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The State of ePayables 2025: AP's Unfinished Journey

Andrew Bartolini | Founder & Chief Research Officer | Ardent Partners
June 2025

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The State of ePayables 2025:
AP's Unfinished Journey

Accounts Payable has never been the story of overnight transformation. It is a story of persistence, of pushing forward through challenges, one supplier, one invoice, and one payment at a time. Like Sisyphus reimagined, not as a figure of futility but of defiant purpose, AP professionals have spent the past twenty years pushing against inertia, not for glory, but because the struggle itself matters. Every invoice approved, every payment scheduled, and every new insight gained and shared marks progress. It is a progress that is real, earned, and meaningful. In a world obsessed with disruption, AP offers the lesson that while value, from time to time, arises from revolution, more often than not, it is the result of a steady, consistent execution on a long-term plan This report opens in many ways like the inaugural report in 2006, with a recognition that AP's journey is not behind it, but ahead. Onward, AP soldiers!

This 20th-annual State of ePayables report is part of the ongoing dialogue that Ardent Partners' analysts have had with AP, finance, and P2P leaders for two decades. The report examines the general competencies and capabilities of AP organizations today and highlights the management strategies and tactics that leading departments have utilized to drive their organizations forward over the past few years. This report also examines their core plans and top priorities for 2025 and beyond, including AI.

While this report reflects on AP's journey over the past two decades, it remains focused on the here and now, presenting a comprehensive, industry-wide view into the world of accounts payable by capturing the experience, performance, perspectives, and intentions of 204 AP professionals and their organizations. The report includes benchmark statistics, analysis, and recommendations that AP, finance, and P2P teams can use to better understand the state of AP today, gain insight into best practices, benchmark their performance against the Best-in-Class, and ultimately improve their operations and performance.

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Chapter One: The State of AP

"There has never been a better time to work in accounts payable than right now. Tomorrow will be even better."

~ Said almost daily by Andrew Bartolini of Ardent Partners for the past decade.

Two Decades of AP Evolution and Elevation

Now in its 20th year, Ardent Partners' annual ***State of ePayables 2025*** report offers a unique vantage point into one of the most underappreciated, yet essential, areas of enterprise finance. What was once viewed as a purely tactical function has steadily evolved into a hub of insight, control, and value creation for the broader organization.

Over the past two decades, AP has undergone a significant transformation, shaped by macroeconomic events, technological advancements, and demand for agility, compliance, and efficiency. In the early 2000s, most AP departments were drowning in paper, with manual data entry, error-prone approvals, and late payments serving as the norm. The early research done by Ardent Partners' analysts showed that average invoice processing costs could easily exceed $20 per invoice and cycle times regularly stretched more than 20 days. Twenty years later, those numbers are less than half of what they were.

The 2010s brought a wave of digital transformation, and with it, eventually, a focus on AP. ePayables solutions began to reduce the burden of paper invoices and accelerate processing cycles. Ardent Partners' research during this period highlighted the significant improvement in metrics, like straight-through processing, as AP leaders embraced workflow automation and document digitization. By the late-2010s, forward-looking AP teams were beginning to shift from simply "processing transactions" to "managing information and relationships."

The 2020s introduced a new set of challenges and opportunities, most notably the COVID-19 pandemic, which clearly revealed the problem with manual AP processes. Many AP teams were forced to return to physical offices to process invoices during the lockdowns as a way to ensure business continuity. During that time, executives saw the folly in ignoring AP, leading to a spike in ePayables solutions investments. As more AP teams became automated, many simultaneously became more strategic, creating stronger synergies with procurement and treasury.

In 2025, these functional partners now turn to AP not just for transaction support, but for insight on and assistance with their own priorities. More recently, the rising cost of capital has added new importance to how and when suppliers are paid, and has drawn AP closer to the center of cash flow management and supplier relationship management. AP's potential has started to emerge and the introduction of AI should help accelerate it. But how AP sees itself, and how the rest of the business views AP also matters, as the next section explains.

