PulseReport
GATEPOINT RESEARCH

Strategies for Managing Supplier Payments

Survey Underwritten By

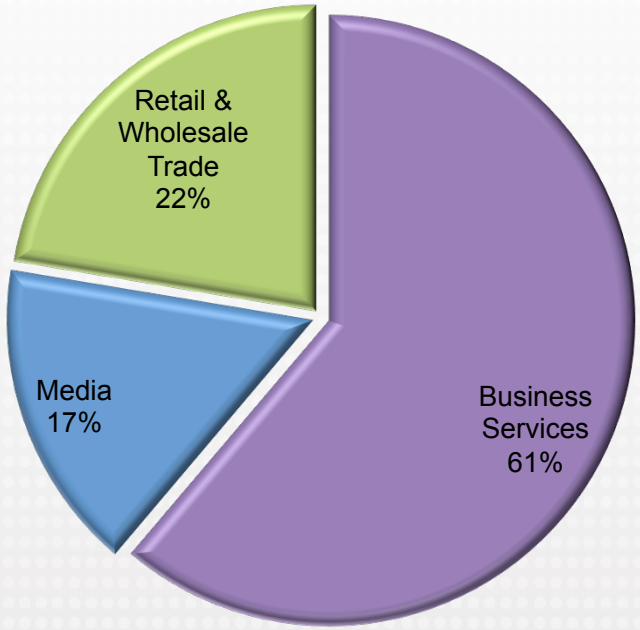
Tipalti

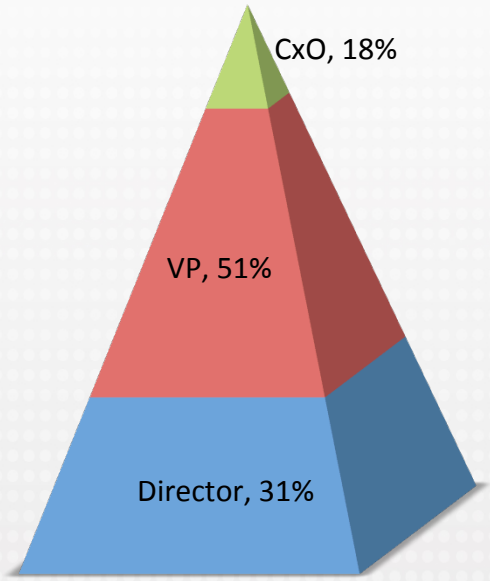
Summary Results • March 2015

Program Methodology

- From January to March 2015, Gatepoint Research invited selected finance executives to participate in a survey themed *Strategies for Managing Supplier Payments.*
- Candidates were invited via email and 100 senior decision-making executives have participated to date.
- Survey participants represented firms with annual revenues between $5 and $250 million.
- A “Supplier” constitutes an outside partner, vendor, service provider, or supplier who payments are being made to.
- 100% of responders participated voluntarily; none were engaged using telemarketing.

Profile of Responders: Industry Sectors & Titles





Survey participants were senior executives for firms in business services, retail and wholesale trade, and the media.

Observations

- Survey participants handle a large volume of payments each month – 82% execute more than 100 per month; 42% execute more than 500. Most also handle global payments - 76% make payments to international partners.
- Managing payments is time consuming – **72% report that their team spends more than 5 hours per week** accepting invoices, approving payments, issuing payments, handling issue resolution, and reconciliation.
- Wire transfer is virtually universal. Paper checks (88%) and ACH (80%) are also widely used; 32% use electronic checks. The average number of payment options provided for those surveyed was 3.
- **66% admit that they do not, or are not sure if they, screen payees in accordance with anti-terrorism, money-laundering, and drug-trafficking requirements**. This is reflected in the **58% who report merely low to medium satisfaction with fraud monitoring** in their payments process.
- 70% currently use in-house systems to manage most payment transactions; only 13% currently use a third party for their payments.

