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# Top Frustrations Working in AP

A Survey Study of the Top Irritations Managers Have With Their Accounts Payable Process

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## What are Your Biggest Pain Points with AP?

It is safe to assume the majority of people occasionally have frustrations with the requirements of their job or the parameters in which they work. Most of us therefore, consistently seek new ways of completing vital tasks in a faster and more efficient manner. These frustrations are often compounded when either a) we know there are available technologies not being utilized that could alleviate some of those issues, or b) we are forced to rely on colleagues, managers or procedures that are unorganized, unproductive and are a drain on morale.

We theorized that accounts payable workers or those who manage AP, also have similar gripes about how things (or other people) operate at their specific organizations. We wanted to give them a platform where they could state their honest opinions about their biggest work frustrations and their ideal solution to fix those problems. Because iPayables sells an AP Automation solution, we specifically targeted people who had an invested interest in AP and sought their opinions and comments for our own marketing purposes. Nevertheless, we endeavored to make the survey as unbiased as possible and offer you the results and our findings in this White Paper.

## Survey Parameters

To find out what are the most common irritants with your typical accounts payable department, we sent out our email survey to nearly 30,000 CFO's, controllers, AP managers and other finance professionals who are decision makers and have influence over how their AP department operates. For verification, the final question of our study (question seven) asked our participants to identify their role in the company. For this study, we targeted companies in the United States and Canada whose annual revenue exceeds 50 million. We asked them the following questions:

1. What is your top frustration working in or with AP?
2. How would you fix that problem?
3. What is your second biggest frustration working in or with AP?
4. How would you fix that problem?
5. Approximately how many invoices a month does your organization process? (choose one)

0-1000, 1000-5000, 5000-10000, or 10000 +

6. Of those, about how many are paper? (choose one)

Less than 10% Around 10% Around 20% Around 30% Around 40% Around 50% Around 60%  
Around 70% Around 80% Around 90% Around 100%

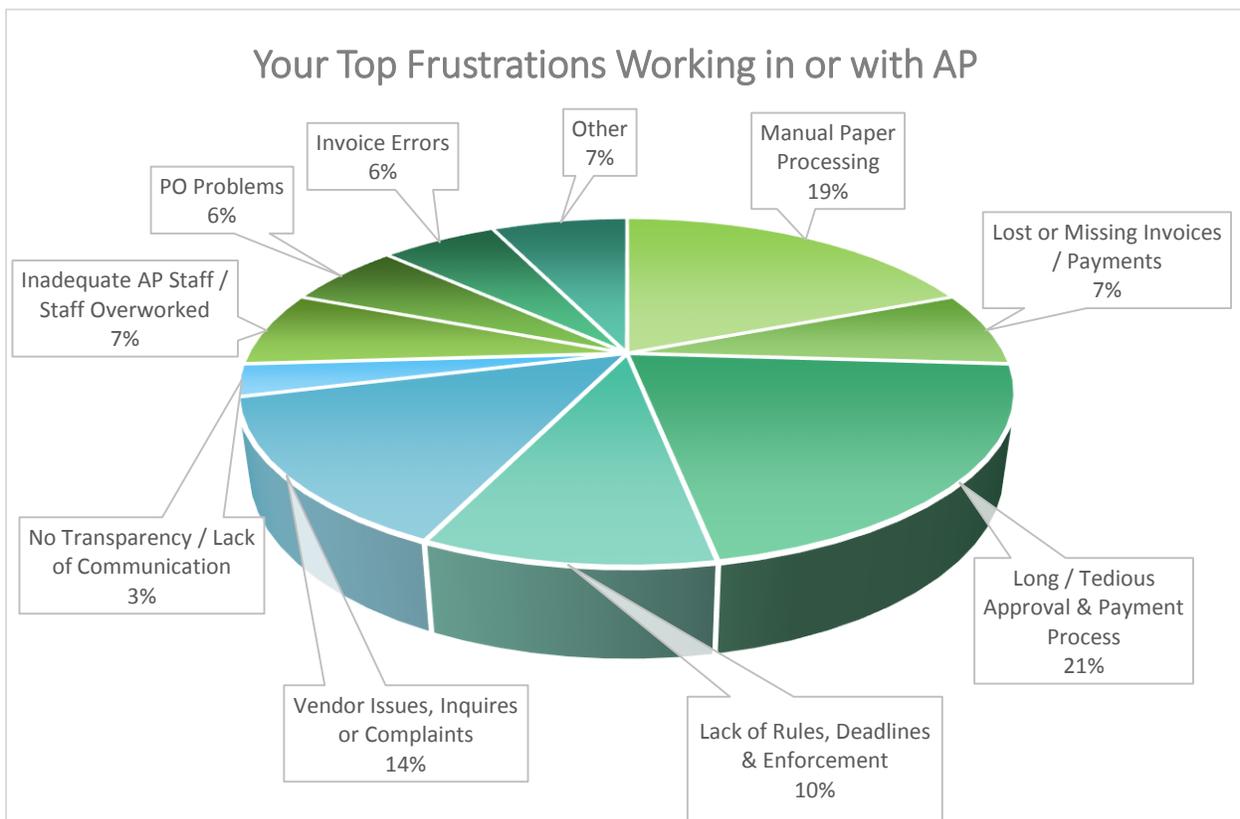
7. Your Role: (Title, Company)



