



ACCOUNTS PAYABLE CUSTOMER SERVICE SURVEY

Conducted by:
Financial Operations Networks
and
InvoiceInfo

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Introduction

Accounts payable provides a critical service to organizations. It is one of the few departments that touches every department within a company as well as external parties, and has a direct impact on the reputation of the organization.

Accounts payable is unique in that multiple customers rely on outputs from its processes. Two critical customers of AP are internal clients and vendors. In some AP organizations internal customers are treated as fellow employees and not customers, and vendors as suppliers and not strategic business partners. But, an AP best practice is to treat those customers that AP serves as just that — customers — because doing so provides the benefits of increased control that comes with better relationships and reputation.

This survey reveals challenges, best practices, processes and tips for improved customer experiences.

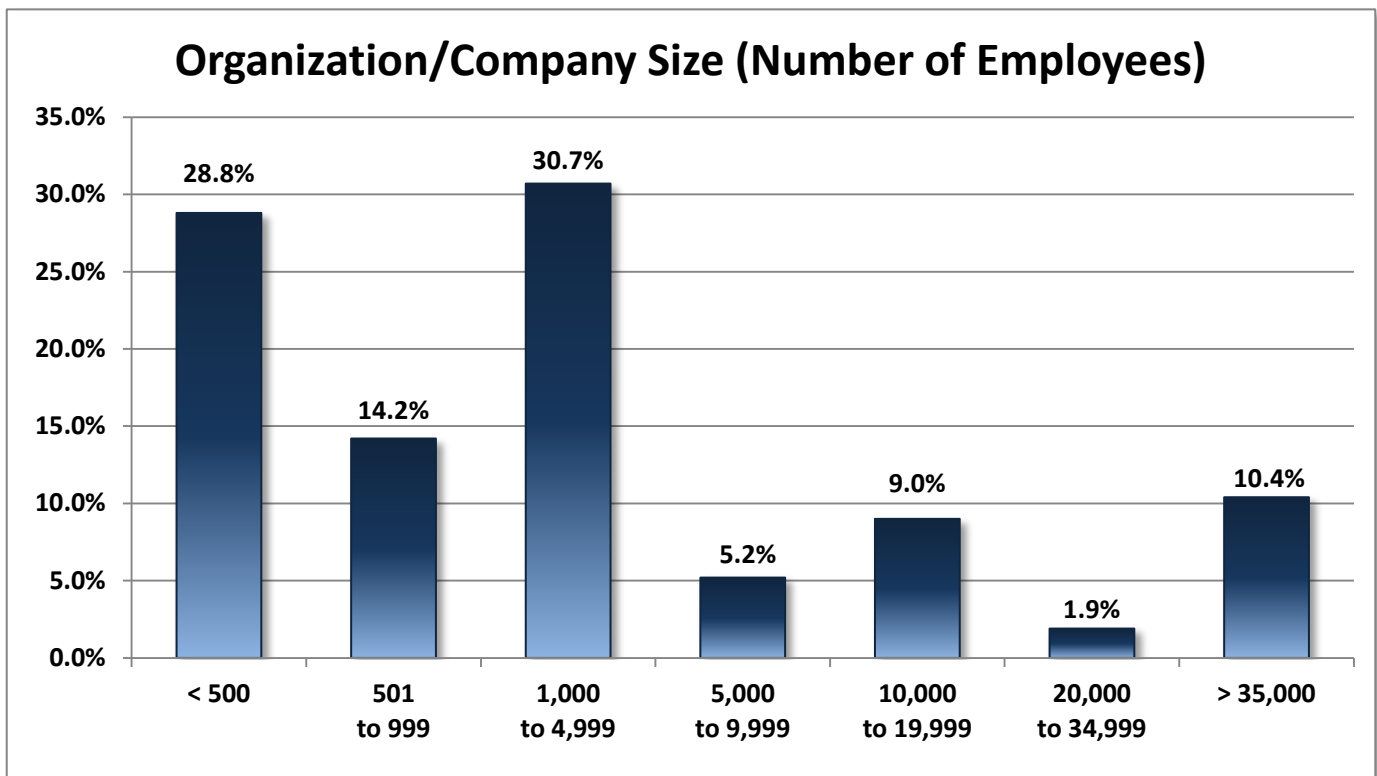
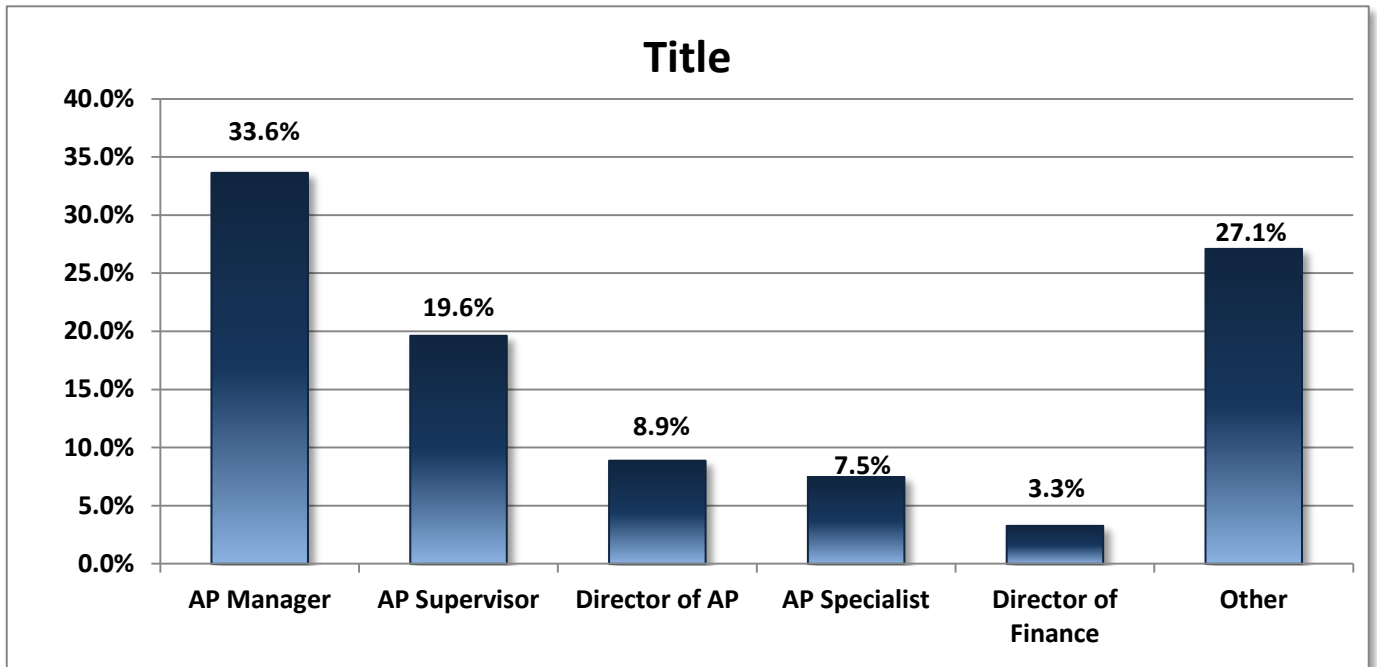
Study Summary

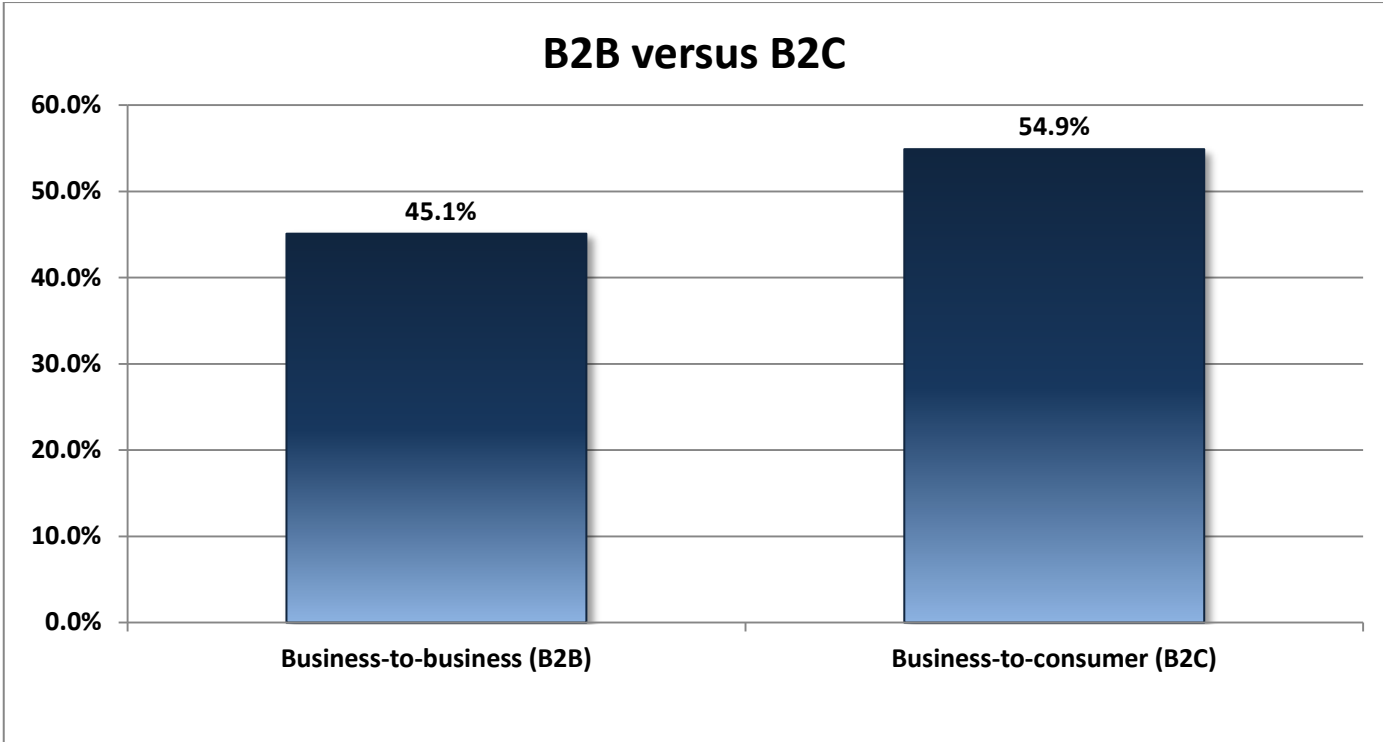
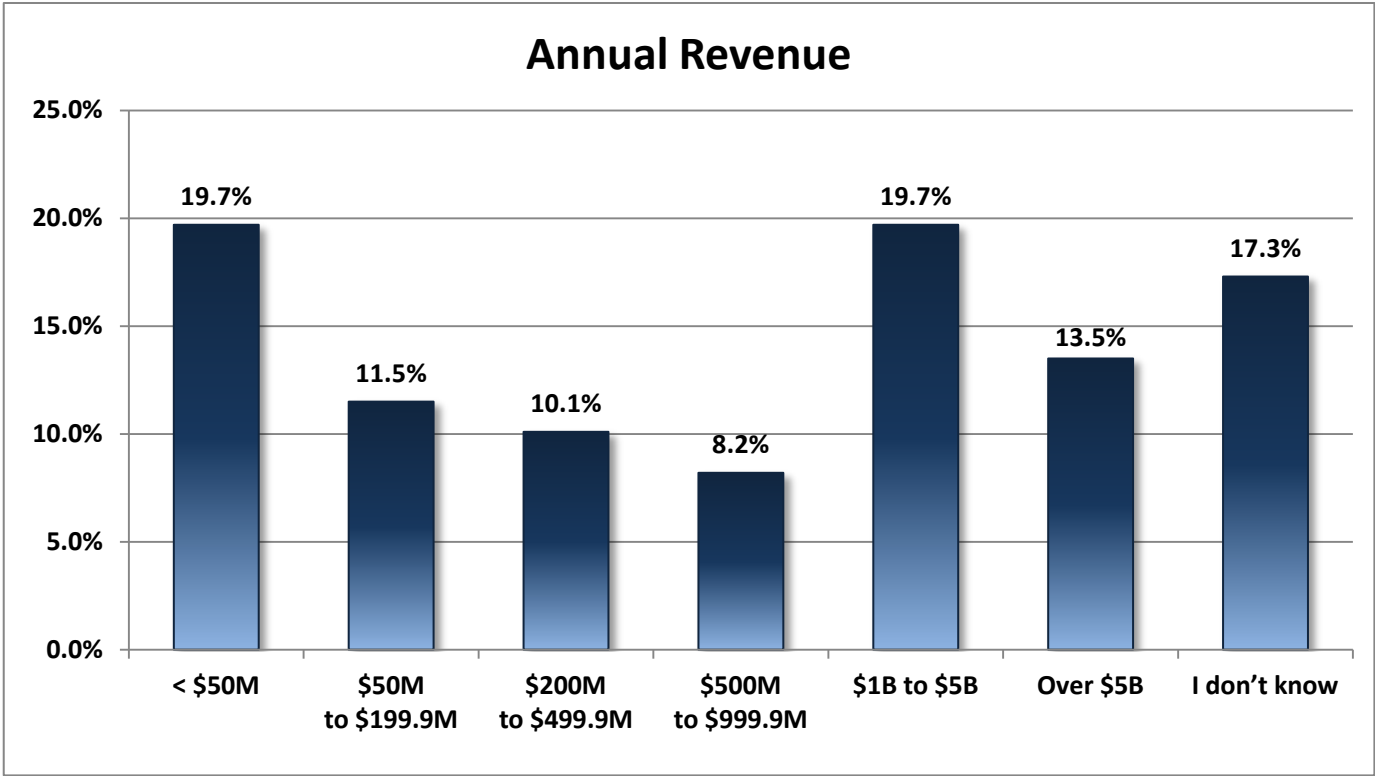
- When asked how AP customer service is handled, 31.7% responded that the questions go to staff members who handle processing of invoices; 26.1% said emails go to a dedicated email box; 20.5% responded that AP staff takes turns answering inquiries; and 11.2% have a dedicated team to answer inquiries. The trend this year is that more inquiries are going to a dedicated email box.
- When asked about the most common inquiries received from vendors and internal colleagues, the clear winner was “Has my invoice been paid?” followed by “When will my invoice be paid?” Coming in a distant third was “Has my invoice been received?”
- The majority (52%) do not have a customer service policy stating how long staff has to research and turn around a response to inquiries.
- Of those that do have a policy, the majority (55%) are required to respond within one day and 33% are required to respond within two days.
- Only 12% of participants track customer service inquiries. Of those, 100% track how many invoices are inquired upon, 92.3% track the average length of inquiry calls or email responses and 87% track the average, fully weighted cost of an AP staffer to handle inquiries.
- Only 17.5% of participants responded that they have a vendor self-service portal (up from 16% last year) to handle invoice inquiries and the main reason they have one is to reduce phone calls and emails.
- In making the decision to implement an online self-service portal, the most important factors considered included: Reduce phone calls and emails, move the focus from employees handling inquiries to more productive tasks; provide 24/7 customer service and reduce cost (in that order).
- The clear majority (91.7%) believes that invoice inquiries from vendors and internal staff are distracting for AP staff members. This is up from 68% last year — a 23.7% increase in one year.
- Tracking customer service metrics is not that popular among survey participants. For those that do have a portal, only 31% track how satisfied their customers are with it, which is slightly down from last year’s results. Of those, 75% are extremely satisfied, which is up 5% from last year.
- Only 37.5% of the survey participants that have implemented a portal track to what degree automation reduced the number of vendor and internal inquiries, which is up 2.5% from last year.