Conclusions

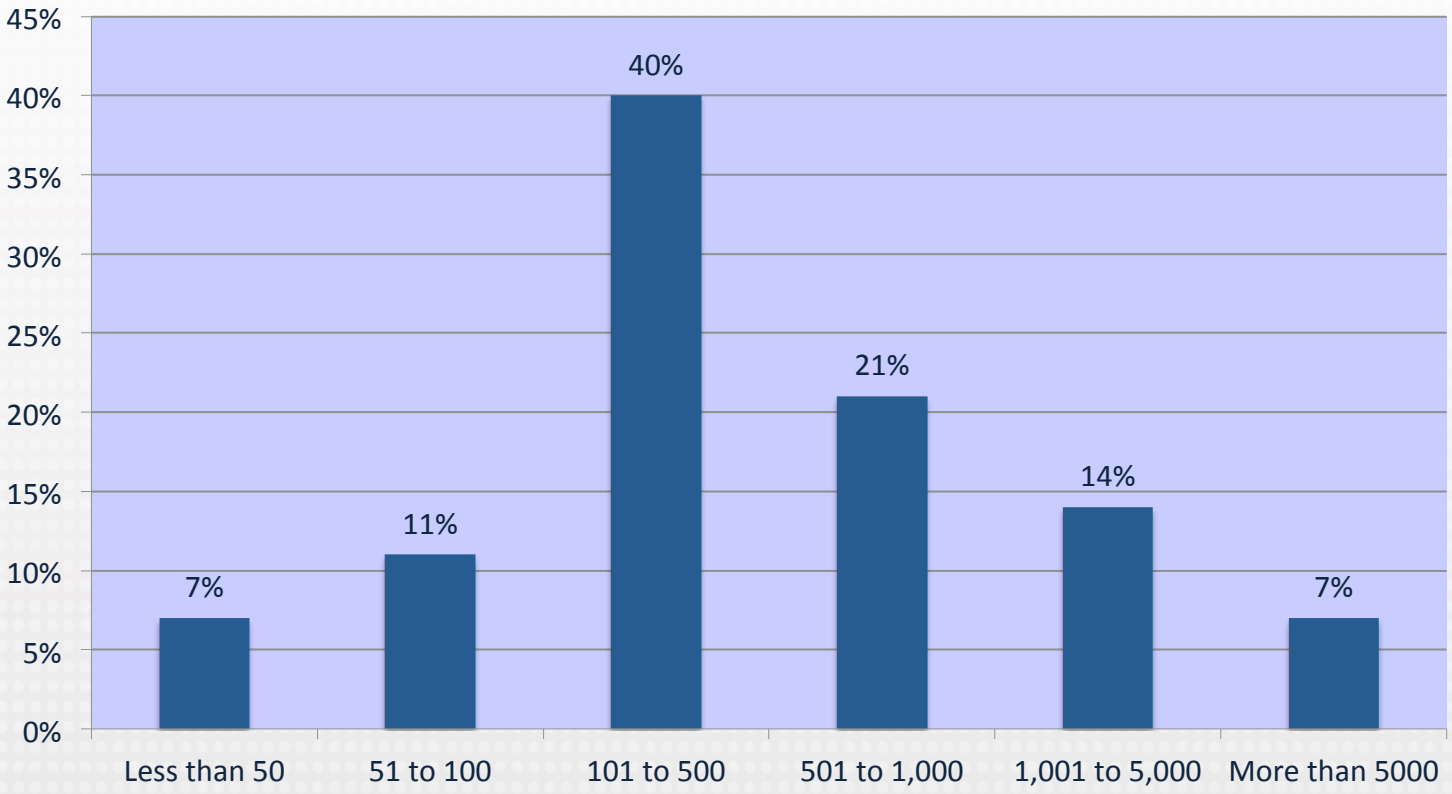
- The payment process has plenty of room for improvement: 51% report merely low or medium satisfaction with the overall payment experience and with over 70% of departments spending 5 or more hours a week making payments.

- 51% of executives report that they could improve the way their payment fees are managed.

- Systems and processes to mitigate payment risks and stay in regulatory compliance is dangerously lacking with only 34% of companies saying they have methodologies in place.

- Survey data indicates that there is potential for growth in payments automation solutions. **While only 37% currently have a payments automation system**, those who **have a payments automation system express overall higher satisfaction** with all aspects of their payments process.

How many payment transactions to suppliers does your team execute in an average month?



Survey participants handle a large volume of payments each month – 82% execute more than 100 per month; 42% execute more than 500.

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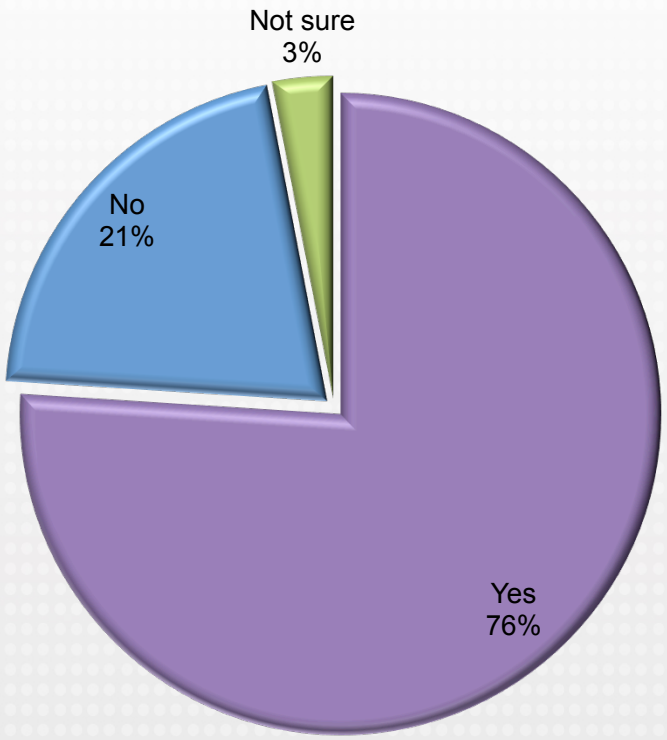
Do you make payments to international suppliers?