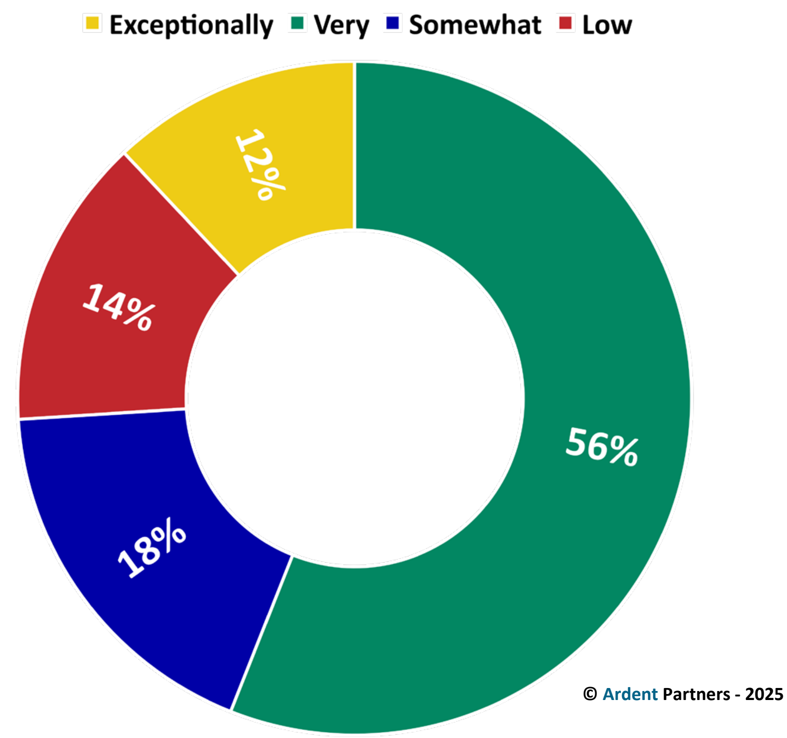
How AP Sees Itself and How to Make It A Reality

When asked to evaluate the perception of AP within their enterprises (*see Figure 1*), a majority (56%) of AP professionals responded that their department is seen as "very valuable" to the business, playing a strategic role in financial operations. A smaller and highly confident group (12%) goes even further, viewing their AP department as an "exceptionally valuable" function, operating as a hub of efficiency and insight that generates measurable enterprise value. While this is encouraging, roughly one-third of respondents still see AP as a tactical or back-office function. It can be difficult to change that narrative, but it can be done.

Something worth considering: Is the rest of the organization aligned with this view? Perception without validation can be risky. Even for teams that believe they are highly valued, periodic confirmation can help maintain focus on top priorities while building internal credibility. One way to close the feedback loop is to launch an internal "customer satisfaction" survey targeting key business stakeholders, functional peers, and procurement and finance leaders. A regular NPS-style feedback mechanism can also help track perception over time.

If AP's perception does not match reality, it is time to develop and launch an active marketing plan to communicate AP's mission, value, and successes. Closing that perception gap will help win a bigger slice of executive mindshare and the budgetary pie.

Figure 1: Perception: How Valuable Is AP?



AP's Power Couple(s)

Two valuable allies in amplifying AP's contributions are procurement and treasury. The AP and procurement relationship is an interdependent, evolving marriage of control and value. It's akin to a strategic partnership, where AP (the guardian of financial integrity and efficiency) and Procurement (the driver of sourcing value and supplier relationships) must work in lockstep. Their alignment is crucial for everything from spend visibility and cost control to supplier satisfaction and fraud prevention. When this bond is strong, it's a positive force on the supply chain. That is why 37% of AP leaders have prioritized improving this relationship in 2025.

37% of AP leaders are focused on improving the procurement relationship in 2025.

Meanwhile, the AP and Treasury relationship is far from a marriage of equals and more of a marriage of necessity focused on cash management and control. Behind every great treasury department stands an AP operation ... one that is tightly managing the execution of vendor payments and providing accurate and timely data on liabilities. A happy union here helps optimize cash flow and improve financial stability. Unfortunately, only 29% of AP departments report "heavy" or "moderate" involvement in managing cash and liquidity.

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AP can improve its position within finance and the corporate hierarchy by being a stronger partner and encouraging its partners to vouch for it. When procurement and treasury bear witness to AP's contributions and capabilities, its standing is elevated. Multiple partners in a strategic business context is encouraged, and AP leaders should say "I do" to both functions.

Til Tariffs Do Us Part – AP's New Role

New U.S. trade policy has introduced complexity to global supply chains in the form of tariffs. While tariffs are not paid via a typical supplier invoice, managing tariffs is a task that underscores why AP's partnerships with procurement and treasury is increasingly important.

Tariffs are paid during customs clearance, often by a customs broker or freight forwarder acting on behalf of the importing company. Afterwards, the broker submits an invoice, usually to AP, for reimbursement. This creates a unique challenge because tariffs are real costs and sometimes very significant, but they are frequently buried within broader shipping or logistics charges.