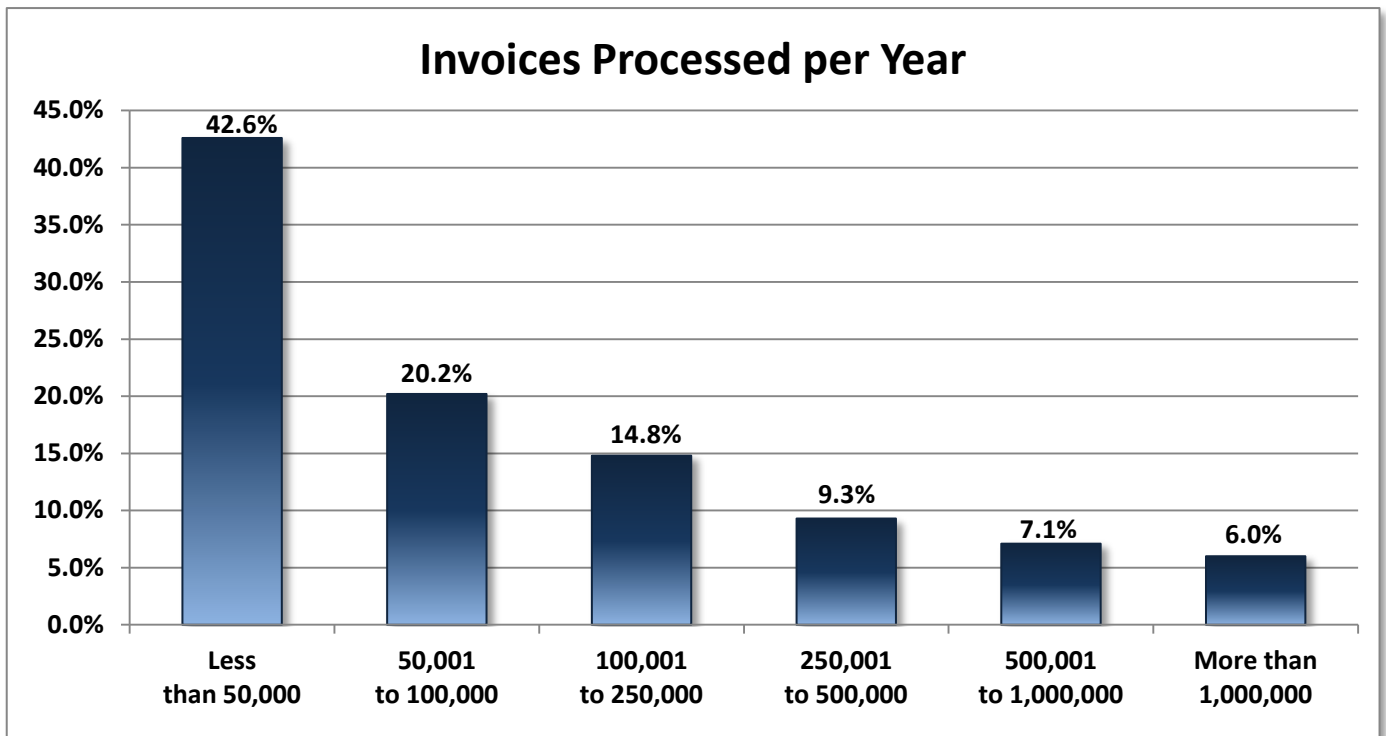
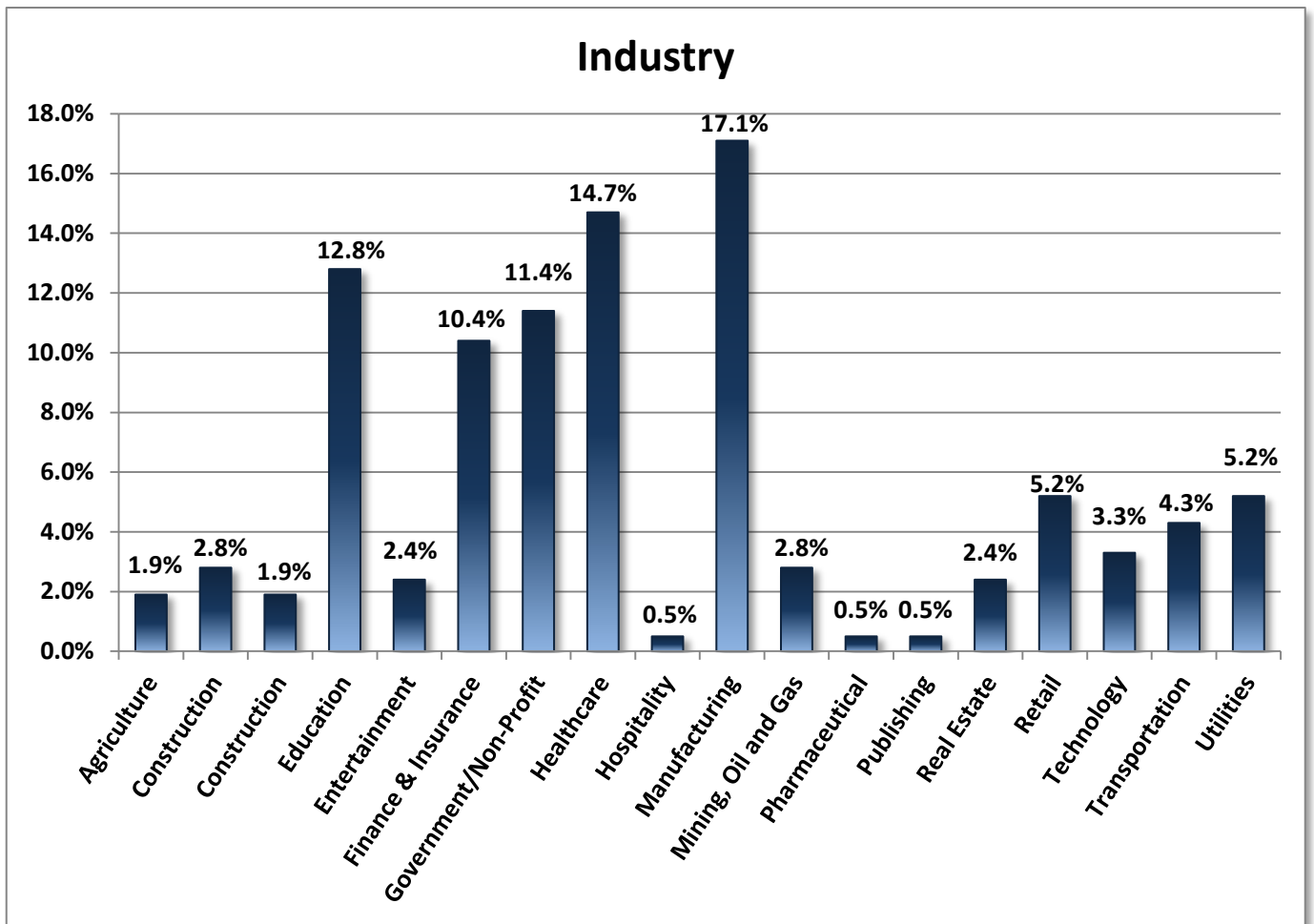
- For those participants who do not currently have a portal, 38% are considering a portal within the next two to five years and 9% are looking to implement one within the next year.
- The vast majority of participants believe that an online self-service portal can deliver the same or better customer service as a live person.