Global trade is widespread:
76% make payments internationally.

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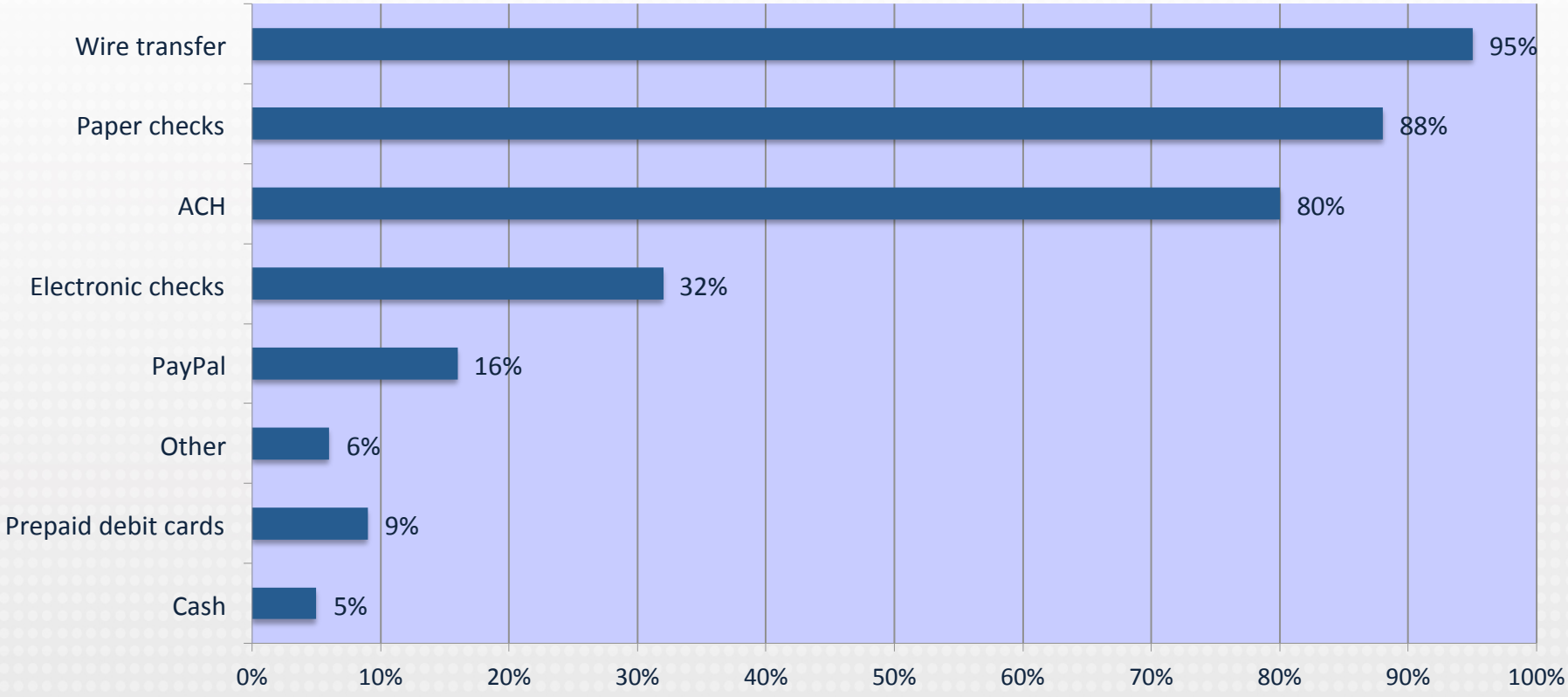
What forms of payment do you currently utilize?



Wire transfer is virtually universal. Paper checks (88%) and ACH (80%) are also widely used; 32% use electronic checks.