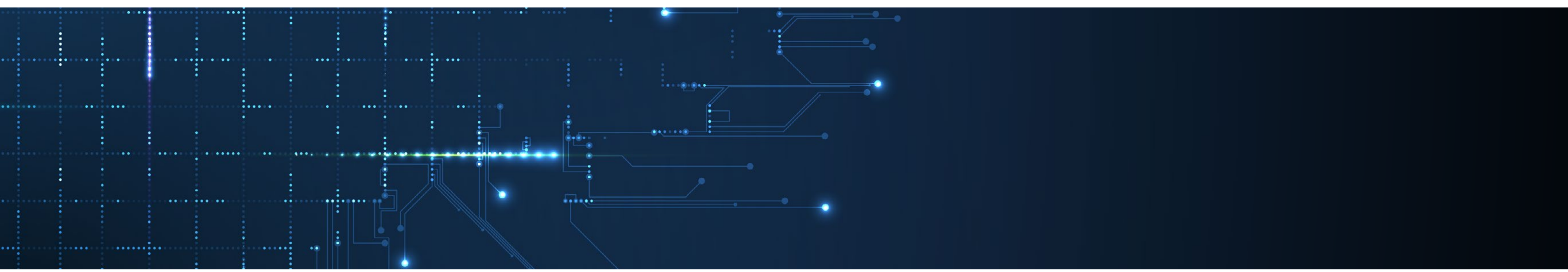
And given the inconsistent roll out of the tariffs, at present, their actual cost may not be known when the order was placed. This is where tight alignment with procurement is critical because that group can help ensure paid tariffs were accurately calculated and accounted for, leaving AP with a clear path to process the invoices and payments. Treasury relies on AP to provide accurate visibility into these costs for better forecasting, as well as cash flow and general risk management.

AP can step up by working with trade compliance teams to properly classify tariff-related invoices, assigning appropriate general ledger codes, and developing internal controls to flag and track these payments. The result is a smarter operation where AP processes complex transactions while helping procurement and the business better understand and manage tariffs. As companies shift sourcing to regions with more favorable trade terms or lower exposure to tariffs, the partnership between AP and procurement becomes a lever for resilience, speed, and strategic cost control. AP can support sourcing agility by streamlining supplier onboarding, including bank and tax information validation, and being proactive managers of global eInvoicing compliance.

High Hurdles

While tariffs, inflation, geopolitical tensions, and market volatility have created a pervasive sense of uncertainty in business, the most common challenges cited by AP professionals hit closer to home (*see Figure 2*). The top challenge for AP this year, called out by 49% of AP executives, is the length of time it takes to approve invoices and payments. This problem hits right at the core of the AP function, often cascading into downstream issues like late supplier payments and strained relationships.

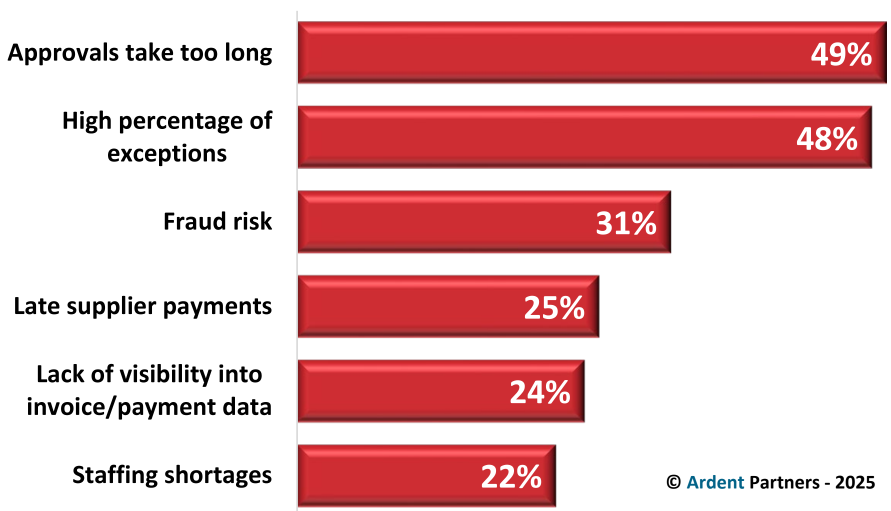
Closely behind is the high percentage of invoice exceptions (48%), which are problematic to any AP team but particularly those working in a manual or partially automated environment. Manually resolving invoice exceptions is a significant drain on efficiency, as it diverts valuable AP staff time from strategic tasks to painstaking, low-value reconciliation efforts. And when the process to resolve them and perform root cause analysis is manual, the solution is difficult to replicate and apply more effectively, which means the same exception problem will have to be solved again (and again).



Fraud risk, at 31%, ranks a distant third on the priority list. However, its impact can be far more destabilizing than its position suggests. Since the pandemic, AP teams are operating in an era of heightened cyber threats where a single breach can undermine confidence in the entire enterprise, and expose its business and financial systems to material risk.

