

quadi^{ent}
accounts payable
by Beanworks

Futureproofing the Accounts Payable Function

How to prepare your AP team
for whatever comes next.

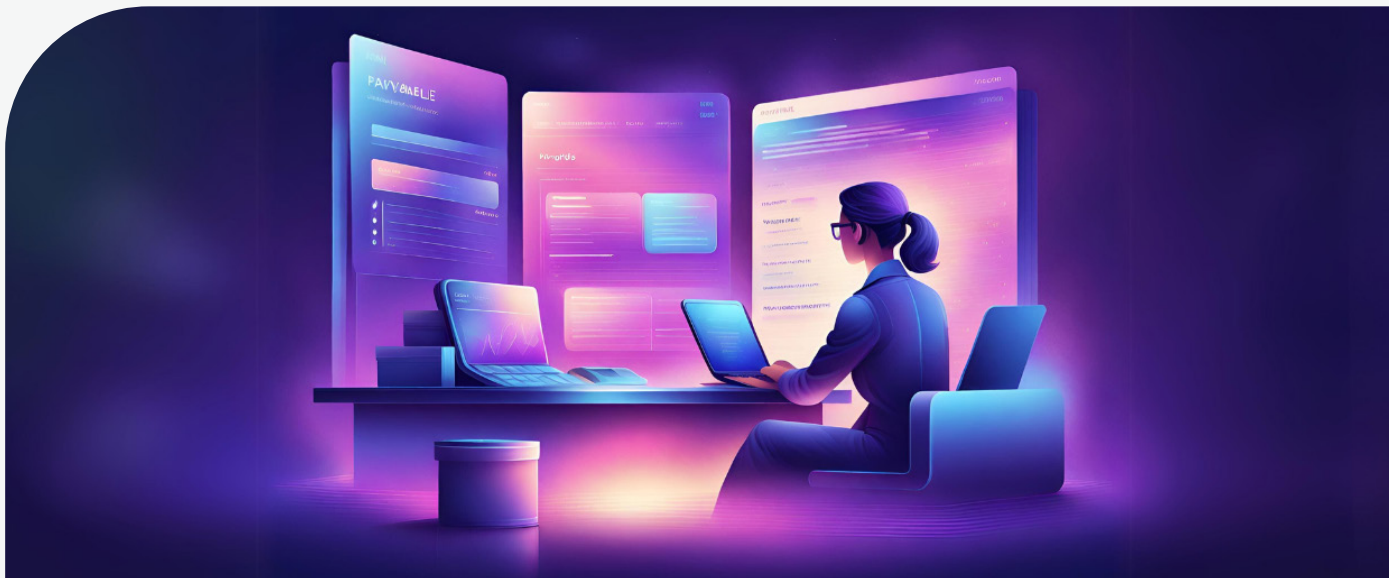


Introduction

Accounts payable (AP) is traditionally a reactive function. The key duties of the AP team involve settling a company's short-term debts and liabilities. Generally, there's little time or resources to focus on much beyond that. But recent events have shown us how quickly things can change, and how unforeseen events can radically alter what a company owes.

'Futureproofing' is about preparing ourselves for whatever comes next. It's about taking the AP function from reactive to proactive, from static to agile, and from vulnerable to resilient. Our current business landscape is more volatile than it's ever been, and so accounts payable teams need to embrace these attributes to help their businesses survive and thrive in an uncertain future.