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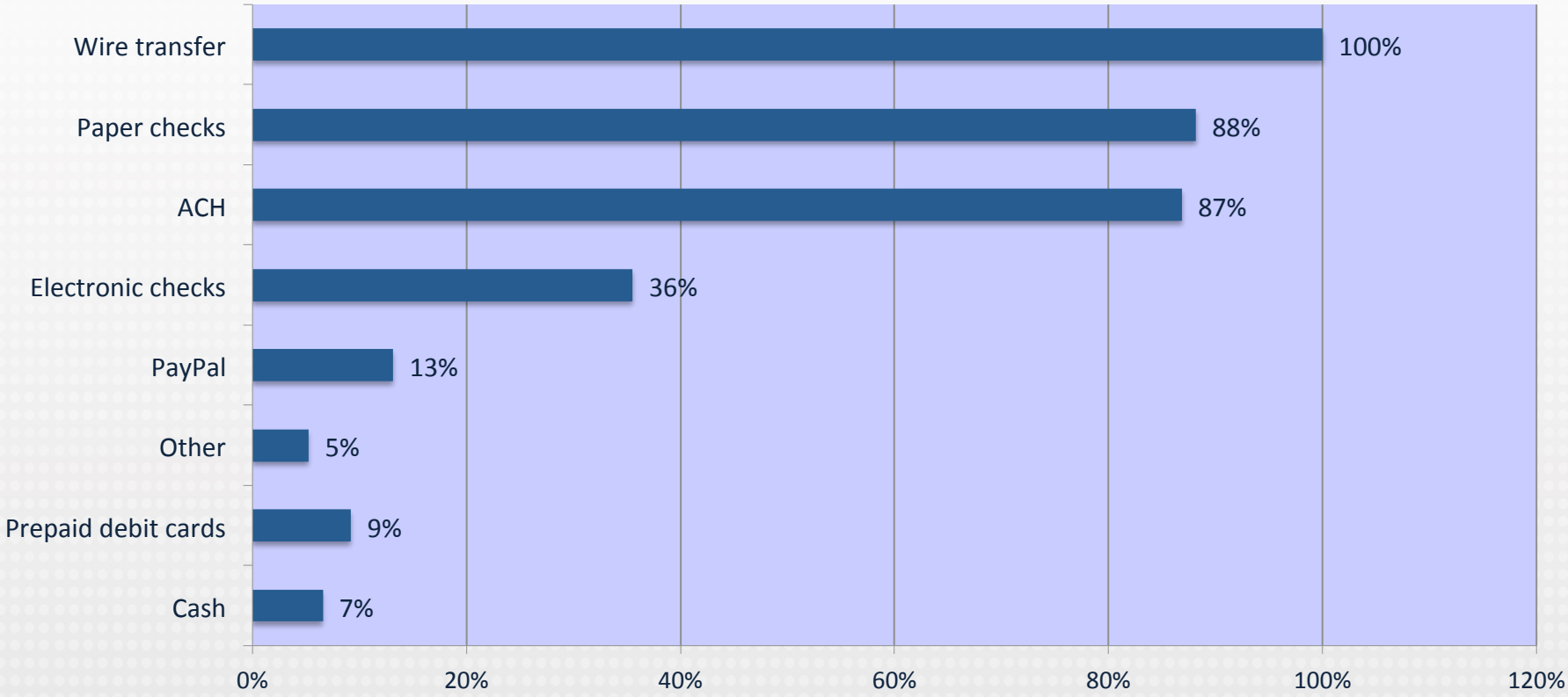
What forms of payment do you currently utilize?

(Those with global payments only)



There's no significant difference between the entire data pool and those who make payments to international partners.

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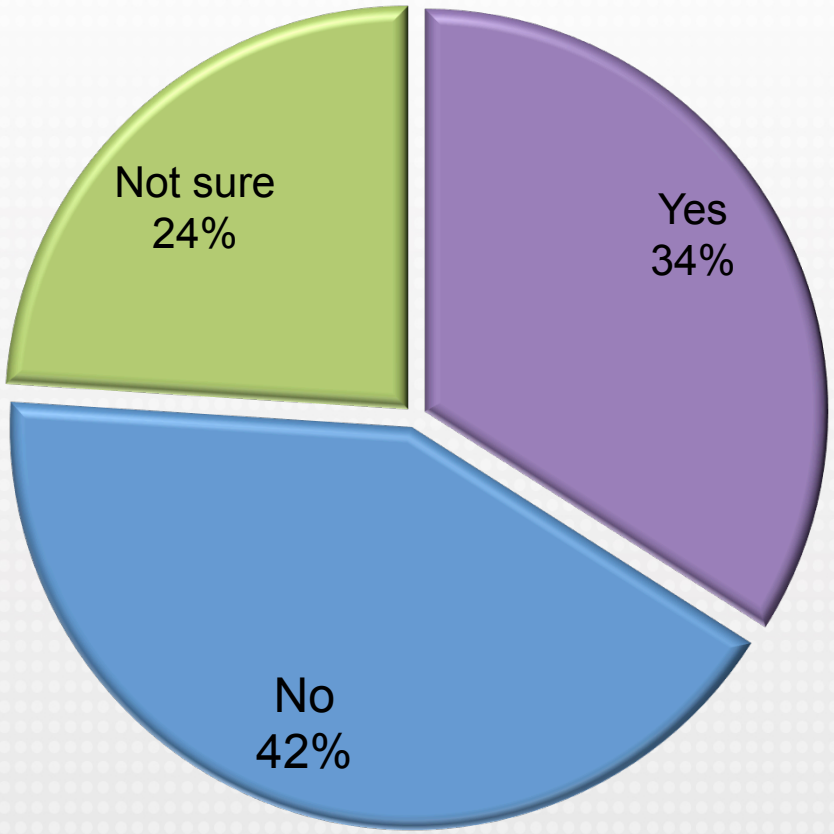
Do you regularly screen payees in accordance with national and international anti-terrorism, anti-money laundering, and anti-drug trafficking requirements?



66% admit that they do not know or are not sure if they screen payees in accordance with anti-terrorism, money-laundering, and drug-trafficking requirements.