Overall, AP's main hurdles in 2025 are connected by a lack of strong processes and low levels of automation. AP's journey may be unfinished, but knowing what lies in the way is the first step in clearing the path forward.

Figure 2: AP's Top Challenges in 2025



Bye, Hurdles. Scaling Obstacles

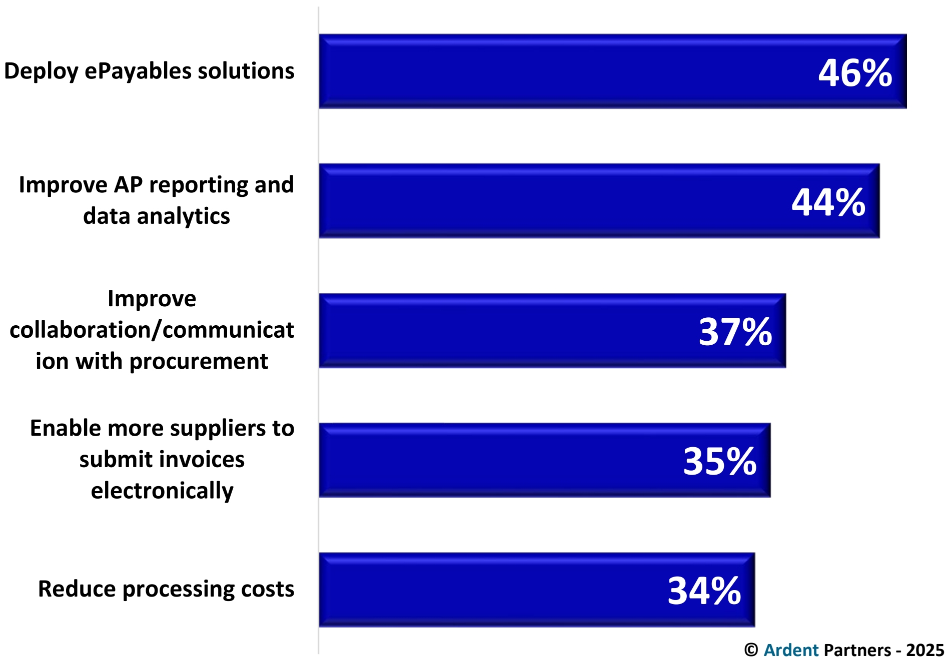
AP leaders are prioritizing different strategies to overcome big hurdles in 2025 (*see Figure 3, next page*). Over the years, priorities have mirrored AP's shift away from tactical operations to one with a sharper focus on larger, strategic, and more holistic initiatives. In 2025, AP's top priority is, once again, deploying comprehensive ePayables solutions ("ePayables" is Ardent's term for any technology that automates some or all of the AP process). This is a key initiative for nearly half (46%) of all AP leaders today. Ardent Partners maintains that AP's ability to leverage its unique data to provide actionable information to key stakeholders is vital for enterprise operations and results, a capability that is fundamentally reliant on robust ePayables tools.

Another top priority is the drive to improve overall reporting and analytics, selected as a top priority by 44% of AP leaders. This signals AP's commitment to becoming a "hub of intelligence" for procurement, treasury, and the lines of business. Visibility into and an understanding of the opportunities and risks that reside within its data can be a transformational catalyst for any AP operation.

Meanwhile, enhancing collaboration and communication with procurement is a consistent top priority for AP teams, where 37% have prioritized it this year.

Finally, enabling more suppliers to submit electronic invoices remains an essential focus for 35% of teams. Visibility is paramount to success, and self-knowledge is the primary ingredient for improvement. While ePayables systems uniquely rely on third-party (supplier) adoption for maximum returns, the rising tide of global e-invoicing mandates underscores the need for continued progress in supplier enablement.

Figure 3: AP's Top Priorities in 2025



AP's Achilles Heel

From the beginning, Ardent Partners has described supplier enablement as the Achilles heel of ePayables technology deployments. After all, AP utilizes one of the few enterprise-level technologies that requires third-party participation for success. Certainly, there are hurdles to suppliers becoming enabled — like integration challenges and the costs of managing customers across multiple platforms/technologies. Nonetheless, AP teams serious about digital transformation should do a better job explaining the supplier value proposition for participation and work to better understand the challenges that suppliers face.

Enabled suppliers frequently report the following benefits:

Reduced costs: Being able to electronically submit invoices to customers can deliver significant savings (assuming there are no [or low] transaction fees for suppliers). Examples include a reduction in printing and mailing costs, savings from not having to reprint invoices, fewer customer service calls, etc.

