

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.

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PLAYBOOK

Old-School Manual Versus Digital Onboarding

July 2019

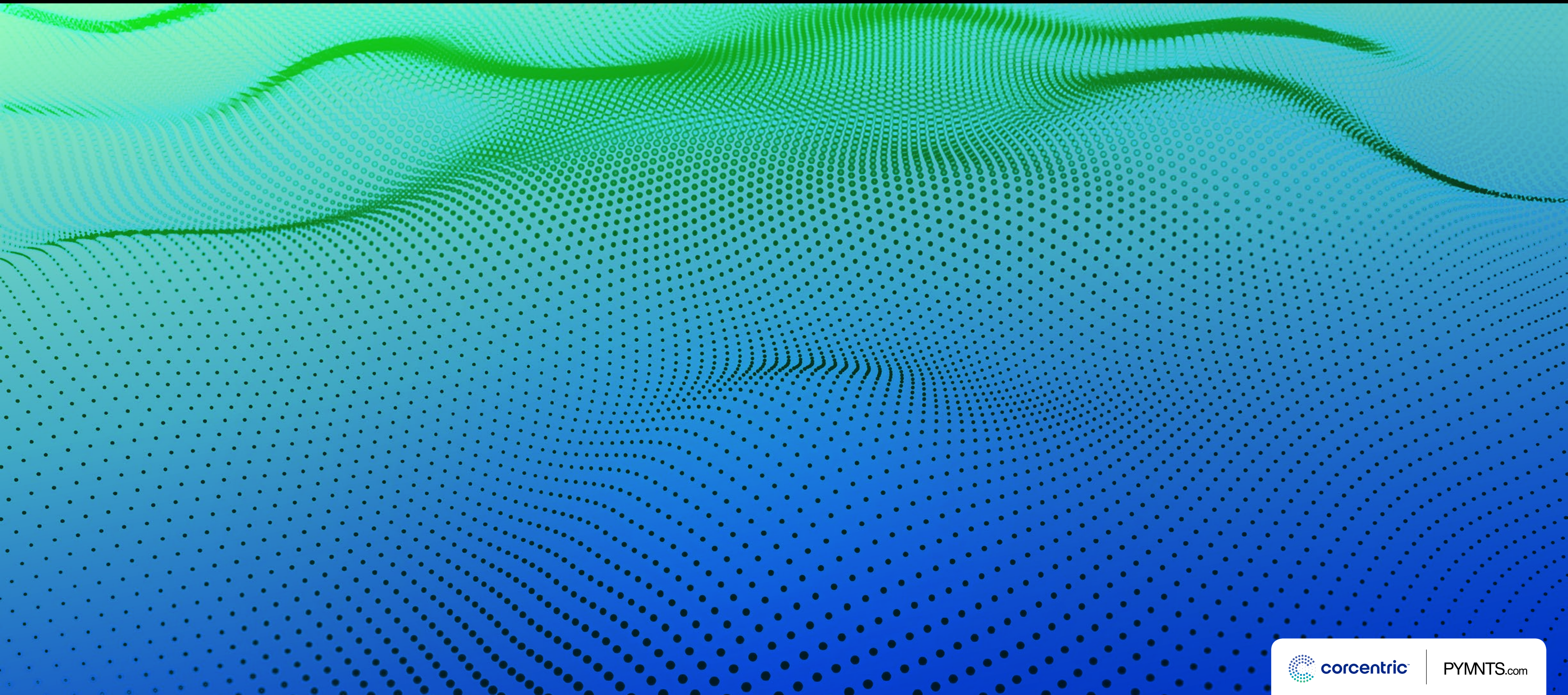


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PAYABLES FRICTION

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Introduction

Modern technology has transformed many business-to-business (B2B) dealings, but there are at least two accounts payables (AP) functions that this digital revolution appears to have overlooked: receiving paper invoices from suppliers and making supplier payments.

PYMNTS' research has shown that 80.8 percent of AP departments still pay suppliers using paper checks, while 45.2 percent rely on cash to do so. We also see that 72.4 percent receive suppliers' invoices via mail and 43.8 percent via fax.¹ This means that the payments portion of AP still runs on paper for most United States businesses.

It is therefore surprising to learn that many firms have already digitized certain aspects of their supplier onboarding operations. Our analysis shows that as much as 63.4 percent of all AP departments currently use digital onboarding solutions to varying degrees, and 33.1 percent rely on automated systems to help onboard suppliers. This process often entails collecting various details about suppliers, including their addresses, organizational structures, credit histories and whether they are subject to international sanctions.

Businesses are still more likely to manually carry out certain operations, however. PYMNTS' study finds 67.7 percent of surveyed respondents say their firms negotiate with suppliers in person or over the phone. Similarly, 60.2 percent of AP professionals

report that their suppliers can deliver on time using non-digital methods like phone calls.

Even businesses that have adopted digital onboarding innovations continue to use hybrid systems that leverage both electronic and manual processes: 26.8 percent of firms rely on digital as well as paper-based and other manual methods to collect basic supplier information such as names, addresses and account numbers, for example. Similarly, 26.3 percent of businesses that utilize formal systems to help determine suppliers' contract terms during negotiations rely on both AP professionals and digital solutions to do so.

So, what's keeping firms from fully embracing digital tools to collect suppliers' information and unlock smoother onboarding experiences? In the Payables Friction Playbook: Old-School Manual Versus Digital Onboarding edition, PYMNTS analyzed survey responses from AP professionals at 1,040 U.S. firms to drill into why they have been quick to digitize supplier onboarding and how they can use such innovations to enhance systems in the future.

¹ The Payables Friction Playbook: Why Firms Are Ready For An AP Upgrade. PYMNTS.com. 2019. <https://www.pymnts.com/study/payables-friction-playbook-july-2019/>. Accessed July 2019.

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FIVE KEY FINDINGS

01

On average, 63.4 percent of surveyed AP professionals say their departments' basic onboarding functions are performed digitally, to varying degrees.

Most AP departments rely solely on digital processes to collect suppliers' credit information (72.1 percent), ensure suppliers are not bound by international sanctions (69.8 percent) and collect data on past performances (68.4 percent). On the flip side, AP departments are least likely to rely on digital methods to ensure suppliers will accept their proposed terms, with 58.1 percent saying they use such methods to do so. In addition, 57.2 percent use digital processes to verify that suppliers can deliver within certain time frames, and 49.5 percent say the same for determining negotiation terms.

02

At least 83.5 percent of firms implement digital systems to check suppliers' credit histories, and 84.3 percent use digital tools to help evaluate their past financial performances.