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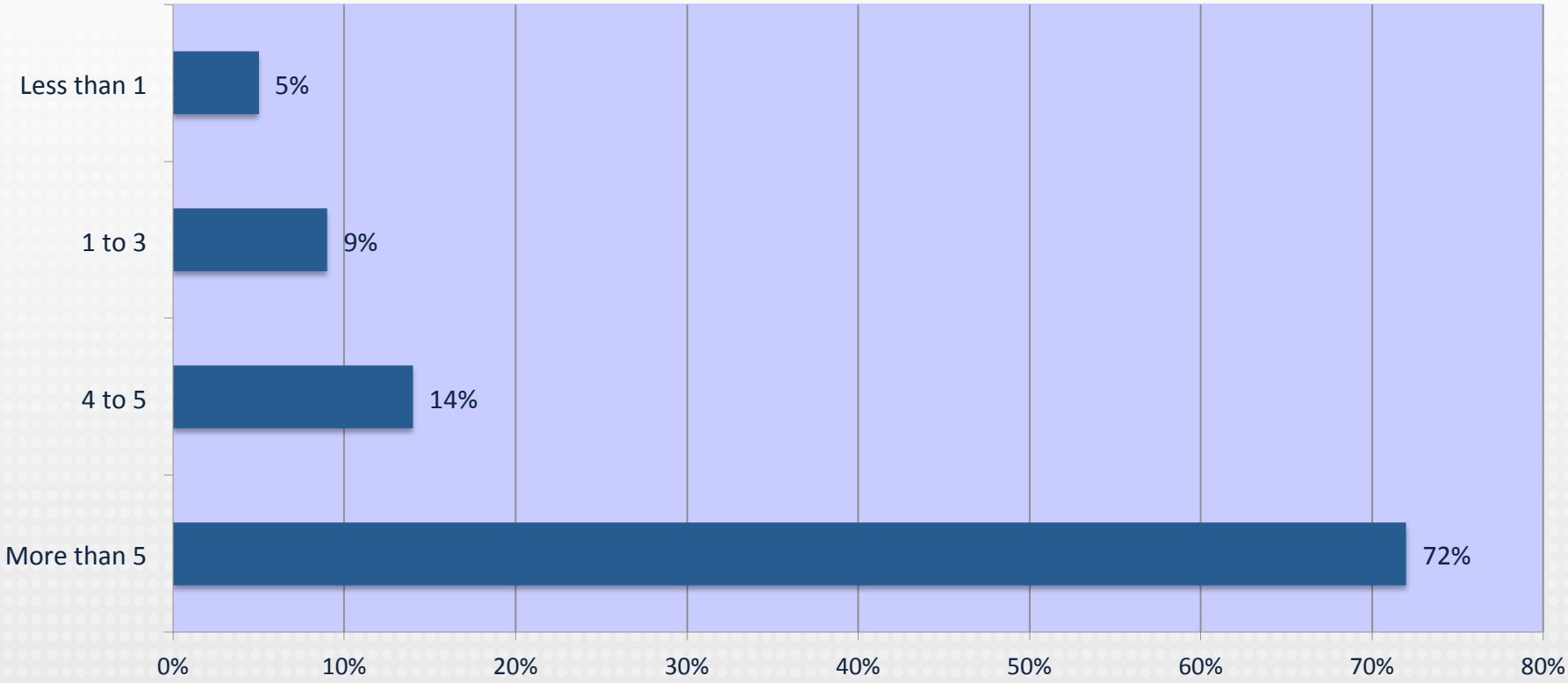
How many hours a week does your team spend managing payments such as accepting invoices, approving payments, issuing payment, issue resolution, and reconciliation?



Managing payments is time consuming – 72% report that their team spends more than 5 hours per week accepting invoices, approving payments, issuing payments, handling issue resolution, and reconciliation.