Fewer disputed invoices: Suppliers can flip POs into invoices or submit eInvoices straight-through from their AR system. eInvoicing eliminates the buyer's need to manually create an invoice, reducing the potential for errors. As a result, invoices are less likely to be rejected and customers can start processing them without delay. In the event a dispute does occur, it can easily and quickly be resolved online as opposed to via the phone.

On-time payments: eInvoicing can impact invoice processing and approval cycles on the buyer side, and when combined with ePayments, suppliers often see an improvement in on-time payments.

Improved ability to forecast: Having access to real-time data around submitted invoices, invoice status, payments, and more adds a level of predictability and visibility to the supplier's AR process and its ability to forecast cash flow.

Accelerated payment: If suppliers are able to receive payments quicker via a simple and effective tool that doesn't require heavy investment of time and resources, significant value may be created.

Global compliance: Mandates are exploding, causing perhaps the single-biggest driver to get more suppliers enabled. More and more countries, particularly in Europe and Latin America, are mandating eInvoicing. Failure to comply can result in significant fines, penalties, and even operational disruptions. AP departments must ensure they can both send and receive compliant eInvoices.

Chapter Two: The State of ePayables

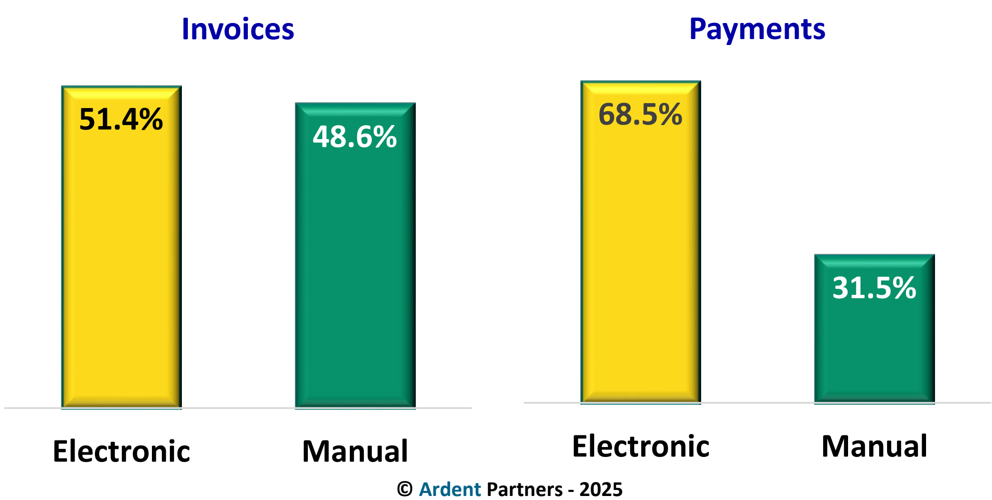
> *"There is still too much paper in AP. There is still too much potential too. These things are related."*
>
> ~ Andrew Bartolini, Ardent Partners

If the unfinished journey of Accounts Payable had a trail marker, it would be paper. Despite two decades of transformation, paper invoices and manual processes remain embedded in far too many AP environments. While progress has been made, particularly in the adoption of electronic payments, the persistence of paper underscores how far the function still has to go.

Ardent Partners 2025 survey results (*see Figure 4*) show that, on average, slightly more than half (51.4%) of all invoices are submitted electronically. And though electronic payments have gained more traction (68%), they remain inconsistent across organizations and industries. Each paper invoice that must be scanned or manually entered represents time lost, risk incurred, and insight deferred. For every manual check cut, there's a missed opportunity to strengthen controls, reduce costs, and improve execution.

ePayables solutions, for all their promise, have not yet delivered a paperless process, let alone a digital future. This is not an indictment of AP teams or solution providers, but rather a reflection of the complexity of driving change across a department and enterprise. On the positive side, AP teams fully expect to become more digital this year: 83% of AP leaders expect the number of eInvoices to increase this year, while a similar 78% expect more ePayments.