Reviewing credit histories and past financial performances is crucial to onboarding new business partners, and most firms that take these steps rely on at least partially digital means to do so. Our research shows 83.5 percent of those that collect suppliers' credit information do so via either solely digital or a mix of digital and manual methods, while 84.3 percent of those that collect details on their past performances say the same.

03

Negotiating offline is still the norm, but many firms now use digital methods to help determine terms.

According to our analysis, 41.9 percent of surveyed AP respondents say their departments conduct negotiations without using digital tools to help determine contract terms. A large share has begun conducting negotiations using digital tools such as specialized software and web portals, though. All told, 26.3 percent of firms now use both digital and analog channels to conduct negotiations, while another 31.8 percent rely solely on electronic means to do so.

04

AP professionals from firms that digitally onboard suppliers not only say they more efficiently process invoices, but are also more satisfied with how those invoices are processed.

We asked our surveyed AP professionals whether they used digital onboarding innovations in any of nine different invoice receipt use cases. Those from firms that rely exclusively on digital tools in five specific use cases are more satisfied than those from firms that utilize exclusively manual methods or a mix of manual and electronic. Regarding invoice approval, it appears the firms that use both digital and manual tools are most likely to be satisfied with their systems.

This Playbook explores these findings and more to provide a framework for decision-makers looking to understand how digital invoice innovations can optimize their AP processes.



Onboarding: an overview

Firms' supplier onboarding processes can vary greatly, but certain steps are undertaken more frequently than others. We asked AP professionals to select from a list of steps they use to onboard suppliers, and 72.5 percent say their firms collect basic information such as companies' names, points of con-

tact, account information, addresses and more as part of their processes. Meanwhile, 65.9 percent say they collect suppliers' credit information, only 52.5 percent report taking measures to ensure their suppliers are operating legally and even fewer (46.3 percent) verify that suppliers will accept their companies' terms before being onboarded.

65.9%

Share of AP professionals whose firms collect **suppliers' credit information** as part of their onboarding processes

FIGURE 1:
The steps firms take to onboard their suppliers
Share whose onboarding processes included select steps

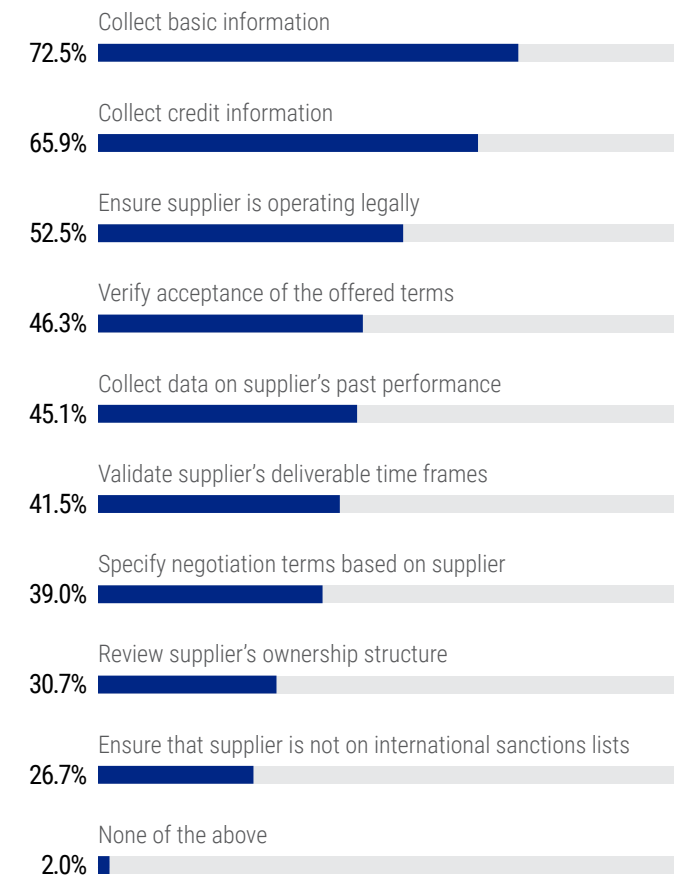


FIGURE 2:

The steps firms take to onboard their suppliers

Share whose onboarding processes included select steps, by invoice volume and annual revenue

	INVOICE VOLUME			ANNUAL REVENUE			
	2,000–5,000	5,001–20,000	More than 20,000	Under \$10M	\$10M–\$100M	\$100M–\$500M	\$500M or greater
Collect basic information	77.5%	70.9%	70.8%	57.8%	74.5%	70.9%	83.1%
Collect credit information	60.7%	59.8%	73.2%	56.6%	57.8%	74.3%	69.4%
Ensure supplier is operating legally	63.7%	62.6%	38.7%	54.3%	50.9%	38.3%	73.6%
Verify acceptance of the offered terms	61.1%	54.3%	32.1%	42.8%	48.0%	29.7%	71.1%
Collect data on supplier's past performance	45.0%	50.0%	41.6%	45.7%	38.9%	40.6%	58.3%
Validate supplier's deliverable time frames	56.1%	48.5%	28.1%	39.3%	44.0%	23.4%	66.5%
Specify negotiation terms based on supplier	52.3%	44.8%	27.2%	35.8%	40.4%	21.7%	64.9%
Review supplier's ownership structure	30.2%	35.6%	27.4%	23.1%	27.3%	24.6%	48.8%
Ensure that supplier is not on international sanctions lists	30.9%	31.6%	20.8%	16.8%	24.4%	18.6%	48.3%
None of the above	2.3%	0.3%	3.1%	4.6%	1.5%	0.0%	3.7%

The least-common onboarding operations include reviewing suppliers' ownership structures (30.7 percent) and negotiating terms based on the specific supplier (39 percent). Our research reveals that just 26.7 percent of firms investigate whether new suppliers are on international sanctions lists as part

of their onboarding processes – a step that can be significant when operating globally.

Another important consideration is the number of steps firms include in their onboarding processes. This also tends to vary depending on certain factors. AP departments processing fewer invoices tend to have more

complex supplier onboarding processes, for example. Respondents from firms receiving between 2,000 and 5,000 invoices per month are the most likely to say their companies' onboarding processes include collecting suppliers' basic information (77.5 percent), ensuring they operate legally (63.7 percent), verifying that they will accept the offered contractual terms (61.1 percent), validating that they can deliver within specific time frames (56.1 percent) and negotiating terms based on specific suppliers' situations (52.3 percent).