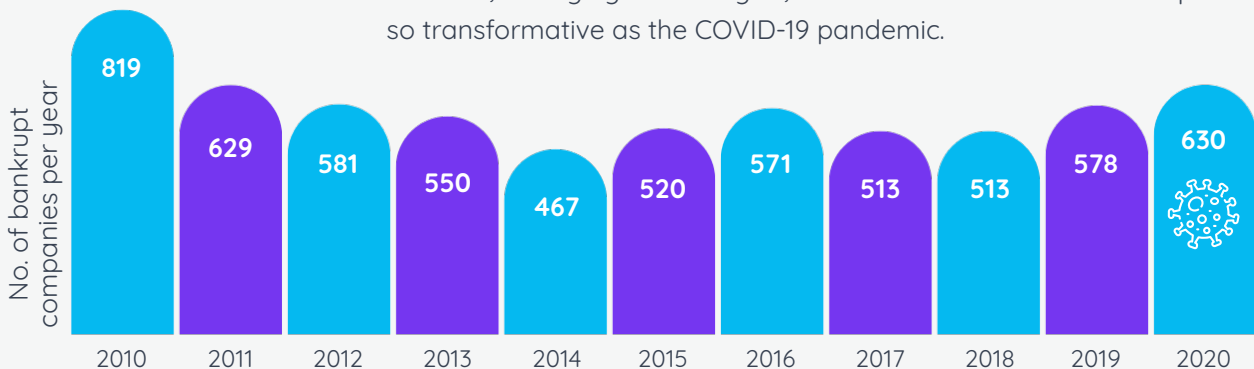
This eBook explores the importance of futureproofing the AP function, the factors driving the need to futureproof, and the steps AP teams must take to get there.



Background: a changing financial landscape

NAVIGATING A POST-COVID WORLD

The past few years have seen a period of profound change on a global scale. Numerous factors have transformed the way businesses operate – from a fluctuating financial landscape to international conflicts, emerging technologies, and more. But none has been quite so transformative as the COVID-19 pandemic.



“U.S. corporate bankruptcies reached their worst levels in 10 years in 2020 as the coronavirus pandemic upended global industries.”

- S&P Global Market Intelligence

Unfortunately, many businesses didn’t survive the trauma and turmoil inflicted by COVID-19. The end of 2020 saw US corporate bankruptcies hit a 10-year high as the global health crisis impacted the way we worked, lived, and spent our money. For the companies that did survive, the working world changed forever. Gone are the days of workplace martyrdom, where employees were expected to drag themselves into the office with colds or other illnesses, rather than miss a day of productivity. As a result, many companies have modified their sick leave policies to reflect the times we live in.

“ The question now is whether sick leave will become more widespread in a post-pandemic era, or largely revert back to pre-pandemic norms.”

- Time Magazine



But for accounts payable, arguably the most significant legacy of the pandemic has been the shift to hybrid and remote work. Employees now want and expect a flexible work environment, and businesses are under pressure to provide it.

This quote from the Institute of Chartered Accountants in England and Wales shows how the appetite among the majority of finance leaders matches that of most employees.

“ The pandemic gave CFOs confidence in their ability to work in more geographically diverse and virtual ways, which will bring permanent and much-welcomed change to the finance function.”

- ICAEW

The problem for accounts payable is that legacy processes have prevented the move to remote or hybrid work. Physical invoices require a physical office, while complex approval processes make a distributed workforce highly impractical. To embrace hybrid work, a futureproof AP function must be sufficiently flexible and tech-enabled to remain secure, compliant, and efficient — no matter where its employees are based.

PREPARING FOR FUTURE DISRUPTION

The events of the pandemic taught us a lot. But if there's one lesson we ought to take away from the experience, it's this: COVID-19 showed us that, sometimes, the worst-case scenario can and does happen. While that might sound like scaremongering, futureproofing is all about preparedness — we must hope for the best and prepare for the worst. This attitude can help inform our strategies as we look to futureproof the accounts payable function.

“ Amidst economic uncertainty and rising costs, organizations are looking for effective ways to ensure their future. And if leaders have learned anything from the challenges of the past few years, it's that agility is often the key to survival.”

- CFO Magazine

The sheer scale of disruption wrought by the pandemic may have felt unprecedented, but if we're serious about futureproofing AP, then we need to be ready to ride out similar crises again — whether they're social, political, financial, or environmental.



DOING MORE WITH LESS

The desire for hybrid and remote work reflects changing attitudes among employees, and so too does the recent increase in resignations and career changes. After the turmoil of the past few years, we now find ourselves in the midst of an accounting talent shortage – with the U.S. Bureau of Labor Statistics anticipating over [136,000 unfilled accounting jobs](#) between now and 2031.

Student enrolment numbers have slowed too, while ‘The Great Resignation’ and ‘quiet quitting’ have driven many accountants to leave their jobs – more than [300,000 in the U.S. alone](#) over the past two years, according to The Society for Human Resource Management. The result is that AP teams are expected to do more with less – and they’re putting in longer hours to get it done. According to Accountants Daily, [20% of professional services employers](#) now expect their teams to put in additional overtime.



