

The Journey from Tactical to Transformative

Why Your AP Team Needs to Get Strategic Now



Market forces pushing your business out of its comfort zone



3 Initiatives finance leaders are driving¹:

Implementing cost containment

86%
of CFOs

Evaluating supply chain changes

57%
of CFOs

Make WFH permanent option

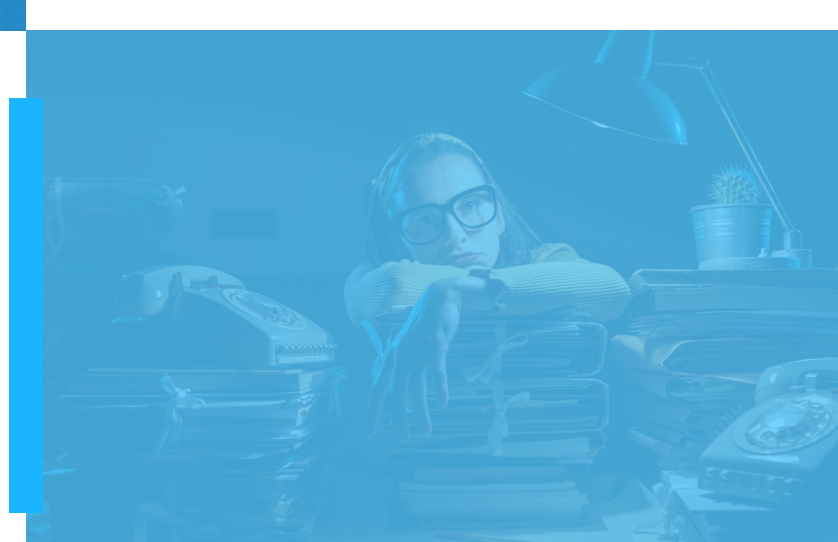
56%
of CFOs

Finance leaders have recognized these initiatives can only be enabled through digital transformation, driving greater urgency to digitize.

77%

of companies have increased urgency to digitally transform²

But Accounts Payable can't support company objectives when mired in tactical work and buried in paper.



It's AP's Time to Lead

AP, together with Finance and Procurement, can drive the shift to a strategic focus on spend, creating operational efficiencies that free up time to focus on more business-critical initiatives.



Gain spend control



Improve cash flow



Mitigate supplier risk

Are you ready to become a strategic AP team? If so, here are the KPIs you should be striving for...

97.8% of spend is approved before an invoice is received³

What seems like just an AP problem is really a Procure-to-Pay problem in disguise.

And automating administrative AP work is critical.

% OF INVOICING AUTOMATED⁴

85%

Top Performing Companies

30%

Non-Top Performing Companies

% OF PAYMENTS AUTOMATED⁴

84%

Top Performing Companies

55%

Non-Top Performing Companies

INVOICE PROCESSING CYCLE TIME⁴

Top Performing Companies have

2.83 DAYS

Non-Top Performing Companies have

9.85 DAYS

PROCESS COST PER INVOICE⁴

\$2.18

Top Quartile

\$8.80

Bottom Quartile

FIRST-PASS MATCH RATE⁴

87%

Top Quartile

60%

Bottom Quartile

Top performing companies align AP and procurement for full Procure-to-Pay process automation, creating a tremendous downstream impact from operational efficiencies.

The efficiency gains generate the opportunity to optimize working capital by extending cash or using cash on hand to take advantage of early payment discounts.

EARLY PAYMENT DISCOUNT TAKEN AS % AVAILABLE DISCOUNTS⁴

94%

Top Quartile

64%

Bottom Quartile

DAYS PAYABLE OUTSTANDING (DPO)⁴

42%

higher DPO for top performing companies

47 DAYS

Top Quartile

33 DAYS

Median

With digital transformation, AP has time to focus on building strategic partnerships with suppliers to generate more value from spend. Top performing companies have significantly fewer suppliers with more strategic relationships and pricing to drive greater savings and mitigate supplier risk.

ACTIVE SUPPLIERS PER BILLION OF TOTAL SPEND⁴

4,756

Top Quartile

18,009

Bottom Quartile

Top performers save an estimated **25%** more than their peers⁴

Ready to Transform Your AP Department

Download our guide, 5 steps to revolutionize accounts payable, to get started.

From AP Automation to Transformation:
5 steps to revolutionize accounts payable

A Guide to Eliminating Manual Work and Making AP a Strategic Asset to Your Business

Sources Cited:

¹PwC COVID-19 CFO Pulse Survey, June 2020

²COVID-19 Poll, The Hackett Group, 2020

³Coupa 2020 Business Spend Management Benchmark Report

⁴2019 Purchase to Pay Performance Study - The Hackett Group