

# PAYABLES FRICTION

The Payables Friction Playbook, a PYMNTS and Corcentric collaboration, is based on insights from executives at 2,570 firms.

The survey examines these companies' AP processes, includes more than 200 data points and details how automated solutions could help smooth frictions.

# PAYABLES FRICTION PLAYBOOK

The Light At The End Of The Tunnel: Invoice Processing

September 2019

# TABLE OF CONTENTS

Introduction .....	01
• Key findings	
A culture of efficiency .....	07
What it takes to process invoices .....	13
Working through high volumes .....	19
The innovations AP professionals want, and why they don't always get them ..	25
Conclusion .....	31

# PAYABLES FRICTION

## ACKNOWLEDGMENT

The Payables Friction Playbook was done in collaboration with Corcentric, and PYMNTS is grateful for the company's support and insight. [PYMNTS.com](https://www.pymnts.com) retains full editorial control over the following findings, methodology and data analysis.

PYMNTS.com



# Introduction

**S**uburban Propane of Whippany, New Jersey, is a national distributor of refined fuels, supplying energy-related products to more than 1.1 million customers in more than 668 locations. It was already a massive business when it acquired the propane division of Inergy LP in 2012. The purchase made Suburban the third-largest propane provider by volume in the United States and doubled the number of invoices it received virtually overnight.

Suburban Propane's accounts payable (AP) department was maxed out, though. Its invoice processing operations were largely manual, requiring most invoices to be sent to one of several regional offices via post and relying on employees to process them. The company hired 10 temporary workers to help manage the surge in invoice volumes, but its AP department still struggled to process the thousands it received each month.<sup>1</sup>

<sup>1</sup> When invoice volume heated up, Suburban Propane turned to Corcentric. Corcentric.com, 2019. <https://www.corcentric.com/resources/when-invoice-volume-heated-up-suburban-propane-turned-to-cor360/>. Accessed September 2019.

Faced with invoice pileups and too few resources to manage them, the company needed to find a solution – fast. It was far from alone. Three out of 10 AP professionals work at companies that struggle to efficiently process invoices, according to recent PYMNTS research, and the problem is compounded for those like Suburban Propane that can receive up to 20,000 in a month.

Nevertheless, these businesses often have the most efficient invoice operations. Our research finds 77.2 percent of AP professionals from firms that process more than 20,000 invoices per month say their invoice processing protocols are already “very” or “extremely” efficient. Just 49.1 percent of those that process between 5,000 and 20,000 invoices per month and 50 percent of those whose firms process 5,000 or fewer say the same.

This efficiency is not a matter of opinion, either. Businesses that receive 20,000 invoices per month process invoices faster, taking 11.6 days between the

moment an invoice is received to when the payment is made. Those that handle fewer per month need an average of more than two full weeks to do the same.

Businesses that handle large volumes tend to blow their competitors out of the water in invoice efficiency. So, what do they do differently, and what can their competitors learn from them?

These are just a couple of the questions PYMNTS, in collaboration with Corcentric, set out to answer in this edition of the Payables Friction Playbook – The Light At The End Of The Tunnel: Invoice Processing. In this series, we analyzed the survey responses of 1,040 AP professionals from U.S. firms regarding how related innovations might help streamline and enhance their companies' AP operations. The third edition analyzes how these businesses can streamline invoice processing, what those with the most efficient invoice processes do differently and what those with less efficient processes can learn from their examples.

# PAYABLES

## FRICITION

### FIVE KEY FINDINGS

01

#### The best want to keep getting better.

The AP professionals who are most interested in adopting invoice innovations also believe their companies' invoice processing operations are already highly efficient. Respondents are far more likely to express interest in adopting invoice innovations if the companies for which they work already have efficient invoice processes, for example. Our survey found 74.6 percent of those who believe they have "very" or "extremely" efficient invoice receipt processes would like their businesses to adopt invoice receipt innovations. Similarly, 73.4 percent of those who believe their firms' invoice approval operations are already efficient would like to implement invoice approval innovations going forward, and 66 percent who believe their firms' invoice payment innovations are efficient would like to implement additional invoice payment innovations.

02

#### Efficiency, not cost savings, is a key decision-driver.

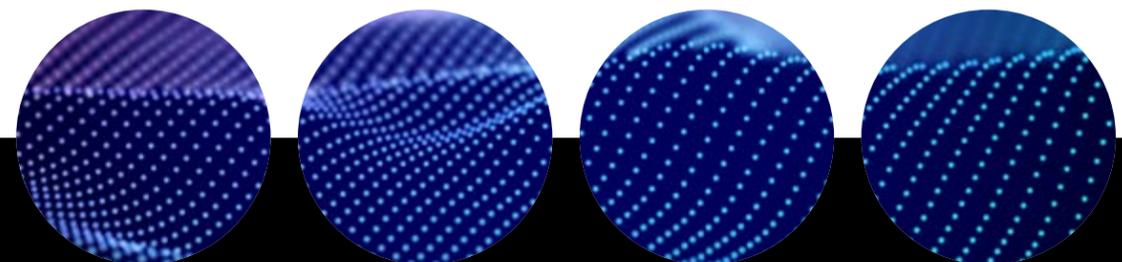
Most AP professionals who are interested in invoice processing innovations are more driven toward improving efficiency and worry less about cutting costs. The most common reasons for which they express interest in invoice processing innovations include reducing the time (69.8 percent), manual intervention (67.6 percent) and number of people (64.2 percent) needed to process invoices. Just 28.9 percent say they are interested because invoice processing innovations can reduce firms' overall costs.

03

#### Payments move at the speed of invoice processing.

Getting paid only happens once an invoice has been approved. Making payments faster, or at least within terms, is directly related to the speed at which invoices are processed – which is highly variable. The average invoice takes two weeks and requires approval from two to five people before it is fully processed, but this changes with how many invoices a company processes per month. AP professionals at those that process more than 20,000 invoices per month take an average of 11.6 days to receive, approve and make invoice payments. Firms that process between 2,000 and 5,000 invoices per month need 15.6 days to do the same, and those that process 5,000 to 20,000 invoices per month need 16.5 days, on average.

This is notable because firms that process more than 20,000 invoices per month also tend to require invoice approval from more people. Approximately half of the AP professionals who work at firms that process this volume must have received invoices approved by three or more people before they are paid. Just 36 percent of those that process between 5,000 and 20,000 invoices per month and 26.5 percent that process 2,000 to 5,000 per month say the same.



04

**Digital drives payables processing and process efficiencies.**

Firms that process more than 20,000 invoices per month use electronic invoices, are more likely to employ both technical and procedural methods to efficiently manage their heavy invoice volumes and require CEOs' approval to process invoices. Our research finds 84.5 percent of AP professionals from those that process 20,000-plus invoices per month say their firms use eInvoices to help work through their massive volumes. This compares to a sample average of 74.5 percent.

AP professionals from businesses that process more than 20,000 invoices per month are also more likely to say they need their CEOs' approval before they can make invoice payments. More than half of all respondents at businesses that handle this invoice volume say their CEOs must approve the invoices they receive, compared to 19.6 percent of those at firms that handle between 5,000 and 20,000 invoices per month and 21.8 percent from companies that handle 2,000 to 5,000 per month.