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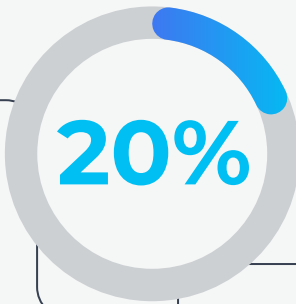
2031

The Great Resignation... has driven many accountants to leave their jobs.



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of professional services employers now expect their teams to put in **additional overtime**.



AP teams are expected to do more with less – and they’re putting in **longer hours** to get it done.

These statistics underline why it’s so important to futureproof. Current economic uncertainty means that organizations’ budgets remain restricted, so headcount can’t grow as quickly as these challenging realities demand. That means AP teams must contend with an increased workload – a workload with the potential to increase further as the economy continues to stagnate.

The solution to this problem? Technology.



01

Technology-driven transformation

We can't think about futureproofing AP without considering the role of technology in that transformation. Technology helps us prepare for and embrace change, but it's also an agent of change in its own right. In this next section, we'll explore how two key technologies will impact the AP function moving forward.

AI-ENHANCED, NOT AI-REPLACED

When we talk about technology in 2023, it's usually a short jump to artificial intelligence. AI is becoming a major disruptor in many areas — not least accounts payable — but the most persistent concern is that the technology will ultimately replace us in the workplace.

However, AP teams should spend less time worrying that artificial intelligence will steal their jobs, and more time considering how they can harness the technology to make their processes more accurate, efficient, secure, and repeatable.

“ [KPMG] is thinking of AI in terms of increasing the efficiency and productivity of human accountants, enabling them to concentrate on broad strategic thinking while computers take care of routine tasks like data entry.”

- Accounting Today

This quote from Accounting Today shows how 'Big Four' accounting firms such as KPMG see AI as a tool to support their human accountants. Far from stealing their jobs, AI promises to shoulder the burden of some of the time-consuming manual processes that make accounts payable occasionally frustrating — giving AP clerks hours back in their days to focus on more satisfying, high-value tasks. Think of the futureproof accounts payable function as AI-enhanced, not AI-replaced.

But artificial intelligence isn't something to bear in mind for the future. It's already delivering on its promise and impacting the AP function today. The current, real-world applications of AI in accounts payable include:

Data analytics, where AI-powered systems extract valuable insights from financial data. Fraud detection, which uses AI to identify anomalies among normal processes, patterns, and behaviors.

Invoice automation, which is capable of automatically extracting invoice data, entering it into an accounting system, and matching invoices with purchase orders and receipts.

Expense management, where AI is used to detect expense abuse and fraud, while automating the entire process.

Payment status, which uses machine learning and data analytics to track the status of payments in real-time.

Generating financial reports with generative AI tools similar to ChatGPT and Midjourney, which are capable of quickly creating financial documents from scratch.

AI in accounts payable

The futureproof AP function must capitalize on the promise of artificial intelligence to transform inefficient, largely manual processes.

AUTOMATE FOR AGILITY

Automation and artificial intelligence are related, but distinct. Automation uses machines to perform tasks previously carried out by humans, whereas artificial intelligence, as the name suggests, is an attempt to simulate human intelligence. However, both technologies are effectively working toward the same end: streamlining manual processes to make the AP function more efficient; to improve data quality; and to make the lives of AP accountants more rewarding.

When making a business case for technological investment, it's easy to get caught up in tangible business benefits like the bottom line and return on investment. But that ignores the human benefits that can be every bit as significant — and every bit as valuable to your business.

“Automating AP can also increase employee engagement, as almost no one likes spending their days on repetitive, manual tasks when they could be engaging in more fulfilling work.”

- Forbes

This quote from Forbes shows how [AP automation](#) can contribute to your AP workforce in a less tangible way: increasing employee engagement, satisfaction, and productivity. It goes without saying that a futureproof AP function will rely on its people, and AP automation can support finance leaders in attracting and retaining the best talent.

02

Becoming change-resilient

Change is unavoidable, and by working to futureproof the AP function, you could argue that we're actively courting change. But incorporating new processes and workflows can be a little scary, and sometimes even exposes us to new threats and vulnerabilities.