Study Participants

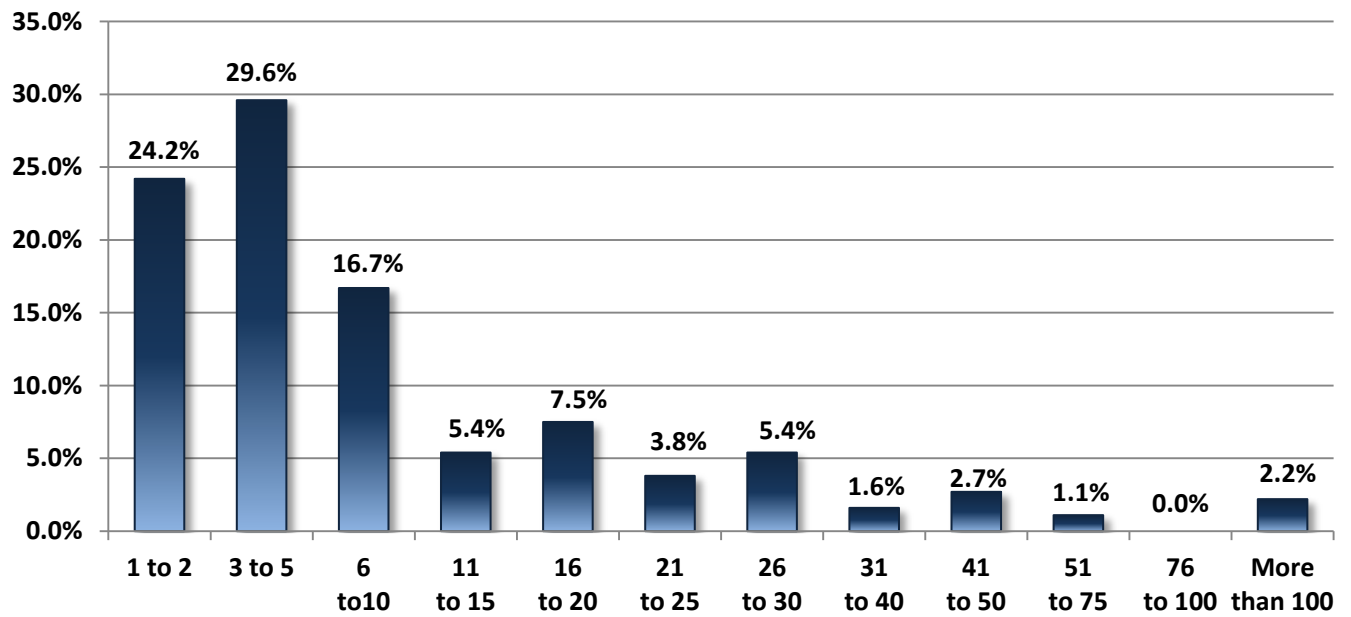
InvoiceInfo surveyed 215 organizations of all sizes and industries. Following is the participant profile by title, organization size, company revenue, B2B vs. B2C, business/industry sector, size of AP department and invoice volume.







Number of People in Accounts Payable Department



Participants Share AP Customer Service Challenges

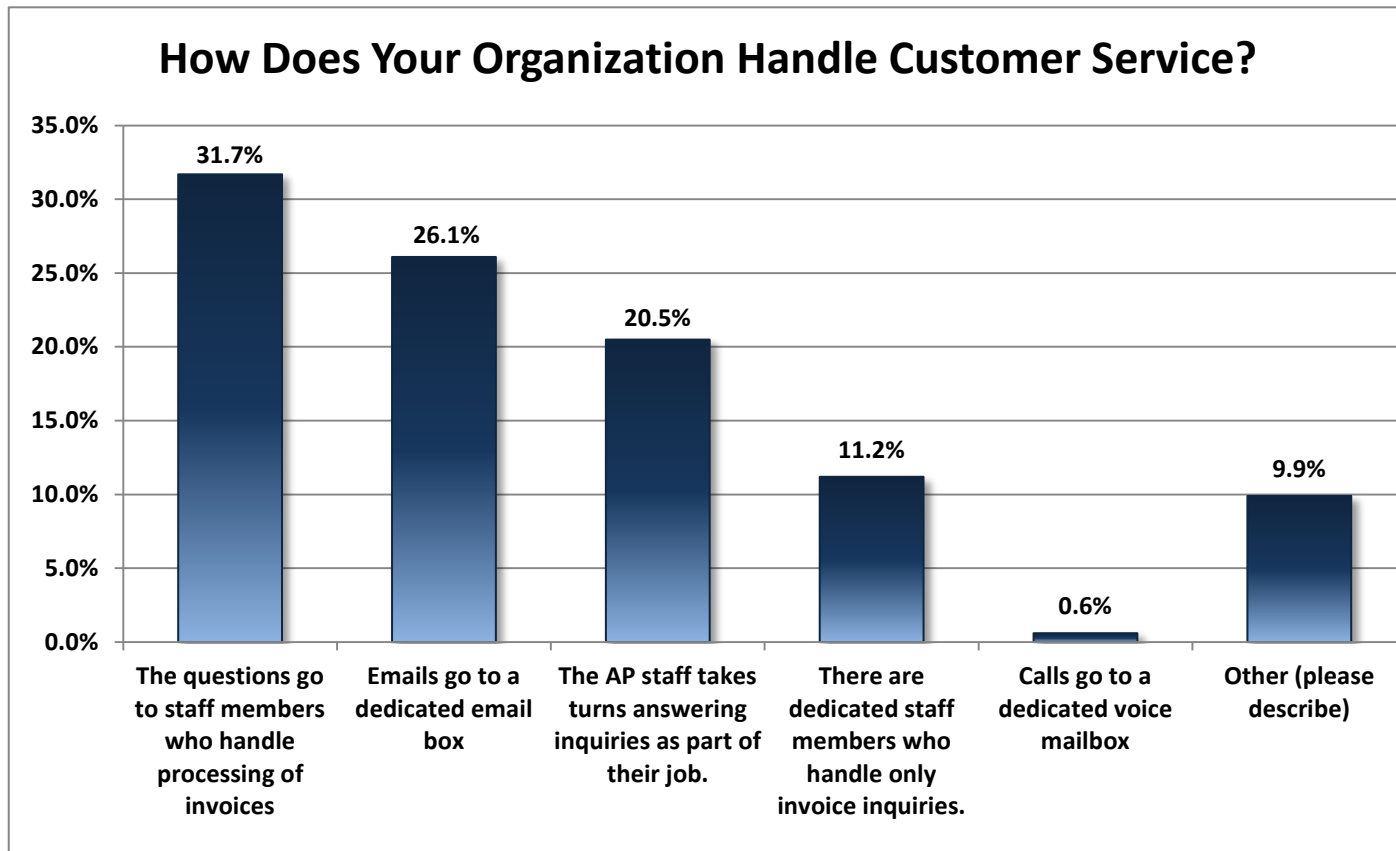
Survey participants were asked to share their biggest challenges with AP customer service. The biggest challenges reported were Compliance with Company Policies and Procedures (10%), Communication (7%), Amount of Inquiries (6%), Accuracy, (6%), Time Limitations (5%), Timely Payments, (5%) and Getting Invoices Approved (4%).

In addition, following are some specific challenges from participants:

- “Too many payment status inquiries”
- “Not enough resources to address inquiries and issues”
- “Volume of inquiries coming into AP call center”
- “Volume of requests”
- “Departments not following through and misinforming external customers”
- “Approval of invoices and purchases without POs”
- “Getting internal approval and coding on invoices”
- “Tailored AP automation. AP talent. IT resources”
- “Transitioning to paperless workflow”
- “Having sufficient income to pay vendors”
- “People not wanting to deal with change”
- “Clerical work that gets in the way of more value-add activities”
- “Communication, communication, communication”
- “Frequency of communication coming in”
- “Having customers understand payment terms”
- “Customer compliance to purchasing policies and company processes”
- “Internal customers not following policies prior to invoice submission”
- “People outside of AP who don’t follow policies and procedures and do their jobs and hold up processing”
- “Having invoices sent directly to AP”
- “Being nice to the customer and striving to make them happy”
- “Ensuring that all questions are being answered”
- “Balancing the daily workflow with the limited number of staff”
- “Lack of a self-service portal”
- “Lack of understanding externally around the volume of work AP is responsible for”
- “Last minute rushes with no processing instruction”
- “Lost invoices”
- “Purchasing managers telling vendors they will get paid on a certain date — even though AP hasn’t even seen an invoice yet”
- “Time limitations and restraints”
- “Internal colleagues slowing down payment as invoice is lost or sitting at a desk”
- “Invalid PO use impacting ability to pay invoices timely”
- “Obtaining and processing invoices in a timely manner”
- “Having time to provide training to internal and external clients
- “Not enough staff to offer adequate training to our departments”
- “Getting users to avail themselves of the self-service apps we have”

Staff Organization for Handling AP Customer Service

When asked how participants handle their customer service, 32% responded that inquiries go to staff members who handle the processing of those invoices, 26% are emailed to a dedicated email box, 21% said that the AP staff takes turns answering inquiries as part of their job, 11% responded that there is a dedicated staff who handle only invoice inquiries and 10% answered other.

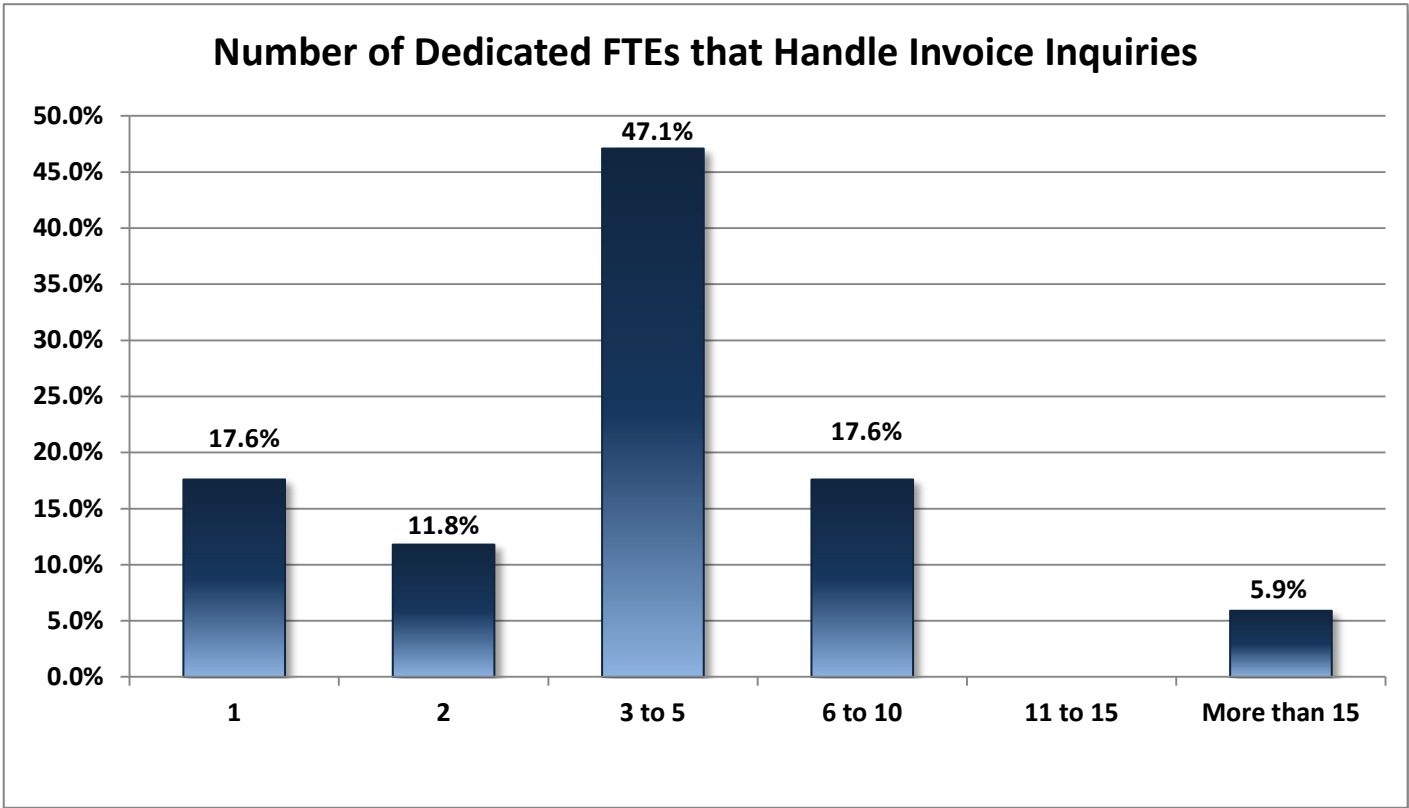


In comparison to last year's results, there was a drop in the number of respondents who said that AP staff takes turns answering inquiries as part of their job from 46% to 21%. This year, 26% of respondents said that inquiries go to a dedicated email box compared to 19% last year.