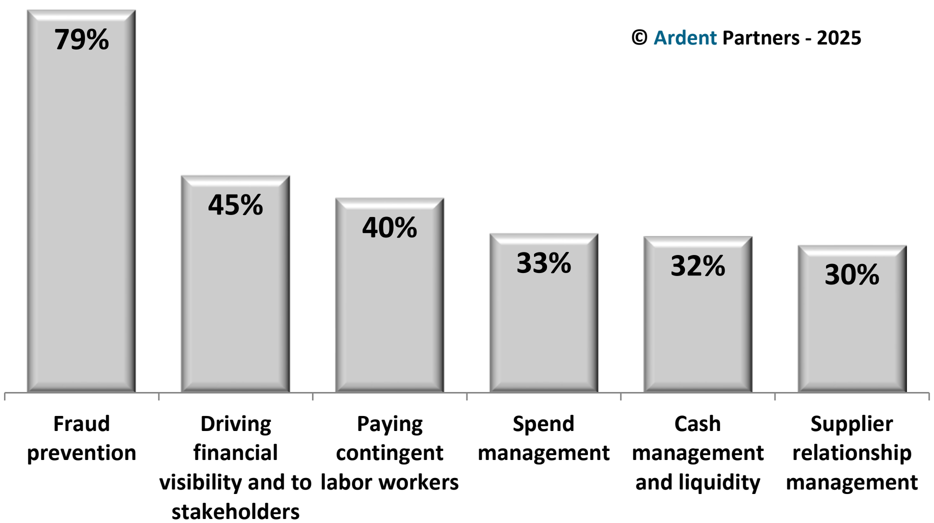
Figure 4: Invoices and Payments: Electronic vs. Manual



Reality Check: Big Opportunities, Limited Involvement

In recent years, leading AP teams have expanded their duties and have developed a richer understanding of how their actions and decisions impact enterprise performance. In fact, new Ardent Partners research has found that many of today's AP teams have started to chart their own course by pursuing responsibilities in more areas. But after 20 years, these numbers should be higher.

Figure 5: Areas with at Least Moderate AP Involvement



The potential for every AP team to expand its role in key areas is significant, yet far too many remain on the outside looking in. Figure 5 and the list below notes the percentage of AP teams with either heavy or moderate involvement in each area.

- **Fraud prevention (79%):** This is AP's strongest showing, and for good reason. As the team that approves, processes, and executes payments, AP is often the last line of defense against fraud. Through rigorous controls, anomaly detection, and system access governance, AP can catch irregularities before they become financial losses. Maintaining tight partnerships with internal audit and IT teams can further solidify this role.

- **Driving financial visibility & business intelligence (45%):** With AP's access to real-time data on spend, payments, and cash flows, it is uniquely positioned to support finance in delivering insights to the business. However, less than half of all teams actively participate in this area of enterprise analytics. To expand its impact, AP leaders can advocate for better data tools, contribute to cross-functional reporting, and assign a data lead within the department.

- **Paying contingent labor (40%):** Managing non-traditional labor has become more common, yet many AP teams are not structured to support fast, compliant payments to gig workers. AP can work closely with HR and procurement to streamline onboarding, track services, and ensure timely payments to these workers.

- **Spend management (33%):** Despite their line of sight into spend, only one third of AP teams are part of the broader spend management strategy. By aligning with procurement, AP can help their partner identify savings opportunities, curb maverick spend, and track contract compliance. A seat at the spend planning table ensures AP's insight drives smarter decisions.

- **Cash management and liquidity (32%):** Because AP executes payments, it has a direct impact on cash flow. Still, few teams are deeply involved in liquidity planning. AP should proactively collaborate with treasury (and/or the CFO), offer payment timing models and schedules, and provide inputs to cash flow scenarios that support the business' cash needs more dynamically.

- **Supplier relationship management (30%):** AP interacts with suppliers regularly but is not generally viewed as a relationship steward. Improving supplier communication, ensuring accurate and timely payments, and contributing to supplier onboarding can elevate AP's role and reduce friction with supplier transactions and the overall lifecycle.

Increasing involvement in these areas should not be considered a stretch goal, for each is a logical extension of AP's reach. It is time for AP leaders to step forward, assert their department's value, and seek bigger roles in these areas. The future belongs to the teams that claim it.

From Function to Force

To speed its journey, AP must expand its focus beyond its traditional remit. Today, leading AP teams are not simply processing transactions, they are influencing strategic areas that impact enterprise-wide value creation. This is seen most directly in three areas that are directly linked to AP processes:

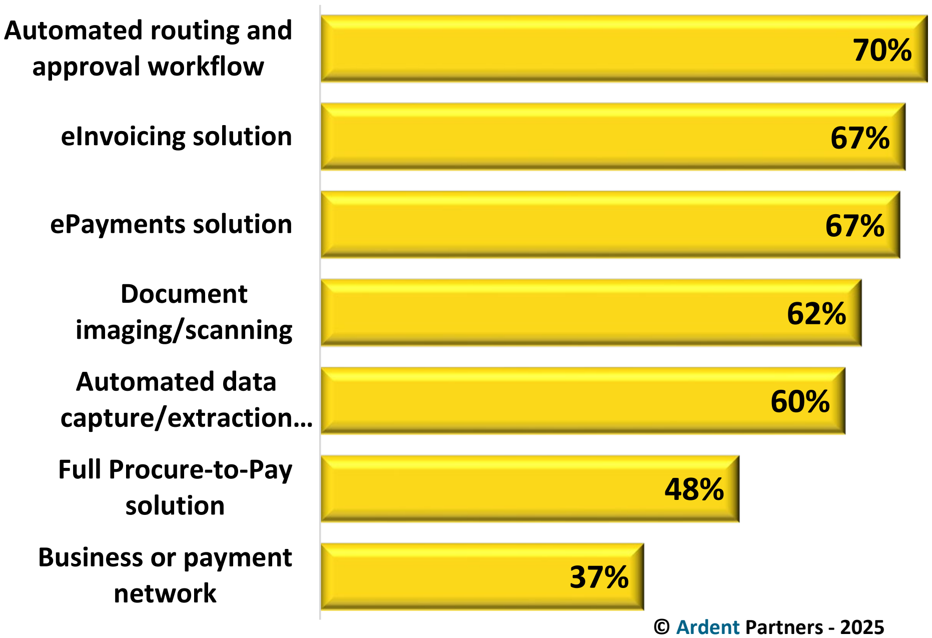
- **Cash management:** AP's command over cash disbursements to suppliers makes it one of the most impactful functions on cash management, including working capital optimization, liquidity, and cash forecasting. The timing of B2B payments should be a strategic lever that is actively managed, given the real cost of capital in 2025. In advanced organizations, treasury and AP are working in sync to optimize payment runs and align disbursements with broader liquidity goals. Payment precision can be a source of financial advantage.
- **Supplier management:** Smart businesses understand that suppliers should be viewed as a source of knowledge and expertise that can be leveraged for a competitive advantage and mutual gain. If tariffs start to significantly change the design of existing supply chains, AP can play an important role by facilitating fast onboarding, accurate and complaint payments, and smooth operational transitions. How AP and P2P teams approach their supplier relationships, and the results derived from them, will continue to have a major impact on enterprise operations and overall performance in the months and years ahead.
- **Business intelligence:** Data-driven approaches founded on the principles of data science, and broadened via integrated and collaborative intelligence, are prime means of accelerating AP performance and ultimately driving more value. As AI capabilities begin to emerge within finance and procurement operations, the data warehoused within AP presents a deep well of untapped value that can be extracted and converted into intelligence.

AP has made meaningful strides, but its impact in cash management, supplier management, and business intelligence remains uneven across the market. If AP leaders want to accelerate their journey and expand their strategic impact, they need a clear, intentional plan to strengthen their role across these critical areas.

ePayables Adoption Rates in 2025

For any modern business function to succeed, there is typically a set of solutions and services that can support everyday objectives. For the AP unit, in particular, many of these ePayables solutions solve day-to-day challenges while building long-term value. Over the past 20 years, the largest takeaway from the ePayables adoption figures (*see Figure 6*) is that a fully-automated AP operation is less commonplace than it should be.

Figure 6: ePayables Adoption Rates in 2025



Ardent Partners research also shows that ePayables solutions are well-equipped to combat high costs, contributing to processing cost reductions that can be as much as 60-80% when compared to manual- and paper-based methods. While the adoption numbers continue to move in the right direction, one-third of the market remains unautomated. Over the arc of this research series, the technology adoption trendline has been one marked by an occasional spike, followed by a long plateau. For example, finance leaders post-pandemic saw the folly of a fully manual AP operation and invested significantly. There are good early indications that AI, and the fear of missing out on it, will accelerate market adoption over the next three years. Time will tell.

Figure 6 denotes the percentage of AP departments that have ePayables solutions in use today.

- **Automated routing and approval workflow solutions (70%)** have risen in popularity in recent years because the ability to route invoices for approval is critical for improving efficiency within the AP process. Routing and approval workflow solutions allow organizations to establish business rules to manage the approval process for both PO and non-PO-based invoices. PO-based invoices that are validated and match all of the pre-configured business rules can be processed "straight-through" without any human intervention and scheduled for payment. If there are exceptions that need to be managed, they are routed to the appropriate users for resolution.

- **eInvoicing (67%)** removes paper from the AP process by enabling suppliers to create and submit invoices electronically. The system maintains that format through the validation, matching, and approval processes. eInvoicing drives process efficiencies by eliminating data capture and manual data entry. eInvoicing solutions offer tremendous simplification on the process side, as well as cost savings in terms of price per invoice processed. This is most directly seen with solutions enabling "straight-through processing." To gain the best returns on eInvoicing, supplier participation is needed.