Different-sized firms also vary in how frequently they implement certain steps. Among firms generating \$500 million or more in annual revenue, 83.1 percent collect basic information from their suppliers, 73.6 percent work to ensure their suppliers operate legally and 71.1 percent verify that suppliers will agree to their proposed terms. These figures are 70.9 percent, 38.3 percent and 29.7 percent, respectively, for those generating between \$100 million and \$500 million.

Determining how to implement certain onboarding processes is as important as deciding which to add to their rosters. Firms take different approaches here, with some adopting digital methods while others opt for manual solutions.

66.5%

Portion of firms generating more than \$500 million in annual revenue that **verify suppliers' deliverable time frames** as part of their onboarding processes

Very few in our sample rely exclusively on either manual or digital onboarding processes. Most instead use hybrid supplier

systems that mix and match manual, digital and automated operations to successfully collect and process the necessary data.

FIGURE 3:
Firms' usage of manual and digital onboarding technologies

Share that reported using select technologies to onboard suppliers, by function performed

	FUNCTION			
	Digitally	Manually	Automatically via computer system	Other
Collect basic information	59.9%	58.0%	28.6%	0.3%
Collect credit information	72.1%	36.9%	32.1%	0.9%
Ensure supplier is operating legally	66.7%	44.0%	36.6%	2.4%
Verify acceptance of the offered terms	58.1%	57.7%	30.1%	1.9%
Collect data on supplier's past performance	68.4%	38.4%	39.7%	1.3%
Validate supplier's deliverable time frames	57.2%	60.2%	28.2%	2.5%
Specify negotiation terms based on supplier	49.5%	67.7%	26.4%	2.0%
Review supplier's ownership structure	67.7%	46.7%	38.6%	2.5%
Ensure that supplier is not on international sanctions lists	69.8%	33.5%	46.8%	1.1%
Average	63.4%	49.5%	33.1%	1.5%

Considering how important it can be to assess business partners' financial stability, it is perhaps unsurprising that more firms use digital tools to collect suppliers' credit information than to accomplish any other step in the onboarding process. In fact, 72.1 percent of surveyed AP professionals say their companies collect suppliers' credit information via digital means, and 32.1 percent say their firms automatically gather such details.

Few firms review suppliers' ownership structures or ensure that they are not on international sanctions lists, but those that do also tend to perform these functions digitally, at 67.7 percent and 69.8 percent, respectively.

Firms are least likely to report using purely electronic methods to negotiate contract terms when onboarding suppliers. Just 49.5 percent of respondents from companies that negotiate based on supplier specifics report

doing so via purely digital means, which could include email, text message or even special web portals.

Most firms do not use exclusively digital or manual onboarding systems, opting instead for a mix of both. Using one that employs both digital and manual processes can still be very labor-intensive and time-consuming, however.

Our research demonstrates that many logistical factors often render adopting digital onboarding solutions a more efficient, practical option than relying on old-school manual methods.



The basics of collecting basic information

It is useful to know suppliers before making payments to them. A business must presumably possess a supplier's basic details before it begins receiving and processing its invoices, after all.

Our research suggests that firms can vary considerably in how they carry out this supposedly basic task. Just 72.5 percent of AP professionals in our survey even report collecting basic supplier information like contact names, business addresses and account numbers.

To be clear, this does not suggest that 27.5 percent of firms have no systematic methods through which they collect such details

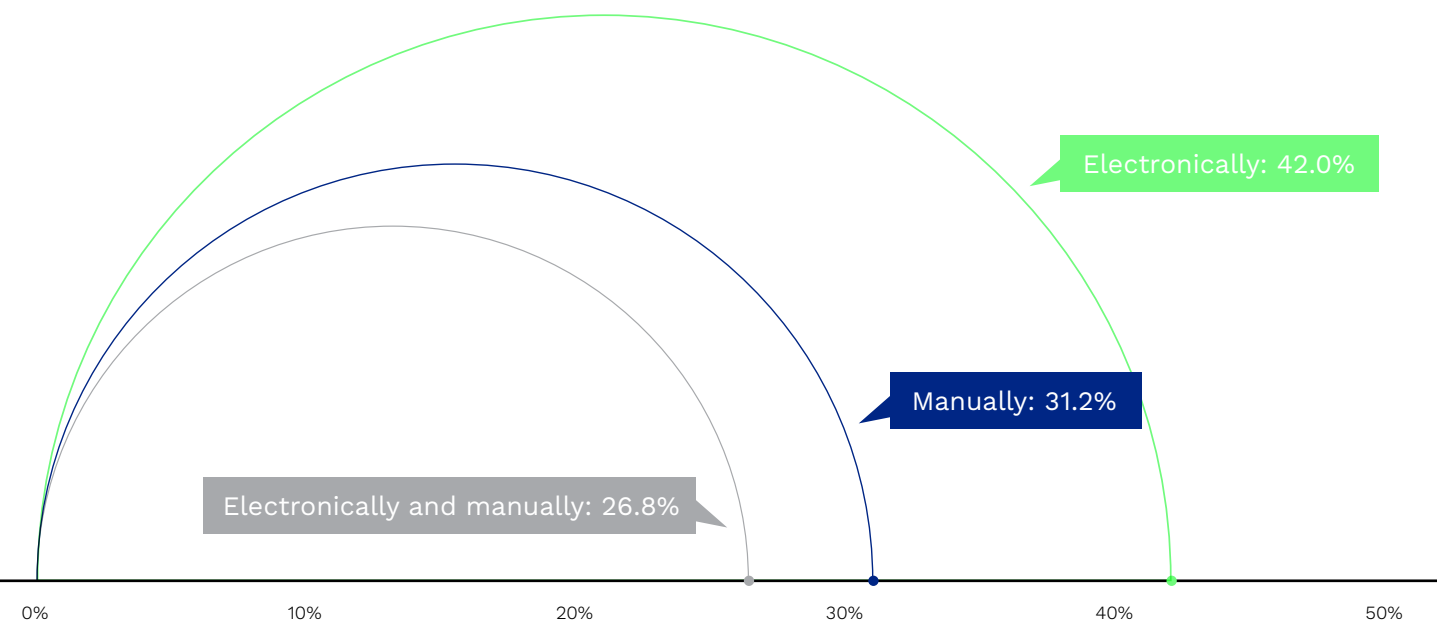
about new suppliers. It is instead likelier that many of these AP professionals consider collecting such information to be so fundamental that they simply did not view it as a formal part of their onboarding processes. It is also possible that they collect basic supplier information as part of another formal operation.

