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THE STATE OF EPAYABLES 2019:
DRIVING VALUE IN THE AGE OF INTELLIGENCE

Andrew Bartolini

Founder & Chief Research Officer

Ardent Partners

Helee Lev

Chief Revenue Officer

Goby

June 13, 2019

HOUSEKEEPING SLIDE

○ **Copies of today's presentation will be distributed to all registrants**

○ **Submit your questions in the Q&A tab on the Control Panel**

(we encourage questions, so send them in!)

○ **To view in FULL SCREEN mode, click View Menu on the Control Panel**

and select "Full Screen"

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OUR PRESENTERS

Helee Lev

CRO

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Andrew Bartolini

Founder &

Chief Research Officer

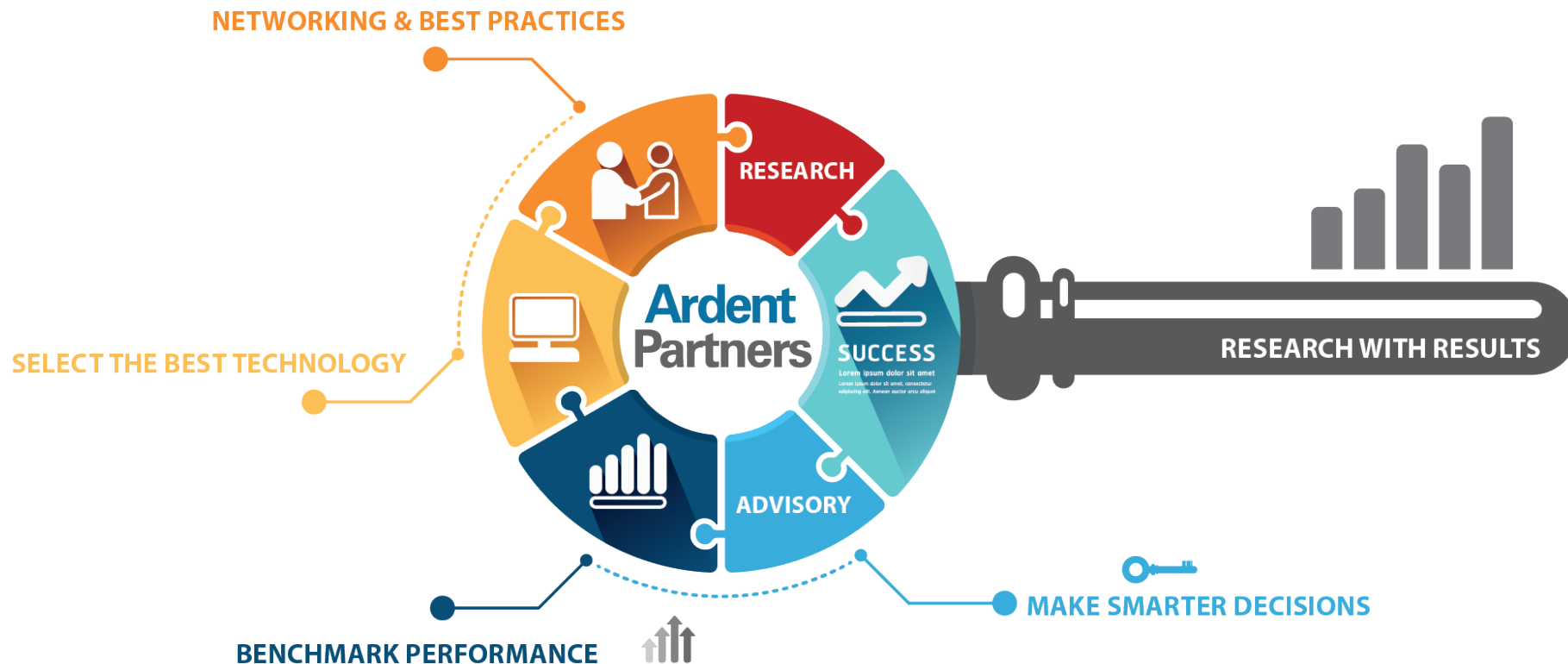Ardent Partners

GOBY AP AUTOMATION

RETHINK WHAT AP CAN BE

goby

AGENDA

- **Introduction**

- **The State of Accounts Payable**

- **The State of ePayables**

- **AP Performance in 2019**

- **Strategies for Success**

- **Q & A**

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ARDENT PARTNERS: RESEARCH WITH RESULTS

NETWORKING & BEST PRACTICES

SELECT THE BEST TECHNOLOGY

BENCHMARK PERFORMANCE

RESEARCH

SUCCESS

ADVISORY

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MAKE SMARTER DECISIONS

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PayablesPlace: The Site for ePayables Pros

Visit www.payablesplace.com today!

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RESEARCH PROCESS

Research Report

- **Goal (I):** Capture the strategies, performance, and intentions of AP and finance professionals in 2019 (and beyond)

- **Goal (II):** Present a clear and comprehensive view of the "State of ePayables"

- **Goal (III):** Identify the strategies and levers that drive Best-in-Class results

Approach

- Utilize a web-based survey to capture **responses from 167 executives from AP, finance, and treasury**

- Leverage experience and orientation of a **leading analyst team**

RESEARCH DEMOGRAPHICS (167 PARTICIPANTS)

