

# High-Volume Accounts Payable

Achieving Long-Term Growth  
Through Automation

PYMNTS.com

**Routable**

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High-Volume Accounts Payable: Achieving Long-Term Growth Through Automation, a PYMNTS and Routable collaboration, examines how businesses use technology to manage large volumes of monthly payments. We surveyed 204 executives from companies with annual sales ranging from less than \$10 million to more than \$250 million about why they believe automated payables platforms are so important to their ability to grow and manage growth.

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## Acknowledgment

High-Volume Accounts Payable: Achieving Long-Term Growth Through Automation was produced in collaboration with Routable, and PYMNTS is grateful for the company's support and insight. PYMNTS.com retains full editorial control over the following findings, methodology and data analysis.

# Introduction

Businesses of all sizes experience inefficiencies when dealing with a high volume of payables, or “mass payouts.” Regardless of the actual volume of payables a company processes each month, organizations that lack the solutions and infrastructure to efficiently manage this aspect of their operations will soon run into obstacles that limit their growth.

PYMNTS research reveals that with the right technology, businesses can optimize workflows and improve integration between payments processes and enterprise resource planning systems. Technological improvements are helping companies cut back on labor-intensive tasks such as manual data entry. This change is helping companies conserve resources when the pace of digitization throughout the

economy is accelerating alongside the number of payments businesses make to their vendors and contractors each month. Online marketplaces and companies in virtual events management, the gig economy and transportation, logistics and shipping are among those coping with rising payments volumes and that are under great pressure to handle more payments quicker.

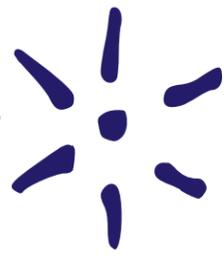
Most of the companies PYMNTS recently surveyed from these four industry segments say their growth will be limited if they are unable to sufficiently handle the increase in payments volume they are anticipating. Forty-one percent of these companies processed, on average, 2,500 or more monthly payables with an average value of \$211 during the past

year. Their concerns about rising payables volumes and the limits on their growth if they cannot handle the higher volumes appear to be spurring them to act. Sixty-nine percent of the companies surveyed that are innovating their accounts payable (AP) platforms or planning to do so in the next year to improve their overall AP capabilities believe their ability to achieve their desired growth would be “very” or “extremely” inhibited if they were unable to handle their projected AP volumes.

These are some of the key findings in High-Volume Accounts Payable: Achieving Long-Term Growth Through Automation, a PYMNTS and Routable collaboration, which examines how businesses use technology to manage large volumes of monthly payments.

We surveyed 204 executives from companies with annual sales ranging from less than \$1 million to more than \$250 million in four industries — transportation, logistics and shipping; online marketplaces; the gig economy; and virtual events management. The survey was conducted from Feb. 15 to March 2 and gathered information about companies’ experiences addressing growing monthly volumes of payables. We also sought information from these executives about why they believe automated payables platforms are so crucial to their ability to grow and manage that growth.





## This is what we learned.

**Ninety-eight percent of businesses that send out large numbers of payments each month believe they will fall short of their goals for growth if they are unable to handle increases in their monthly AP volumes.**

The mass-payout companies that make large numbers of small-dollar-value payments each month have seen their average number of monthly payables surge during the last year. Ninety-five percent of surveyed firms saw their average monthly payables increase, and 93% expect monthly payables to increase in the next three years. Fifty-five percent of surveyed firms say they expect to see an increase between 11% and 30% in the number of payments through their AP systems, and 20% of firms expect to experience a 31% to 50% increase. The companies with the most pronounced concerns about their ability to process payables sufficiently are also more likely to be upgrading or planning to upgrade their payments platforms.

**Forty percent of businesses surveyed say innovations to their AP systems are more important than some other innovation efforts.**

Just 8.8% of the businesses surveyed say innovation of their AP systems and processes is the least important of their technology investments. Larger companies seem more determined to innovate their AP platforms. Fifty-five percent of the surveyed companies with more than \$250 million in annual revenue say AP innovation is more important than some of their other initiatives, and 43% of companies with less than \$1 million in annual revenue say the same.



## Six out of 10 surveyed firms say it is vital to automate their AP processes to handle greater volumes of payments.

The larger the number of payouts a firm manages, the more likely it is that the firm will recognize the necessity of increasing its capacity to manage its payables volume. Sixty-seven percent of businesses that process at least 2,500 payables a month say automated systems are “very” or “extremely” important to increasing the number of payables. Fifty-six percent of the businesses that process 1,000 to 2,499 payables each month say automated AP systems are “very” or “extremely” important for handling greater volumes of payables.

## Just 10% of the businesses surveyed say they would adapt “very” or “extremely” well to a 100% increase in monthly AP volume.

Some businesses may face such large increases in the payables they process monthly that the growth in volume will exceed their processing capacity. The good news is that when growth is at a less extreme pace, companies are better situated to handle it. Forty-seven percent of companies surveyed say they can handle 50% growth in their AP volume “very” or “extremely” well, and 40% say they can handle 50% growth “moderately” well.