Of those that replied "Other," many commented that they use a combination of all of the options offered. Here are some interesting responses:

- Call center for calls and ticket system for emails
- A help-desk team handles all AP inquiries that the portal cannot answer
- External vendors call their business contact or the shared service customer service team but calls are very rare
- Each vendor has a dedicated AP staff member that handles their account so the vendor always has the same AP contact name and number

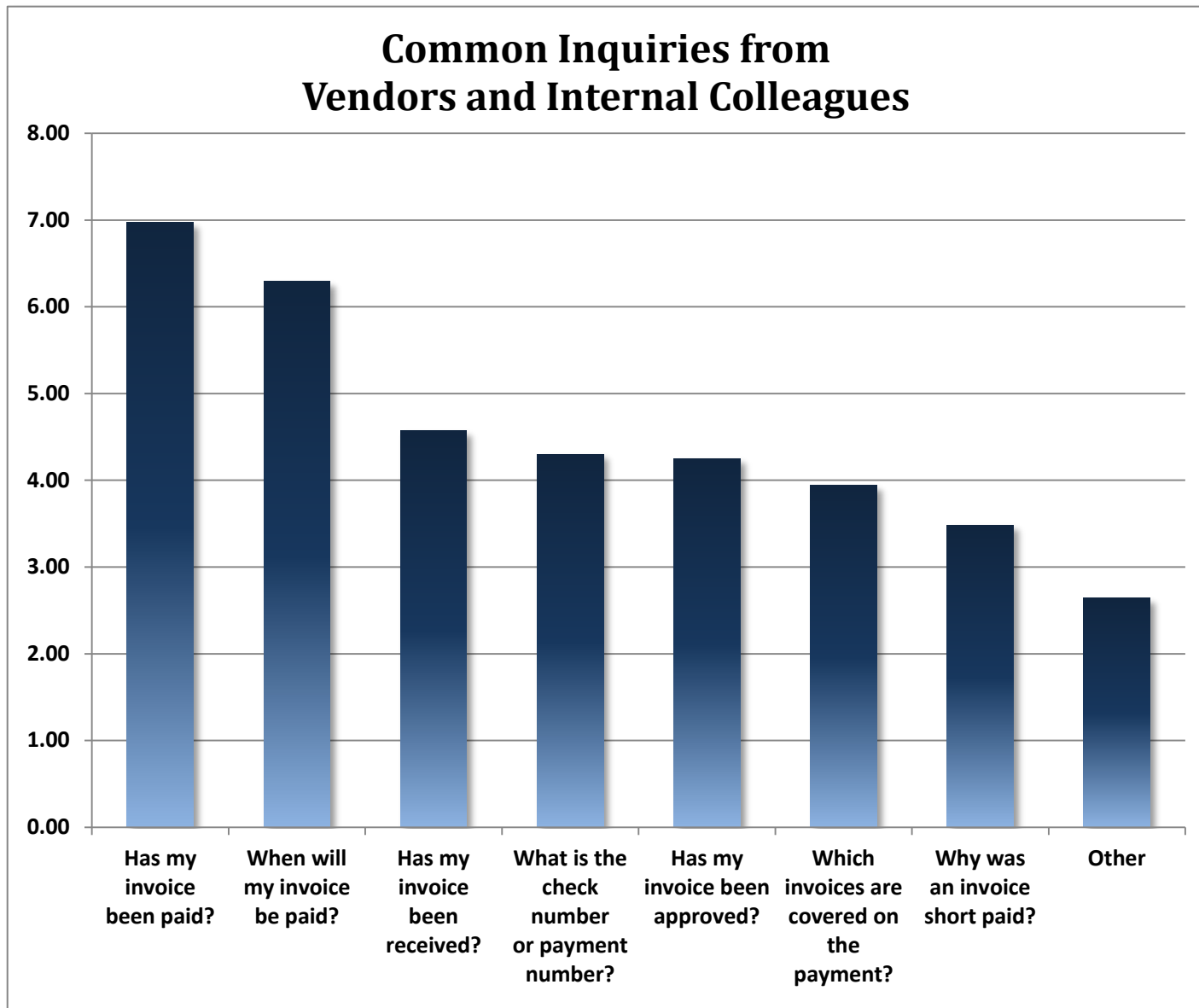
For those participants that have a dedicated staff handling invoice inquiries, 77% of the respondents had between 1-5 employees dedicated to handling inquiries — down from 85% last year.



Common Inquiries from Vendors and Internal Colleagues

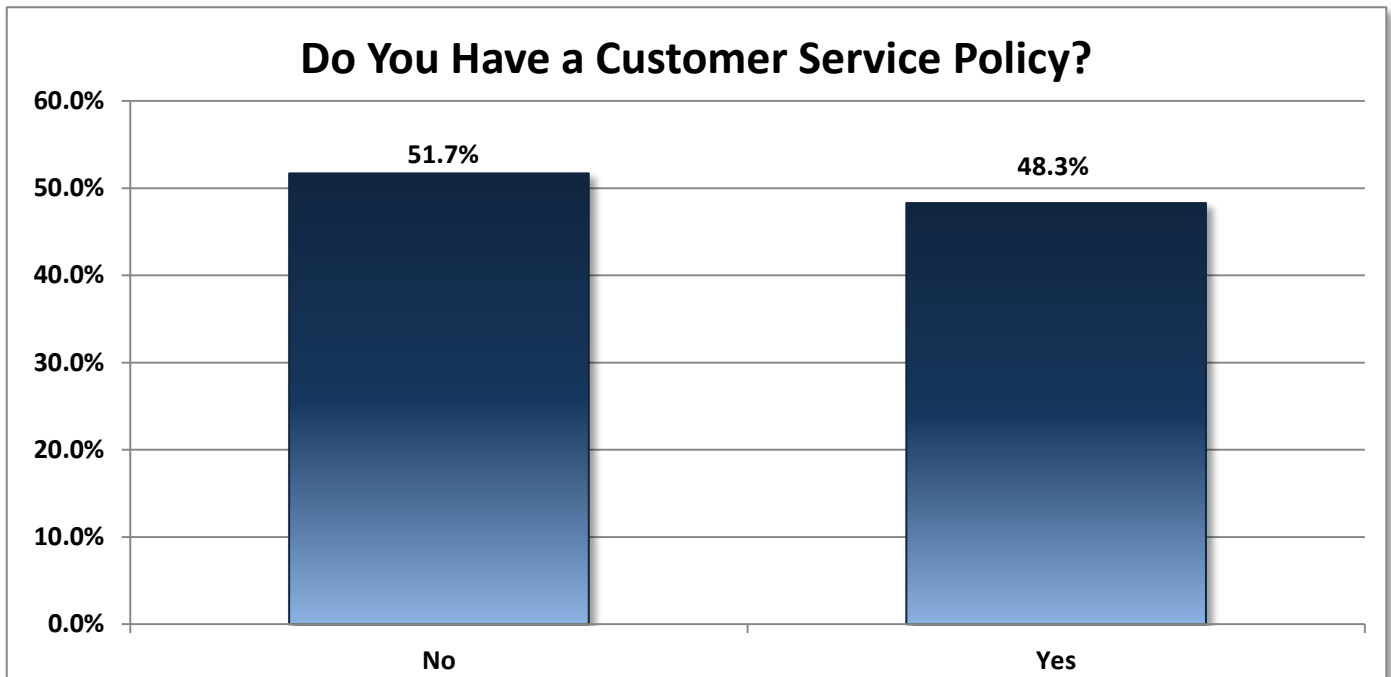
Survey participants were asked to rank the items on a scale of 1 to 8 in order of priority with 1 being the least and 8 being the most common. Unsurprisingly respondents indicated that the most common inquiries they receive from vendors and internal colleagues are about payment and approval of invoices. For those that chose “Other,” they stated that statement reconciliation and departments inquiring about what remains on a contract or blanket purchase order to spend are common questions.

When payment is not made on a timely basis, AP should expect to receive calls and emails inquiring about payment.

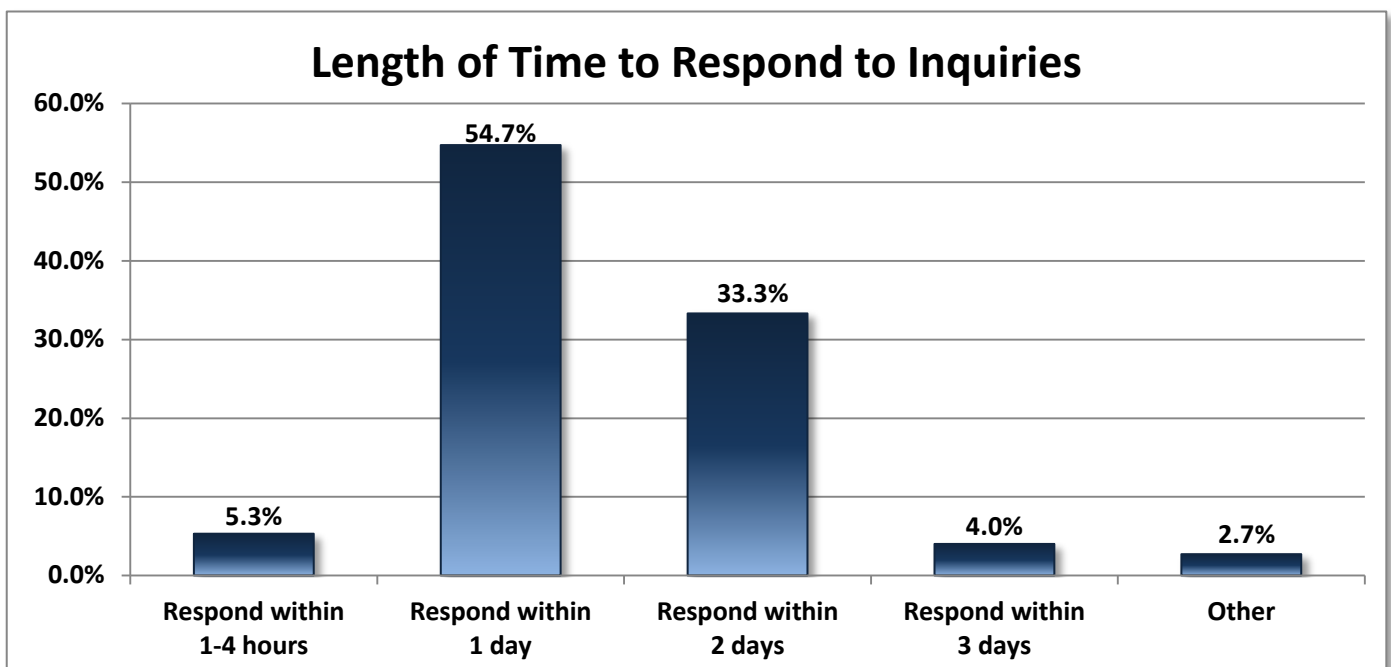


Customer Service Policies

Of those participants that responded to whether their company has a policy about how long staff has to research and turn around a response to inquiries, 48% responded that they do have a policy and 52% do not.



Of those that do have a policy, the clear majority (55%) requires a response within one day with one-third required to respond within two days. One participant commented that they are required to pay within 30 days of receipt.