167 Respondents

- **63% Accounts Payable; 18% P2P; 8% Finance/Accounting**

- **39% Director & Up; 39% AP Manager; 17% AP Staff**

- **60% from large enterprises**

- **71% North America; 24% EMEA**

- **More than 25 distinct industries**

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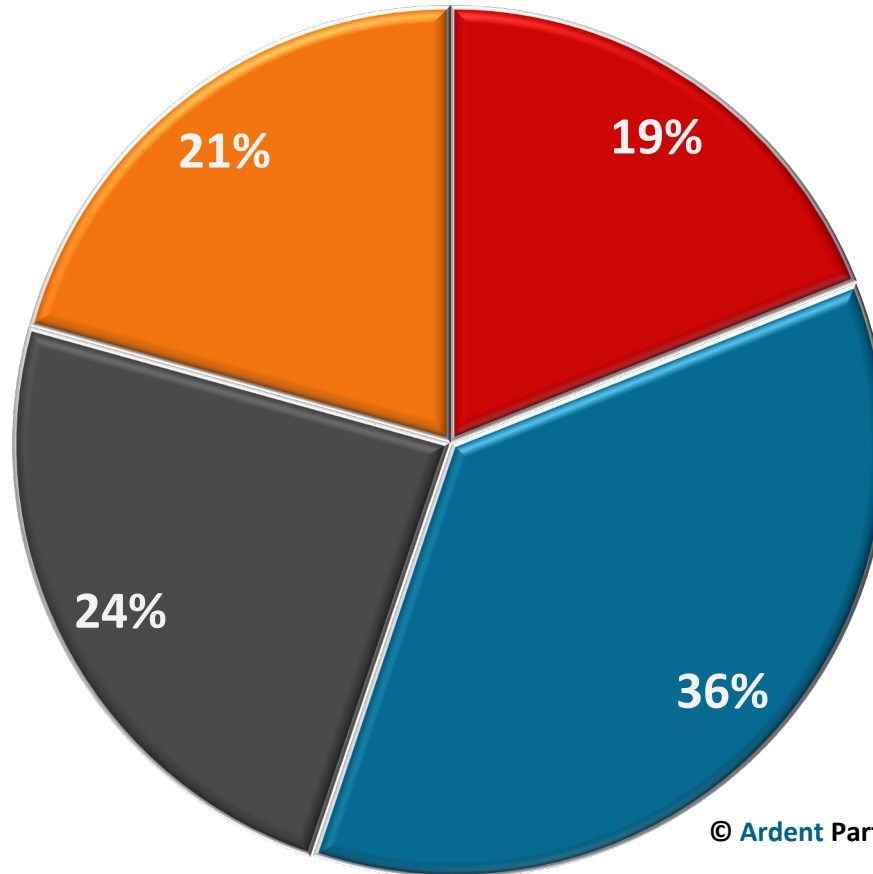
THE STATE OF ACCOUNTS PAYABLE

THE CURRENT PERCEPTION OF ACCOUNTS PAYABLE:
HOW VALUABLE IS YOUR AP TEAM TO THE ENTERPRISE?

19%

21%

24%

36%

■ **Exceptionally valuable**	
■ **Very valuable**	**55%**

■ **Somewhat valuable**

■ **Little value (back-office function)**

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AP's Top Challenges in 2019

Challenge	Percentage
High percentage of exceptions	62%
Invoice/payment approvals take too long	51%
Lack of respect/status within the organization	49%
Too much paper	40%
Getting the budget to invest in automation	33%
Lack of visibility into invoice and payment data	24%

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THE TOP SOURCES OF INVOICE EXCEPTIONS

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82%

48%

45%

33%

30%

27%

24%

Discrepancy between PO and invoice

Supplier error

Lack of PO

Bottleneck in invoice approval process

Incorrect PO

Failure to deliver goods/services

Coding error

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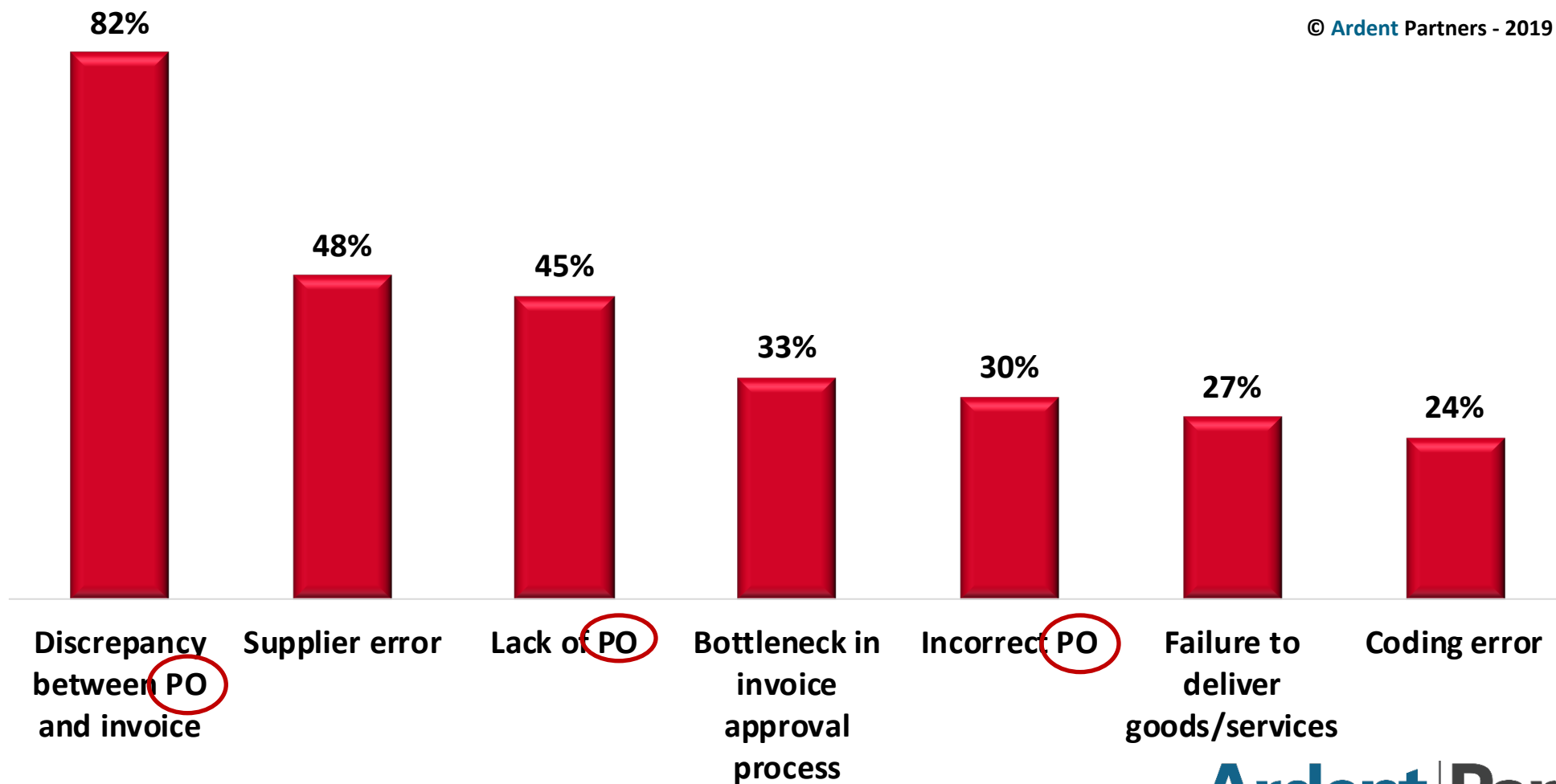
AP's Top Priorities in 2019