**67%**

Share of businesses that process at least 2,500 payables a month that say automated systems are “very” or “extremely” important to increasing the number of monthly payables processed through AP systems

## Part I

# Preparing for the payments volume surge

## Managing payables, preparing for growth

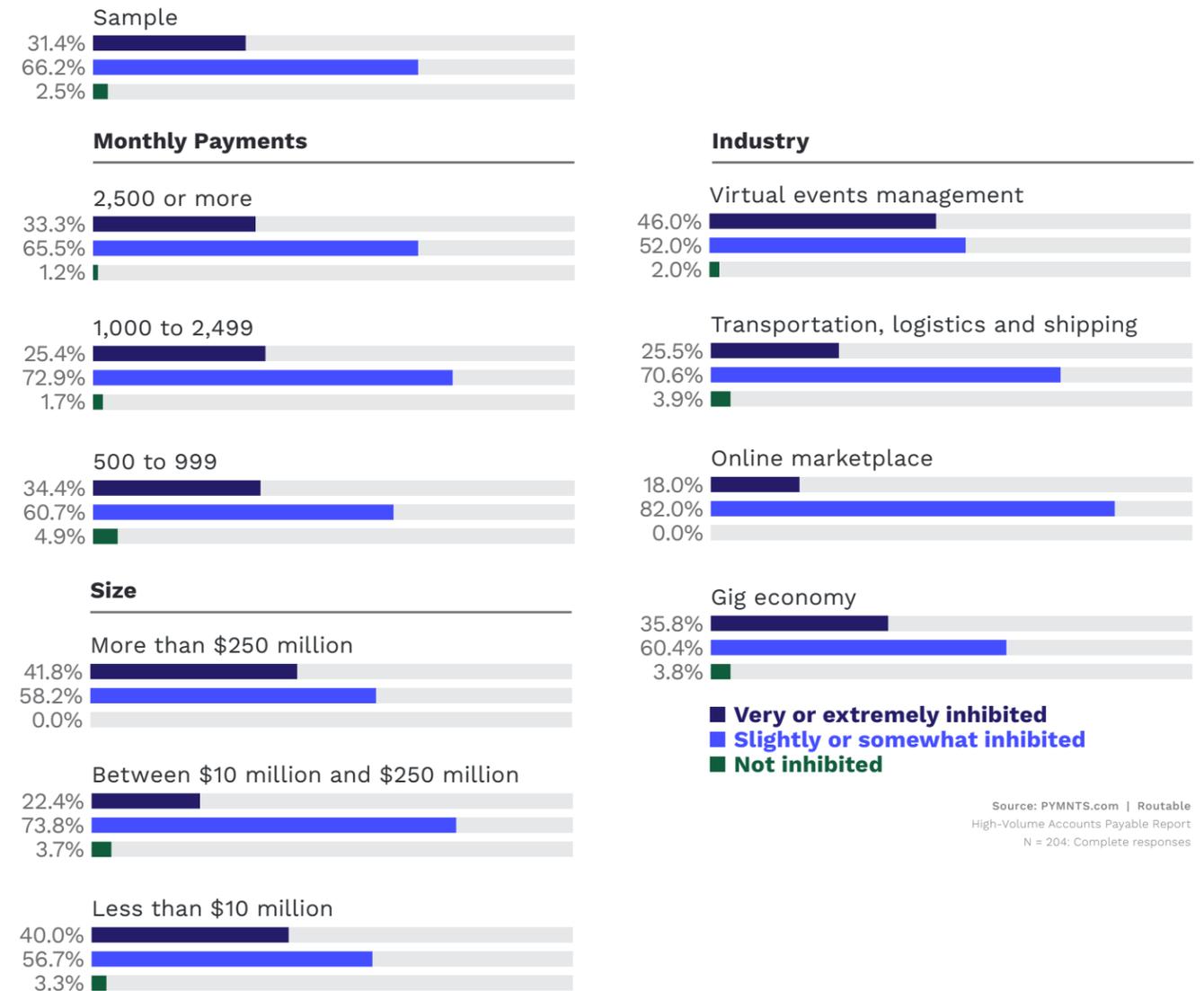
Ninety-seven percent of surveyed firms say their goals for increasing sales and earnings would be hindered if they were unable to handle the necessary AP volume: 31% say they would be “very” or “extremely” inhibited.

Companies in the virtual events management industry are more likely than businesses from other industries to believe their growth goals would be significantly inhibited because of an inability to handle the necessary volume of payables. Forty-six percent of virtual events management businesses say their growth goals would be “very” or “extremely” inhibited. The same is true for 36% of gig economy companies, 26% of transportation, logistics and shipping companies and 18% of online marketplaces.