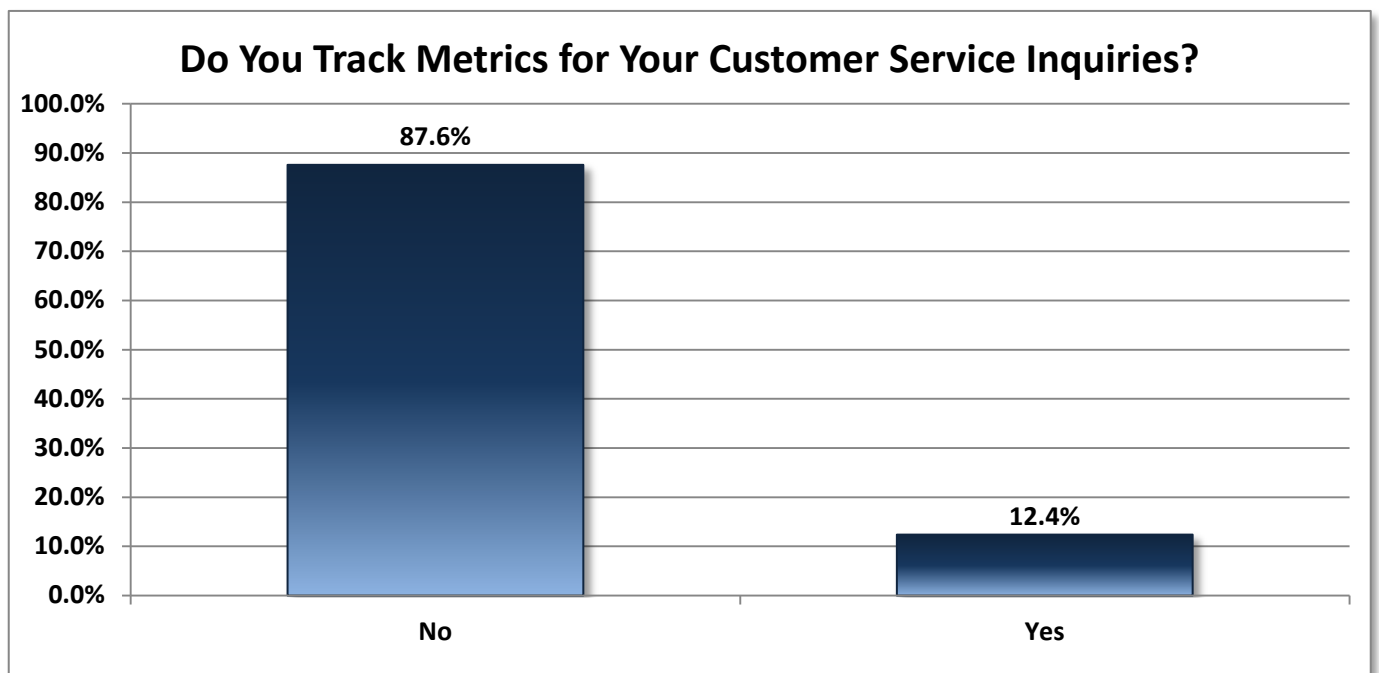


Customer Service Metrics

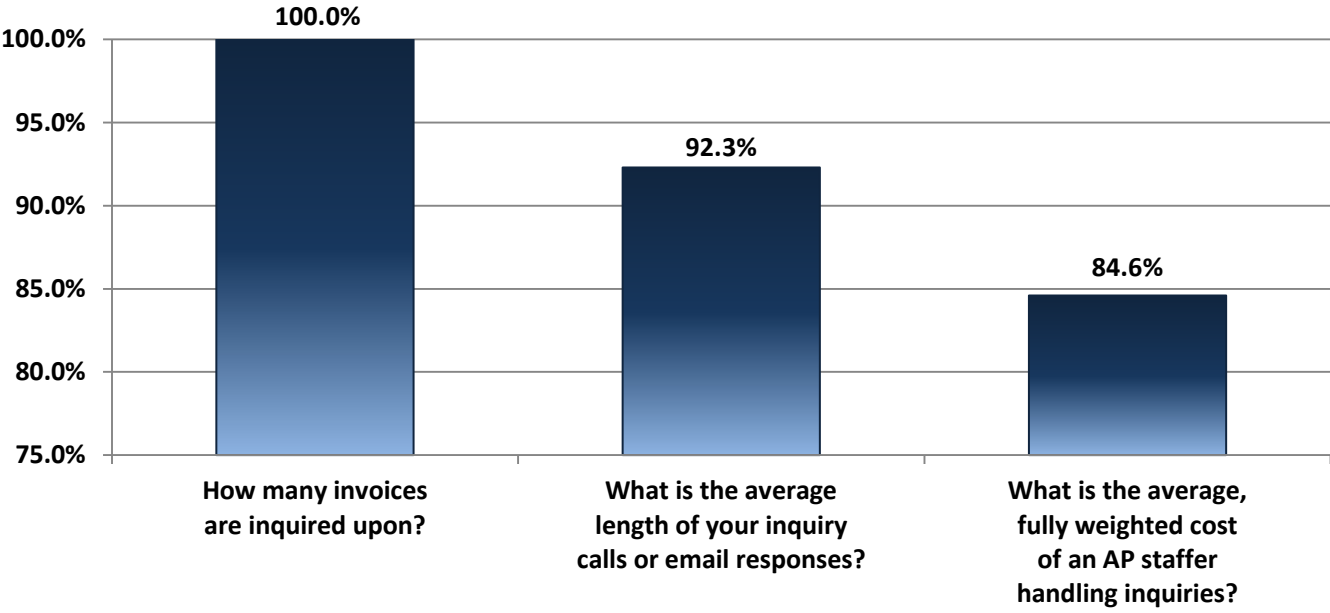
When asked if metrics are tracked for customer service inquiries, 12% responded yes while 88% said no. Of those that do track metrics 100% said that they track how many invoices are inquired upon, 92% track the average length of an inquire call or email response and 85% track the average, fully weighted cost of an AP staffer to handle inquiries.

Of those that do track customer service inquiry metrics, 16% of respondents have revenue less than \$1 billion and 84% have revenues above \$1 billion. Clearly size is dependent on tracking.

We at InvoiceInfo are always asking AP professionals if they track customer service metrics and are always surprised that most don't have any idea how much customer service is costing. If you asked the same questions about whether AP tracks on-time payment or cost per invoice, you would probably get a very different answer. Although, couldn't one argue that handling invoice inquiries should be included when calculating cost-per-invoice?



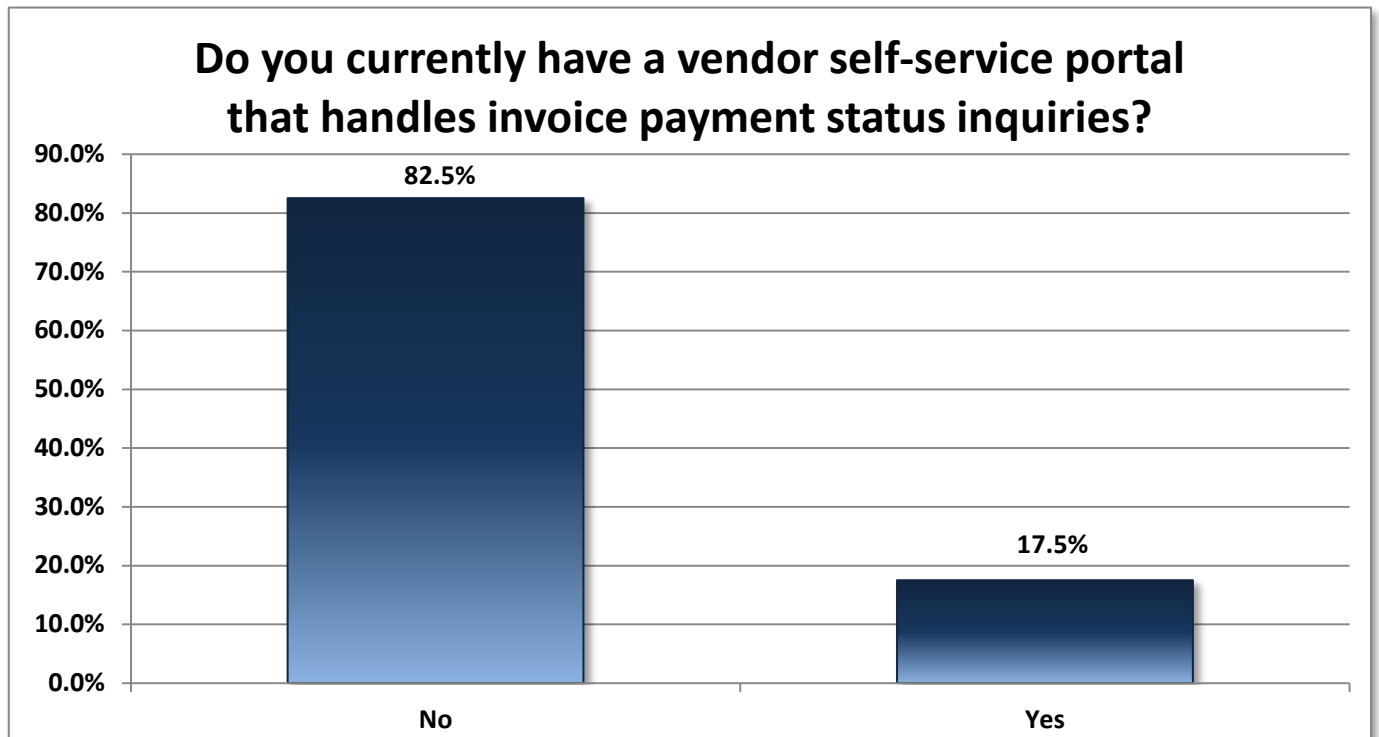
What Customer Service Metrics Do You Track?



Vendor Self-Service Portals: Do Participants Have a Portal?

When participants were asked whether they currently have a vendor self-service portal that handles invoice payment status inquiries, 17.5% responded that they do (up from 15% last year) while 82.5% do not.

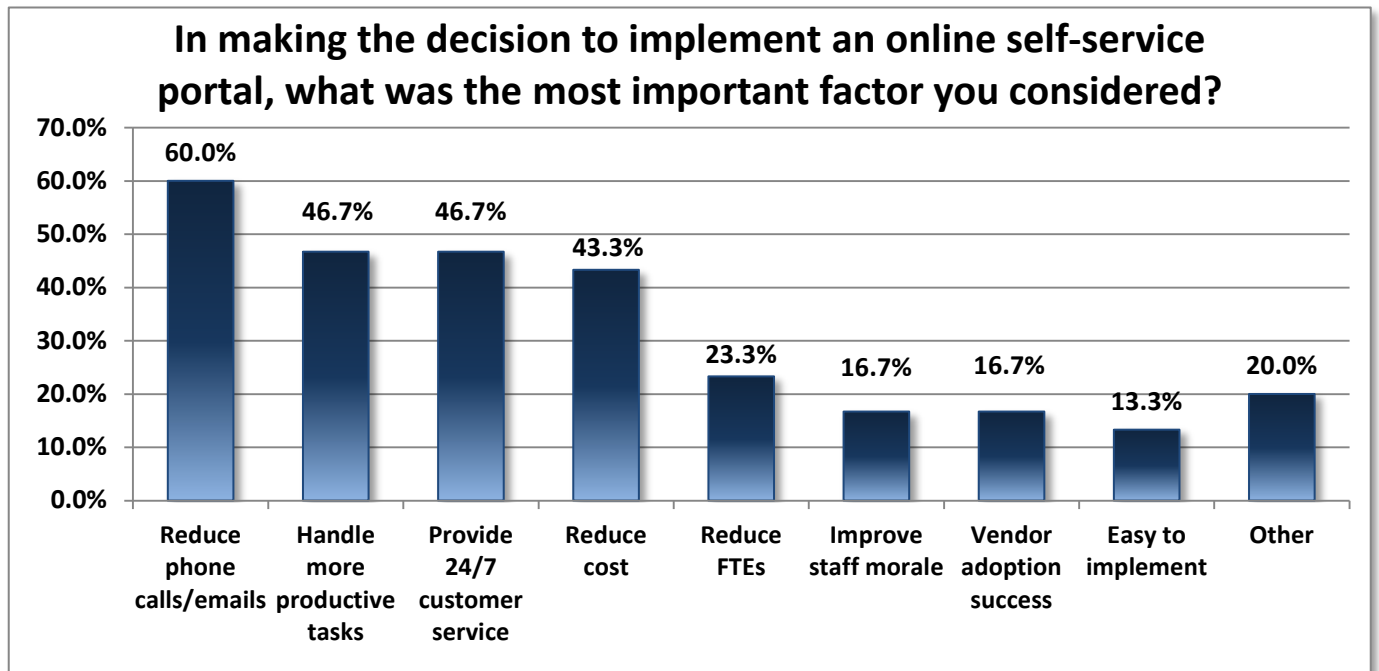
For participant companies with revenue greater than \$1 billion, 46.9% of respondents have a portal, which is an increase of 16.9% from last year's survey. So it appears that the larger the organization, the more likely they are to utilize a self-service option.