There is considerable variety in how the 72.5 percent of firms that collect such details go about doing so. Most of those that ask for basic supplier information during onboarding already rely on at least partially digital methods to do so. While 26.8 percent of respondents report using both digital and

FIGURE 4:

Firms' usage of digital versus manual basic information collection operations

Share that employ manual, digital or mixed means of collecting basic supplier information



manual operations, another 42 percent say they collect suppliers' basic information through wholly electronic means. Just 31.2 percent hail from firms that rely exclusively on manual input to do so.

Digitally collecting basic supplier information is particularly common among firms whose annual revenues exceed \$500 million. Our analysis shows that 57 percent of AP professionals from these firms report

doing so, compared to the 27.9 percent who use a combination of digital and manual means and just 14.9 percent who report using exclusively manual methods to collect this information.

AP professionals from firms generating between \$10 million and \$100 million in annual revenue are also more likely to use digital systems to collect suppliers' basic information, compared to using manual or a combination of digital and manual methods, cited by 44.4 percent of respondents from companies of this size. Among respondents from firms generating less than \$10 million per year, 42 percent report doing so in this manner.

One revenue bracket saw companies more likely to use either manual or a mix: Firms generating between \$100 million and \$500 million in annual sales revenue were less likely to use digital methods to collect supplier information than either manual methods or a mixture of both. Of the companies we surveyed, 55.2 percent of those in this revenue bracket use purely manual methods to obtain such data, while 16.9 percent rely on a mix of digital and manual and 27.8 percent utilize solely digital tools to do the same. It is unclear why firms of this size are so prone to manually collecting these details, however.

This brings yet another matter to the forefront of our analysis: Firms' decisions to use manual rather than digital onboarding methods — or vice versa — do not always make intuitive sense. This is particularly noticeable when we consider how those that receive different monthly invoice volumes choose to collect suppliers' basic information. It might be tempting to assume that businesses receiving more invoices are more likely to use digital methods when onboarding suppliers, but our research shows this is not always the case. In fact, those that receive more invoices per month appear to be more likely to manually collect basic supplier information.

AP professionals from firms receiving more than 20,000 invoices per month were by far the most likely to say they collected basic supplier information through solely manual means, with 48.8 percent of them doing so. This compares to 19 percent of respondents from companies receiving 5,001 to 20,000 per month and 17.2 percent of those from firms receiving between 2,000 and 5,000 invoices during the same time period.

This suggests that even the most fundamental onboarding steps — like writing down new business partners' names — can vary widely between firms.

FIGURE 5:
Firms' usage of digital versus manual basic information collection operations

Share that employ select means of collecting basic supplier information, by annual revenue

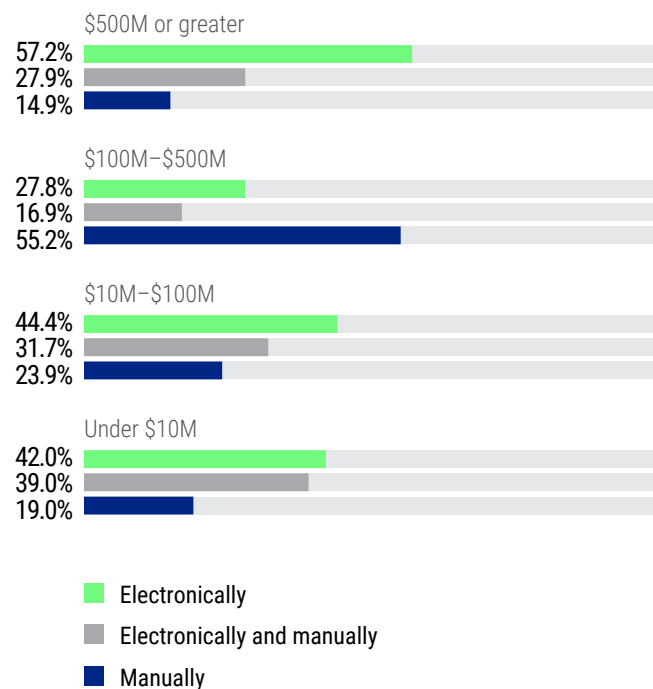
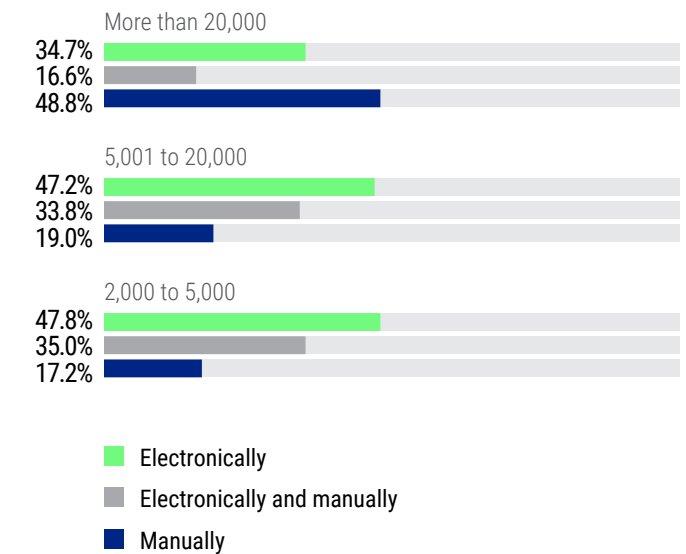


FIGURE 6:
Firms' usage of digital versus manual basic information collection operations

Share that employ select means of collecting basic supplier information, by monthly invoice volume



57.2%
Share of firms generating more than \$500 in annual revenue that digitally gather suppliers' basic information



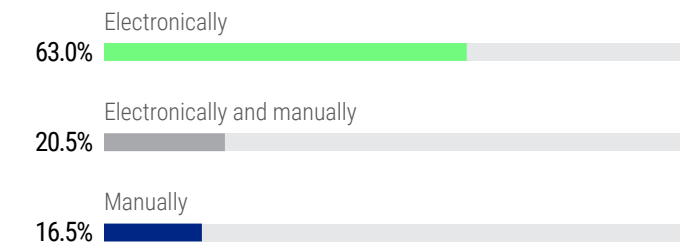
Getting acquainted with new suppliers

Checking potential business partners' credit histories and financial records can help determine whether they are financially reliable, and many firms see this as an essential component of their supplier onboarding processes. Most rely exclusively on digital tools to collect details on suppliers' credit histories and financial records, with 63 percent of respondents whose firms collect the information using purely digital means to do so and 61.2 percent of those whose firms collect data on past financial performances saying the same.

