

Accounts Payable 2023: BIG Trends and Predictions

Bob Cohen
Vice President of Research
January, 2023

REPORT SPONSORSHIP

The views and opinions in this report represent those of Ardent Partners at the time of publication. Sponsoring companies have had no measurable influence on the content and research in this report. The contents of this research report are the exclusive property of Ardent Partners. Please direct any comments or questions regarding the content and/or our research sponsorship policy to Ardent's Chief Research Officer, Andrew Bartolini, at abartolini@ardentpartners.com and/or 617.752.1620.

Sponsor:



Corcentric is a leading global provider of payments, procurement, accounts payable, and accounts receivable solutions to enterprise and middle-market companies. Corcentric delivers software, advisory services, and payments focused on reducing costs, optimizing working capital, and unlocking revenue. To learn more, please visit www.corcentric.com.

Contact info:

info@corcentric.com

2025

2024

2023

Executive Summary

It would be an understatement to say the past several years have been challenging. A global pandemic, geopolitical unrest, historically high inflation, supply chain disruptions, and economic uncertainties, are just some of the many challenges that business executives and their teams have faced, and will continue to face as they proceed into 2023. Through it all, AP departments have persevered and showcased the important role they can play in the overall success and stability of the enterprise. In fact, the past few years have made it clear to most business leaders that a strong AP operation can be a strategic, value-adding boost to bottom-line performance and overall operations.

This report presents the BIG trends in accounts payable over the last few years and makes a series of equally BIG predictions for 2023 that will help AP, P2P, and finance professionals understand the key issues at hand and better prepare them for the year ahead.

Introduction

Each year, Ardent Partners' senior analyst team gathers at its headquarters in Boston for a multi-day company strategy and planning meeting. While together, the team dedicates itself to review the prior year's research and main findings. The analysts discuss key learnings from our different market research surveys, as well as the highlights from our briefings with technology providers, consultants, and investors. The team also reviews its consulting projects, interviews, inquiries, and interactions with accounts payable ("AP"), finance, and procurement professionals we have had throughout the year.

This detailed review helps the team develop a list of big trends impacting AP today as well as a list of predictions for the industry in the year ahead. This report is the culmination of those efforts and is designed to help AP, P2P, and other finance and procurement leaders better prepare for 2023.

BIG TRENDS

Ardent Partners has identified the following list of BIG Trends that will impact the AP profession in 2023.

BIG Trend #1 - Economic Headwinds Impact AP Operations

Political strategist, James Carville, coined the phrase "it's the economy, stupid." Now, while it is a safe bet he most likely did not have AP in mind when he said it, the fact remains that one of the largest, most impactful trends facing AP organizations relate directly to the current economic headwinds, and their associated uncertainty. Be it inflation, rising interest rates,

labor shortages, geopolitical unrest, a global pandemic, etc., all of these are having a significant impact on how AP operates – how it processes invoices, pays suppliers, manages cash flow, where it works, how it works, services it provides, and on, and on, and on.

Economic uncertainty is not a new phenomenon. Uncertainty is, and always has been, a constant since the beginning of time. AP departments are being asked to step up and contribute, not just tactically but strategically in a way that helps with reducing costs, improving supplier relationships, as well as maximizing cash flow.

BIG Trend #2 - Inflation Remains a Top Priority

Historically low interest rates and readily-available credit have driven market growth for more than the past decade. Sadly, all good things must come to end. Since 2021, the market has experienced higher inflation, rising interest rates, increasing debt, and a general unhappiness by many consumers and businesses. Inflation is here and will remain so for the foreseeable future. For accounts payable, succeeding in an inflationary period will require greater collaboration with the rest of the organization including finance, procurement, treasury, and directly with suppliers themselves.

BIG Trend #3 - Cash Flow and Payment Terms are a Core Focus

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,

Ardent Partners research has shown that **55% of all AP departments indicated that supplier management skills were critical to succeed in the future.**



and that it also incorporates real-time directions for optimizing and executing its B2B payments.