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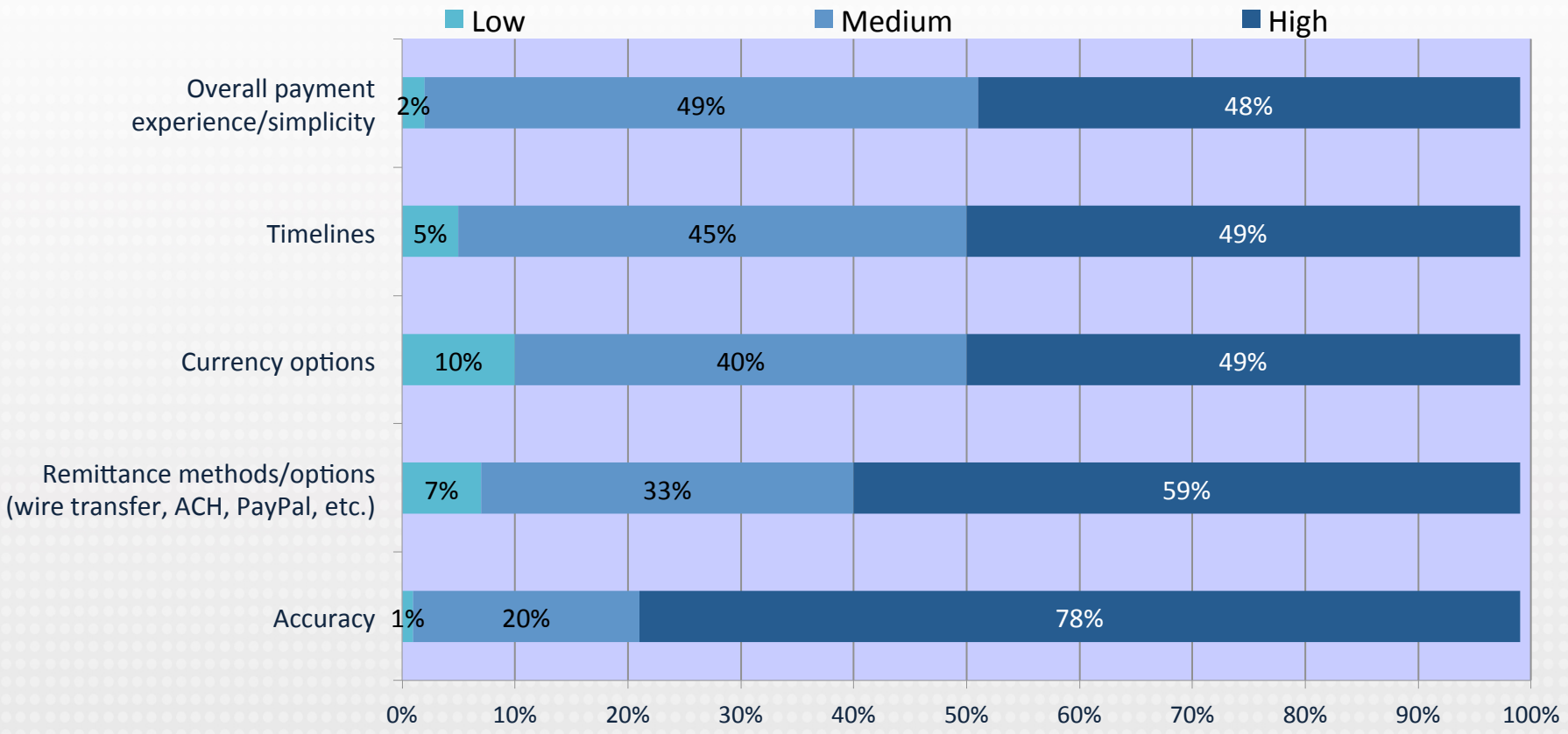
What is the satisfaction level of suppliers regarding the following aspects of your payments process?



The payment process has plenty of room for improvement: 51% report merely low or medium satisfaction with the overall payment experience.

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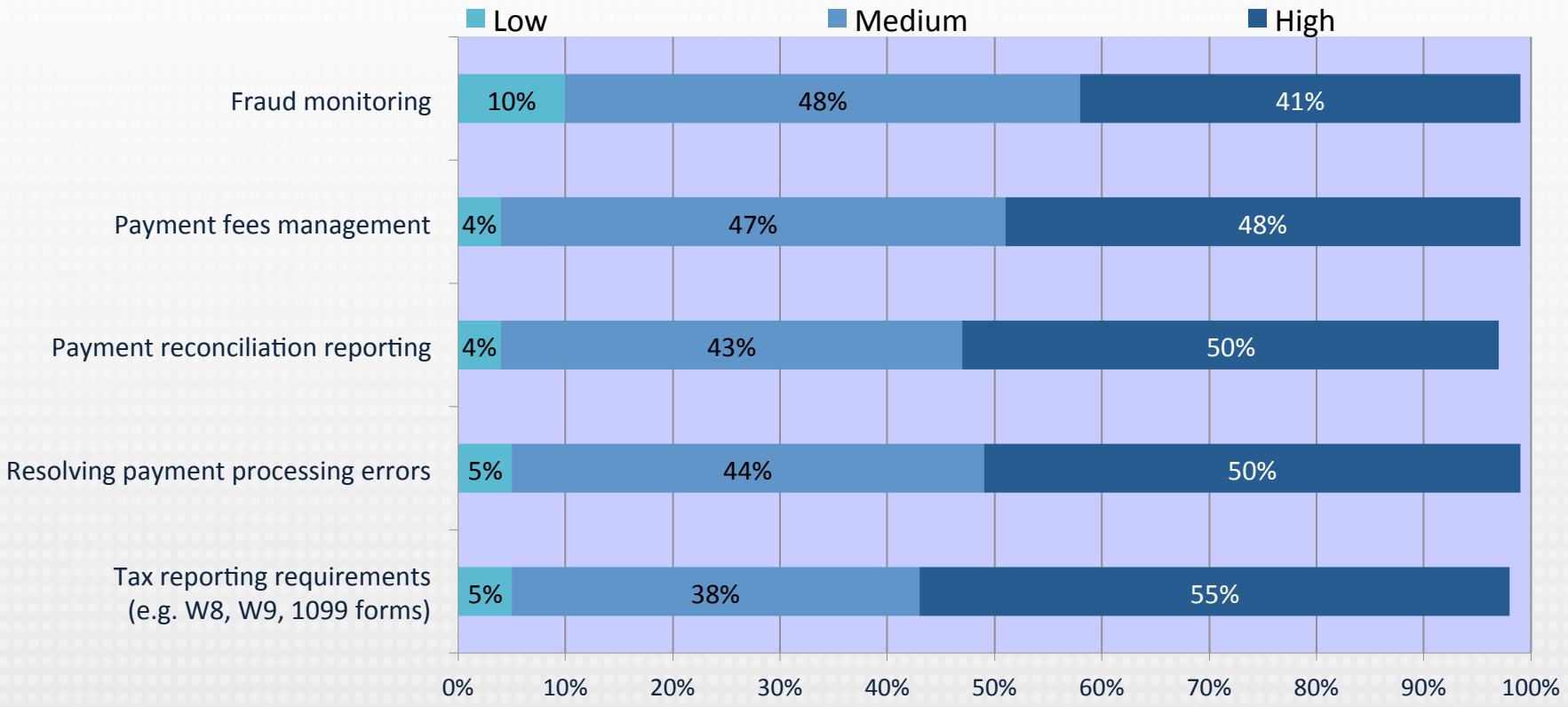
What is your satisfaction level with the following aspects of your supplier payments process?