Figure 1A:

### The link between payables and growth

Share of companies experiencing different levels of growth inhibition, by average monthly payables, annual revenues and industry



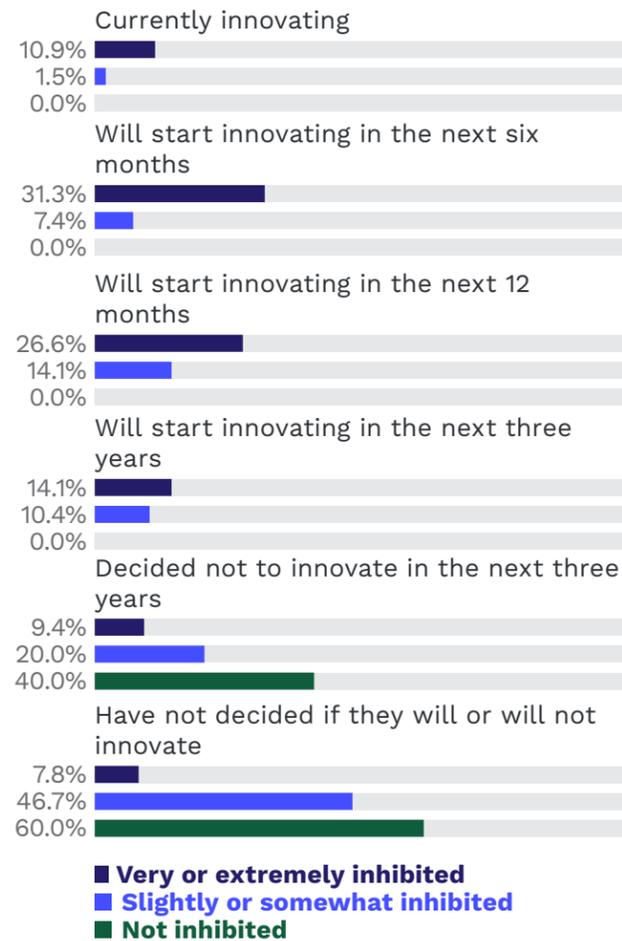
Source: PYMNTS.com | Routable  
High-Volume Accounts Payable Report  
N = 204: Complete responses

The companies with the most pronounced concerns about their ability to process payables sufficiently to handle their growth are also more likely to be upgrading or planning to upgrade their payments platforms. Sixty-nine percent of the companies that say their goals for increasing sales and earnings would be hindered if they were unable to handle the necessary AP volume are either developing innovations for their payments platforms or planning to invest in innovative systems during the next year.

At the other end of the range of responses, 60% of executives who do not believe their company's growth plans would be inhibited have not decided if they will innovate their AP platforms or processes. Forty percent have decided that they will not make innovations with their AP platforms and believe that their goals for growth will not be inhibited.

**Figure 1B:**  
The link between payables and growth

**Share of companies with plans to innovate automated systems, by levels of growth inhibition**

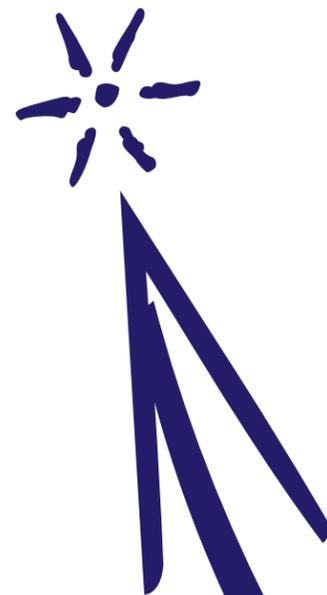


Source: PYMNTS.com | Routable  
High-Volume Accounts Payable Report  
N = 204: Complete responses

**98%**  
Share of firms that say their growth goals would be hindered if they were unable to handle the necessary AP volume