Priority	Percentage
Improve AP reporting/data analytics	48%
Eliminate paper and reduce manual tasks	47%
Implement AP automation	40%
Reduce processing costs	30%
Improve connectivity/collaboration w/ suppliers	27%
Improve collaboration w/procurement	22%
Improve visibility into invoice and payment data	20%

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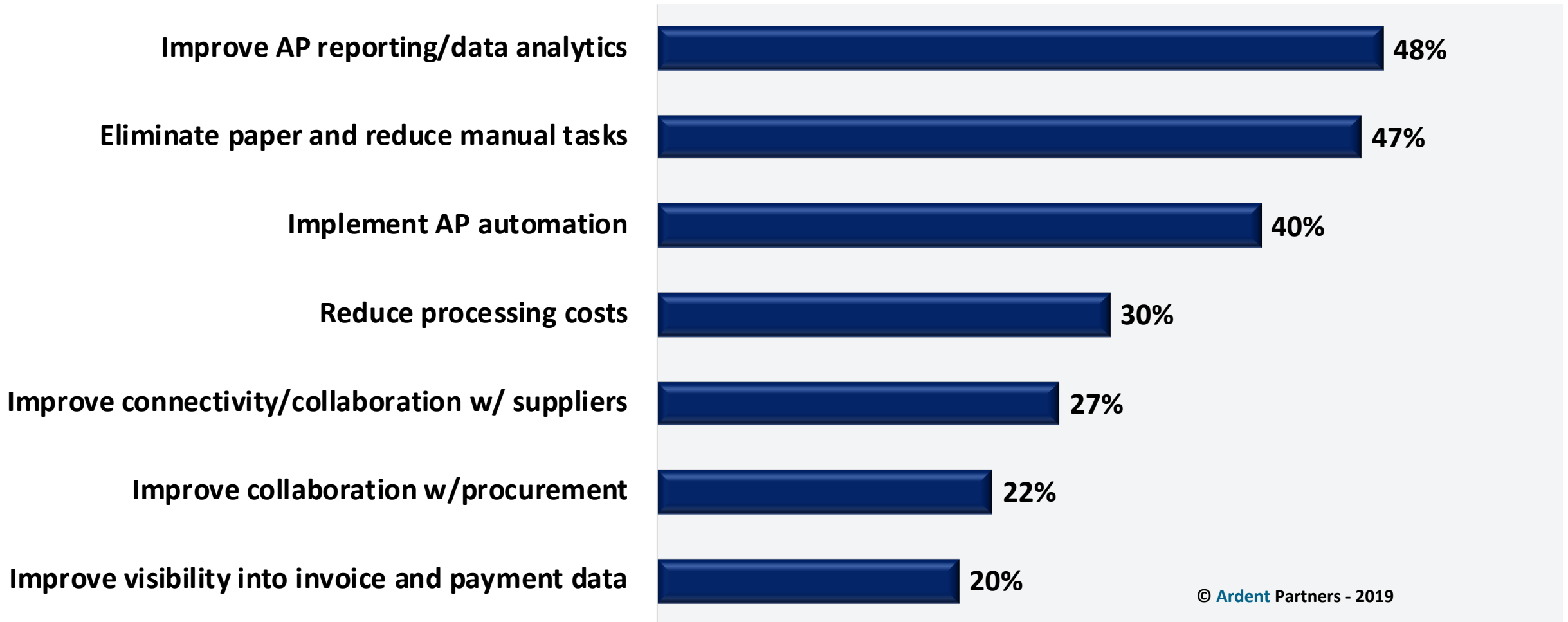
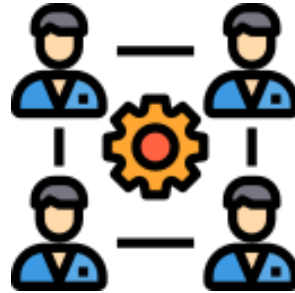**Ardent Partners**
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AP's Top "Game-Changers"