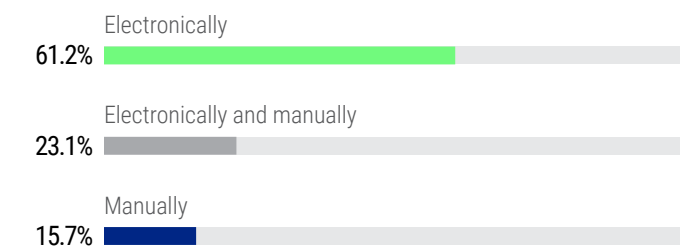
61.2%
Portion of firms that electronically review **suppliers' financial performance histories**

FIGURE 7:
Firms' usage of digital versus manual supplier information collection operations

Share that employ select credit information collection processes



Share that employ select past supplier performance data collection processes

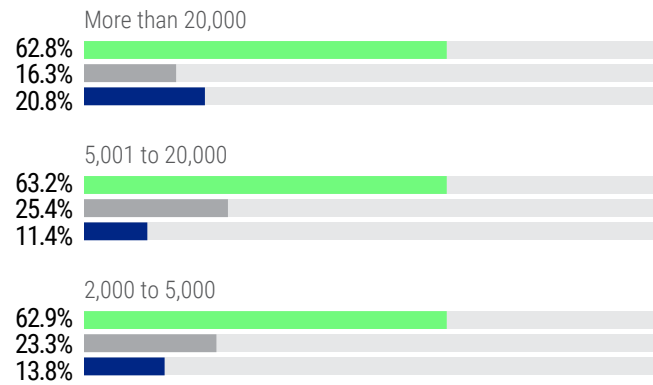


Considerably fewer respondents say their firms use either manual data entry or a combination of manual and digital data input to collect such information.

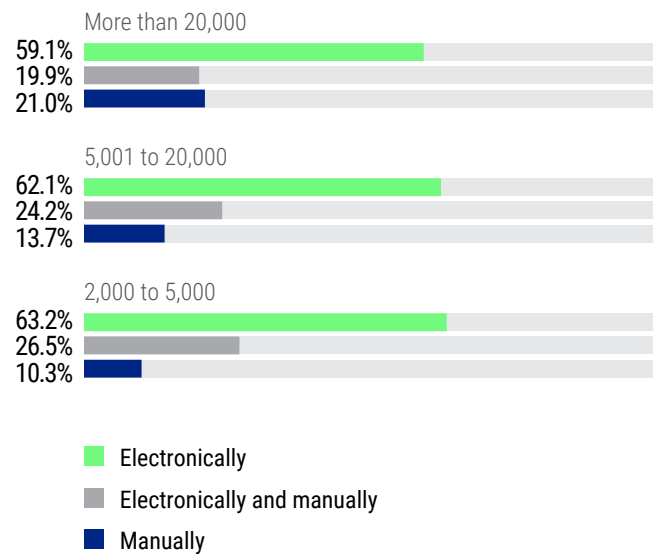
Companies' propensities for using digital or manual onboarding methods to collect such information change very little when considering the volume of invoices they process. Those across all monthly invoice volume brackets favor digitally collecting this data.

FIGURE 8:
Firms' usage of digital and/or manual credit information collection methods

Share that employ select means of collecting supplier credit information, by monthly invoice volume



Share that employ select means of collecting past performance data, by monthly invoice volume



As seen in Figure 8, 62.8 percent of firms receiving more than 20,000 invoices per month that collect their suppliers' credit information do so using only digital methods. Our analysis shows 63.2 percent of those that receive between 5,001 and 20,000 per month and 62.9 percent of firms that receive 2,000 to 5,000 say the same.

These portions are remarkably similar when we examine how firms employ digital versus manual systems to collect details on suppliers' past performances. In fact, 59.1 percent of firms receiving more than 20,000 invoices per month do so digitally, as do 62.1 percent of those receiving between 5,001 and 20,000 invoices during the same time frame. The share was 63.2 percent among firms that receive 2,000 to 5,000 monthly invoices.

These findings indicate most AP professionals view getting to know a new business partner's financial stability as a crucial preamble to a longer working relationship. They also suggest that most AP departments rely on digital methods to collect and assess the information needed to gauge such stability.

63.5%
 Portion of firms receiving 5,000 to 20,000 invoices per month that **digitally collect suppliers' credit information**





"eNegotiate"

Digital negotiation operations may include simple tasks like processing new suppliers' credit information to determine contract terms based on financial reliability or other factors. It could also entail providing special portals through which suppliers can enter their own details to receive computer-generated responses. Indeed, both practices are common.

On the other hand, manual negotiations involve operations that require human employees. Firms with AP departments task employees or teams to assess suppliers' credit and financial histories, then propose

contract terms that would be engaging in such negotiations.

It may be tempting to assume that AP departments are turning to digital tools in this realm, given the high share of firms now using electronic onboarding methods. That is most certainly not the case, however: Manual negotiations are more common than digital ones.

When asked, 41.9 percent of respondents say the negotiation portions of their supplier onboarding processes are entirely manual and carried out by human employees via non-digital communication channels. Just

FIGURE 9:

Firms' employment of digital versus manual negotiation

Share of firms that employ manual, electronic and/or electronic and manual negotiating operations

