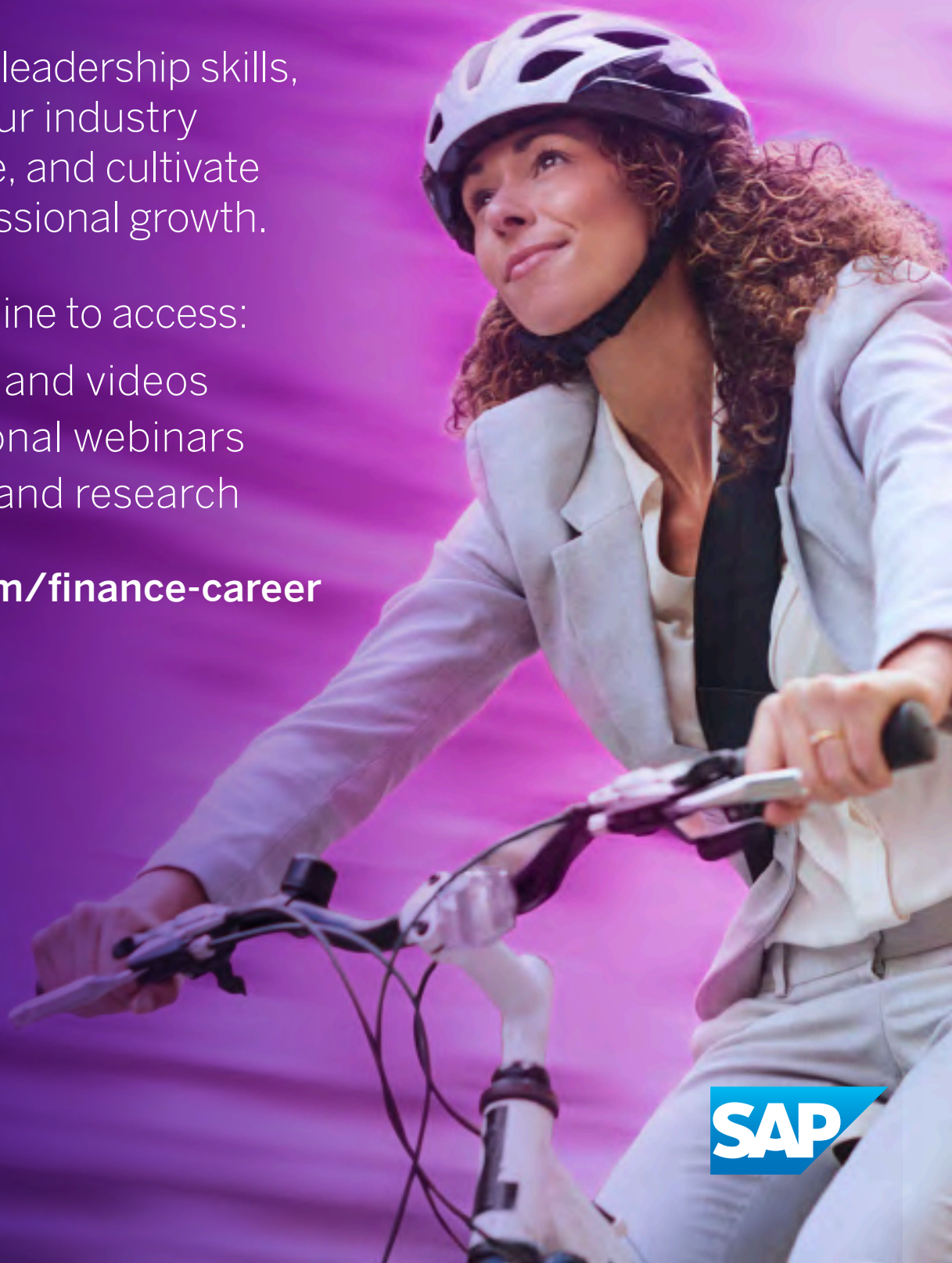

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