05

**Digitizing invoicing is a higher priority than digitizing payments via ePayables.**

When it comes to improving invoicing processes, AP professionals are most interested in eInvoice solutions, followed by automatic order matching and ePayables. Seventy percent of those surveyed say they are interested in investing in future invoice innovations. Among this group, 56.9 percent express interest in eInvoices, 43.8 percent in automatic order matching and 28 percent in adopting ePayables technology – the three invoice innovations in which respondents express the most interest.

**The following pages will drill into the details of how businesses receive, approve and pay invoices, what some firms get right about their invoice processing protocols and how other businesses can improve their own.**

---

Businesses that receive more than  
20,000 invoices per month  
process them faster,  
**TAKING 11.6 DAYS**  
between the moment an invoice is received  
to when the payment is made.

**Those that handle  
fewer invoices per month  
need an average of  
**MORE THAN  
TWO FULL WEEKS**  
to do the same.**

---



# A culture of efficiency

Our survey results show that the businesses whose AP professionals report the highest interest in invoice innovations are often not the ones that most need them. The respondents who express the greatest

77.2% of AP professionals from firms that process more than 20,000 invoices per month say **their invoice processing systems are efficient.**

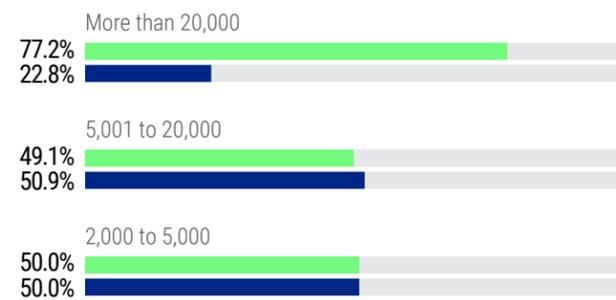
FIGURE 1:

**How firms' invoice processing efficiency relates to their future innovation plans**

Share whose firms' have plans for invoice receipt, approval and payment innovations, by efficiency of current processes



Share who rate their firms' invoice processing operations as "very" or "extremely" efficient, by number of invoices processed per month



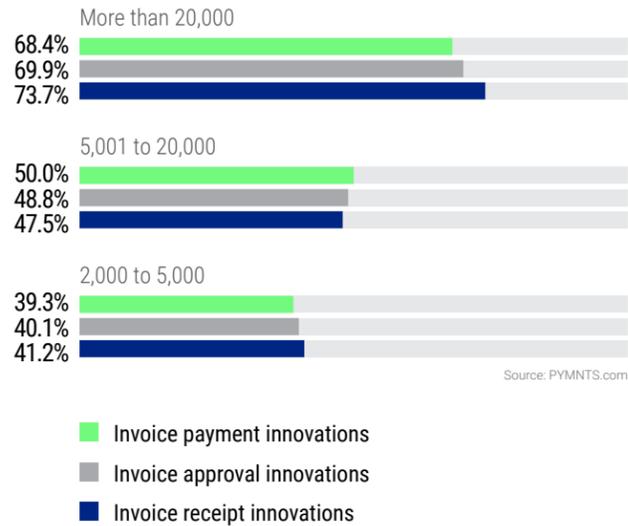
Efficient  
Not efficient

Source: PYMNTS.com

levels of interest in adopting future invoice innovations believe their businesses' invoice processing operations are already highly efficient, and those who do not consider their companies' invoice processing operations to be efficient are, ironically, far less likely to express interest in invoice innovations.

The AP professionals who say their firms' invoice processing operations are efficient are more likely than others to express interest in adopting invoice receipt, approval and payment innovations, too. Among respondents

**FIGURE 2:**  
**How firms' monthly invoice volumes relate to their future innovation plans**  
 Share that plan to invest in invoice innovations, by number of invoices processed per month



who rate them as “very” or “extremely” efficient, 74.6 percent are interested in all three types of invoice innovations. This compares to just 32.2 percent of those who do not rate their firms’ invoice processing operations as “very” or “extremely” efficient.

Among AP professionals who say their firms already have “very” or “extremely” efficient invoice approval protocols, 73.4 percent plan to invest in invoice approval innovations in the future. Just 30.9 percent of respondents who do not rate their firms’ invoice approval operations as “very” or “extremely” efficient express interest in doing the same. Sixty-six percent of those whose firms’ invoice payment processes are efficient plan to implement AP innovations, versus 34.1 percent of those whose firms’ invoice payment operations are not efficient.

Interestingly, businesses that process more than 20,000 invoices per month also appear to be far more efficient than others. Our research finds 77.2 percent of surveyed AP professionals who work at firms that handle this invoice volume believe they process them “very” or “extremely” efficiently. Respondents at organizations that process between 2,000 to 20,000 invoices per month have about a 50-50 chance of considering

their firms’ invoice processing operations to be efficient, however.

AP professionals from firms that process more than 20,000 per month are the most interested in adopting invoice innovations. Our research shows 73.7 percent of those that handle this invoice volume plan to invest in invoice receipt innovations, 69.9 percent in invoice approval innovations and 68.4 percent in invoice payment innovations. Just

47.5 percent of firms that process 5,000 to 20,000 invoices per month plan to adopt invoice receipt innovations, by comparison, and 48.8 percent and 50 percent of firms that handle this invoice volume plan to adopt invoice approval and invoice payment innovations, respectively.

Perhaps even more interesting is why surveyed professionals say they are interested in these invoice innovations. Our research

**FIGURE 3:**  
**Why AP professionals want to implement AP innovations**  
 Share interested in innovations who cite select benefits of innovating, by their firms’ annual revenue

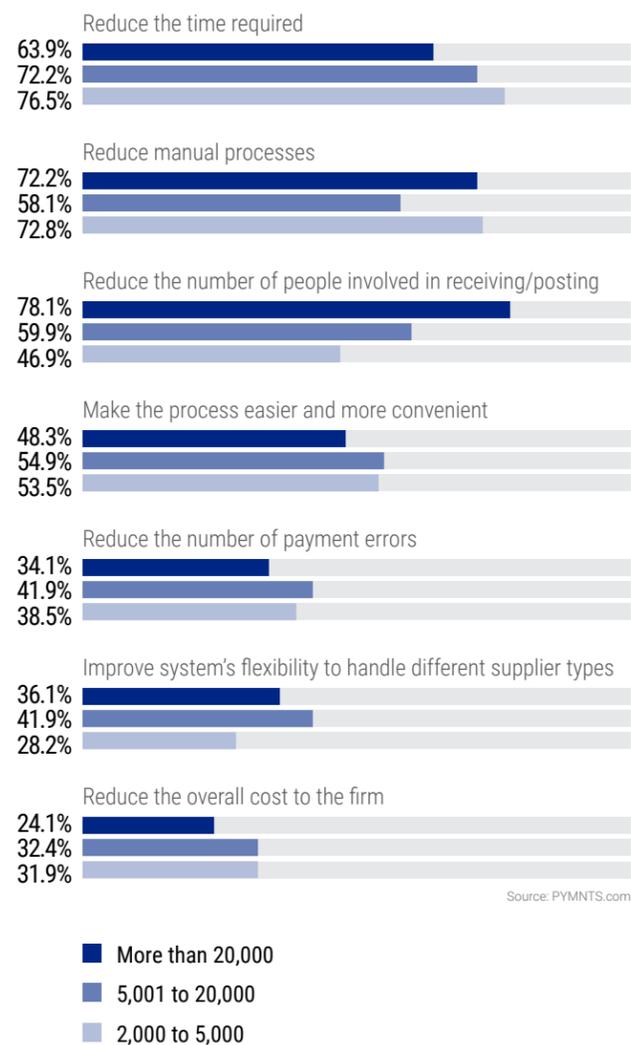
	TOTAL SAMPLE	ANNUAL REVENUE			
		Under \$10M	\$10M-\$100M	\$100M-\$500M	\$500M or greater
Reduce the time required	69.8%	68.5%	70.3%	61.0%	81.4%
Reduce manual processes	67.6%	60.1%	62.9%	75.0%	68.6%
Reduce the number of people involved in receiving and posting invoices	64.2%	50.3%	60.8%	73.1%	66.2%
Make the process easier and more convenient	51.8%	47.6%	55.6%	40.9%	64.3%
Reduce the number of payment errors	37.8%	36.4%	40.1%	26.9%	50.0%
Improve system's flexibility to handle different supplier types	36.0%	36.4%	37.5%	32.6%	38.6%
Reduce the overall cost to the firm	28.9%	25.2%	27.6%	19.7%	44.3%