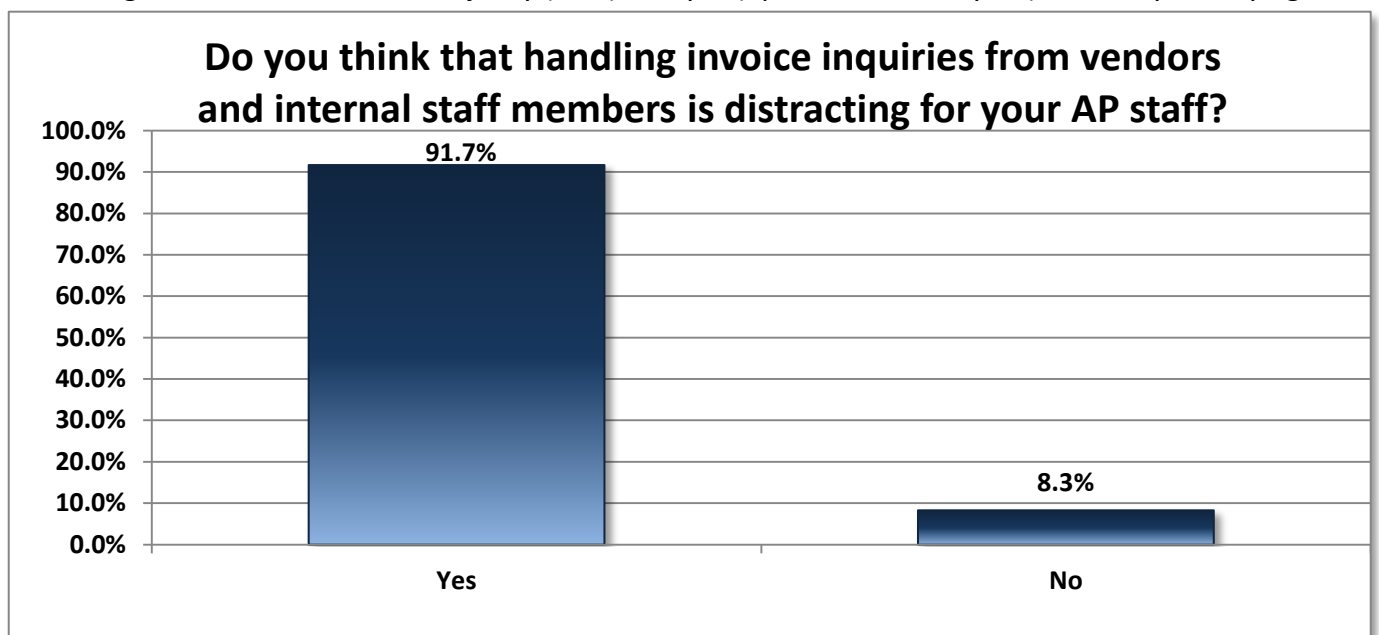
Vendor Self-Service Portals: Why?

Of those that do have a vendor portal, the main reason they made the decision to get a vendor portal was to reduce phone calls and emails, followed by moving the focus from employees handling inquiries to more productive tasks, to provide 24/7 customer service and fourth on the list was to reduce cost.

Surprisingly, only 43% of those that responded were motivated by cost reduction. And of those, 46% of the respondents were companies with revenue greater than \$1 billion. Larger companies appear to be more focused on cost reduction as a motivator to implement a self-service portal.

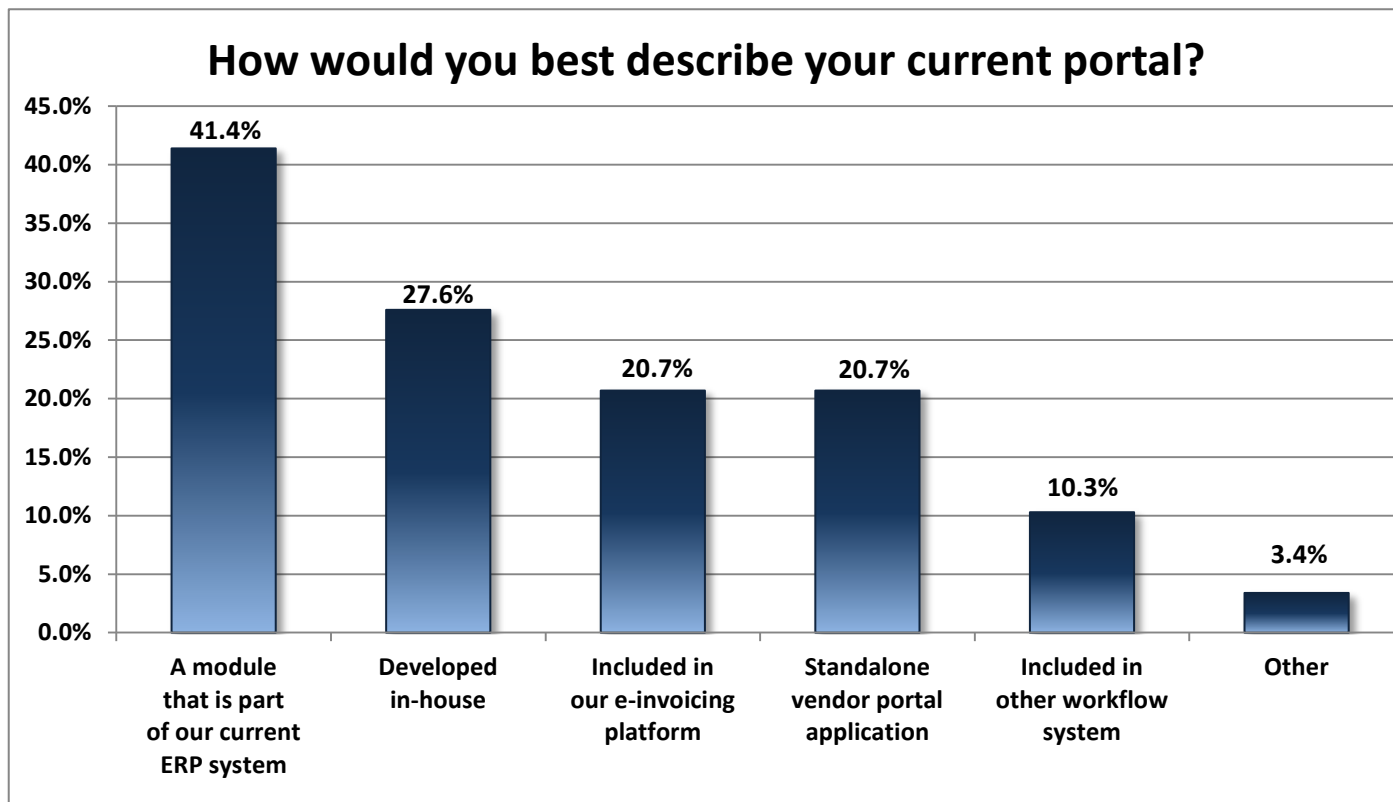


When asked whether the handling of invoice inquiries from vendors and internal staff members is distracting for AP staff, the clear majority (92%) said yes (up from 68% last year) with only 8% saying no.



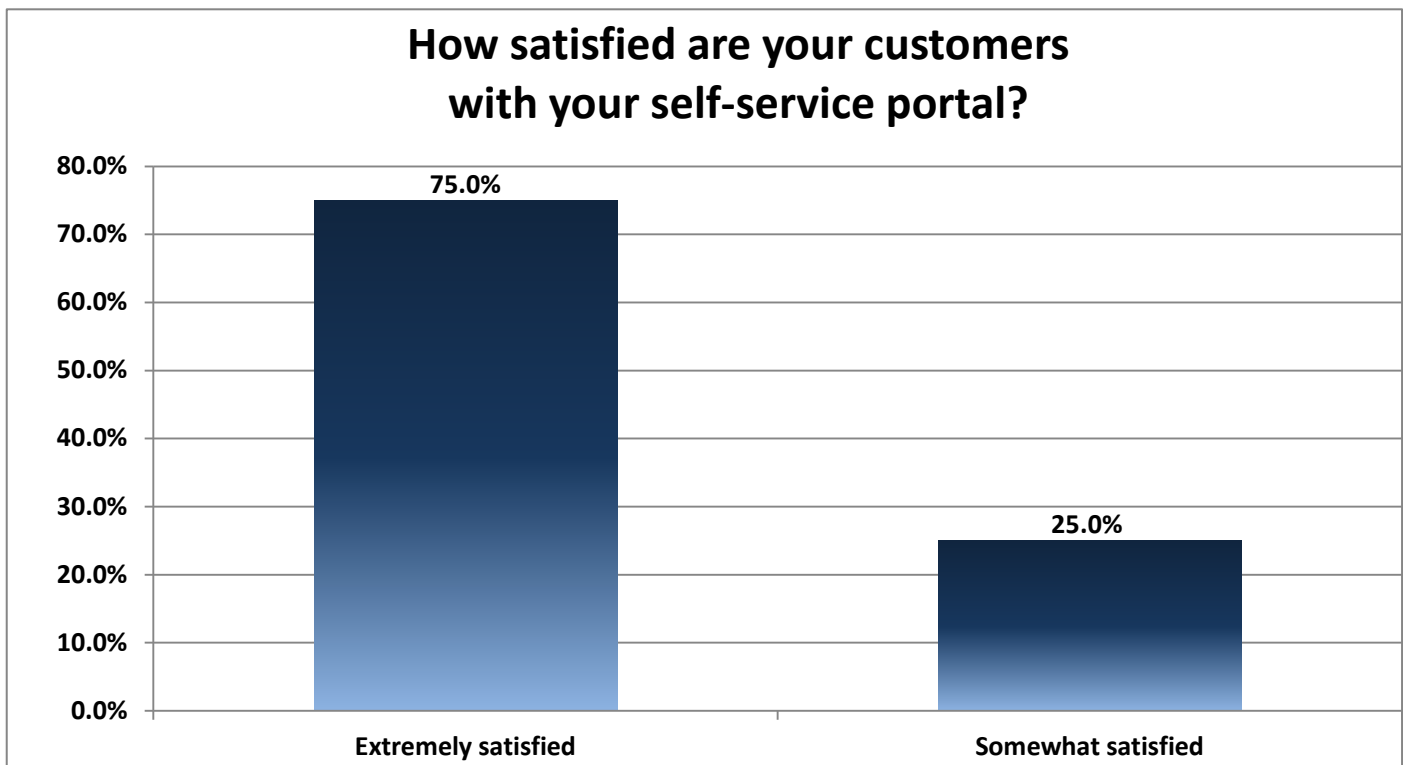
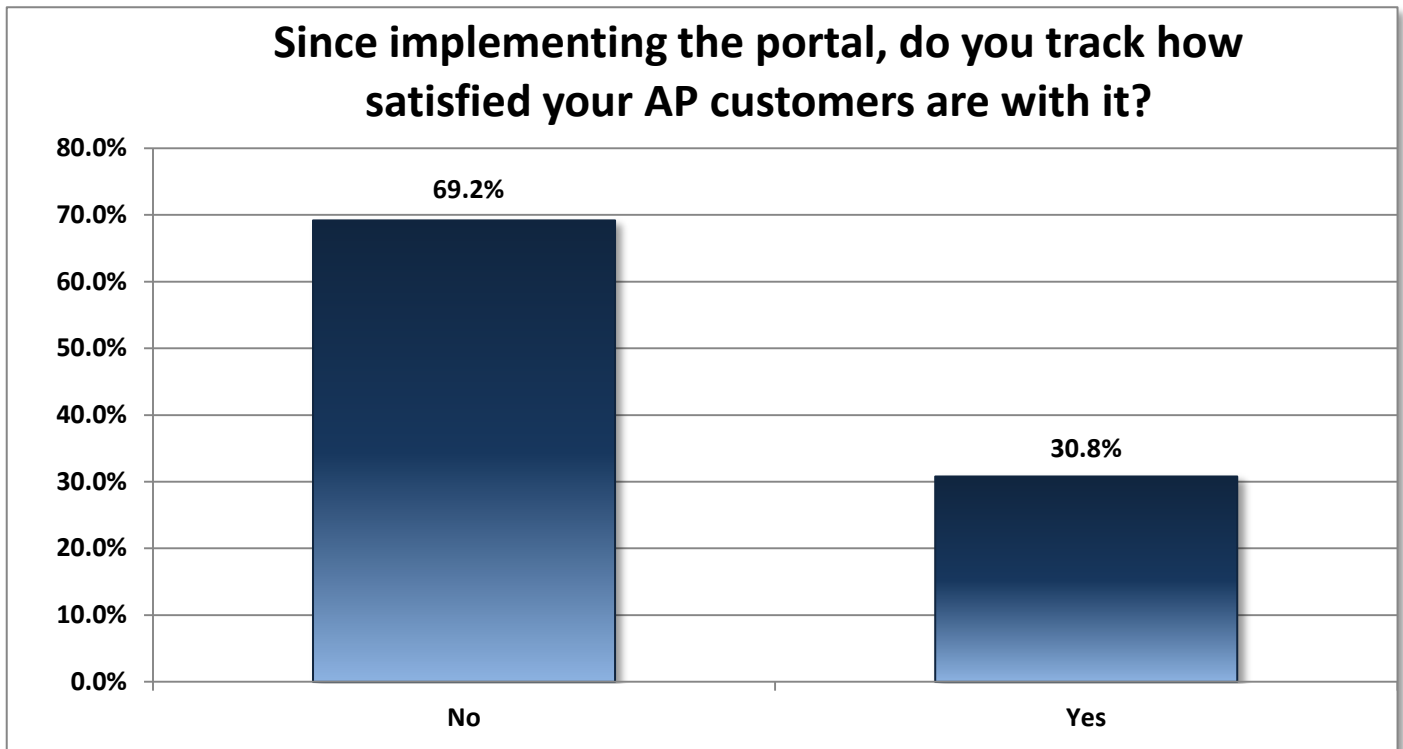
Vendor Self-Service Portals: Describe