58% report merely low to medium satisfaction with fraud monitoring in their payments process. 51% could see improvement in the way their payment fees are managed.

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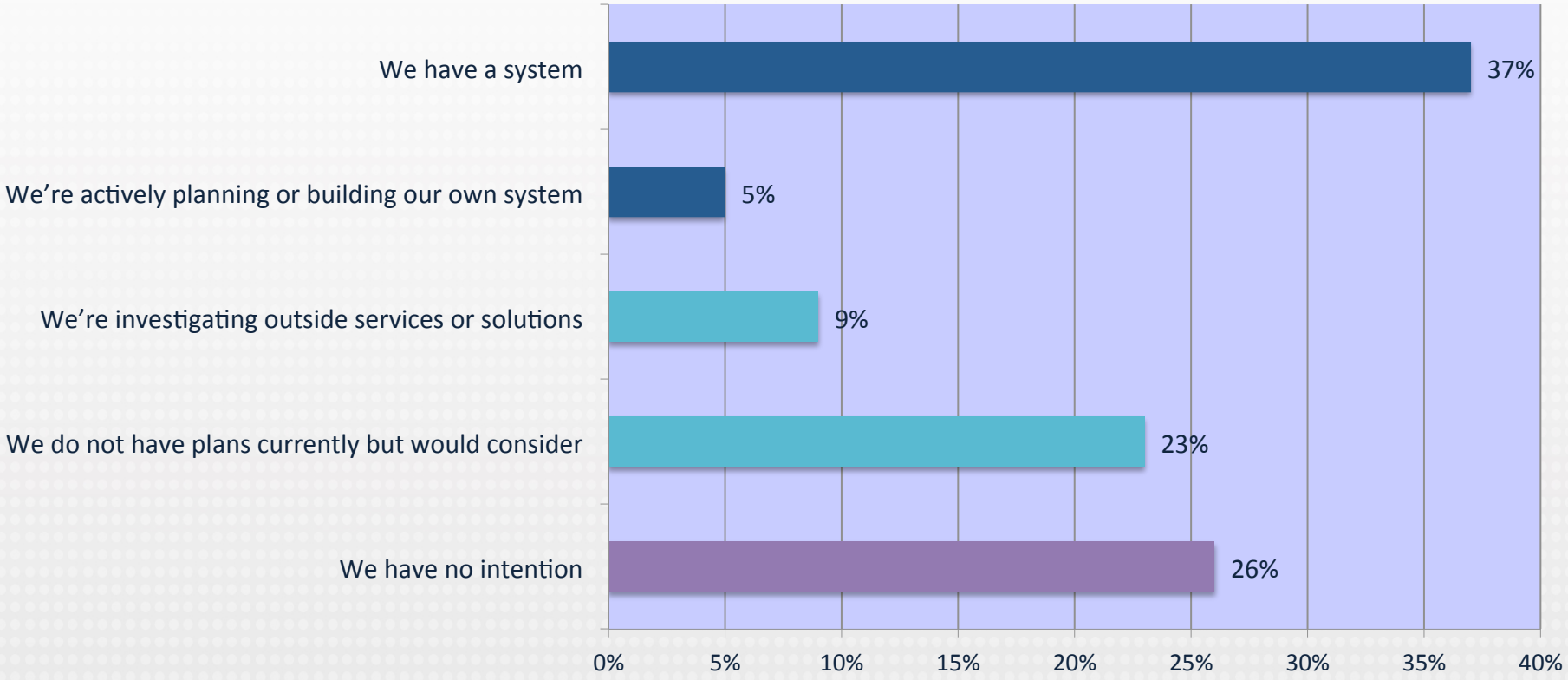
Do you currently have or are you considering implementing a payments automation system?