**73.7%**  
 of firms that process more than 20,000 invoices per year **plan to implement invoice receipt innovations.**

Source: PYMNTS.com

**FIGURE 4:**  
**Why AP professionals want to implement AP innovations**

Share interested in innovations who cite such select benefits, by the number of invoices their firms process per month



suggests AP professionals' interest in implementing related innovations is less about reducing costs than about increasing efficiency. When asked why they want to implement AP innovations, 69.8 percent of surveyed AP professionals say they want to reduce the time required to process invoices, 67.6 percent note interest in reducing manual processes and 64.2 percent want to reduce the number of people involved.

This makes sense, as manual processing can produce unforced errors and lead to frustrations. Respondents from companies that process more than 20,000 invoices per month cite factors like time and manual process reduction as their reasons for interest in invoice innovations, likely because they are thinking about how efficiency could make their jobs more manageable.

That said, it is worth noting that reducing time, manual labor and the number of people involved in invoice processing are at least indirectly related to cost reduction. The less time and resources spent processing invoices, the more are available for other tasks. Invoice innovations can thus present both logistical and human benefits for the companies that adopt them.

76.5%  
of firms that process  
between 2,000 and 5,000 invoices  
per month want to innovate  
**to reduce the time  
required to process invoices.**





# What it takes to process invoices

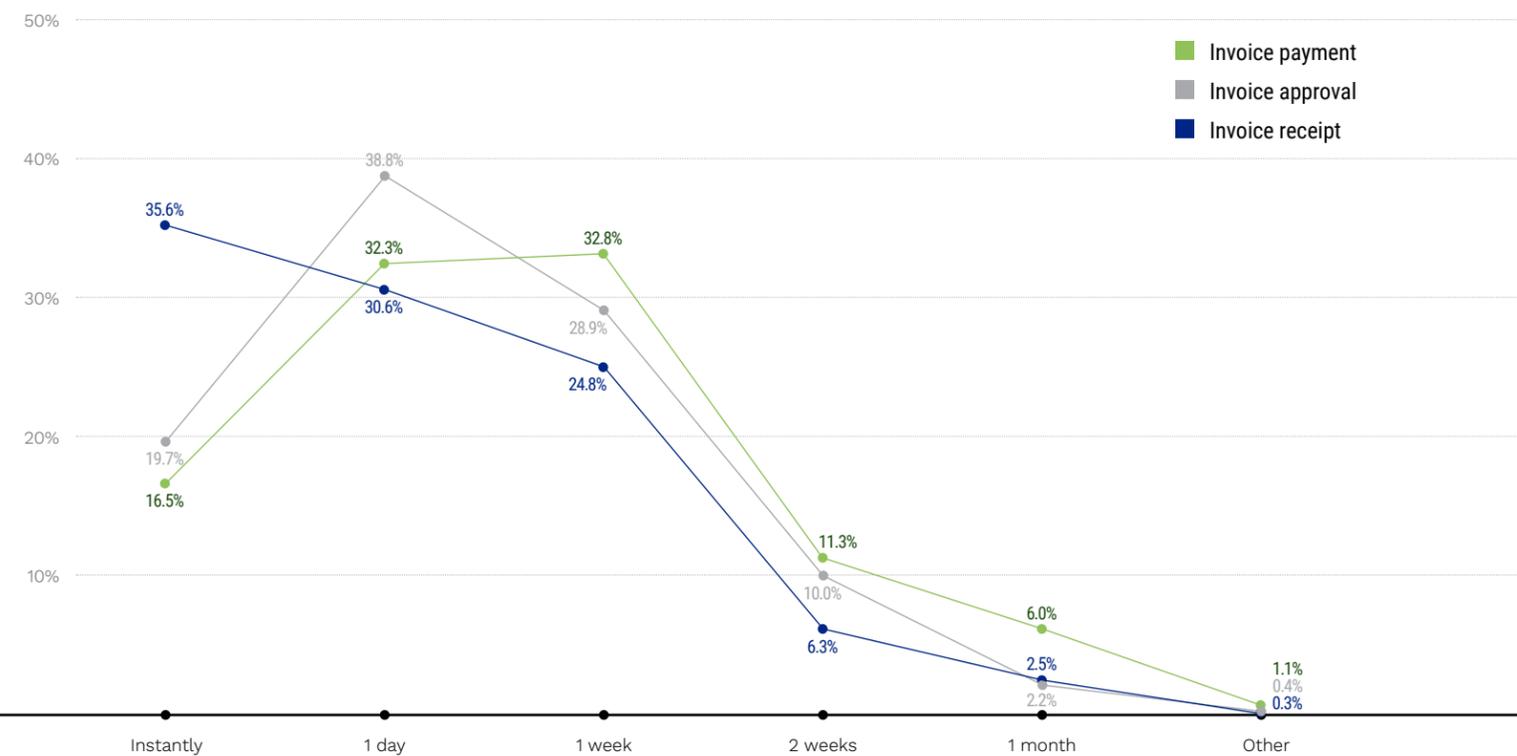
To fully appreciate the extent to which invoice innovations can affect businesses' bottom lines, it is necessary to understand precisely how much time and resources go into processing invoices in the first place.

The first step is the simple act of receiving them, which can take anywhere from a few seconds to a few weeks. Although 66.2 percent of firms receive invoices within a

day from when they are sent, 24.8 percent must wait an entire week for their suppliers' invoices to reach their doors. The remaining 9.1 percent of businesses wait two weeks or longer. In rare cases, vendors must wait more than a month to receive supplier invoices.

The troubling part is that the invoice receipt process is the shortest leg of this race. It often takes longer to approve and pay received invoices, and the time frame tends

**FIGURE 5:**  
**A breakdown of the time spent processing invoices**  
 Time it takes businesses to receive, approve and pay invoices



Source: PYMNTS.com

**FIGURE 6:**  
**A breakdown of the time spent processing invoices**  
 Average number of days it takes businesses to process invoices, by number of invoices processed per month



to vary according to the volume of invoices processed each month. Businesses that process between 5,000 and 20,000 invoices per month take an average of 4.2 days to receive invoices, 5.5 days to approve them and 6.9 days to pay them. Firms that process 2,000 to 5,000 invoices per month take 4.4 days to receive, 4.9 days to approve and 6.5 days to pay them, on average.