# Why AP innovation matters



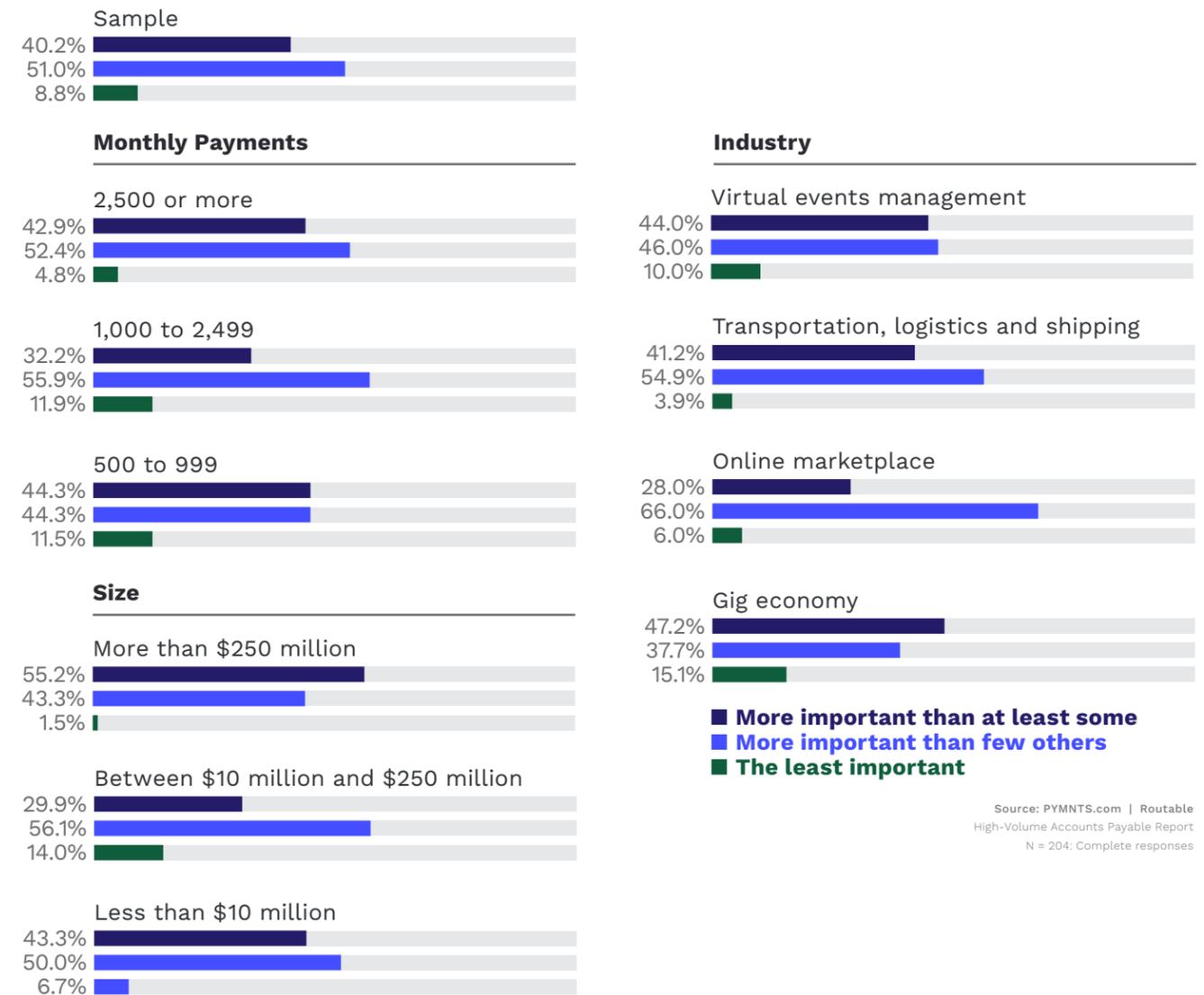
Companies that process large volumes of payables each month say their goals for growth would be significantly inhibited if they do not make innovations and upgrades to their AP processes and systems.

Eleven percent of these companies say they are currently innovating or evaluating new features for their payments platforms, 31% plan to innovate their AP systems within six months, and 27% plan to innovate in the next year. These companies believe their ability to achieve their desired growth would be “very” or “extremely” inhibited if they were unable to handle their projected AP volumes.

The companies that are making investments in AP automation expect to avoid the trouble of being overwhelmed by increased payables volumes. They also expect to reap substantial rewards that will improve their operating performance. Ninety-eight percent of the businesses surveyed will improve their speed when managing payables as their AP platforms are automated, 91% will have the ability to pay vendors in their local currencies, and 90% say the visibility and transparency of the payments they make will improve.

**Figure 2A:**  
Benefits of AP automation

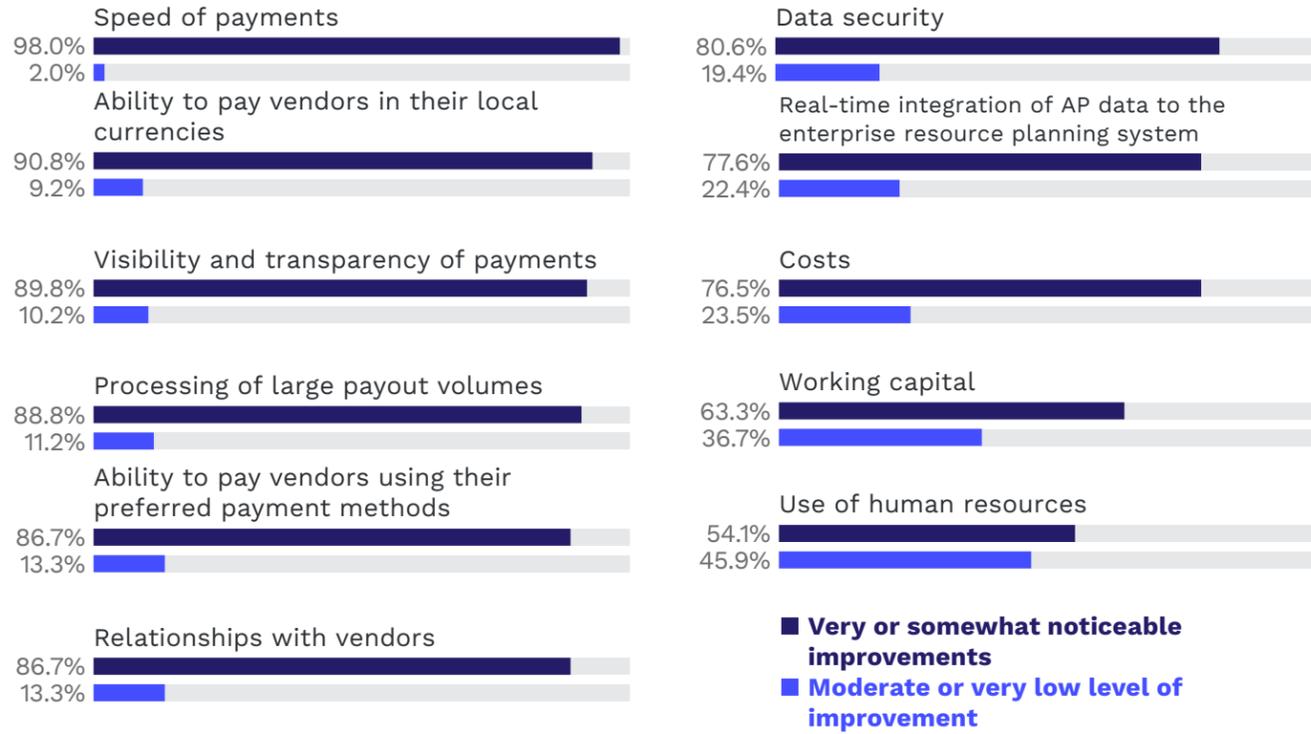
**Importance of AP innovations over other innovation efforts, by size, industry and average number of monthly payables**