76%
Smarter Systems

51%
Deeper, More Agile Analytics

49%
Enhanced Collaboration

49%
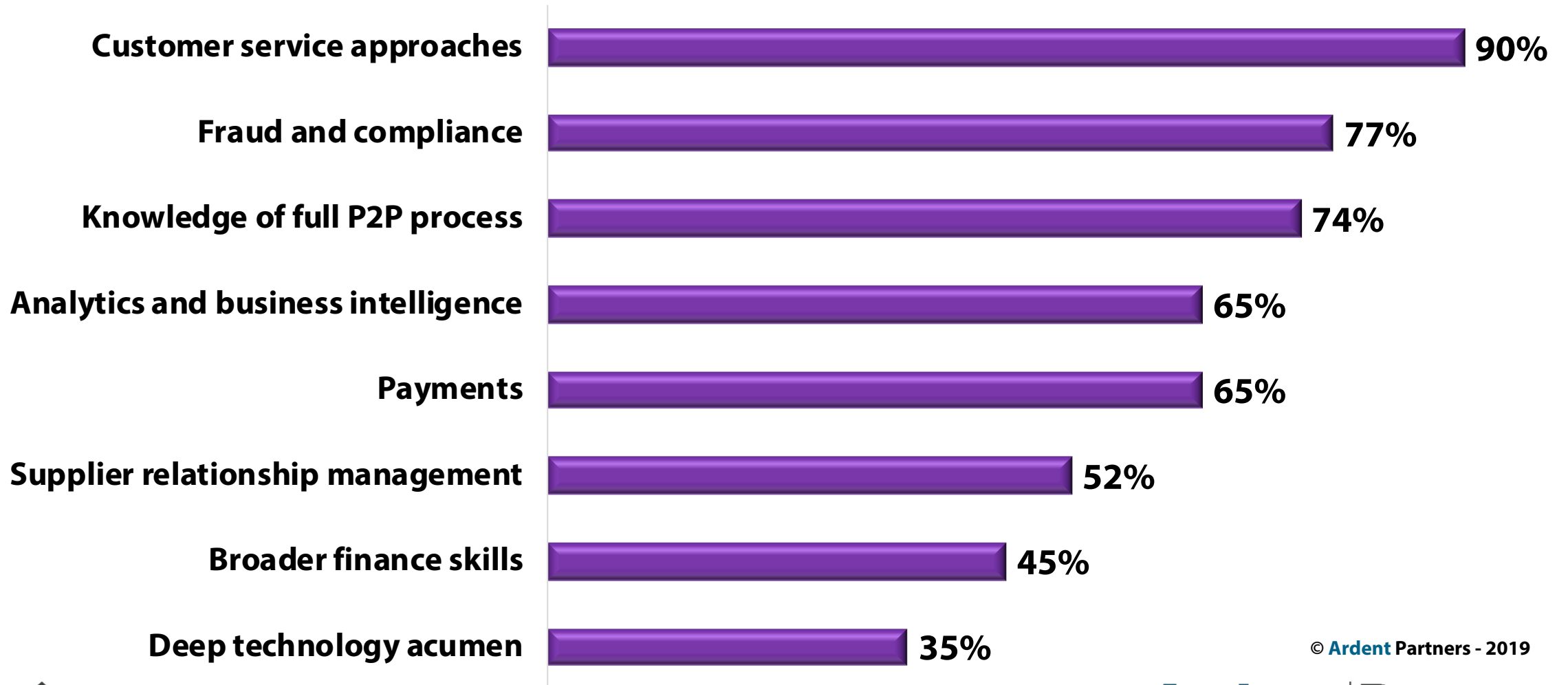**Eliminate Tactical Tasks**

42%
Executive Support

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Skills Needed By AP Staff Today (and in the Future)

Skill	Percentage
Customer service approaches	90%
Fraud and compliance	77%
Knowledge of full P2P process	74%
Analytics and business intelligence	65%
Payments	65%
Supplier relationship management	52%
Broader finance skills	45%
Deep technology acumen	35%

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HOW WILL AP EVOLVE OVER THE NEXT TWO YEARS

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Bar chart data:
- High function & stakeholder collaboration: 80%
- Improved AP operational "experience": 73%
- Full AP automation: 61%
- AP = Intelligence "Hub": 53%
- "Innovation-ready" culture: 50%
- Digital payments: 47%
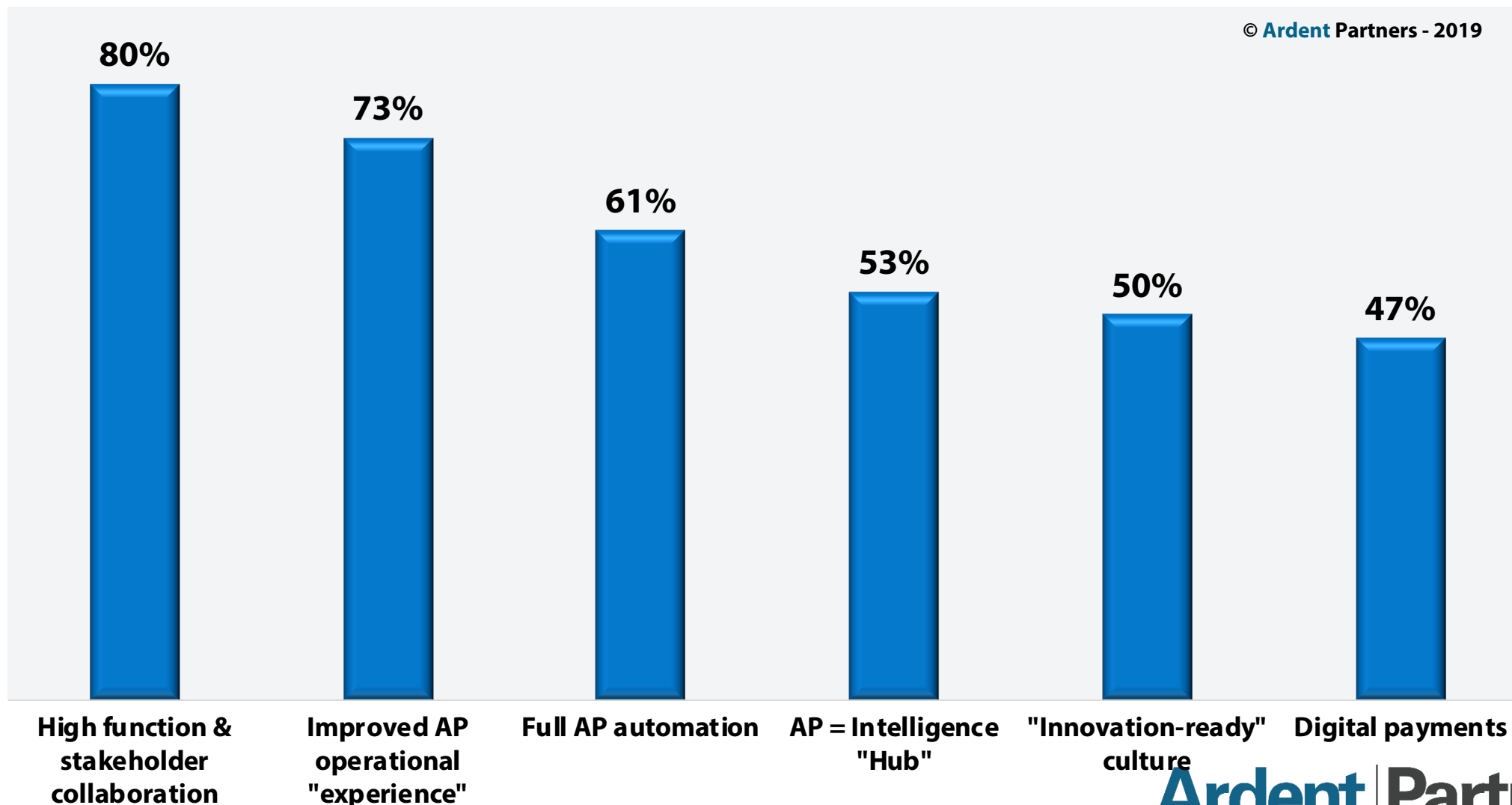
AP Staff Time Dealing with Supplier Inquiries

22.2%

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THE STATE OF EPAYABLES

THE ARDENT PARTNERS ePAYABLES FRAMEWORK

RECEIVE	PROCESS	$ PAY
■ Paper	■ Business Rules	■ Check, ACH, Wire
■ Fax	■ Validation	■ Commercial Cards
■ Email	■ Matching	■ Payment Networks
■ PDF	■ Workflow	■ Supplier Discounts
■ ERS	■ Approval	■ Supply Chain Finance
■ EDI/XML, PO-Flip	■ Alerts	
■ eInvoice	■ Disputes	