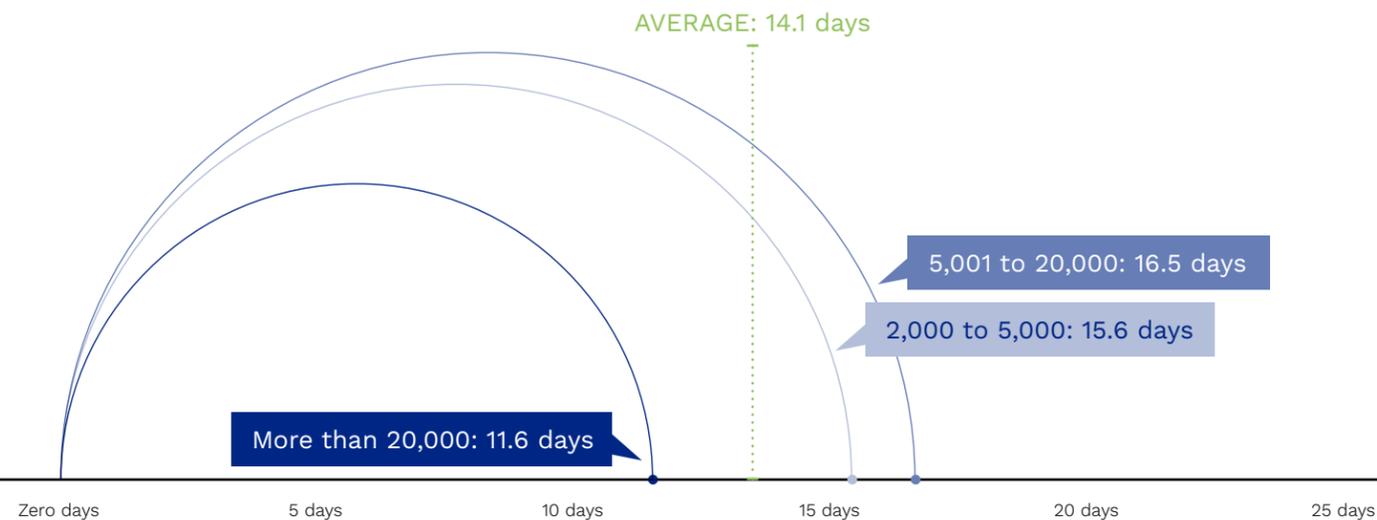
Firms that process more than 20,000 invoices per month are the standouts here, too, doing so faster than competitors despite seeing higher volumes. It takes an average of just 2.9 days for these businesses to receive

invoices, 3.5 days to approve them and 5.2 days to pay them, according to our research. The whole process takes an average 11.6 days, compared to 15.6 days for firms processing 2,000 to 5,000 invoices per month and 16.5 days for firms processing between 5,000 and 20,000 per month.

Firms that process more than 20,000 invoices per month also tend to require approval from more people in their organizations before they can be paid, making their processing speed all the more impressive. This is reported by 17.1 percent of those that deal with this invoice volume, as well as just 5.8 percent of firms that process between 5,000 and 20,000 invoices per month and 4.1 percent that process between 2,000 and 5,000 invoices per month.

Another factor that varies with the number of people required to approve invoices is the type of payment being approved. Companies typically require invoice approval from between two to five people, with 63.1 percent of surveyed AP professionals saying

**FIGURE 7:**  
**A breakdown of the time spent processing invoices**  
 Average number of days it takes businesses to process invoices, by number of invoices processed per month



Firms processing more than 20,000 invoices per month need **11.6 DAYS** on average to complete invoice receipt.

this is standard at their firms. Our analysis finds that 76.4 percent of respondents say their businesses require approval from two to five people when approving large invoices, too.

Businesses tend to require fewer people's approval for smaller invoices and recurring payments. Nearly 60 percent of respondents say their firms require approval from two to five people for invoices valued below

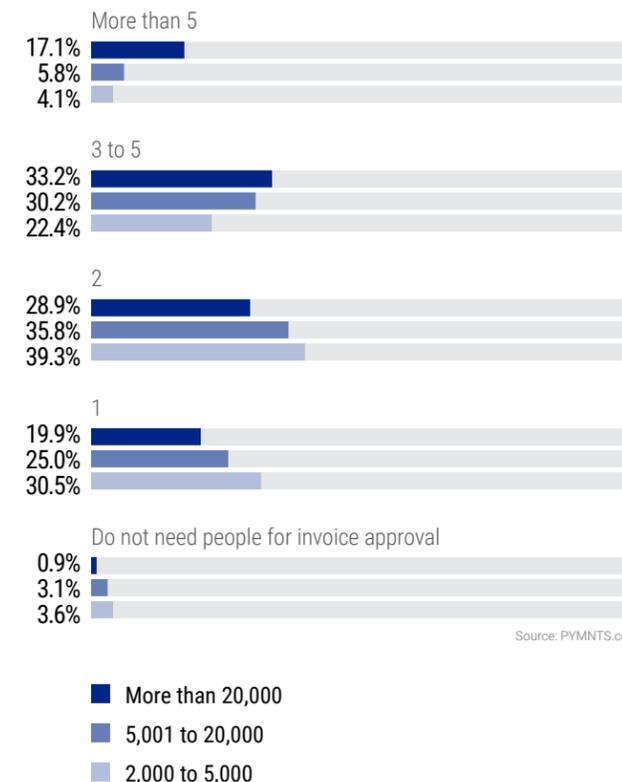
**FIGURE 8:**  
**A breakdown of the personnel needed to process invoices**  
 Number of people involved in firms' invoice processing operations, by type of payment

	AVERAGE	TYPE OF PAYMENTS <sup>2</sup>			
		One-time	Recurring	Small	Large
More than 5	<b>10.8%</b>	14.4%	11.4%	6.4%	11.2%
3 to 5	<b>29.7%</b>	23.9%	25.0%	22.0%	44.5%
2	<b>33.4%</b>	32.8%	32.1%	37.0%	31.9%
1	<b>23.9%</b>	26.8%	28.7%	32.1%	10.8%
Do not need people for invoice approval	<b>2.2%</b>	2.1%	2.7%	2.5%	1.5%

Source: PYMNTS.com

<sup>2</sup> In our survey, "large payments" include payments worth \$1,000 or more, "small payments" include payments worth less than \$1,000, "recurring payments" were defined as those made on a regular basis to the same vendors at least once per quarter and "one-time payments" were made to vendors not paid regularly and paid less than once per quarter.

**FIGURE 9:**  
**A breakdown of the personnel needed to process invoices**  
 Number of people involved in such operations, by invoices processed per month



\$1,000, and 57.1 percent require it for recurring payments.

These procedural differences aside, this evidence shows AP professionals from firms that process more than 20,000 invoices per year are not just being overconfident when they rate their companies' invoice processing operations as "very" or "extremely" efficient. Despite having more invoices with which to deal and involving more people in the invoice approval process, they still manage to receive, approve and pay their invoices faster than others. They are also looking to adopt invoice innovations to make that process even more efficient.

These businesses not only have cultures that value efficiency, but also are demonstrably more efficient – at least in terms of speed – when processing invoices. The question then becomes how are they able to process so many invoices so much faster while involving more people?