In this next section, we'll explore how the futureproof AP function can become change resilient — robust enough to withstand an uncertain future, and adaptable enough to embrace it.

DATA SECURITY AND COMPLIANCE

The trends and technological developments we discussed in the previous two sections will inevitably impact the way we work. And unfortunately, one of the areas where we anticipate the most change is in data security and compliance.

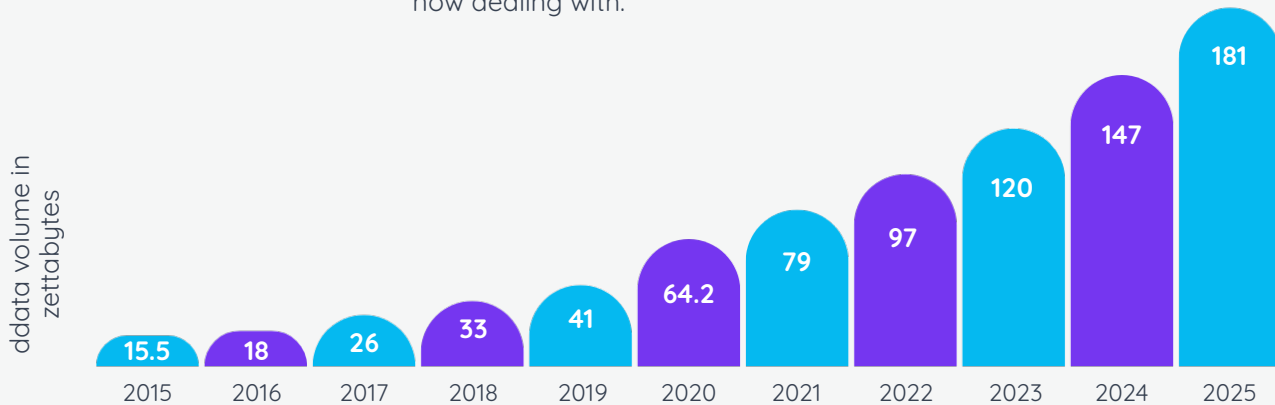
As more AP teams pivot to hybrid work environments, new risks and vulnerabilities are likely to emerge:

“The increase in remote work has only added to the universe of potential AP vulnerabilities.”

- Bank of America

While the move to remote and hybrid work will likely expose businesses and their employees to greater risk, a futureproof finance function **MUST** be hybrid-first — so we need to equip our remote workers with the right tools and technologies to stay safe and compliant while working from home.

However, protecting our companies' sensitive data becomes even more complicated when we consider the sheer volume businesses are now dealing with:



“Global data volumes are set to double between 2022 and 2025.”

- Statista

Cyberattacks will amount to about \$10.5 trillion annually by 2025 — a 300 percent increase from 2015.

\$10.5t

All businesses, everywhere, are handling more information than ever before. In terms of big data, we’re wrecking the curve — and it would be naive to think that’s going to change any time soon. As such, a truly futureproof AP function must be prepared to process and store unprecedented amounts of employee, vendor, and supplier data — and to ensure this data remains safe at all times.

And there’s another factor to consider. As technologies and processes change, cybercriminals invariably develop new tools and techniques to exploit them. They’re quick to identify vulnerabilities as soon as they emerge, and so businesses can’t afford to stand still. Given the growth of big data and our increasing reliance on digital technologies, the threat of cybercrime will be a persistent factor in years to come.

“At the current rate of growth, damage from cyberattacks will amount to about \$10.5 trillion annually by 2025 — a 300 percent increase from 2015.”

- McKinsey

Other rapidly-consolidating trends and technologies — like decentralized finance, blockchain, and cryptocurrency — will also pose unavoidable compliance challenges as the ways in which we conduct business and even pay our suppliers changes forever.



“The global Decentralized Finance (DeFi) market is expected to reach \$601 Billion by 2032.”

- Emergen Research

In the futureproof AP function, businesses will need accounting architecture that’s robust enough to maintain data security and compliance, but flexible enough to adapt to new workflows and even new currencies — as and when they emerge.