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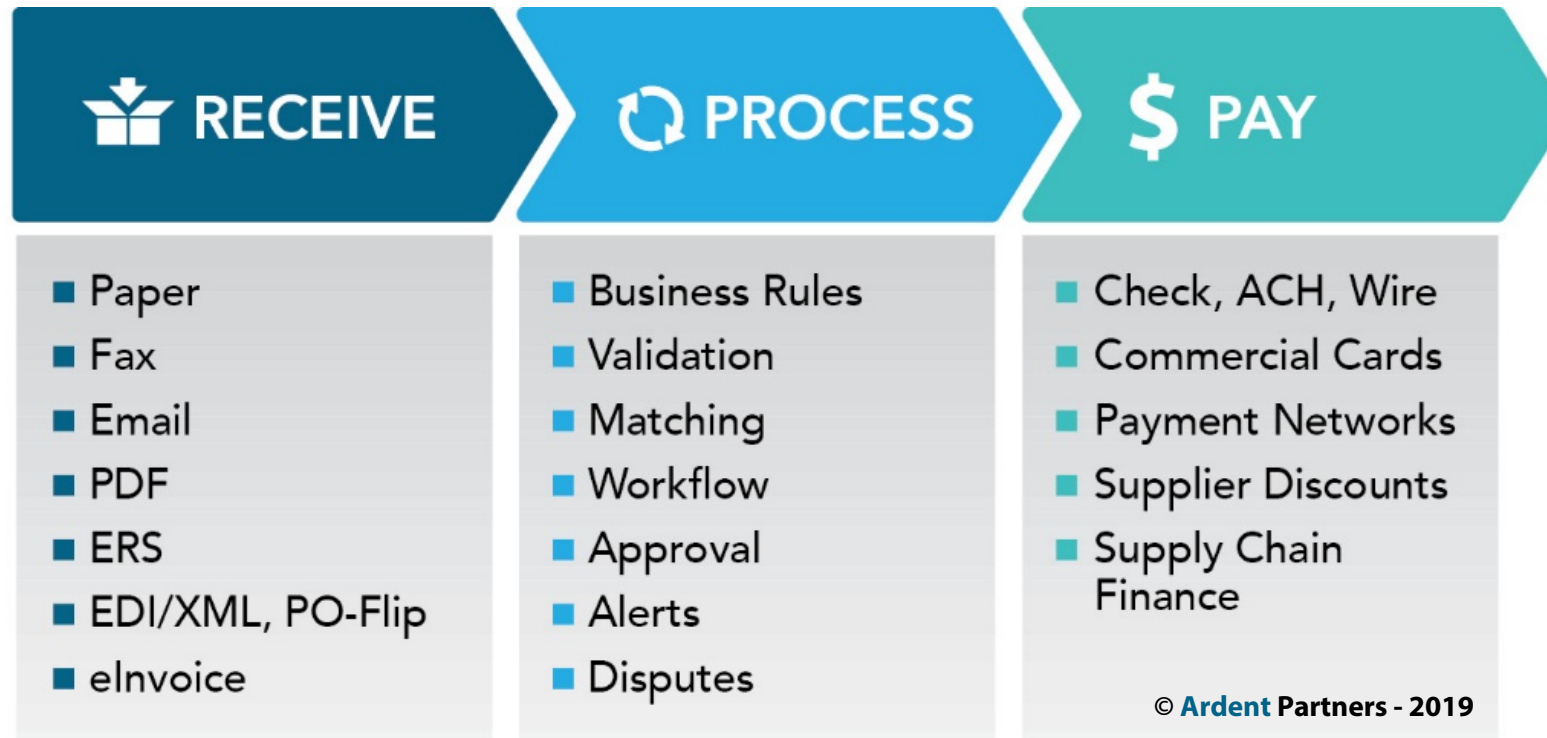
ePayables Solution Adoption