# Working through high volumes

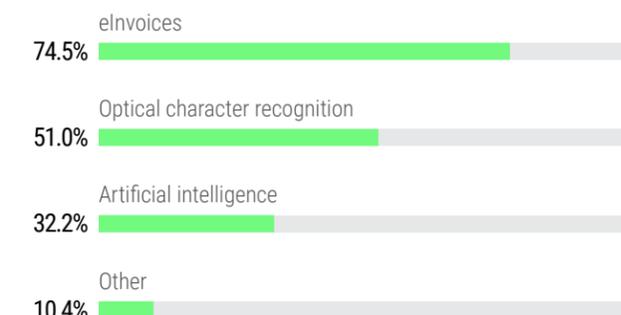
Companies that process more than 20,000 invoices per month are more likely to do two things than those that handle fewer: First, they are more likely than others to use eInvoices and OCR technology to process invoices. Second, they are more likely to require invoice approval from their CEOs as opposed to directors or other lower-level managers.

Our research suggests most businesses use not one, but a mix of technologies to help process their invoices. The most common of these is eInvoices, allowing invoices to be digitally – often automatically – submitted, processed and paid. This tool is used by 74.5 percent of all respondents.

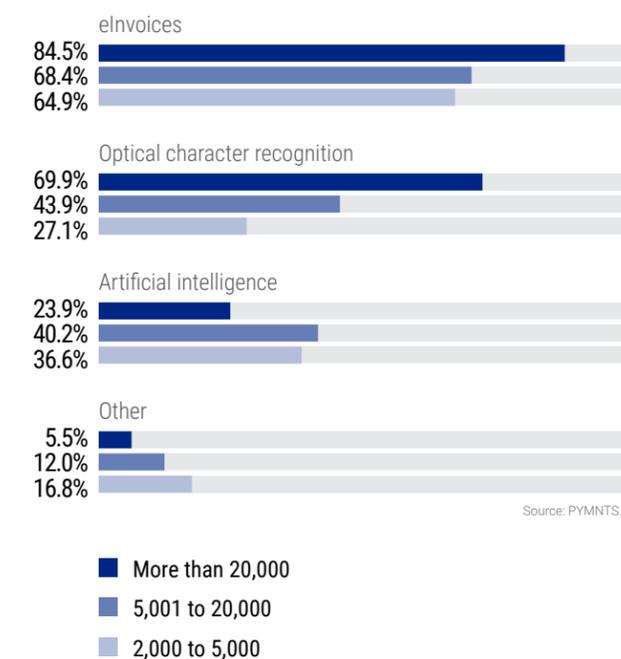
Businesses that process more than 20,000 invoices per month more commonly leverage eInvoices to streamline their operations, however. Our analysis finds 84.5 percent of respondents from firms that process this volume say their firms use eInvoices, as do 68.4 percent from those processing 5,000 to 20,000 invoices per month and 64.9 percent of those handling between 2,000 and 5,000 per month.

**FIGURE 10:**  
A breakdown of the technologies firms use to process invoices

Share of respondents whose firms process invoices using select technologies



Share whose firms use select technologies, by number of invoices processed per month



Source: PYMNTS.com

Firms using **eInvoice solutions** need an average of **12 DAYS** to process invoices.

The second-most common technology employed in firms' invoice processing operations is optical character recognition (OCR), which analyzes images and digitizes them to facilitate faster processing. Among respondents from companies that process more than 20,000 per month, 69.9 percent say they use OCR to process invoices. This compares to 43.9 percent and 27.1 percent, respectively, for those processing between 5,000 and 20,000 invoices per month or 2,000 to 5,000 invoices per month.

In short, businesses that process more than 20,000 invoices per month can process higher volumes at faster speeds, in part because they have invested in the technology that allows them to do so.

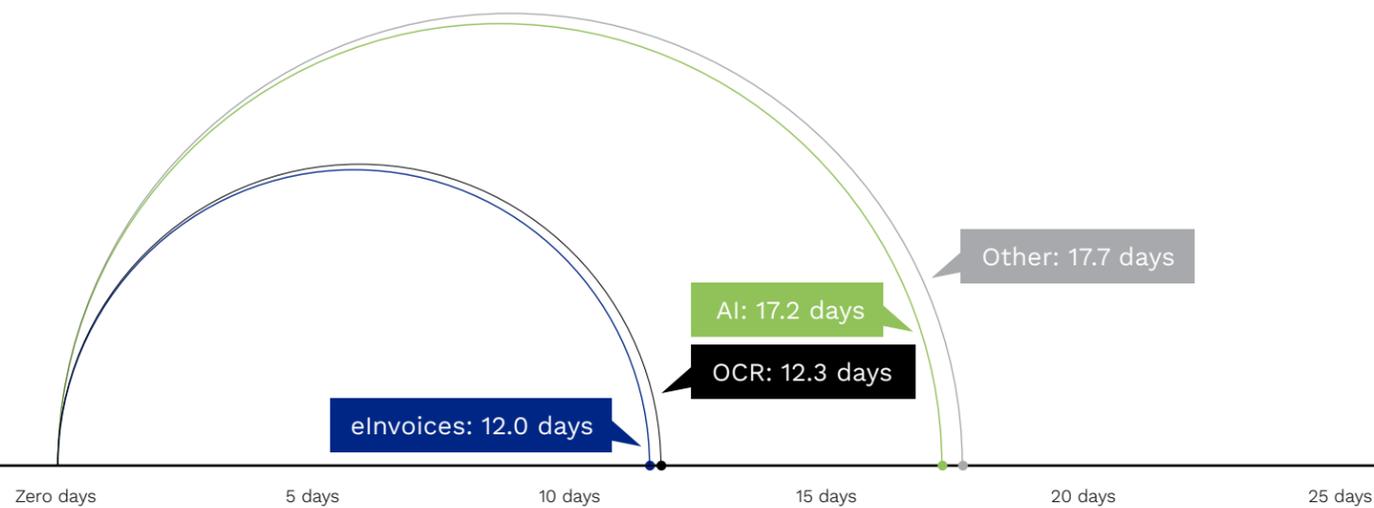
Just as important as the time technology can save is the question of whose time is being taken up, and how high up in an organization an invoice must go to get approval.

The answer for firms that process more than 20,000 invoices per month is often CEOs, cited by 34.7 percent of surveyed AP professionals. That figure is 53.1 percent among those from firms processing more than 20,000 invoices per month, which means businesses processing more than 20,000 per month are more than twice as likely to require that invoices receive CEOs' approval than those processing between 2,000 and 20,000 invoices per month.

Moreover, businesses that require their CEOs' approval before paying invoices tend to receive, process and pay invoices faster than those that require approval from lower-level executives. Firms that require

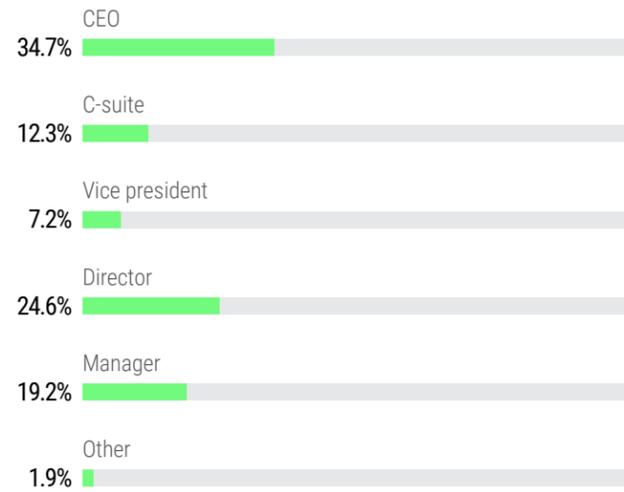
**34.7%**  
of firms require their **CEOs' approval** to pay invoices.