Rising interest rates, inflationary pressures, falling stock markets, and risk of a recession, have all combined to cause a rather swift and fundamental change in how organizations are managing their cash. With higher costs, revenue and sales pressures, increased competition, and general uncertainty, cash flows into and out of organizations has become a core focus.

Days payables outstanding (DPO) and days sales outstanding (DSO) are under a microscope. How and when payments are made and received are being scrutinized. This has led to increased interest in supply chain financing and working capital management initiatives. In this environment, invoice approval times matter more than ever as do the payment terms that have been agreed upon between suppliers and buyers.

BIG Trend #4 - AP's Positive Impact on the Supply Chain

Supply chain headlines are everywhere today. Three years ago most people did not give the supply chain a second thought, nor did they truly appreciate how disruptions could and would impact them and their

business so directly – today, it is front page news and when people see empty shelves or hard to get goods, they attribute it to supply chain disruptions. More businesses than not have experienced a disruption during or since the pandemic.

Accounts payable, while not traditionally associated with supply chain, actually is an important piece of the supplier relationship puzzle. AP can ensure that invoices can get paid in a timely and accurate fashion, which is critical to maintaining strong supplier relationships, especially in an economic environment where the balance of power has shifted. It is suppliers, not buyers, that are able to pick and choose who they want to do business with, and not the other way around. Not surprisingly, over half (55%) of all AP departments in Ardent Partners' most recent research study indicated that supplier management skills were critical to succeed in the future.

BIG Trend #5 - Global Invoicing Mandates Increase

Enterprises conducting international trade have almost certainly had to deal with suppliers that are located in a country requiring electronic invoice submittal. Electronic invoicing regulations worldwide are becoming more commonplace every day. More than 50 countries worldwide have issued invoicing



mandates with more just around the corner. In 2023, France, Poland, Spain, and Serbia, to name a few, all plan to implement eInvoicing regulations for B2B transactions.

Environmental, cost, and efficiency benefits aside, countries around the world are enacting eInvoicing mandates to prevent fraud, ensure compliance, and most of all, collect all of the taxes due to the government. One day, it is highly likely, that all countries (yes even the United States) will all have some type of an eInvoicing mandate. As the number of mandates increase, so does the complexity for companies trying to manage, comply, and stay current with the myriad of requirements. As a result, more companies are turning to eInvoicing networks for help and Ardent Partners expects this trend to continue throughout the 2020s.

BIG Trend #6 - AP Continues its Digital Transformation Push into the Mid-market

The broad-based digital transformation of the AP industry has been building at the enterprise level for more than 20 years. But, Ardent Partners research has increasingly shown that AP automation makes sense for organizations of all shapes and sizes. Adoption of AP automation technology has traditionally been highest among large and enterprise-sized organizations. And, while the use of technology continues to expand

among companies in these segments, over the last 3 – 5 years, adoption rates of AP automation technology have increased significantly in mid-market enterprises (MME), which we define as those having annual revenues between \$50mm - \$500mm.

What's behind the recent interest and surge? There are a number of factors at play. First, more providers are building solutions designed to service this market by offering better, and more affordable technology than in recent times. AP automation technology enables MME organizations to operate and grow without the need for additional staff to handle increased workloads. Invoices and B2B payments can be made and processed electronically, helping to lower costs, improve efficiency, and increase the safety of transactions.

BIG Trend #7 - Hyperautomation Gains Traction in AP

Hyperautomation may not be a familiar or one you associate with AP. However, chances are, if you have automated any or all parts of the ePayables Framework (invoice receipt, processing, and payment) you are already leveraging some or even all of the technologies and tools that go into achieving hyperautomation.



So, what exactly is hyperautomation? Simply put, hyperautomation in AP consists of increasing the automation of invoice and payment processing by introducing technologies, such as Augmented Intelligence (AI), Machine Learning (ML), and Robotic Process Automation (RPA), to the mix. These technologies make it possible to do more with less and do it faster, more accurately, and less expensively than ever before.

Slowly but surely over the past several years, more and more AP automation providers have incorporated AI, ML, and RPA advanced technologies in their solutions. And, given the process improvement gains and benefits they afford, their use and penetration will continue to increase in the future.