■ **Currently Using**   ■ **Plan to Utilize (Within 24 Months)**

Solution	Currently Using	Plan to Utilize (Within 24 Months)
Document imaging/scanning	72%	20%
Automated routing/approval workflow	69%	28%
Automated data capture/extraction (e.g., OCR)	56%	29%
ePayments solution	47%	24%
eInvoicing solution	42%	39%
Complete Procure-to-Pay solution	35%	47%
Business or payment network	31%	25%
Self-service supplier portal	26%	58%
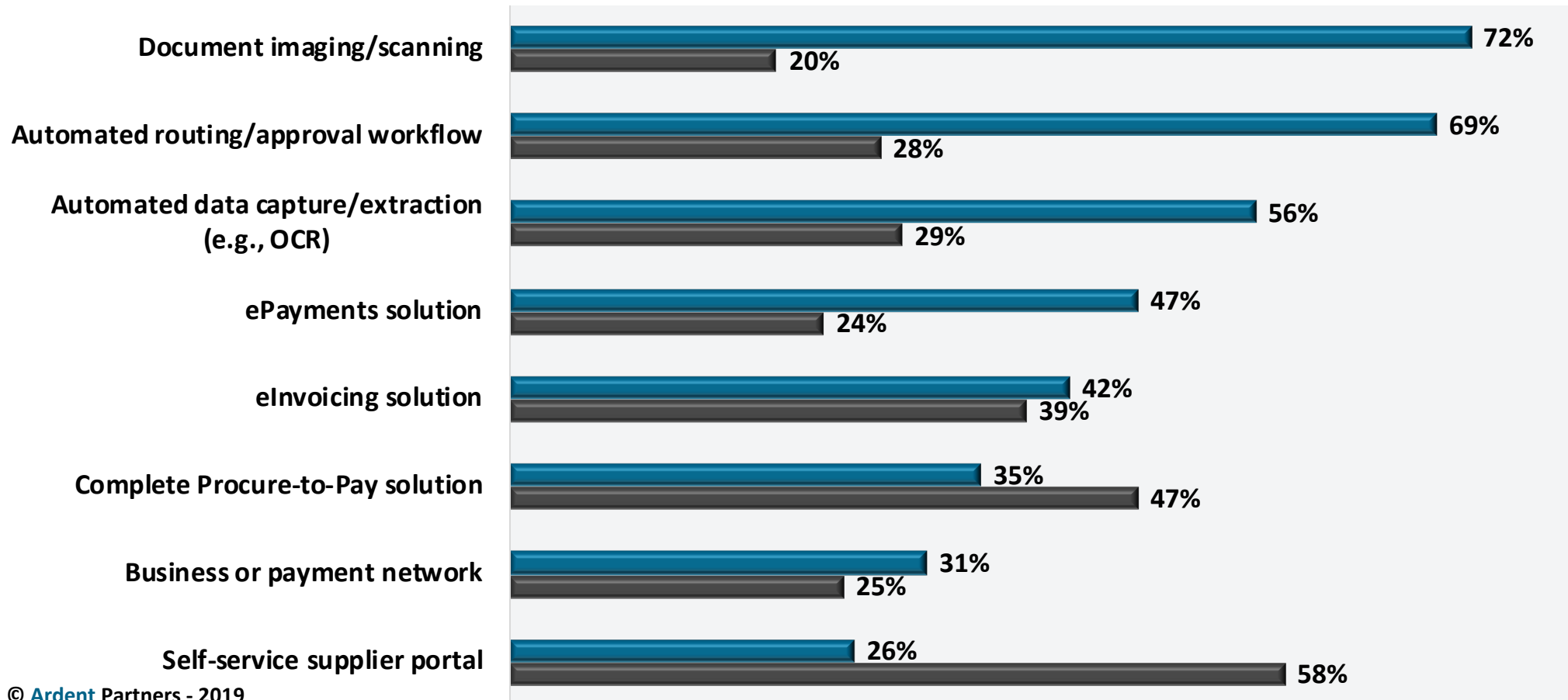
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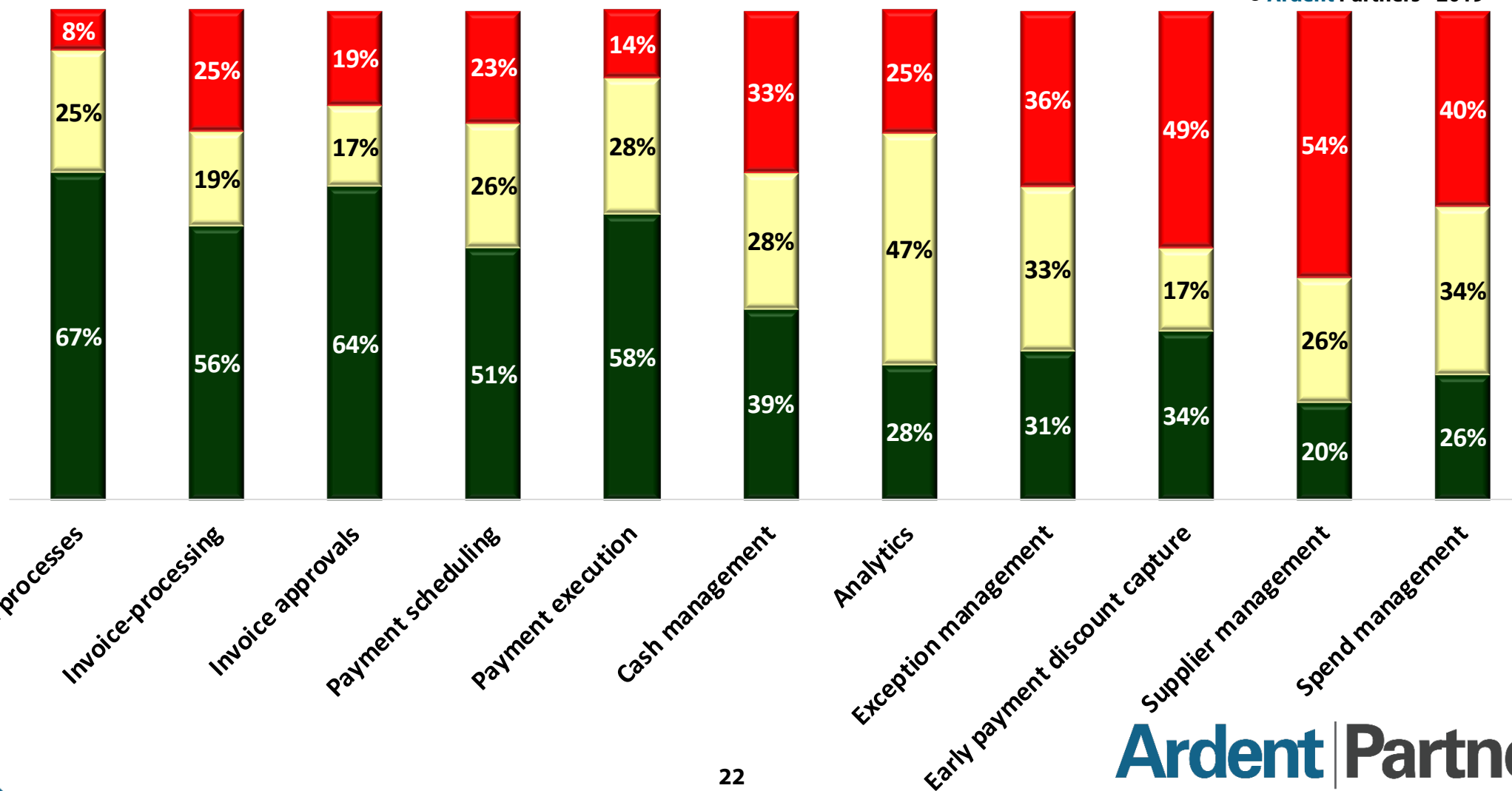# LEVEL OF AUTOMATION FOR EACH AP SUB-PROCESS