**FIGURE 11:**  
**A breakdown of the technologies firms use to process invoices**  
Time in days it takes firms to process invoices, by type of technology employed



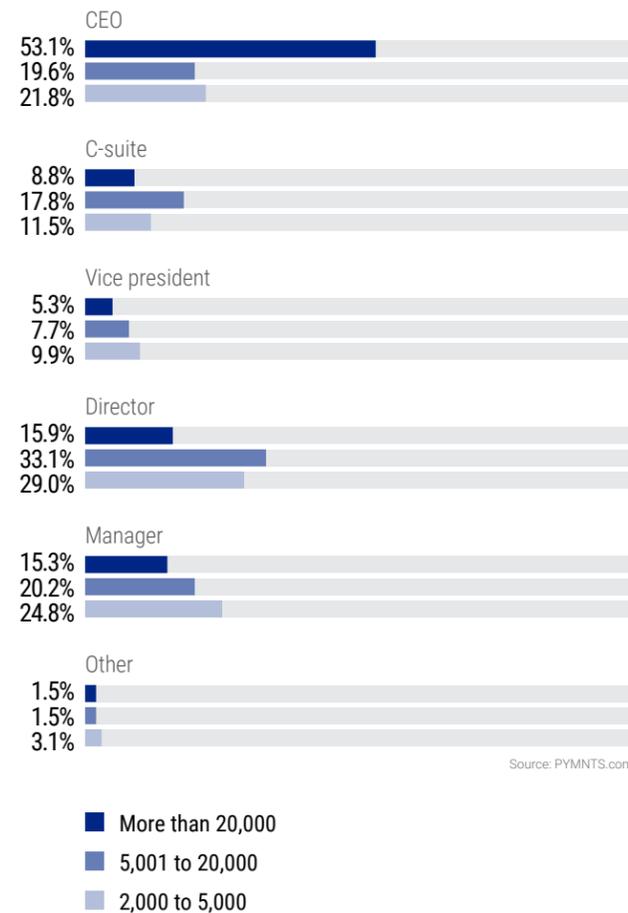
Source: PYMNTS.com

**FIGURE 12:**  
**Highest ranking individual needed to approve invoices and invoice processing operation impacts**  
 Share of respondents at whose firms select individuals' approval is required to pay invoices



CEOs' approval for invoices complete the entire process in 9.2 days, on average, while those that require approval from other C-suite executives do so in an average of 15.2 days and those that require approval from vice presidents need an average of 16.9 days.

**FIGURE 13:**  
**Highest ranking individual needed to approve invoices and invoice processing operation impacts**  
 Share at whose firms select individuals' approval is required, by number of invoices processed per month



Firms that need their **vice presidents' approval** to pay invoices require an average of **16.9** days to do so.

**FIGURE 14:**  
**Highest ranking individual needed to approve invoices and invoice processing operation impacts**  
 Average days needed to complete invoice approval, by whose approval is required to pay and share at whose firms select individuals' approval is required, by firms' annual revenue

	AVERAGE DAYS	ANNUAL REVENUE			
		Under \$10M	\$10M-\$100M	\$100M-\$500M	\$500M or greater
CEO	9.2	26.0%	27.3%	58.3%	15.3%
C-suite	15.2	13.9%	14.9%	9.1%	12.8%
Vice president	16.9	3.5%	8.4%	6.3%	9.9%
Director	17.1	30.1%	27.3%	15.4%	31.0%
Manager	17.2	24.9%	20.4%	10.3%	26.9%
Other	17.0	1.7%	1.8%	0.6%	4.1%

Source: PYMNTS.com

It is not entirely clear which of these factors ultimately determines the speed at which firms can process invoices, but those with the most efficient processing operations fit a very particular profile: They tend to process more than 20,000 invoices per month, require two or more people – usually including their CEOs – to approve them and leverage eInvoicing or OCR technology.

Companies that generate between \$100 million and \$500 million in annual revenue are far more likely to process 20,000-plus invoices per year. This is the same group that processes invoices much faster than others and is much more likely to use eInvoicing and OCR. Even the professionals tasked with processing invoices in these highly efficient AP departments are more interested in investing in invoice innovations than those at all other companies, though.



# The innovations AP professionals want, and why they don't always get them

**B**usinesses that process high invoice volumes and generate between \$100 million and \$500 million per year may be the most enthusiastic about adopting invoice innovations in the future, but they are hardly the only organizations interested in doing so. When asked, 81.6 percent of all AP professionals expressed interest in at least one technology that could make their invoice process faster, easier or less error-prone. These respondents would like to adopt eInvoicing, cited by 56.9 percent.

As expected, professionals from firms processing more than 20,000 invoices are the most interested in adopting eInvoicing, cited 62.8 percent of respondents from those processing this quantity. This is also the case for 53.5 percent from those processing between 5,000 and 20,000 per month and 51.6 percent of those processing 2,000 to 5,000 per month. It therefore seems eInvoices are a hot ticket item among AP professionals at all companies, regardless of the number of invoices they process.

**FIGURE 15:**

**AP professionals at firms interested in select invoice innovations**

Share who would like to adopt select innovations, by invoices processed per month and portion of firms who say their invoice processing operations are “very” or “extremely” efficient

	TOTAL SAMPLE	INVOICES PROCESSED PER MONTH			“Very” or “extremely” efficient operations
		More than 20,000	5,001–20,000	2,000–5,000	
Electronic invoicing	<b>56.9%</b>	62.8%	53.5%	51.6%	61.5%
Automatic order matching	<b>43.8%</b>	54.3%	35.2%	38.0%	65.9%
ePayables with virtual cards	<b>28.0%</b>	27.0%	37.3%	17.4%	58.4%
Email invoice	<b>25.9%</b>	20.2%	29.2%	31.0%	57.7%
AI systems	<b>24.6%</b>	24.7%	27.8%	20.2%	56.0%
New invoice managing software	<b>23.8%</b>	16.2%	26.8%	32.4%	36.6%
Optical character recognition	<b>20.5%</b>	17.6%	24.6%	19.7%	4.7%
Want to improve without technology	<b>9.3%</b>	7.4%	9.2%	12.7%	48.1%

Source: PYMNTS.com

The second- and third-most cited innovations that respondents would like to implement are automatic order matching at 43.8 percent and then ePayables with virtual cards at 28 percent. Automatic order matching is more in demand among respondents at firms processing 20,000-plus invoices per month, while ePayables with virtual cards is more popular with those from firms processing 2,000 to 5,000 invoices per month. That said, large portions of companies of all types express interest in both technologies.