For those participants that currently have a portal, 41% have a module that is part of their current ERP system, 28% have developed an in-house portal, 21% have a portal included in their e-invoicing platform and 21% have a standalone portal application.



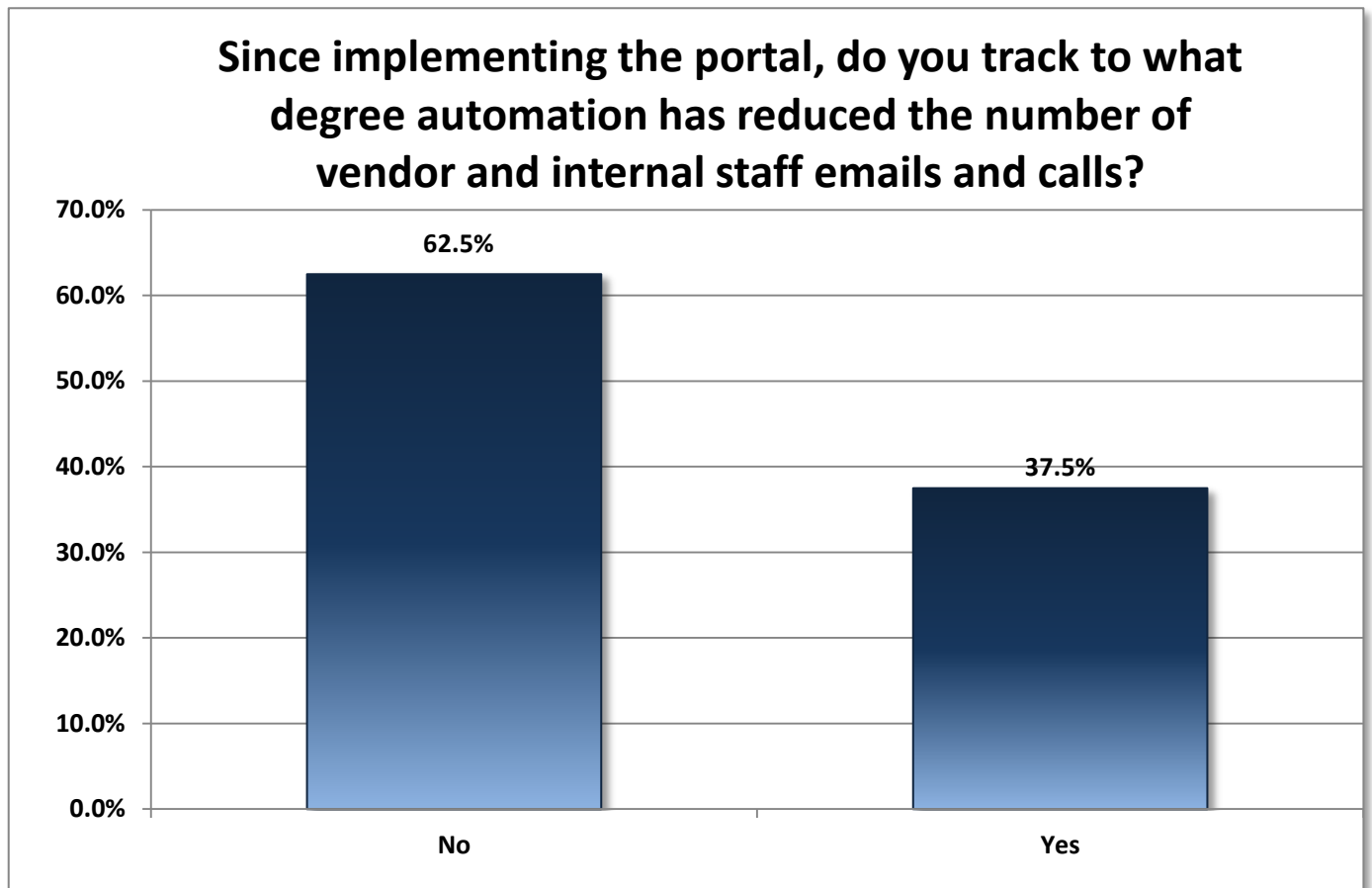
Vendor Self-Service Portals: Metrics

Tracking customer service metrics is not that popular among participants. For those that do have a portal, only 31% track how satisfied their customers are with it. Of those, 75% are extremely satisfied, and 25% are somewhat satisfied.



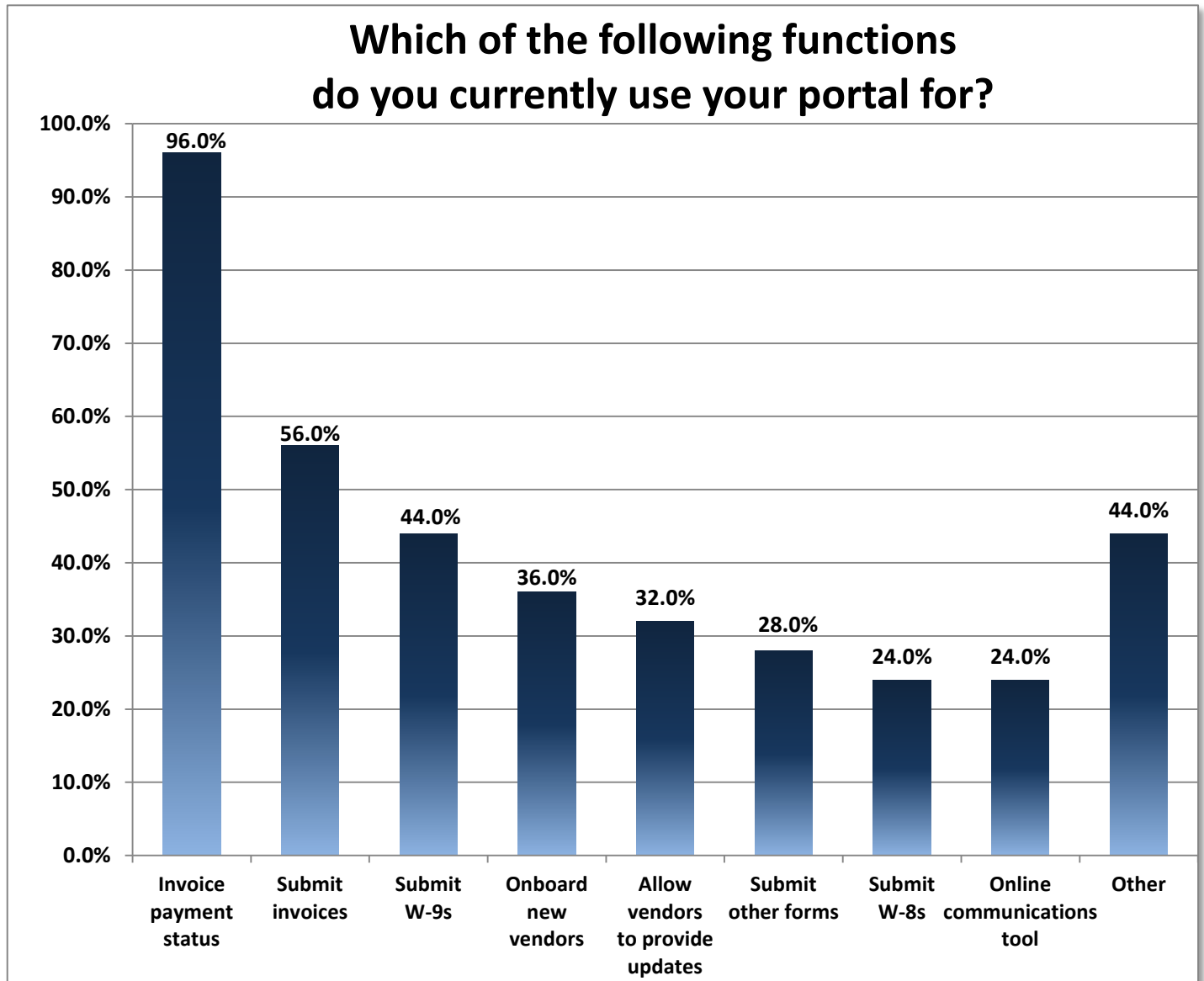
Vendor Self-Service Portals: Tracking Adoption

Since implementing a portal, only 38% of those that have a portal track to what degree automation has reduced the number of vendor and internal staff emails and calls, while the majority (63%) do not.