Source: PYMNTS.com | Routable  
High-Volume Accounts Payable Report  
N = 204: Complete responses

**Figure 2B:**  
Benefits of AP automation

**Innovation's impact on select areas**



■ Very or somewhat noticeable improvements  
■ Moderate or very low level of improvement

Source: PYMNTS.com | Routable  
High-Volume Accounts Payable Report  
N = 204: Complete responses

**98%**  
Share of businesses that believe automated AP platforms will improve their speed when managing payables



## Part II

# Managing the surge in payments volume

## Large volumes and the need for speed

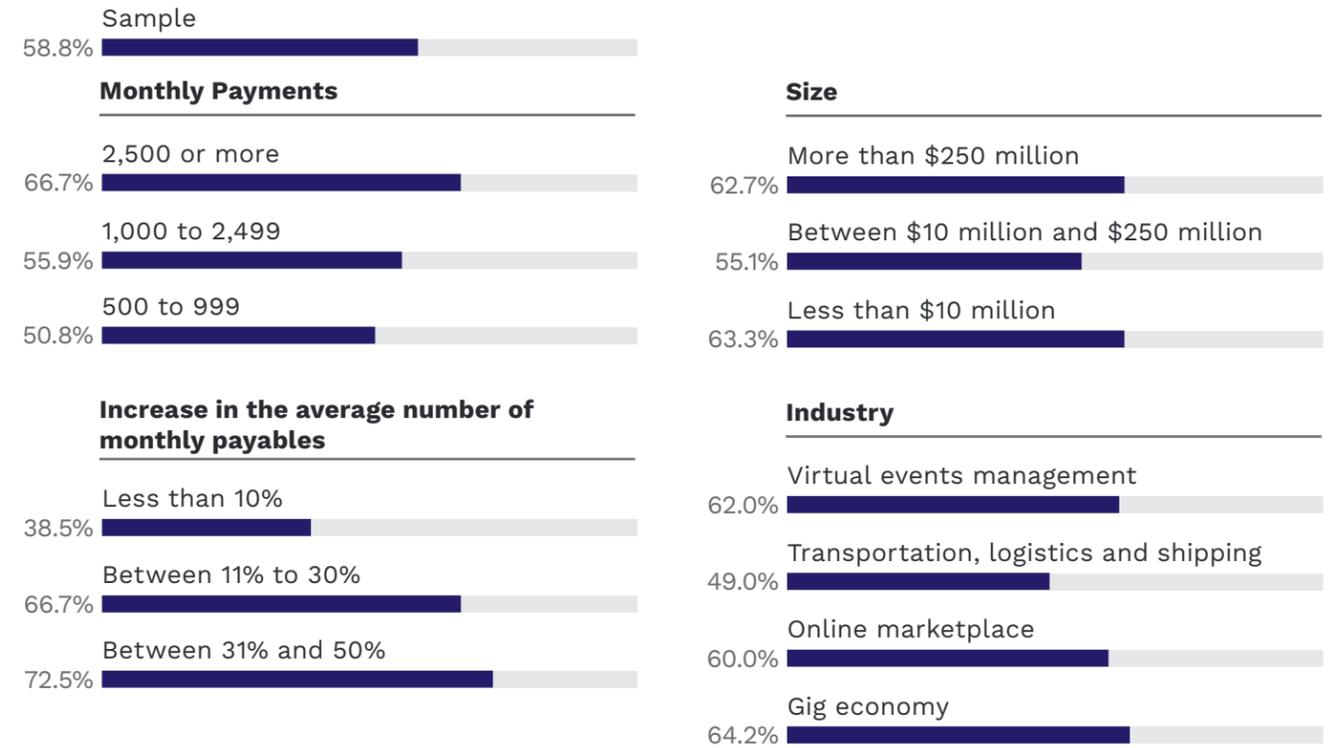
The share of businesses that recognize the necessity of having increased system capacity for handling payables is most pronounced among companies with large numbers of monthly payables. Sixty-seven percent of businesses that process at least 2,500 payables each month say automated systems are “very” or “extremely” important to sufficiently increasing their ability to process a growing number of payables.