BIG Trend #8 - Visibility into AP Data is Becoming More Critical

Organizations are finally realizing the importance of the information that AP has been sitting on top of for decades. Transactional data – AP has it, payment terms – AP has it, spend data – AP has it, T&E data – AP has it, cash flow – AP has it. AP has access to a wealth of data that had for too long been untapped, underutilized, and underappreciated by far too many organizations. New and improved reporting

and data analytics tools are now available and being more widely used today. There is also an increasing perception of AP's value to the organization, enabling an increased level of trust in the function and the knowledge it provides. This is all changing and AP is now being viewed as a 'hub of intelligence' that business leaders are relying on for a clear and accurate picture of exactly what is happening across the entire organization from a spend management perspective.

BIG Trend #9 - Distributed & Extended Workforces Change How and Where Work Gets Done

The world and workplace have been forever changed. The AP/P2P profession, like most others, has been broadly impacted by the COVID-19 pandemic. Ardent Partners research reveals that post-pandemic, "business as usual" for most AP and P2P pros (85%) means some version of hybrid work. This will require new strategies and approaches to manage and optimize teams. It will also likely play a part when hiring new employees for your organization. Expectations by candidates are likely to include the option of being able to work both remotely as well as in an office location. Attracting and retaining talent in today's world requires a flexible and pragmatic approach.

At the same time, staff shortages, low unemployment rates, hesitancy to hire full-time employees due to economic uncertainties, as well as a quantum shift in their perceived (and real) value have resulted in a significant rise in the use of the extended workforce, also known as non-traditional hires or 'gig' workers.' More enterprises are embracing the extended workforce as a means of tapping into top-tier talent and fostering enterprise flexibility, so much so that extended workforces are now firmly entrenched as a key component of most organizations' total workforce. In fact, recent Ardent Partners research indicated that 82% of businesses expect an increase in the utilization of non-employee workers in the year ahead. The extended and agile workforce is here to stay and it continues to impact AP.

BIG Trend #10 - AP Adopts a Customer Service Mindset

The events of the past several years have pushed AP out of the shadows of the business to one that is front and center. AP, like it or not, is now much more visible to the entire organization. With that increased visibility, has come increased expectations. AP has responded by thinking of itself as a customer-focused operation that is more attune to the needs and wants of its clients (both internal and external) that it supports. AP teams have shed their back-office mentality and added functionality and services, such as sharing data, information, and knowledge, that optimize the value and experience AP provides to its key constituents. It is no surprise that recent Ardent research shows that nearly 7 out of 10 organizations believe that adopting a 'customer service' mentality' is a critical skill needed for the next generation of accounts payable.

AP's BIG Trends in 2023:

- Economic Headwinds Impact AP Operations
- Inflation Remains a Top Priority
- Cash Flow and Payment Terms are a Core Focus
- Everything in Business Today Revolves Around the Supply Chain
- Global eInvoicing Mandates Increase
- AP Continues its Digital Transformation Push into the Mid-market
- Hyperautomation Gains Traction in AP
- Visibility into AP Data is Becoming More Critical
- Distributed & Extended Workforces Change How and Where Work Gets Done
- AP Adopts a Customer Service Mindset



Predictions for 2023

Prediction #1 - The Rise of Autonomous AP

Most AP, P2P, and finance professionals are more familiar with autonomous driving vehicles than they are with an autonomous AP department. That will start to change in 2023. An autonomous vehicle is capable of sensing its surroundings and operating without human involvement. The self-driving vehicle does not require a person to take control in order to get where they are going. In fact, a person is not even required to be in the vehicle for it to operate.

Now imagine an AP operation where invoices are received, validated, coded, matched, approved, and paid automatically, without the need for human intervention. This is Autonomous AP and it is available today. Until more recently, the main technologies (AI, ML, RPA, Chat-bots, predictive analytics and load-balancing, process mining, etc.) associated with Autonomous AP were often developed independently of each other. Going forward we expect these technologies will be utilized collectively, enabling a much higher rate of autonomous invoice processing from invoice submission through to invoice payment at the most advantageous time for both suppliers and buyers.