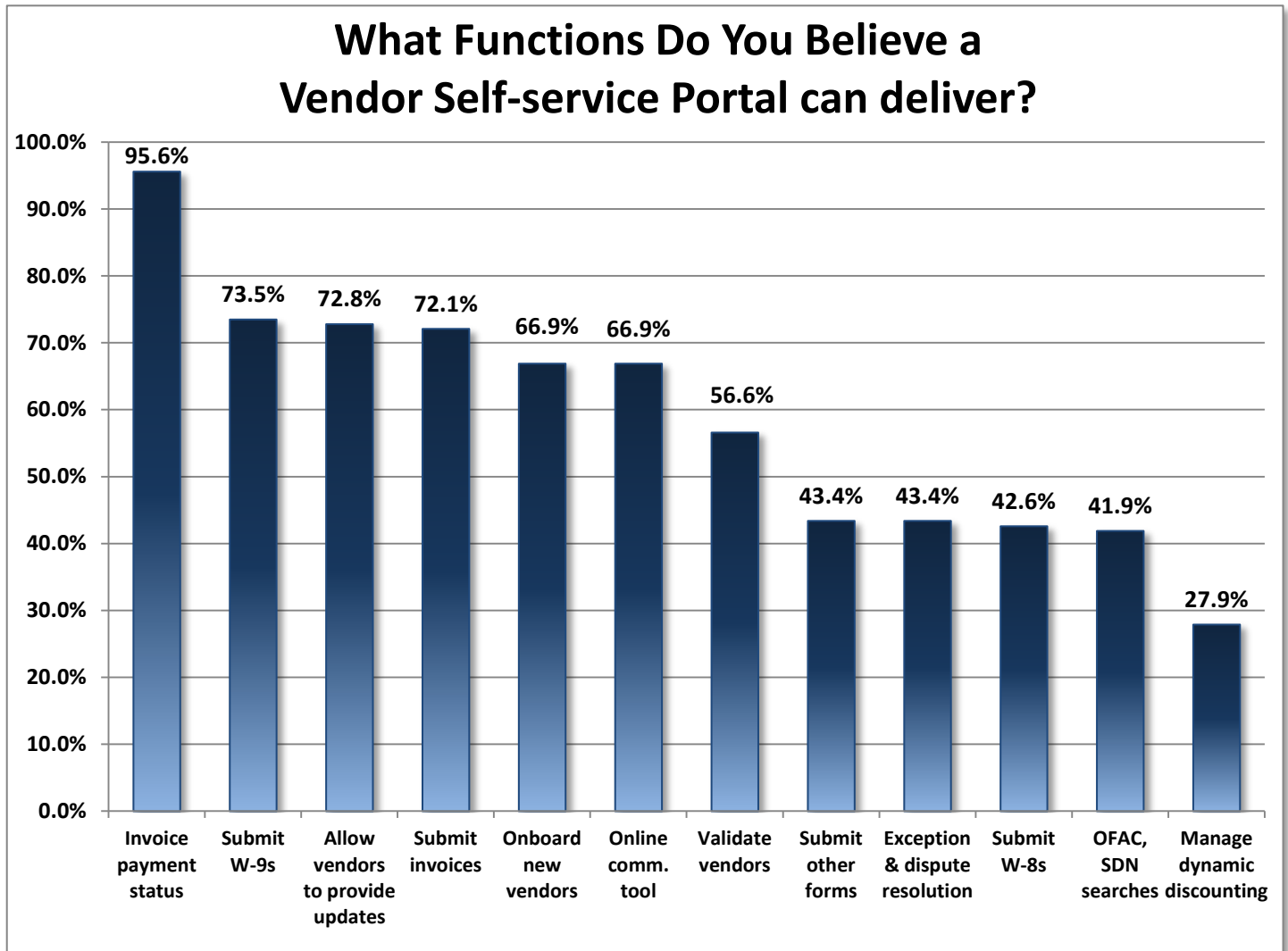
Vendor Self-Service Portals: Actual Uses

Of those participants that do have a portal, 96% use the portal for invoice payment status. More than half (56%) use the portal to submit invoices, nearly half (44%) utilize the portal to submit W-9s and 36% onboard new vendors via the portal.



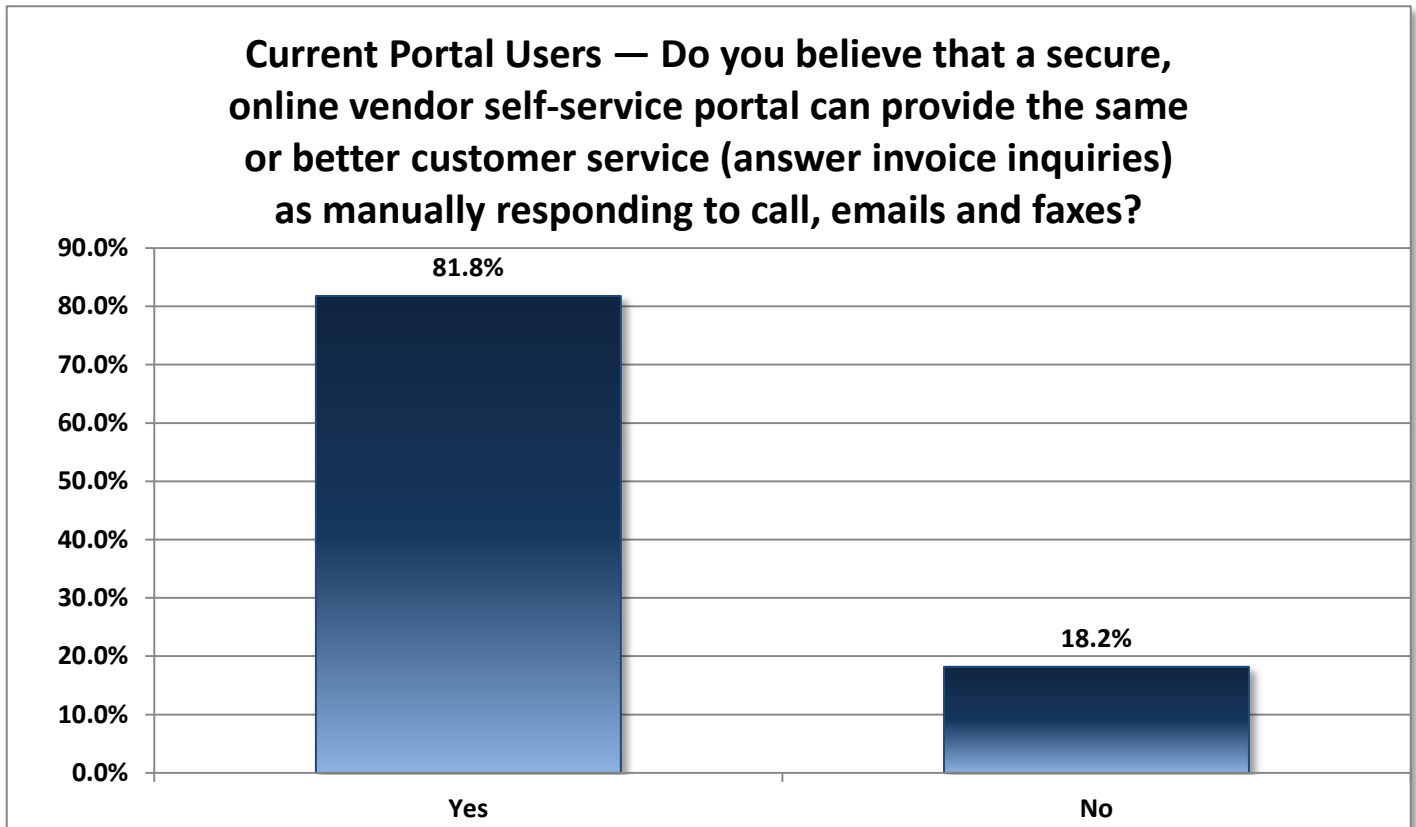
Vendor Self-Service Portals: Expected Uses

When asked what functions participants believe a self-service portal can deliver, nearly 100% answered invoice payment status. Other popular responses were W-9 and invoice submission and updates to vendor information, onboarding new vendors and as an online communications tool.

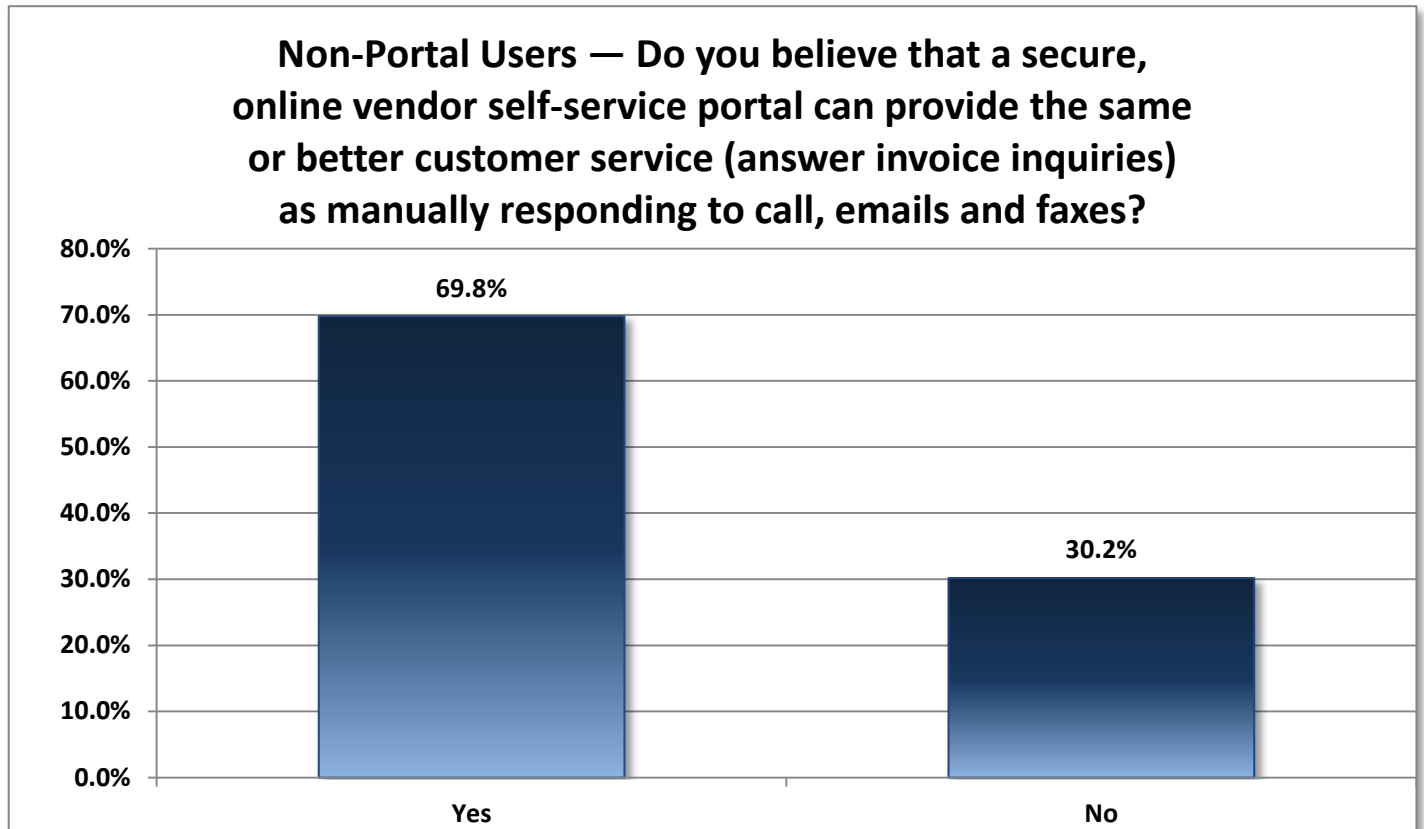


Vendor Self-Service Portal: Can Vendor Self-Sufficiency Deliver Great Customer Service?

The clear majority of participants that currently have a portal (82%) believe that an online self-service portal can deliver the same or better customer service as a live customer service representative.



For those respondents that do not currently have a portal, 70% believe that a portal can provide the same or better customer service.



How to Maintain Great Relationships with Your AP Customers

When asked to share best ideas for how to maintain great relationships with AP customers, communication with customers (32%) and providing good customer service (24%) were the top two chosen. Here are some specific tips from survey respondents:

- “Accurate and immediate customer service.”
- “Talented and well-informed AP staff”
- “Get invoices paid on time and accurately to reduce questions”
- “Provide great customer service — fast, courteous, high level of accuracy”
- “Always say yes”
- “Always be courteous and respectful”
- “Be courteous and respectful when communicating”
- “Be polite and always remember that everyone is your customer in AP”
- “Put yourself in everyone else’s shoes”
- “Remember your vision and values and always treat people with dignity”
- “Treat your customers with respect and they will do the same”
- “Be helpful, knowledgeable and patient”
- “Be proactive and have the ability to research things quickly”
- “Be responsive and if possible try to be proactive not reactive to situations”
- “Have clear processes and set expectations”
- “Listen to issues then explain the process so all are aware”
- “Make sure vendors know where and how to submit invoices”
- “Clear, concise, accurate and timely communication on queries”
- “Communicate before there is an issue”
- “Keep communication open to ensure expectations are reasonable”
- “Maintain communication and transparency through process changes or improvements”
- “Provide accurate information and listen to customer’s concerns”
- “Always have a return answer within 24 hours and keep in touch until you do”
- “Listen and do not make promises you can’t fulfill”
- “Be honest and reply to emails and calls promptly”
- “Follow through on what you say you will do”
- “View your job as assisting customers to get their job done and be informative about controls”
- “Get invoices paid on time and accurately to reduce questions”
- “Pay timely and be courteous and understanding”
- “Pay bills on time to term”
- “Communicate, communicate, communicate, communicate...”