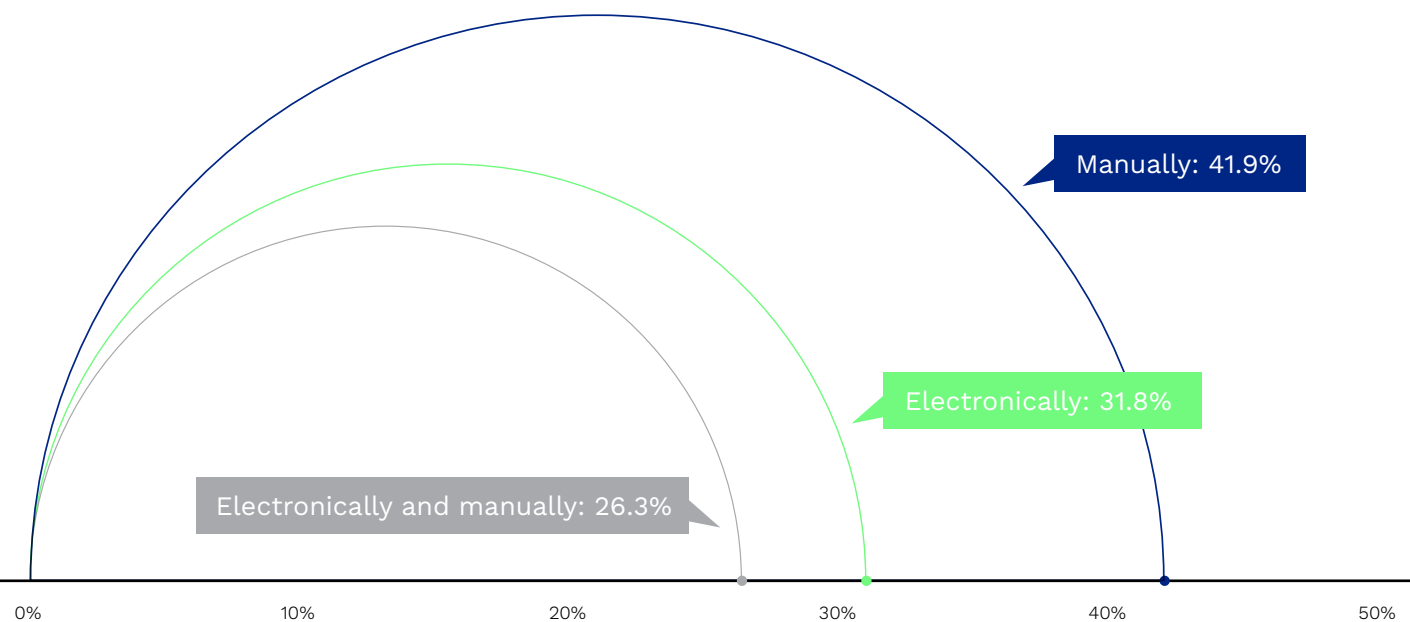
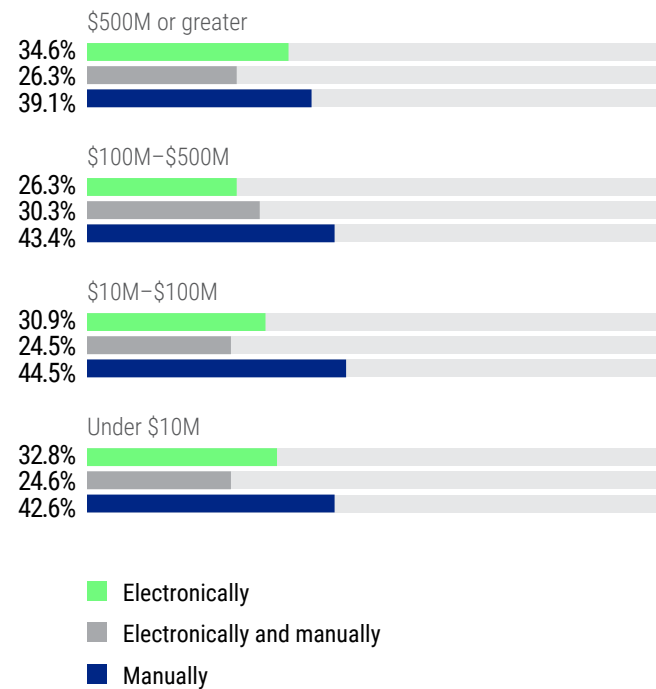


FIGURE 10:
Firms' usage of manual versus digital channels for negotiation

Share that employ select negotiating operations, by monthly invoice volume



31.8 percent report using exclusively digital tools to accomplish these tasks during their onboarding processes, while the remaining 26.3 percent say their operations rely on a combination of both online and offline channels. Using manual methods to determine terms is clearly a more common practice.

Manual negotiation methods are also common among larger firms. Our research reveals 39.1 percent of those generating \$500 million or more in revenue rely on non-digital negotiation methods, as do more than 40 percent of those generating \$500 million or less.

That said, many firms in these revenue brackets still use digital or a combination of electronic and manual methods during negotiations. In fact, they are more likely than not to use at least one digital communication channel in their negotiation processes, regardless of revenue.

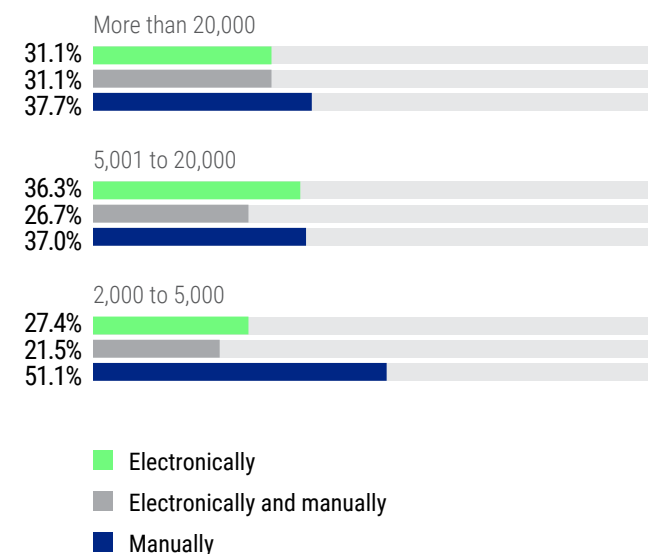
Using digital tools to negotiate terms varies among companies of different sizes, with 30.9 percent of respondents from those generating between \$10 million and \$100 million annually indicating they use electronic processes. On the other hand, 34.6 percent of professionals from firms in the \$500 million

or greater revenue bracket rely exclusively on digital methods.

As with other digital innovations, respondents' likelihoods of saying their firms use digital methods to conduct negotiations depend on how many invoices they process per month. Those whose companies receive more than 20,000 invoices monthly are the most likely to conduct negotiations via both digital and manual avenues, with 31.1 percent of them saying this was the case. They are also the second-most likely to report relying entirely on digital channels to conduct negotiations, at 31.1 percent.

FIGURE 11:
Firms' usage of digital versus manual negotiation operations

Share that employ select negotiating operations, by monthly invoice volume



On the flip side, respondents from firms that received between 2,000 and 5,000 invoices per month are the most likely by far to say their firms conduct negotiations entirely via manual channels at 51.1 percent, compared to 37 percent among respondents from firms receiving 5,001 to 20,000 invoices per month and 37.7 percent from those that receive more than 20,000.

Once again, efficiency can only go so far in helping explain why firms use manual or digital methods to determine negotiation terms. Considering the widespread accessibility to electronic tools, it is perhaps unsurprising that so many are using digital solutions to assess their unique onboarding needs as they sort out contracts.