■ Moderately-to-Heavily Automated   □ Somewhat Automated   ■ Not Automated

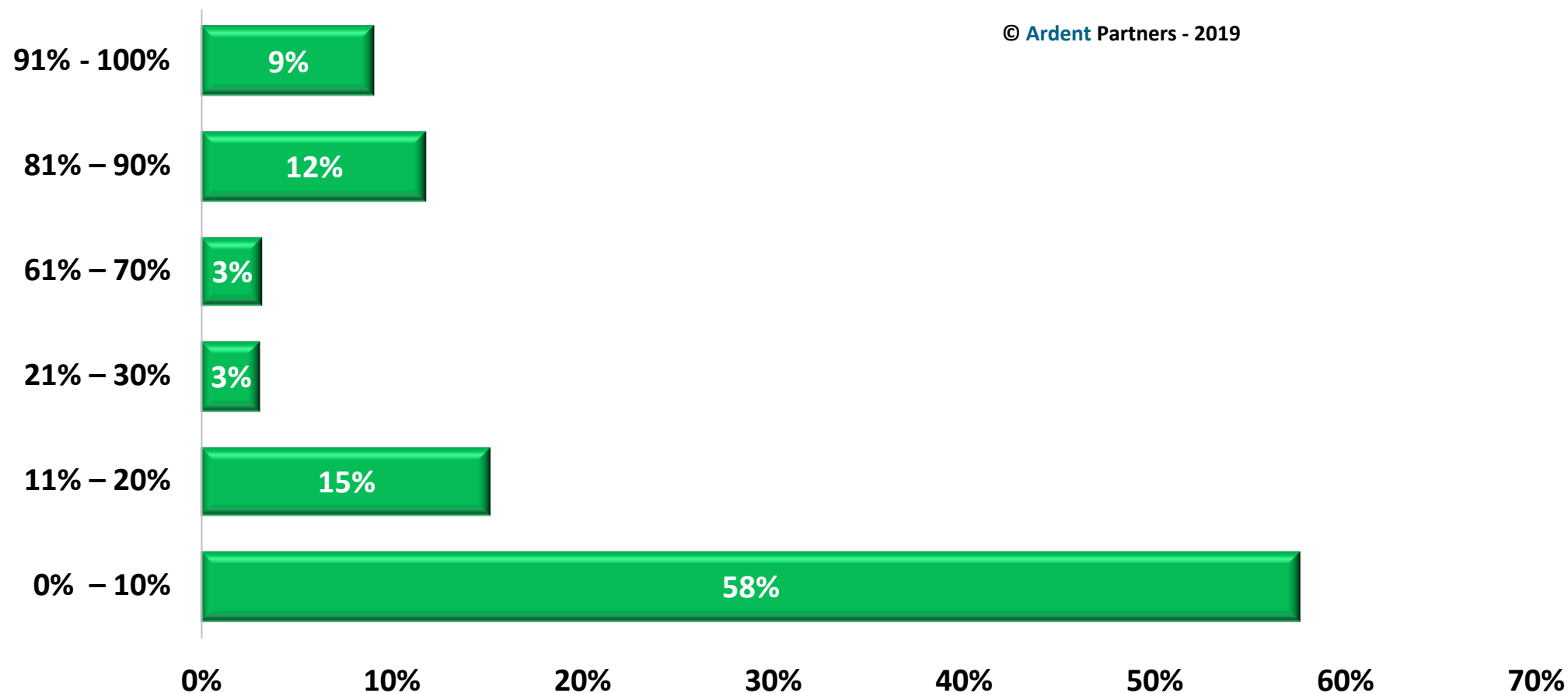© **Ardent** Partners - 2019

Sub-Process	Moderately-to-Heavily Automated	Somewhat Automated	Not Automated
Invoice receipt processes	67%	25%	8%
Invoice-processing	56%	19%	25%
Invoice approvals	64%	17%	19%
Payment scheduling	51%	26%	23%
Payment execution	58%	28%	14%
Cash management	39%	28%	33%
Analytics	28%	47%	25%
Exception management	31%	33%	36%
Early payment discount capture	34%	17%	49%
Supplier management	20%	26%	54%
Spend management	26%	34%	40%

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TECHNOLOGY CURRENTLY LEVERAGED IN ACCOUNTS PAYABLE

Mobile applications for AP — 33%

Agile reporting dashboards — 23%

Digital payments — 19%

Robotic Process Automation (RPA) — 14%

Machine learning (ML) — 11%

Artificial intelligence (AI) — 7%

Blockchain technology — 4%
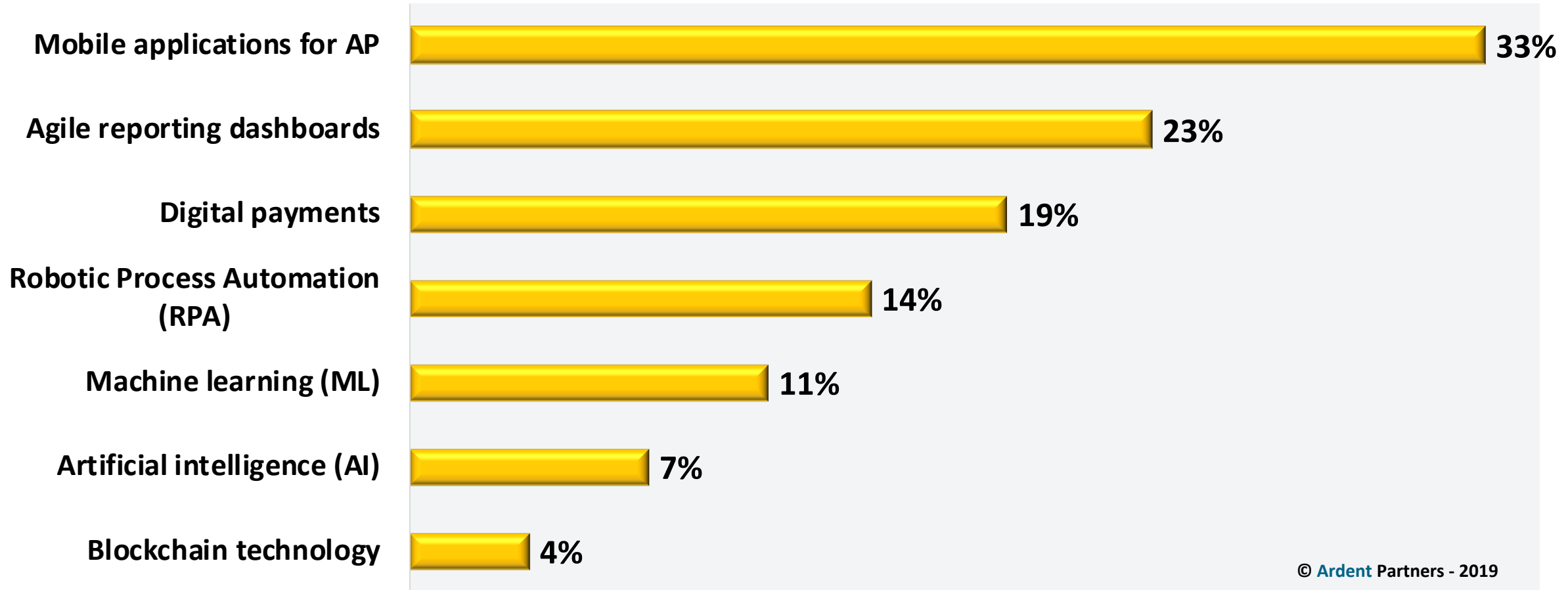
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AP Performance in 2019