Prediction #2 - The Pace of AP and B2B Payment Digital Transformation Gains Momentum

The digital transformation of the AP function has been occurring at a strong pace for the past several years and, perhaps contrary to current market conditions, economic uncertainty, recessionary fears, labor shortages, increasing costs, not to mention upward wage pressure, etc., are all challenges at play today and as we move into 2023. Automation of AP has proven itself to be an effective means of lowering costs, improving efficiency, and helping organizations remain resilient in turbulent times. And for all of these reasons and more, we see interest in automating the accounts payable function getting stronger as we move ahead.

Prediction #3 - Suppliers Look to Get Paid Faster

Cash is always "king" but in uncertain times, it becomes even more important to an enterprise's financial well-being. As interest rates rise across the globe, the management of cash faces increased scrutiny with buyer/supplier payments directly in the cross-hairs. Expect suppliers to focus on getting paid faster so they can put the cash back to work for them quicker and minimize their need to seek outside credit to fund their



operations. This desire for suppliers to collect their money as soon as possible will also result in an increased interest in early payment discount offers, which can benefit buying organizations as well.

Prediction #4 - Supply Chain Challenges Take Hold

The supply chain challenges of the past three years have been well-documented and they have impacted most of the global citizenry. Enterprises and governments individually, as well as collectively, have been hard at work to enhance supply chain resiliency and reliability. Enhancements rolled out to supply chains across the globe are beginning to have the desired effect. We expect significant improvement of supply chain dependability and resiliency in the coming year.

Prediction #5 - Economic Challenges Begin to Ease by Q3 2023

The inflation rate, after holding relatively steady for many years (below 3% from 2013 – 2020), has risen dramatically over the last two years and is now expected by the International Monetary Fund to approach 9% globally in 2022. Aggressive moves being taken by many central banks around the world to curb inflation are beginning to have the desired effect. As a result, we believe by

Q3 2023 there will be lower levels of inflation and positive signs of an economic recovery.

Prediction #6 - The Traditional Office Environment is Dead

Since the pandemic started in 2020, Ardent's conversations with AP and procurement professionals revealed that most organizations have been actively rethinking their office and workforce strategies. As the "distributed" workforce became the default approach, more and more individuals, teams, and organizations became comfortable working remotely. Ardent's recent research surveys indicate that very few, if any, businesses have required their workforces to return to the office 100% fulltime. The current hybrid work model - with employees spending some of their time in the office - will be the preferred approach for most going forward. For accounts payable, this means providing their teams with the necessary tools and equipment to be productive regardless of their location.

Prediction #7 - Spend Management Becomes a Priority for CFOs in the Mid-Market

There is no getting around it, this is an increasingly data-driven world. Financial leaders, especially those in mid-market enterprises, are becoming much more



sensitive to their organizational spending and realizing they don't have the necessary tools and controls in place to manage it properly. The lack of real-time cash flow visibility (or in some cases access at all) due to immature or insufficient technology solutions is preventing them from having a clear view of what is happening across the organization from a spend perspective. In order to be successful, (and remain viable), better spend management will be prioritized by CFOs.

Prediction #8 - AP and B2B Payments Automation Accelerates in the Mid-Market

Automating accounts payable and eliminating paper invoices and payments makes sense for businesses of all sizes. However, for far too long, many mid-market enterprises believed that AP automation was something primarily for larger enterprises. And, Ardent's recent research reveals that the technology adoption rate, is, in fact, much higher among larger companies.

This gap has not gone unnoticed. Today, more solution providers are developing AP automation and B2B payment offerings

designed specifically for the needs of smaller organizations. Solutions that are quick to install, easy to use, and economically viable. Automation of this critical function has become harder for mid-market enterprises to ignore and adoption will increase dramatically over the coming years.

Prediction #9 - Supplier Onboarding Leverages AI and ML to Improve Adoption

Supplier enablement is the Achilles heel of any AP or P2P technology deployment. One of the biggest obstacles faced when implementing AP and B2B payment automation is the onboarding of suppliers to submit invoices and receive electronic payments. Technological advances in AI and ML will allow AP organizations to more efficiently, accurately, and safely capture required information needed to get vendors onboarded into AP and B2B payment processes. Given the importance of connecting suppliers, this advancement is long overdue and arriving not a moment too soon.