37% of survey participants have plans for, or would consider a payments automation system.

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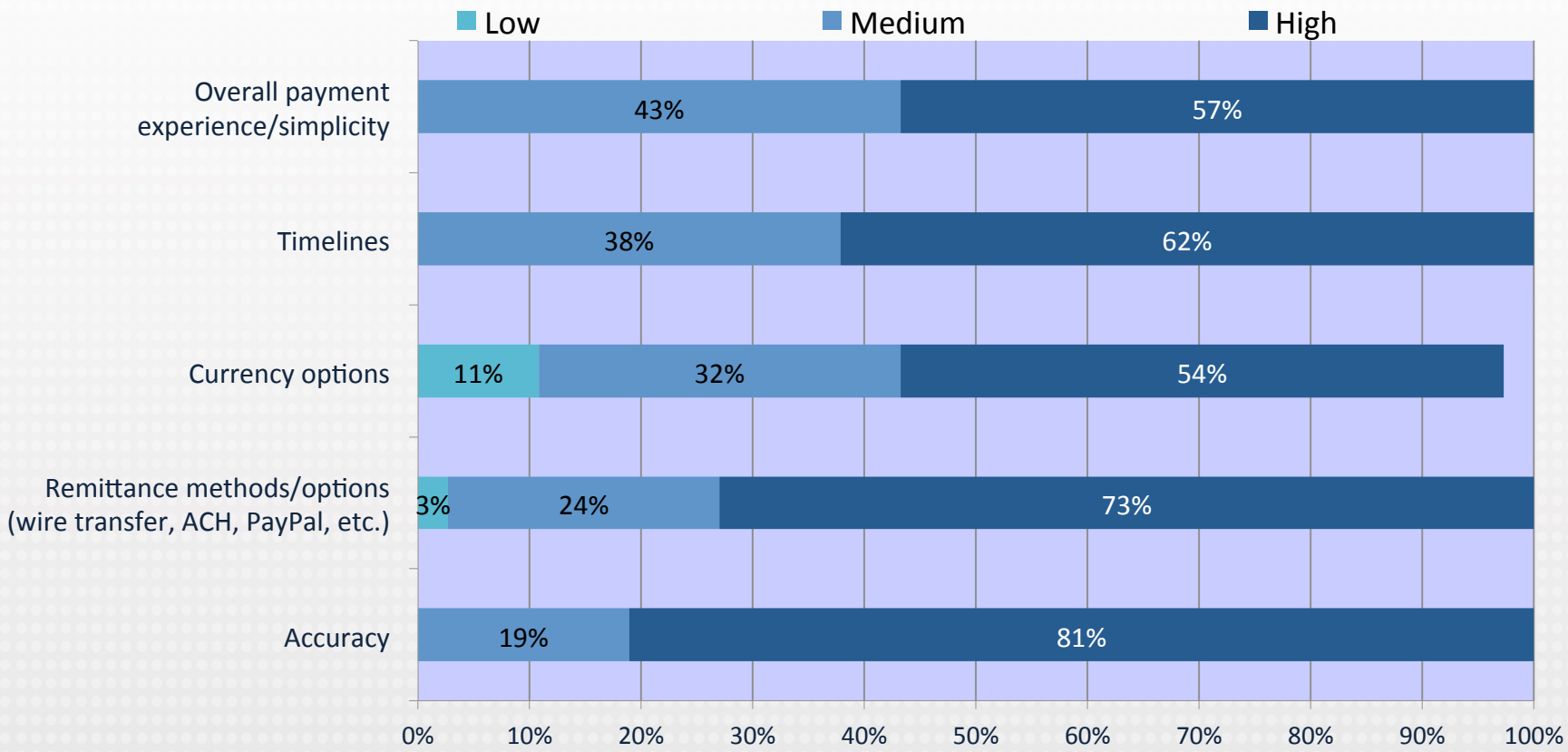
If you have a payments automation system, what is your satisfaction level?



Survey responders who have a payments automation system installed (37% of the total data set) *have a significantly higher satisfaction level in all areas.*

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- 19 years of research experience
- 500 industry studies completed each year
- Engages over 10,000 participating decision-makers a year

Survey Underwritten By

Tipalti is the world's most powerful global B2B payments automation system, eliminating painful manual processes for companies with high volume, high complexity accounts payable operations. Companies using Tipalti experience a 50%+ reduction in their time spent managing supplier and vendor pay-out processes, allowing them to improve profitability and better scale their business for global growth.

- Secure, SaaS Solution
- Cross-Border to 190+ Countries
- Tax Form Integration
- Payment Reconciliation
- OFAC/AML Transaction Screening
- Payee Chooses Currency & Method
- Exception Reporting & Resolution
- White-labeled Payee Setup