VENDOR RELATIONSHIP MANAGEMENT

Vendor relationship management is a key responsibility of the accounts payable department — albeit not one we always relish. A futureproof finance function, in our eyes, is one that can maintain strong vendor relationships regardless of what else is happening in the wider business — or in the world at large.

As this quote from Intuit QuickBooks puts it, ‘factors outside of your control’ are easier to overcome if you have a fruitful working relationship to begin with:

“As you and your vendors work together to improve the quality of the relationship, you may find that factors outside of your control impact the arrangement. With a productive working relationship, these hurdles should be easier to overcome.”

- Intuit QuickBooks

That can only happen when AP teams have sufficient time in their day to focus on value-add activities like vendor relationship management. If you’re spending all day chasing approvals or entering invoice data, your vendor relationships will inevitably suffer. To return to our previous section on technology-driven transformation, AP automation solutions can automate time-consuming manual tasks like data entry and approval follow-ups — providing extra hours that AP teams can devote to proactive and profitable activities like vendor relationship management.

03

Shifting to strategic finance

Futureproofing the accounts payable function will largely involve reallocating currently misspent resources. AP accountants are highly-skilled and highly-trained, well-paid professionals. Asking them to devote their time to data entry, or chasing approvers, is a waste of valuable resources. In future, AP teams will be expected to do more — including ‘strategic finance’.

WHAT IS STRATEGIC FINANCE?

Strategic finance has become something of a buzzword in recent years, but it’s more than just talk. A recent survey from PwC found that increasing the business importance of the finance department was a top priority for finance leaders:

“In a recent PwC Pulse Survey, establishing finance as a business partner across the enterprise was the most commonly-cited top priority for CFOs.”

- PwC

And that’s what the term ‘strategic finance’ refers to: moving finance functions like accounts payable away from the back office, and closer to the C-suite. Instead of just keeping the lights on, AP departments will be expected to help increase profitability, and meet other crucial business objectives.



A NEW SKILLSET FOR AP TEAMS, OR UNLOCKING AN OLD ONE?

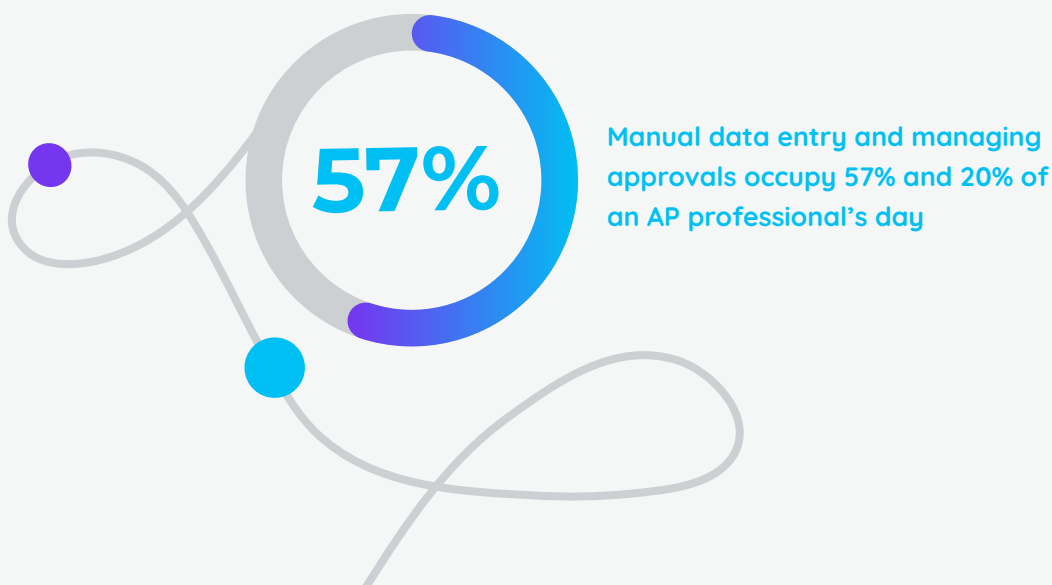
“Rapidly-evolving trends in workforce, technology, and markets are increasing the pressure on Finance to provide actionable insights to the business. Additionally, there is growing demand for Finance to become more adaptable and quicker to respond to internal and external requests for financial and non-financial information.”