***“This is the best time in history
to be working in accounts payable...
and the future looks even brighter.”***

Prediction #10 - AP Becomes a Professional Launching Pad

Ardent Partners predicts that more careers that begin in AP will lead to more strategic roles. This is the inevitable result of a multi-year gain in strategic momentum, the advancement of technology adoption across the industry, and the broad-based understanding of an AP operation's huge potential impact on cash management. Certifications in AP have become and will continue to be less meaningful for the talented AP professionals who place greater emphasis on developing the business, financial, and general skills that will yield success in other roles.

Conclusion

While the beginning of 2023 will be difficult from an economic and operational perspective, better days are ahead in the second half of the year for AP Leaders and their teams who will continue to drive value come rain or shine.

The expansion of AP automation into enterprises of all sizes is an exciting recent development. It ensures that a wider range of AP professionals gain a high proficiency in the use of technology, providing a more direct link to their CFOs and Treasurers. This is the best time in history to be working in accounts payable... and the future looks even brighter.

2023 Predictions:

- The Rise of Autonomous AP
- The Pace of AP and B2B Payment Digital Transformation Gains Momentum
- Suppliers Look to Get Paid Faster
- Supply Chain Improvements Take Hold
- Economic Challenges Begin to Ease by Q3 2023
- The Traditional Office Environment is Dead
- Spend Management Becomes a Priority for CFOs in the Mid-Market
- AP and B2B Payments Automation Accelerates in the Mid-Market
- Supplier Onboarding Leverages AI and ML to Improve Adoption
- AP Becomes a Professional Launching Pad



About the Author:

BOB COHEN, VICE PRESIDENT OF RESEARCH, ARDENT PARTNERS

Bob is a globally recognized expert in accounts payable, B2B payments, business networks, Procure-to-Pay, supply chain finance, and strategic marketing. For more than 20 years, Bob has focused on helping enterprises develop and execute strategies to achieve operational excellence in their finance, procurement, and marketing organizations.

As an analyst, he benchmarks thousands of enterprises across all facets of their accounts payable, business networks, supply chain finance, and B2B payments operations and leverages these insights in his role as Vice President of Research. His real-world buy side experience in ePayables and P2P transformations, solution adoption, and customer use cases provide him with a unique context for his research, writing, and advisory services. He is also the editor of PayablesPlace (www.payablesplace.com), the global source for ePayables news, research, and analysis for Accounts Payable, Shared Services, P2P, Finance, and Treasury leaders.

Prior to becoming an analyst, Bob helped hundreds of AP and P2P teams achieve Best-in-Class performance via their use of ePayables, P2P, and Business Network solutions. He spent 12 years working as the Vice President of Marketing at Basware where he helped establish the firm's U.S. presence as a major player in the AP and P2P automation spaces. Bob also worked at American Express where he helped the commercial card giant better align its products and services with a continually evolving market.

Bob is a sought-after presenter, having presented more than 100 times over the past decade. Bob holds a B.A. in Marketing from Bryant University and an M.B.A. from the University of Connecticut in Finance. He welcomes your comments at rcohen@ardentpartners.com or 203.403.7109. You can also connect with Bob on [LinkedIn](#).