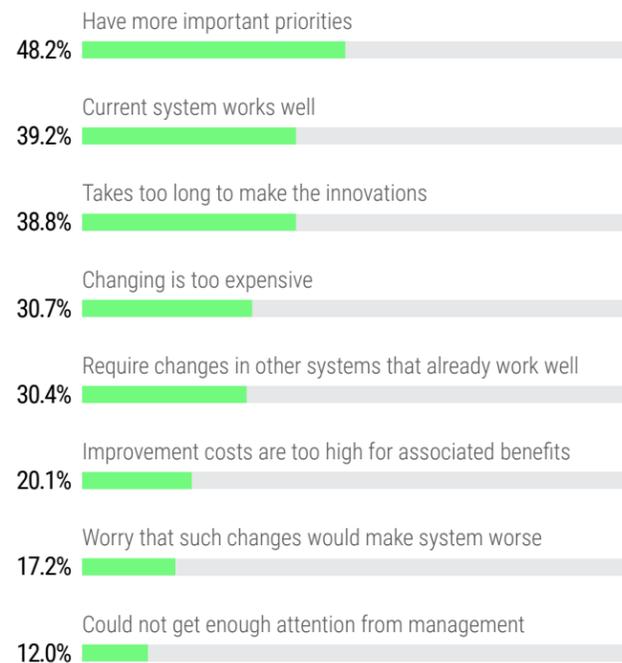
The next-most in-demand invoice innovations include email invoices, artificial intelligence (AI) systems, software solutions that will manage invoices and OCR. Our research shows 9.3 percent of respondents who express interest in invoice innovations say their companies do not need new technologies but are interested in improving their internal processes, too, which speaks to the depth of the demand among firms of all types, sizes and invoice volumes.

We also notice that AP professionals who rate their companies' invoice operations as "very" or "extremely" efficient show more interest in certain types of invoice innovations, foremost among them being automatic order matching, eInvoices and ePayables with virtual cards. Even with so many expressing interest in a wide variety, 19 percent of surveyed AP professionals were not interested in investing in invoice innovations of any kind. The biggest reason is that their companies currently have other priorities that take precedent, cited by 48.2 percent of respondents who are not interested in invoice innovation.

AP professionals who are not interested in invoice innovations are in the minority, but their answers help provide a glimpse into why so many companies might opt out of innovations despite their benefits. Our research suggests many businesses may simply choose to allocate their resources to projects they feel are more pressing, unless processing invoices takes up more time and resources than they can handle.

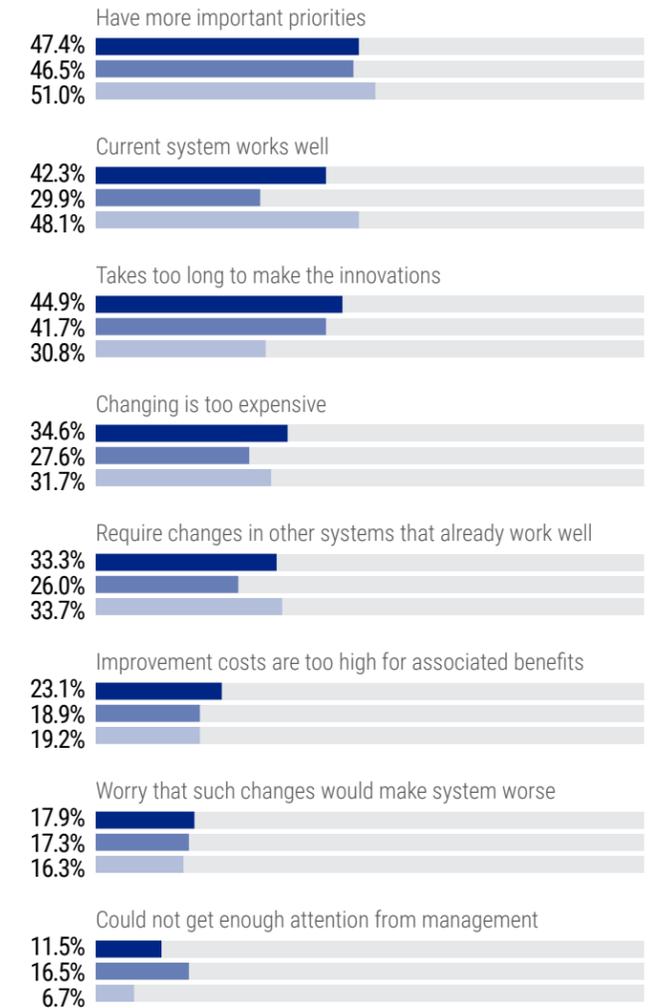
38.8% of firms do not invest in invoice innovations because they would take too long to implement.

**FIGURE 16:**  
**Why some firms choose not to invest in invoice innovations**  
Share of respondents citing select reasons their firms are not planning invoice innovations



Source: PYMNTS.com

**FIGURE 17:**  
**Why some firms choose not to invest in invoice innovations**  
Share citing such select reasons, by number of invoices processed per month



Source: PYMNTS.com

More than 20,000  
5,001 to 20,000  
2,000 to 5,000

Other logistical concerns include the time and cost it might take to switch from legacy systems, with 38.8 percent of respondents saying they feel invoice innovations would simply take too long to implement and 30.7 percent saying they feel changing their processes would be too expensive. Some were not so much concerned with the practicality of implementing invoice innovations as satisfaction with their current systems. When asked, 39.2 percent of AP professionals who are not interested in innovations say they feel this way because their companies' current invoice processing operations work well for them.

This speaks to the fact that entrenched modes of operation can be difficult to alter. If AP professionals propose investing in invoice innovations, for example, they will likely be asked to answer why their businesses should invest time and resources

in new technology when they have functioning legacy systems for which they have already paid.

Invoice innovations can add value and reduce costs in myriad ways, as shown by firms that already use ePayable solutions and OCR, among other offerings. They can decrease the time and manual labor needed to receive, approve and pay invoices, thereby opening up employees' schedules to focus on more pertinent areas. This reduces total costs to organizations and boosts bottom lines. Such solutions can also reduce the margin of error involved in manually processing invoice information, instead tapping into automation and even improving employee morale by making their jobs less strenuous. Benefits like these are not limited to one type of business, but rather available to any that takes the initiative to implement them.

12%  
of firms do not  
invest in invoice innovations  
**because they cannot get  
enough attention from  
management to do so.**



# CONCLUSION

**O**ur research demonstrates that most AP professionals know invoice innovations can improve their businesses and often want to adopt them. The trouble is that many AP departments are satisfied with the status quo and feel no need to radically alter their operations, particularly when there are more pertinent issues that need to be addressed.

This overlooks the fact that time, money and resources are already being lost because the status quo is in place, however. Relying on old-school invoice processing methods causes unforced errors, money lost to inefficient operations and frustrations due to slow and cumbersome protocols.

Invoice innovation can therefore be regarded as a short-term cost more than a long-term investment. The sooner businesses realize that invoice innovations need not be necessities to enjoy their benefits, the faster they stand to reap the rewards.

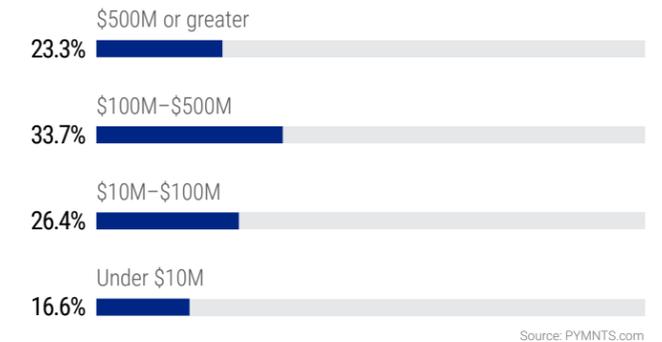
## Methodology

The Payables Friction Index, a PYMNTS and Corcentric collaboration, was designed to gauge the frictions associated with AP processes and assess how businesses can make invoice processing smoother and faster. It measures friction on a scale of zero to 100, with lower scores denoting higher degrees of payments friction and higher scores indicating more seamless AP processes.