- Deloitte

Strategic finance is nothing new or revolutionary. Accountants are trained to analyze financial information and offer detailed analysis and insight. That strategic component is what separates accountants from bookkeepers. But the reality of accounts payable is that the day-to-day often prevents accountants from focusing on what they’re really good at.

[A Quadient customer survey](#) found that the two most traditionally time-consuming areas of AP — manual data entry and managing approvals — occupy 57% and 20% of an AP professional’s day, respectively. In a 40-hour workweek, that leaves a little over nine hours to perform other essential AP tasks, like expense management and purchase order matching — let alone to provide strategic support to the business.

However, our same customer survey found that the average AP automation user has reduced the time spent on AP tasks by almost 50% — unlocking the hours they need to focus on more value-added activities like strategic finance.

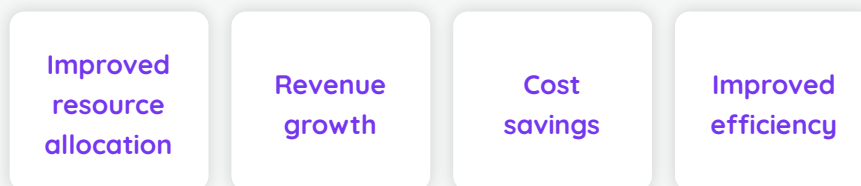


More than half of American employees are quiet quitters



WHAT STRATEGIC AP MIGHT LOOK LIKE

Strategic finance is about aligning the finance function with a company’s vision and goals. But what might that look like for accounts payable? Much will depend on an organization’s individual goals and targets. But broadly speaking, accounts payable can support business strategy through:



Narrowing our focus a little, we can consider how the AP function might help a business improve its sustainability and environmental impact by going paperless, and pivoting to a remote or hybrid workforce. Further, accurate financial reporting can empower an organization to become more transparent, and improve its public relations. And a strategic AP function can analyze financial data to make proactive recommendations to the CEO and board of directors: how to optimize headcount, where to invest and where to cut back, and how to maximize company resources.

STRATEGIC AP: ELEVATING THE ACCOUNTS PAYABLE FUNCTION

Strategic AP has a clear business benefit, but how does it align with the needs and ambitions of your AP team? In the age of The Great Resignation and quiet quitting, employee satisfaction and engagement are more important than ever. A recent Gallup poll identified [more than half of American employees](#) as quiet quitters, so finance leaders need to find new ways to motivate their employees.

Strategic finance elevates the AP function to a position of greater visibility and importance to the business. AP teams will spend less time on tedious, low-value tasks like manual data entry — a top pain point for 71% of organizations — and more time on fulfilling activities with a tangible business impact.

AP accountants will be empowered to do what they do best — a key factor in recruitment and retention for [58% of employees](#). They’ll feel more valued, and they’ll be more valued — empowering them to command higher salaries and progress to more senior roles.