The pace of the increase in monthly payables volume that companies are experiencing also factors into how a company regards the importance of innovating with its AP platforms. Seventy-three percent of businesses that experienced a 31% to 50% increase in their monthly payables volumes during the last year say automated AP systems are “very” or “extremely” important if they are to handle greater payables volumes.

**Figure 3A:**

Where the importance of AP automation is understood

**Firms that think automated systems are “very” or “extremely” important to increasing the number of payables processed through AP systems, by select characteristics**

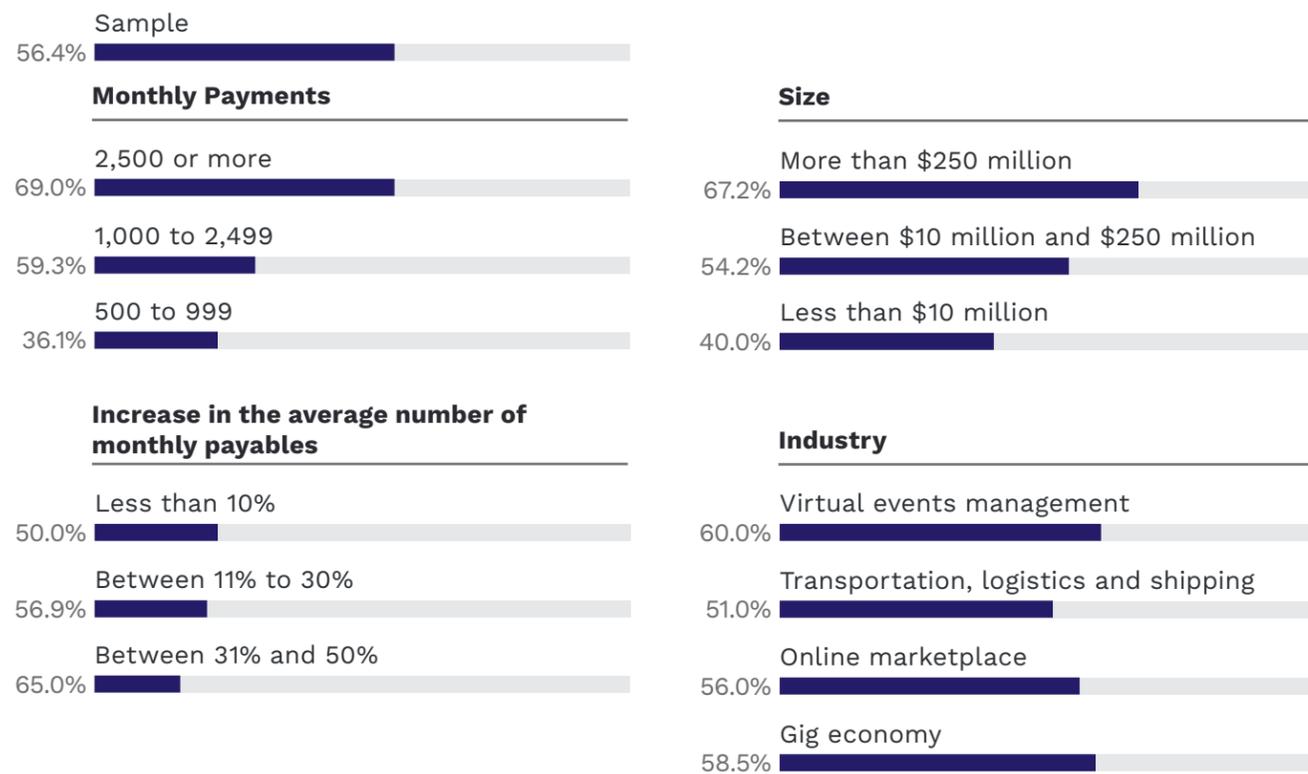


Source: PYMNTS.com | Routable High-Volume Accounts Payable Report  
N = 120: Firms that believe automated systems are “very” or “extremely” important

The payment methods that companies prefer also affect the importance they attach to automating their AP platforms. Forty-two percent of the companies surveyed that mostly use checks and 26% that mostly use PayPal consider automated systems “very” or “extremely” important for hitting their growth targets. Forty-four percent of surveyed companies that primarily use checks and 29% of surveyed companies that mainly use PayPal have automated most of their payments functions.

The surveyed companies that rely on cash for a larger portion of their AP volumes are less likely to consider automation essential and have made fewer investments in automating their payments functions.