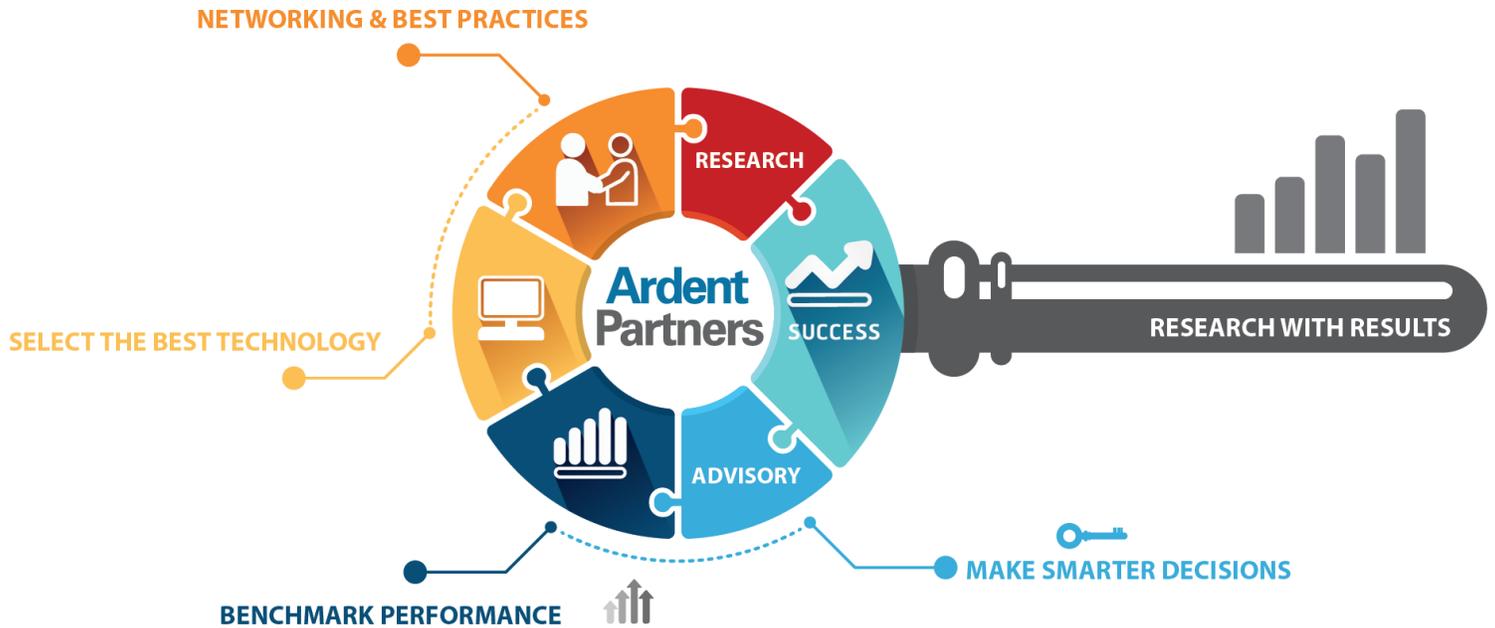
Industry Standard “Fine Print:”

The information contained herein has been obtained from sources believed to be reliable. Ardent Partners, Ltd. disclaims all warranties as to the accuracy, completeness, or adequacy of such information. Ardent Partners, Ltd. shall have no liability for errors, omissions, or inadequacies in the information contained herein or for interpretations thereof. The contents expressed herein represent Ardent Partners' best analysis at the time and are subject to change without notice.

© 2022- 2023 Ardent Partners, Ltd. All rights reserved. Reproduction and distribution of this publication in any form without prior written permission is forbidden. Solution providers and consultancies should take special note that Ardent Partners reserves the right to seek legal remedies including injunctions, impoundment, destruction, damages, and fees for any copyright infringement (which includes but is not limited to usage of any Ardent Partners content in company collateral, presentations, and websites) in accordance with the laws of the Commonwealth of Massachusetts and the United States

Partner with the Market Leader

As our name implies, Ardent Partners is passionate about our work. Our team is composed of senior executives with decades of experience managing successful projects. Our community is expansive, our influence is extensive, and our research is unrivaled. We deliver "Research with Results" - let us show you what we can do.



Ardent Partners

Since 2010, Ardent Partners has delivered Research with Results™ to business executives working in procurement, finance, and HR on multiple platforms and in multiple formats. Ardent advises clients and publishes research that helps business decision-makers understand:

- Industry best practices and how to improve performance.
- Technology landscapes and how to select the best-fit solution(s) based upon their specific budget and unique business requirements.

Ardent publishes a network of high-traffic sites, manages a large, global community of business executives, and hosts a series of exclusive in-person conferences and online events. Ardent also works with solution providers to expand their reach, improve their products, and increase sales. Visit www.ardentpartners.com and contact us at sales@ardentpartners.com / 617.752.1728.