## Top Frustration Results

The results indicate that many of the survey participants seemed to have common frustrations with their payables processes. Most pain points had to do with tedious approval processes, having to deal with vendor complaints, entering invoices manually or issues with co-workers who lose or otherwise hold up the routing of invoices. Given a large number of similar responses, we were able to categorize each of the issues people had with AP and assign them to a group.

This enabled us to breakdown and assess which issues were the most prevalent and have the largest impact on AP efficiency, productivity and employee morale. In questions one and three of the survey, we asked our participants to describe their (first and second) “top frustrations working in or with AP.” These issue categories and few examples of the responses taken directly for the survey are as follows:



### Manual Paper Processing (19%)

*“I am frustrated with our excessive use of paper.”*

*“My biggest frustration with AP is the manual data entry and routing of paper.”*

### Lost or Missing Invoices / Payments (7%)

*“Items getting lost in the mail - checks and invoices.”*



*"Invoices not making it to AP for payment, then getting blamed when vendors get angry for non-payment."*

**Long / Tedious Approval & Payment Process (21%)**

*"Chasing for approvals for services provided."  
"Invoices not being paid in a timely fashion."*

**Lack of Workflow Rules, Deadlines & Enforcement (10%)**

*"Lack of support to enforce deadlines or rules."  
"Users not following process/procedure."*

**Vendor Issues, Inquiries or Complaints (14%)**

*"Vendors sending AP invoices by email to employees outside of Accounts Payable department."  
"AP check being misapplied by vendors."*

**No Transparency / Lack of Communication (3%)**

*"Lack of knowledge of the system from other departments"  
"Getting approvals from the person that procured the service."*

**Inadequate AP Staff / Staff Overworked (7%)**

*"Skill set of AP processors is limited."  
"Dependent on Limited AP personnel."*

**Purchase Order (PO's) Problems (6%)**

*"Invoices do not have PO reference or other support."  
"People not using PO's correctly"*

**Invoice Errors (6%)**

*"My biggest frustration is the 'payment missing' Invoices."  
"The lack of accuracy and consistency of our invoices."*

**Other Issues (7%)**

*"Employee's purchasing goods outside of company policies."  
"Lack of knowledge of the system from other departments."*

Question five the survey was designed to gain a relative understanding of company size based on the invoice volumes processed on a monthly basis. The hope was to discover a correlation between the types of issues described by smaller companies vs. larger ones (question 5). However, due to the nature of the responses, no valuable conclusion can be drawn.