PERCENT OF INVOICES RECEIVED ELECTRONICALLY
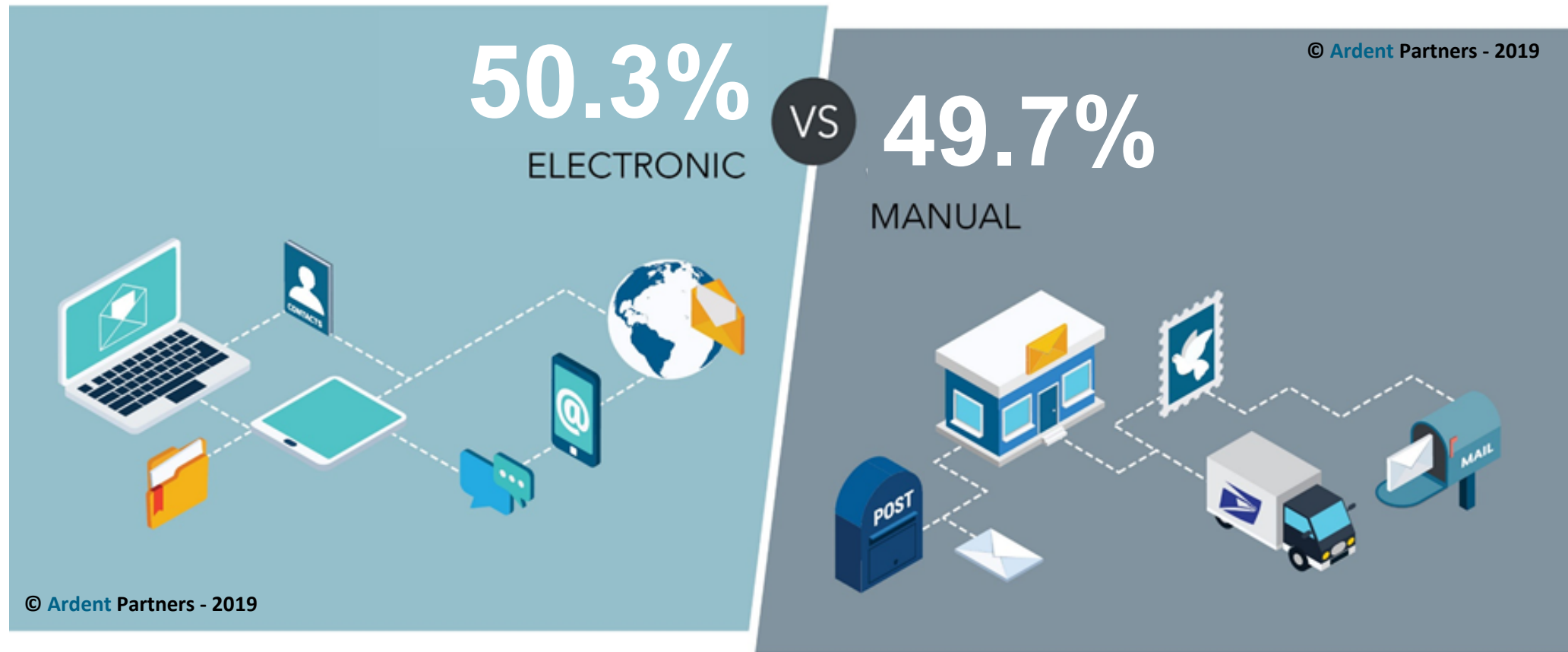
ELECTRONIC PAYMENTS ON THE RISE

55% B2B PAYMENTS MADE ELECTRONICALLY **VS** **45%** MANUAL

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AP INDUSTRY PERFORMANCE METRICS FOR 2019

Metrics	Average
Cost to process a single invoice (all-inclusive cost)	$10.08
Time to process a single invoice	8.3 days
Electronic Invoices (received)	50.6%
Suppliers that submit invoices electronically	24.9%
Invoices processed "straight-through"	24.2%
Invoices linked to a Purchase Order (PO)	50.3%
Invoice exception rate	22.6%

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THE 2019 AP MATURITY FRAMEWORK

Metrics	Best-in-Class	All Others
Cost to process a single invoice (all-inclusive cost)	$2.18	$12.60
Time to process a single invoice	2.9 days	10.8 days
Invoice exception rate	10.1%	23.3%
Percentage of invoices processed "straight-through"	65.3%	19.2%
Percentage of suppliers that submit invoices electronically	49.0%	16.0%
Percentage of invoices linked to a Purchase Order (PO)	79.2%	31.7%

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STRATEGIES FOR SUCCESS

GENERAL RECOMMENDATIONS

- Assess the current state of your AP operation

- Invest in technology to automate core processes

- Develop a short- and long-term roadmap for aligning AP with the digital goals of the greater enterprise

- Identify key performance metrics and improve upon them on a regular basis

- Stop, collaborate, and listen

- Develop a data strategy and make accounts payable a hub of information

- Become a better communicator of AP's contributions and achievements

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MORE RECOMMENDATIONS

- **Go beyond basic collaboration – strive for total alignment**

- **Create a data-driven culture that values objective analysis**

- **Improve organizational intelligence by retaining more staff and upskilling**

- **Close gaps between existing processes and technologies**

- **Expand the basic usage of current tools; then augment with new, innovative capabilities**

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A faster, smarter way forward.

WHY GOBY?

NOT JUST AUTOMATION.
OPTIMIZATION.

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Our Differentiators

⚙ UTILITY BILL AUTOMATION EXPERTS

✓ **Utility bill automation experts:**

Automation of bills has been the foundation of our technology for almost 10 years

✓ We automate 100% of your data and turn it into valuable information

📊 CAPTURE ONCE, REPORT EVERYWHERE

✓ **Cross platform analytics and benchmarking:**

Our technology takes data to the next level with sophisticated but clear and actionable analytics

♥ WHY NOT LOVE YOUR AP SOLUTION?

✓ **Our professional services set us apart:**

Goby takes pride in a market leading retention rate, high NPS scores and impressive up-sell ratio

Our Clients

Q&A (CONTACT INFORMATION)

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