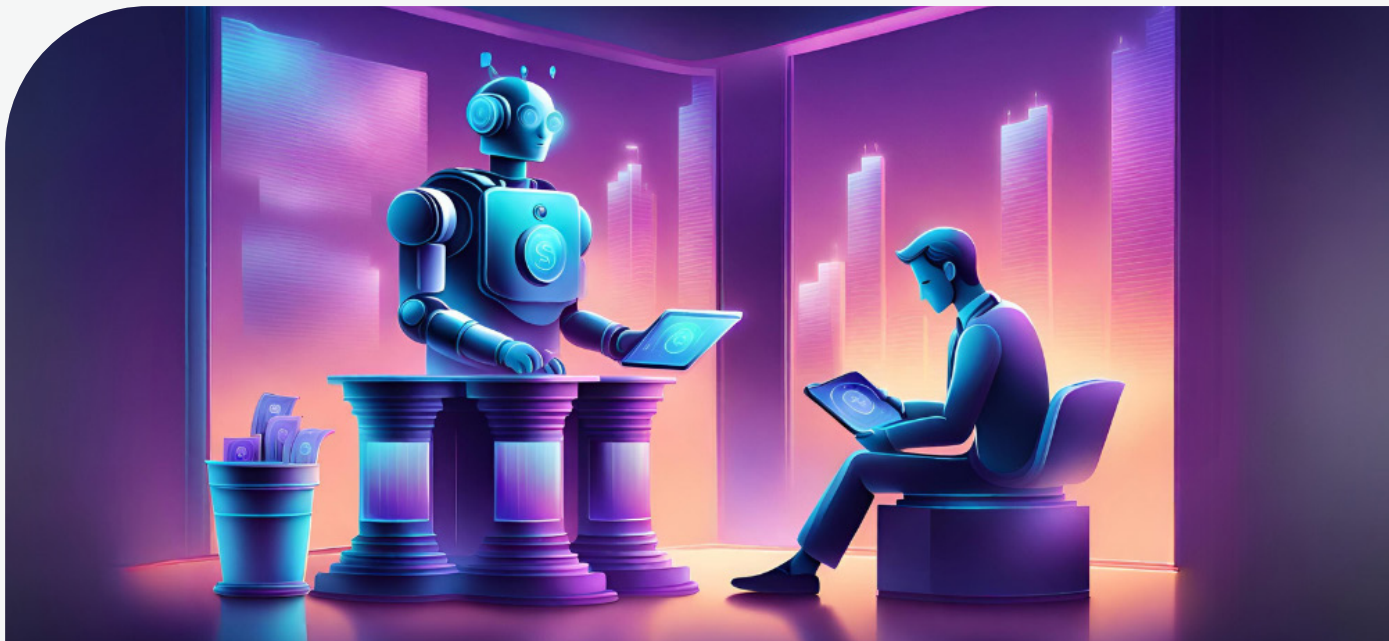
In the futureproofed AP function, the shift to strategic finance will benefit all parties.

Conclusion

Futureproofing isn't about trying to predict the future. As the pandemic proved, seemingly-unlikely events can and do happen. Instead, futureproofing is about expecting the unexpected, and developing a state of preparedness that can help us ride the waves of turbulent times to come.

If there's a subtheme to this eBook, it's that AP teams need a whole lot more time if they're expected to do anything beyond their fundamental remit. They need more time if they are to enact the necessary data security and compliance procedures demanded by a data-centric world. They need time to make vendor relationship management a priority rather than an afterthought, and time to pivot from a back-office function to a strategic one.

AP automation solutions can free up these valuable hours. By automating essential accounts payable functions like invoice header data entry, approval processes, and purchase order matching, AP teams can (as we put it in our introduction) transition from reactive to proactive, from static to agile, and from vulnerable to resilient.





Save Time, Cut Costs & Reduce Risk With AP Automation

Quadiant Accounts Payable Automation by Beanworks is an essential all-in-one cloud-based accounts payable automation solution for the world's accounting teams. Our platform drives efficiency and productivity for busy AP teams. Quadiant supports hundreds of thousands of customers worldwide in their quest to create relevant, personalized connections and achieve customer experience excellence.

*Let's talk about automation.
Schedule a demo with an AP specialist:*

quadiant.com/ap-automation/request-demo

The dashboard displays the following metrics:

- 2 days +8%
- 8 days +2%
- 3 days +2%
- \$248.39 (178 -8%)
- \$751.52 (5 +2%)
- \$11,627.08 (7 +4%)
- \$9,207.83 (12 -8%)
- \$39,780.55 (15 -17%)

The dashboard also features a bar chart showing invoice amounts over time and an 'Invoices In Progress' table:

Vendor	Invoice No.	Date	Total	Actions
360 Solutions Group	INV-03328	28-Jun-2019	\$770.48	✓ #
RedBird Cleaning Services LLC	INV-00814	17-Jun-2019	\$8,650.92	✓ #
Pathway Communications	INV-02490	20-Jun-2019	\$6,738.13	✓ #
Bailey Bark Materials Inc	INV-03634	2-Jul-2019	\$4,844.24	✓ #
360 Solutions Group	INV-00933	25-Jun-2019	\$2,948.13	✓ #
Digital Ally Inc	INV-04083	19-Jun-2019	\$1,531.71	✓ #
Onboarding Solutions	INV-03035	3-Jul-2019	\$8,864.87	✓ #
JTS Holdings LLC	INV-02502	29-Jun-2019	\$431.30	✓ #
Workrite Ergonomics Canada	INV-02154	30-Jun-2019	\$7,759.73	✓ #
Total			\$80,477.39	