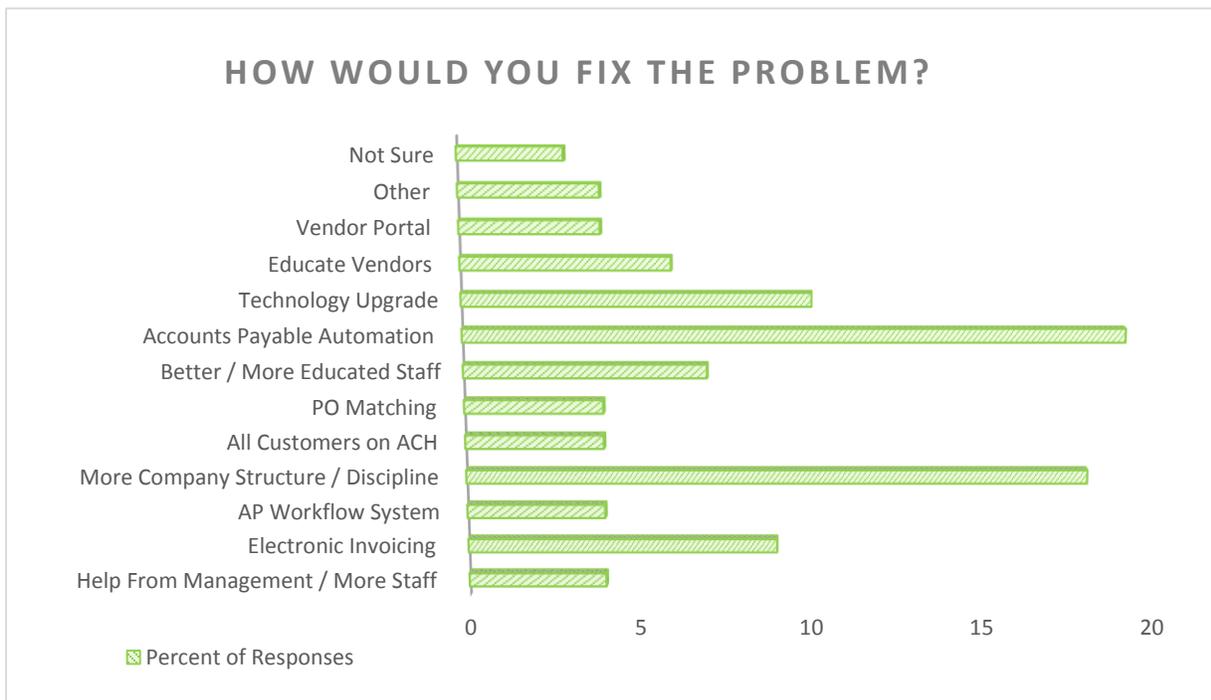


Similarly in question six, we were interested in the level of automation in the payable process of each company who participated in the study. This was done to determine whether or not organizations who are mostly manual paper processors, had more issues with their lack of technology. Unfortunately, no reasonable conclusion could be drawn in this regard due to the variances of responses.

## The Solution

In questions two and four of the survey, we asked our participants to describe how they would fix the aforementioned frustrations if they had their way. It should be noted the vast majority of our survey takers had specific, well thought out answers as to how they would fix the AP issues vexing them. Many of the participants proposed solutions that are readily available in the marketplace and expressed their frustration with their organization not adopting those solutions. For example, one respondent said their biggest frustration was that “too many invoices get lost, many of them in the mail.” This person stated (answering question number two) they would fix the problem by “insisting all our vendors utilize a vendor portal-based paperless technology that we implement.”

Even though, most of the specific frustrations mentioned had a (somewhat) unique proposed solution attached to it, we were still able to draw some general conclusions by (again) grouping the most prevalent responses into categories based on underlying themes that appeared in the response data. Here is a table based on our findings:



The survey response data indicates that most of the frustrations stemming from AP either have to do with perceived operational / staff and discipline issues in Accounts Payable or the lack of technology.



In fact, if you combine all of the responses to “how would you fix the problem” (questions two and four) that are technology based (see chart above), either the utilization of a vendor portal, ACH for payments, PO matching, electronic invoicing, AP Automation or an AP workflow system; this would account for nearly 57 percent of the responses.

## Summary

Gathering all survey responses, 47% of the frustrations payables departments experience are related to efficiency issues. One of our survey respondents, said their biggest frustration with AP is their manual data entry and tediousness of processing paper invoices. In their words, the solution lies in utilizing “EDI (Electronic Data Interchange) with our big vendors and an E-invoicing option with everyone else.”

The next largest group was visibility and control issues, which represented 27% of the frustration responses. These responses included invoices getting lost in the mail, wondering which approver is holding up an invoice, or having to field numerous phone calls from suppliers wanting to know when they will be paid.

The fact that efficiency, visibility and control issues represented 74% of frustration responses, leaves little surprise that 58% of suggested solutions were directly related to Automation/e-invoicing. For all the frustrations payables departments’ experience, they recognize that automation is the solution for most of it.

So if AP Automation and E-invoicing can:

- Eliminate paper and the need for data entry
- Automate the PO matching, approval routing, and payment of invoices
- Reduce supplier inquiries and disputes with vendor portals
- Enforce all controls required to show appropriate approval of payments

then what is holding back payables departments from implementing automation and E-invoicing? This sounds like a good topic for our next survey.

Additional Resources:

[See what the AP Automation Process Looks Like](#)

[Read our Other Informative White Papers](#)

[Watch Videos on AP Automation Related Topics](#)

About iPayables

iPayables is an industry leader in the automating of accounts payable departments, optimizing workflow and streamlining the invoicing / payables process. By using our advanced internet invoicing system (InvoiceWorks®), organizations can process invoices electronically, make changes, and can track payments all while eliminating phone inquiries, data entry, filing and the scanning of documents. The world’s largest airline, largest grocer, largest restaurant chain and other Fortune100 companies use iPayables InvoiceWorks® because of its functionality, flexibility, and unmatched value. iPayables provides supplier tools for invoice web-entry, file upload, EDI, PO flip and paper invoice capture; which integrate seamlessly with our robust and dynamic workflow, purchase order matching, dispute resolution, payment and dynamic discounting capabilities. [www.ipayables.com](http://www.ipayables.com).