**Figure 3B:**  
 Where the importance of AP automation is understood  
**Firms that are very or extremely satisfied with how their AP systems handle monthly payables, by select characteristics**



Source: PYMNTS.com | Routable  
 High-Volume Accounts Payable Report  
 N = 115: Firms that are "very" or "extremely" satisfied with how their AP systems handle monthly payables

**42%**  
 Share of companies that primarily use checks that consider automated systems "very" or "extremely" important to hitting their growth targets



# Challenges faced when processing payables

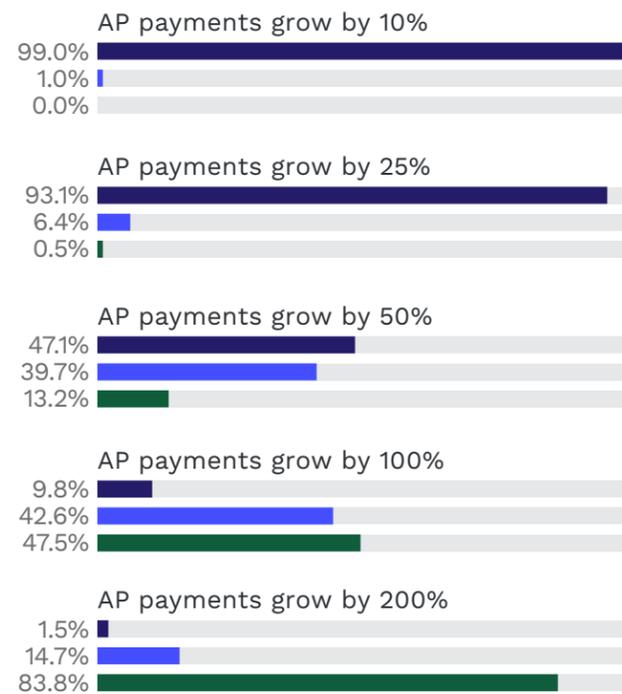
The pace of monthly AP volume growth is a challenge for the companies PYMNTS surveyed, but it is hardly the only stress they face. Fourteen percent of the companies surveyed cite an insufficient number of payment options as the top issue faced with their AP systems, 15% say inefficient communication with vendors and 9.3% say their biggest challenge is their inability to make payments in the currencies their vendors use.

The challenges companies with which find themselves saddled can vary significantly by industry. Among online marketplaces, for example, 10% say the inability to make payments in currencies used by vendors is the biggest challenge. Twenty percent say the same about their lack of a sufficient number of payment options.

Online marketplaces and gig economy companies have more confidence in their AP systems' capabilities than other companies PYMNTS surveyed. Fifty-five percent of gig economy companies and 54% of online marketplaces say they would adapt "very" or "extremely" well to a 50% increase in AP volume. They report they would struggle with more substantial increases, however, such as a doubling or tripling of volume.

**Figure 4A:**  
Growth and the challenges it brings

**Companies' projections of their ability to adjust to growth in payables volume, by rate of growth**



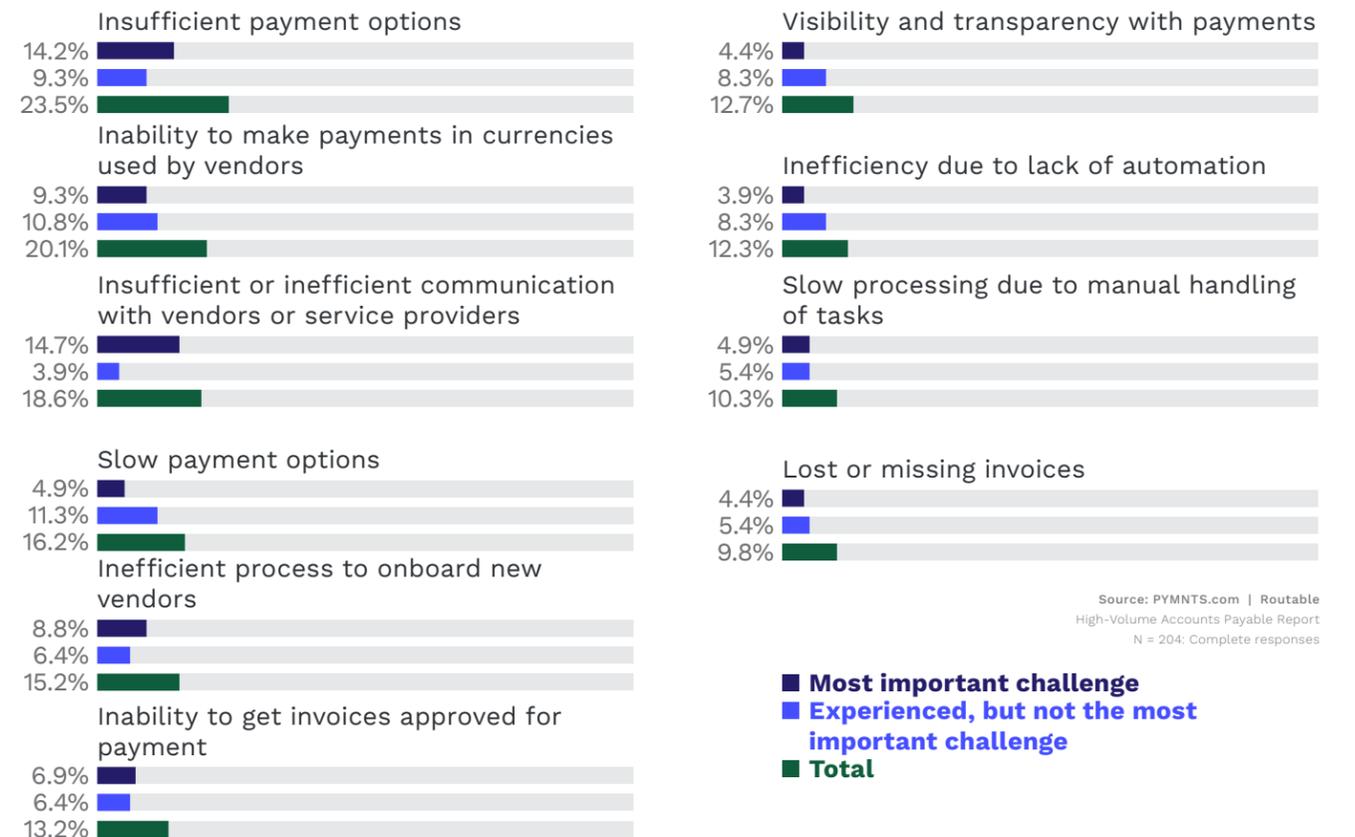
Source: PYMNTS.com | Routable  
High-Volume Accounts Payable Report  
N = 204: Complete responses