It is worth noting that even firms processing relatively few invoices per month can benefit from implementing digital term negotiation methods. Doing so can help their AP departments perform their jobs faster and more efficiently, and could represent growth opportunities for businesses looking to improve how they determine negotiation terms. Those that process the fewest invoices per month have thus far been the furthest behind in terms of digital innovation and, therefore, stand to benefit the most.



Business choices: manual or digital onboarding?

Most firms that have implemented at least partially digital onboarding systems have done so for a great variety of reasons. The question is: How do these systems stack up against old-school, manual onboarding systems? Do digital tools make the invoice approval process more efficient? Or is there no discernable difference?

The answer is that it depends on which firm is asked and how it leverages the technology at its disposal.

Companies that employ exclusively digital onboarding processes are more likely to rate their invoice processing systems as “very” or “extremely” efficient than those whose operations are entirely or at least partially manual. The former were the most likely to rate their invoice processing systems as “very” or “extremely” efficient if they used exclusively digital operations in five of the nine onboarding functions about which we inquired.

Such functions include validating that suppliers can deliver within specific time frames, with 62.3 percent of those using electronic tools to achieve this indicating their systems are efficient at doing so. They say the same about verifying that suppliers will

65.3%

Share of AP professionals from firms that **digitally review suppliers’ ownership structures** who rate their overall onboarding processes as “very” or “extremely” efficient

accept their offered terms (66.2 percent) and reviewing suppliers’ ownership structures (65.3 percent).

Respondents have very different feelings about their firms’ invoice approval processes, however. Surveyed professionals whose firms use a combination of both digital and manual onboarding operations are the most likely to say such invoices are processed efficiently. These professionals are

FIGURE 12:
AP professionals' assessment of their firms' onboarding process efficiencies
 Share who consider their invoice receipt and approval processes to be "very" or "extremely" efficient, by operations

	INVOICE RECEIPT PROCESSES			INVOICE APPROVAL PROCESSES		
	Electronically	Electronically and manually	Manually	Electronically	Electronically and manually	Manually
Collect basic information	57.4%	50.0%	68.9%	53.3%	50.5%	68.9%
Collect credit information	66.7%	57.9%	65.5%	65.8%	59.3%	63.7%
Ensure supplier is operating legally	59.0%	56.5%	51.0%	54.7%	60.9%	42.2%
Verify acceptance of the offered terms	66.2%	54.8%	46.7%	59.7%	56.3%	38.8%
Collect data on supplier's past performance	61.3%	58.9%	61.6%	57.0%	58.9%	57.5%
Validate supplier's deliverable time frames	62.3%	56.7%	50.7%	58.7%	65.0%	40.0%
Specify negotiation terms based on supplier	59.4%	60.4%	45.6%	56.3%	62.3%	39.1%
Review supplier's ownership structure	65.3%	60.4%	55.2%	58.1%	63.7%	46.6%
Ensure that supplier is not on international sanctions lists	58.7%	58.7%	40.0%	51.1%	68.3%	36.7%

also the most likely to rate their systems as "very" or "extremely" efficient if they use exclusively digital methods in six of the nine areas we studied.

Some of these approval process steps include validating whether suppliers can deliver within predetermined time frames, and 65 percent of firms that use a combination of digital and manual tools rate

their processes as "very" or "extremely" efficient. Those using a mix of electronic and non-digital tools also say the same about negotiating based on a specific supplier (62.3 percent) and ensuring that suppliers are not on international sanctions lists (68.3 percent).

AP professionals from firms that rely entirely on manual methods for invoice receipt

and approval tend to report having the least-efficient AP processes overall. There is just one exception to this rule: Companies that manually collect basic supplier information tend to report having more efficient invoice receipt and approval systems.

Of firms that collect basic supplier information via manual and digital combinations, 68.9 percent rate their invoice receipt processing systems as "very" or "extremely" efficient. This compares to 57.4 percent among respondents from firms that use only digital methods and 50 percent of those from firms using a combination.

Perhaps most importantly, AP professionals are more satisfied with their firms' invoice processing systems when onboarding is accomplished digitally. We asked respondents to rate their satisfaction with companies' supplier onboarding process steps, finding that AP professionals from firms whose operations were entirely digital report the highest overall satisfaction rates in how their firms process invoices.

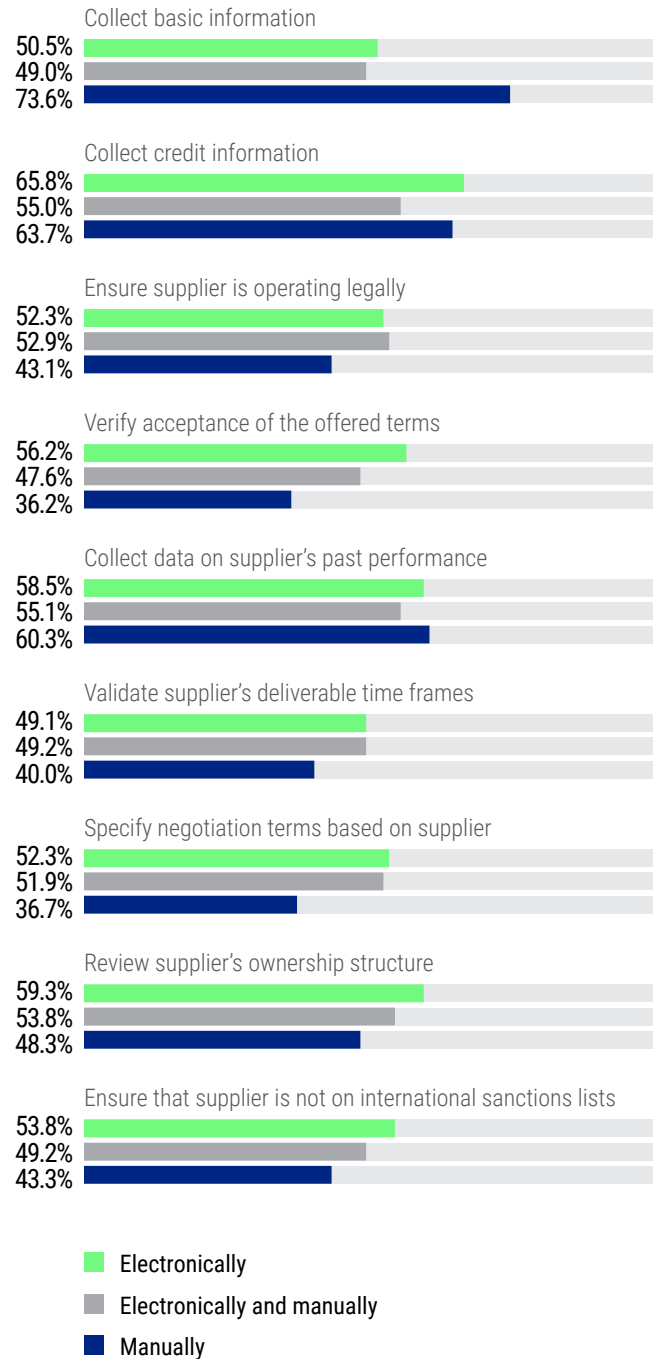
For example, 65.8 percent of respondents from firms that manually collect suppliers' credit information say they are either "very" or "extremely" satisfied with how they process invoices. Their satisfaction rates are