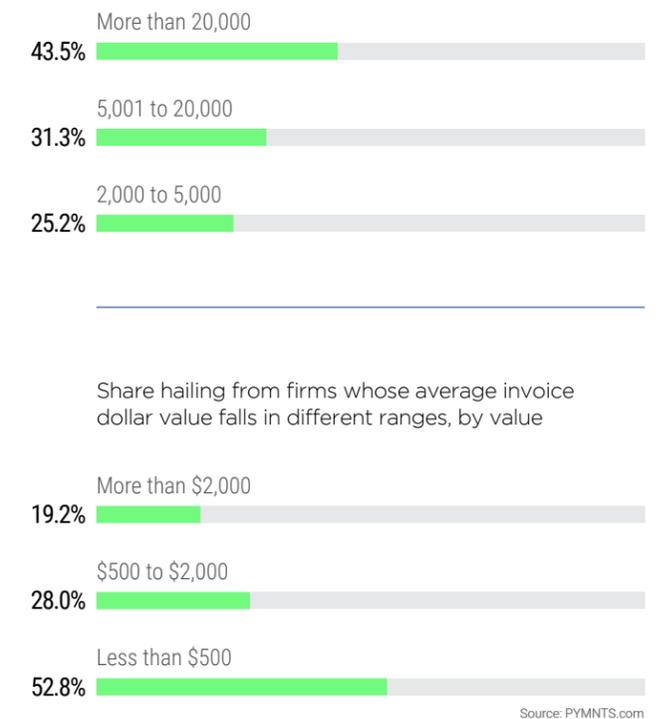
The Index is based on our survey of executives at 2,570 firms that asked questions related to three AP stages: invoice receipt, approval and payment. A total of 1,253 responses were disqualified, and of the remaining 1,317 responses, 245 were thrown out because they were partially completed and 32 were discarded because they were bad. This left us with the 1,040 completed responses we considered for this analysis.

Approximately 70.2 percent of our survey respondents work in accounting and 62.9 percent in AP, with 26.4 percent of qualified respondents serving firms that generate \$100 million to \$250 million in annual revenue. Overall, 31.4 percent work for firms that receive more than 50,000 monthly invoices, and another 25.2 percent for those that process 2,000 to 5,000 per month.

**FIGURE 18:**  
**Annual revenues generated by respondents' firms**  
Share of respondents hailing from firms that generated select annual revenues, by annual revenue



**FIGURE 19:**  
**Number and value of invoices respondents' firms processed each month**  
Share hailing from firms that process select monthly invoice volumes, by volume



# ABOUT

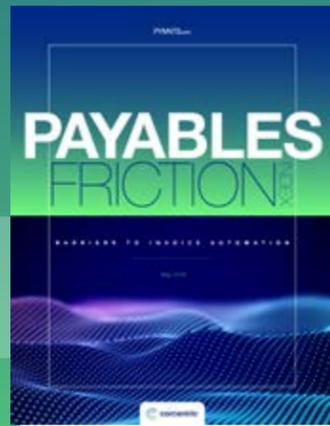
PYMNTS.com

[PYMNTS.com](https://pymnts.com) is where the best minds and the best content meet on the web to learn about “What’s Next” in payments and commerce. Our interactive platform is reinventing the way companies in payments share relevant information about the initiatives that make news and shape the future of this dynamic sector. Our data and analytics team includes economists, data scientists and industry analysts who work with companies to measure and quantify the innovations at the cutting edge of this new world.



Corcentric is a leading provider of source-to-pay and order-to-cash solutions for businesses in the United States and Europe that optimize how they purchase, pay, and get paid. Corcentric’s procurement, accounts payable, and accounts receivable solutions empower companies to spend smarter, optimize cash flow, and drive profitability. Since 1996, more than 6,000 customers from the middle market to the Fortune 1000 have used Corcentric to reduce costs and improve working capital. Learn more at [corcentric.com](https://corcentric.com).

We are interested in your feedback on this report. If you have questions, comments or would like to subscribe, please email us at [payablesfriction@pymnts.com](mailto:payablesfriction@pymnts.com).



**PAYABLES FRICTION INDEX:**  
Barrier To Invoice Automation



**PLAYBOOK I:**  
Why Firms Are Ready For An AP Upgrade



**PLAYBOOK II:**  
Old-School Manual Versus Digital Onboarding

READ THE FOLLOWING REPORTS FOR ADDITIONAL INFORMATION:

# DISCLAIMER

The Payables Friction Playbook may be updated periodically. While reasonable efforts are made to keep the content accurate and up-to-date, PYMNTS.COM: MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, REGARDING THE CORRECTNESS, ACCURACY, COMPLETENESS, ADEQUACY, OR RELIABILITY OF OR THE USE OF OR RESULTS THAT MAY BE GENERATED FROM THE USE OF THE INFORMATION OR THAT THE CONTENT WILL SATISFY YOUR REQUIREMENTS OR EXPECTATIONS. THE CONTENT IS PROVIDED “AS IS” AND ON AN “AS AVAILABLE” BASIS. YOU EXPRESSLY AGREE THAT YOUR USE OF THE CONTENT IS AT YOUR SOLE RISK. PYMNTS.COM SHALL HAVE NO LIABILITY FOR ANY INTERRUPTIONS IN THE CONTENT THAT IS PROVIDED AND DISCLAIMS ALL WARRANTIES WITH REGARD TO THE CONTENT, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT AND TITLE. SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OF CERTAIN WARRANTIES, AND, IN SUCH CASES, THE STATED EXCLUSIONS DO NOT APPLY. PYMNTS.COM RESERVES THE RIGHT AND SHOULD NOT BE LIABLE SHOULD IT EXERCISE ITS RIGHT TO MODIFY, INTERRUPT, OR DISCONTINUE THE AVAILABILITY OF THE CONTENT OR ANY COMPONENT OF IT WITH OR WITHOUT NOTICE.

PYMNTS.COM SHALL NOT BE LIABLE FOR ANY DAMAGES WHATSOEVER, AND, IN PARTICULAR, SHALL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR INCIDENTAL DAMAGES, OR DAMAGES FOR LOST PROFITS, LOSS OF REVENUE, OR LOSS OF USE, ARISING OUT OF OR RELATED TO THE CONTENT, WHETHER SUCH DAMAGES ARISE IN CONTRACT, NEGLIGENCE, TORT, UNDER STATUTE, IN EQUITY, AT LAW, OR OTHERWISE, EVEN IF PYMNTS.COM HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

SOME JURISDICTIONS DO NOT ALLOW FOR THE LIMITATION OR EXCLUSION OF LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, AND IN SUCH CASES SOME OF THE ABOVE LIMITATIONS DO NOT APPLY. THE ABOVE DISCLAIMERS AND LIMITATIONS ARE PROVIDED BY PYMNTS.COM AND ITS PARENTS, AFFILIATED AND RELATED COMPANIES, CONTRACTORS, AND SPONSORS, AND EACH OF ITS RESPECTIVE DIRECTORS, OFFICERS, MEMBERS, EMPLOYEES, AGENTS, CONTENT COMPONENT PROVIDERS, LICENSORS, AND ADVISERS.

Components of the content original to and the compilation produced by PYMNTS.COM is the property of PYMNTS.COM and cannot be reproduced without its prior written permission.