■ Very or extremely well  
■ Moderately well  
■ Not so well/could not accommodate it at all



**Figure 4B:**  
Growth and the challenges it brings

**Top 10 challenges with AP systems**



Source: PYMNTS.com | Routable  
High-Volume Accounts Payable Report  
N = 204: Complete responses

■ Most important challenge  
■ Experienced, but not the most important challenge  
■ Total

## Growth and the challenges it brings

### Top challenges experienced with AP systems, by industry

	Virtual events management	Transportation/logistics/shipping	Online marketplace	Gig economy
• Insufficient payment options	12.0%	11.8%	20.0%	13.2%
• Inability to make payments in currencies used by vendors	2.0%	13.7%	10.0%	11.3%
• Insufficient or inefficient communication with vendors or service providers	6.0%	13.7%	22.0%	17.0%
• Slow payment options	10.0%	3.9%	0.0%	5.7%
• Inefficient process to onboard new vendors	12.0%	5.9%	8.0%	9.4%
• Inability to get invoices approved for payment	2.0%	7.8%	12.0%	5.7%
• Visibility and transparency with payments	8.0%	5.9%	2.0%	1.9%
• Inefficiency due to lack of automation	4.0%	3.9%	2.0%	5.7%
• Slow processing due to manual handling of tasks	6.0%	5.9%	4.0%	3.8%
• Lost or missing invoices	6.0%	5.9%	4.0%	1.9%
• Inability to integrate AP with enterprise resource planning systems	8.0%	2.0%	2.0%	1.9%
• Inability to accurately and securely collect vendor data	10.0%	2.0%	6.0%	3.8%
• Inability to integrate and reconcile with enterprise resource planning systems in real time	4.0%	2.0%	2.0%	3.8%
• Insufficient resources to support business growth	8.0%	3.9%	4.0%	3.8%
• Delayed payments to vendors or service providers	0.0%	3.9%	0.0%	3.8%
• Inability to make payments using the vendor's preferred payment methods	0.0%	0.0%	0.0%	5.7%
• Inaccurate payments to vendors or service providers	2.0%	2.0%	0.0%	0.0%
• Payments made before receipt of goods or services	0.0%	5.9%	2.0%	1.9%

Source: PYMNTS.com | Routable  
High-Volume Accounts Payable Report  
N = 204: Complete responses

**46%**

Share of online marketplaces that believe they would not adapt “very” or “extremely” well to a 50% increase in AP volume



# Conclusion

The rising volume of AP presents significant problems to many companies across multiple industries, some of which process more than 2,500 invoices each month. A significant share of executives PYMNTS surveyed fear that growth may exceed their ability to handle payments and will prove to be a significant obstacle to long-term growth. A growing number of companies recognize that automating their AP platforms can help them meet the challenges this growth presents. Our survey found that 66% of companies say it is “very” or “extremely” important for their automated AP platforms to handle increased payables volumes and 98% of businesses believe they will fall short of their growth goals if they are unable to handle increases in AP volume.

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## Methodology

High-Volume Accounts Payable: Achieving Long-Term Growth Through Automation, a PYMNTS and Routable collaboration, is based on a survey of 204 executives that was conducted between Feb. 15 and March 2. We surveyed companies generating less than \$1 million in yearly revenue to more than \$250 million from four industries: transportation, logistics and shipping; online marketplaces; the gig economy; and virtual events management. Respondents process 500 to more than 50,000 payables each month.

# About

## PYMNTS.com

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 in which companies in payments share relevant information about the initiatives that shape the future of this dynamic sector and make news. Our data and analytics team includes economists, data scientists and industry analysts who work with companies to measure and quantify the innovation that is at the cutting edge of this new world.

## Routable

Routable’s secure B2B payments solution helps finance teams automate and simplify the payables process from invoice receipt to settlement. With support for your existing workflows and the flexibility to scale transactions from 100 to 100,000+, the platform was purpose-built to handle mass payouts while reducing time spent on manual tasks.

For more information, visit [www.routable.com](http://www.routable.com).

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

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