59.4%
 Portion of AP professionals from firms that **electronically specify supplier negotiating terms** who rate their companies' overall onboarding processes as "very" or "extremely" efficient

FIGURE 13:

AP professionals' satisfaction with their firms' supplier onboarding processes

Share who report being "very" or "extremely" satisfied with their invoice processes, by select actions



also highest if their onboarding operations include negotiating terms with specific suppliers (52.3 percent), verifying that they would accept their terms (56.2 percent) and ensuring that suppliers are not on international sanctions lists (53.8 percent).

Even when asked about onboarding processes as a whole, respondents whose firms use entirely manual onboarding operations express the lowest satisfaction rates. Once again, the only scenario in which they are the most likely to be satisfied with their firms' manual invoice processing methods is when collecting basic supplier information.

Our research finds 73.6 percent of respondents whose firms manually collect such information are "very" or "extremely" satisfied with their operations' invoice processing systems. This compares to just 50.5 percent and 49 percent of those from firms that use either wholly digital or a mix of digital and manual tools, respectively.

AP professionals' views may differ on how best to implement digital onboarding innovations, but they seem to be in agreement about their usefulness. If pressed to choose between digital or old-school onboarding systems, our research suggests that most respondents would agree the former is more efficient.

52.3%

Share of AP professionals who are **"very" or "extremely" satisfied** with their firms' onboarding processes and hail from those that use digital means to verify that suppliers are operating legally

CONCLUSION

Embracing digital supplier onboarding solutions is not always as simple as replacing the old with the new. Firms are flocking to electronic and automated onboarding methods in droves, yet still rely heavily on skilled AP professionals to keep their operations – and their cash flows – running smoothly. They are relying on digital solutions to varying degrees and incorporating them into wildly different onboarding operations.

There is no doubt that firms can benefit from digital onboarding innovation. It is simply a matter of which innovations would be best suited to their needs, and how they can implement these tools to match their specific circumstances. Both are left to their executives and AP departments to decide.

Methodology

The Payables Friction Playbook: Old-School Manual Versus Digital Onboarding edition, draws on survey data collected from 2,570 accounting and AP professionals at U.S. businesses across 14 industries. We removed incomplete or disqualified survey responses, leaving us to consider data from 1,040 respondents.

The firms from which respondents hail vary greatly in size, ranging from those generating less than \$10 million to more than \$500 million in annual revenue. There is also a wide variation in the volume of monthly invoices firms receive and the average value of those invoices. Surveyed professionals say their firms' monthly invoice volumes span from 2,000 to more than 10,000, with the average invoice valued at less than \$100 to more than \$2,000.

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FIGURE 14:
Annual revenues generated by respondents' firms
Share of respondents hailing from firms that generated select annual revenues, by annual revenue

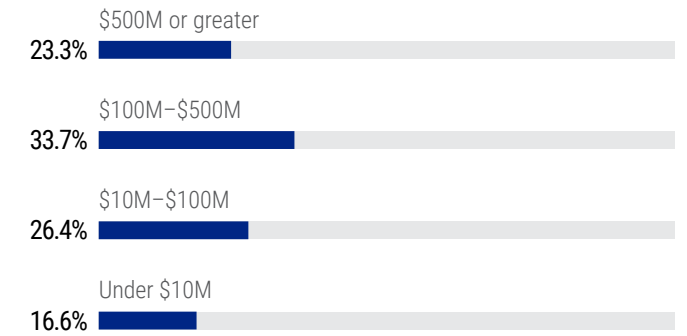
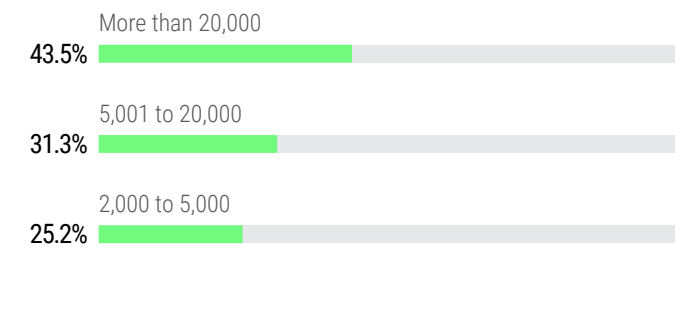
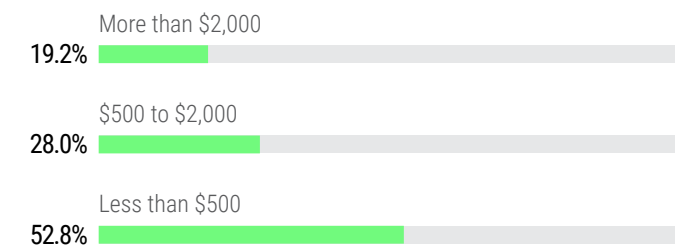


FIGURE 15:
Number and value of invoices respondents' firms processed each month
Share hailing from firms that process select monthly invoice volumes, by volume



Share hailing from firms whose average invoice dollar value falls in different ranges, by value



ABOUT

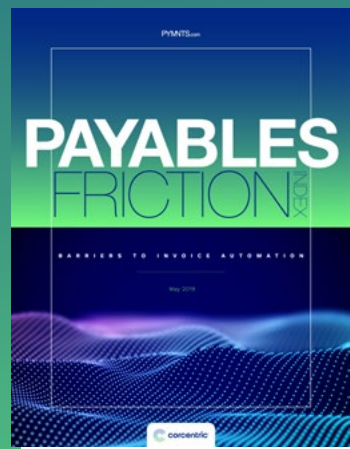
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Read following reports for additional information:



PAYABLES FRICTION INDEX:
Barrier To Invoice Automation



PAYABLES FRICTION PLAYBOOK I:
Why Firms Are Ready For An AP Upgrade

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.

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