- **ePayments (67%)** have also seen a sharp rise in adoption over the past few years due, in part, to a more holistic (and expanded) focus on the role of AP that now includes both invoice and payment processing. The availability of new ePayment solutions has also triggered greater interest in the area. While many AP departments remain focused on the front end of the process, more groups are realizing that ePayment solutions (which can tailor payments specific to certain suppliers utilizing a variety of electronic means, including ACH, commercial/ payment cards, virtual cards, wire transfer, etc.) are vital to completing the full cycle of P2P.

- **Automated data capture and extraction solutions (60%)** are traditionally one of the first solutions typically deployed by an AP department. While this technology delivers value in the form of increased efficiencies, it is simply a starting point in a larger AP transformation and why it is no longer the most adopted technology.

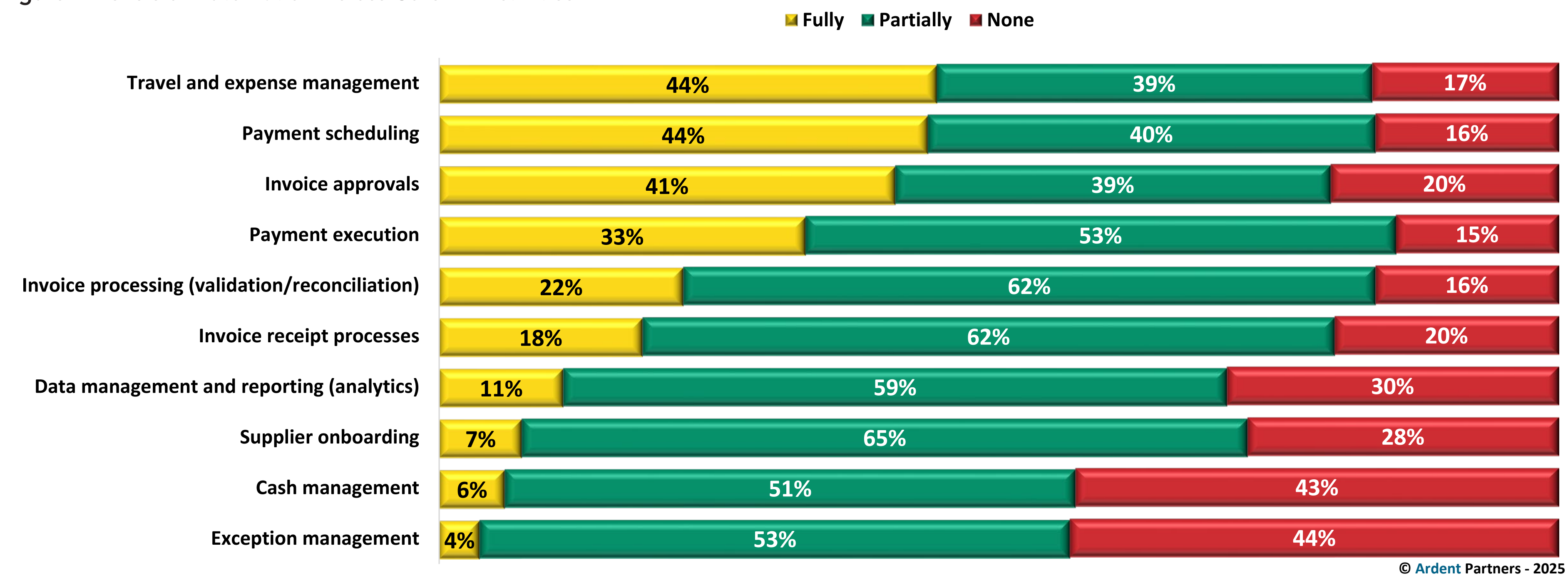
- **Payment/business networks (37%)** can function as the nexus for payment, purchasing, supplier management, invoicing, and communication/collaboration activity between an enterprise and its supplier base. As AP teams push for higher levels of supplier enablement, network platforms become a valuable way to scale these efforts and develop tighter relationships.

Sub-Process Automation: Encouraging Signs with Gaps to Close

Industry-wide adoption of ePayables technology continues to rise, but perhaps the more significant development is how much better these solutions are being used. Teams that have deployed automation are processing higher volumes of invoices and payments, which signals real progress and should provide a sense of optimism to AP professionals still evaluating or expanding their technology strategies. Figure 7 shows the percentage of AP teams that have fully, partially, or not automated key subprocess areas.

The most automated activities today include travel and expense management, payment scheduling, invoice approvals, payment execution, and invoice processing. These areas lend themselves to rule-based automation and benefit from well-established solutions that can streamline approvals, manage policy compliance, and initiate payments with light staff involvement. However, there is room for improvement. It is important to remember that an AP digital transformation in not complete until automation extends across the full invoice-to-pay process.

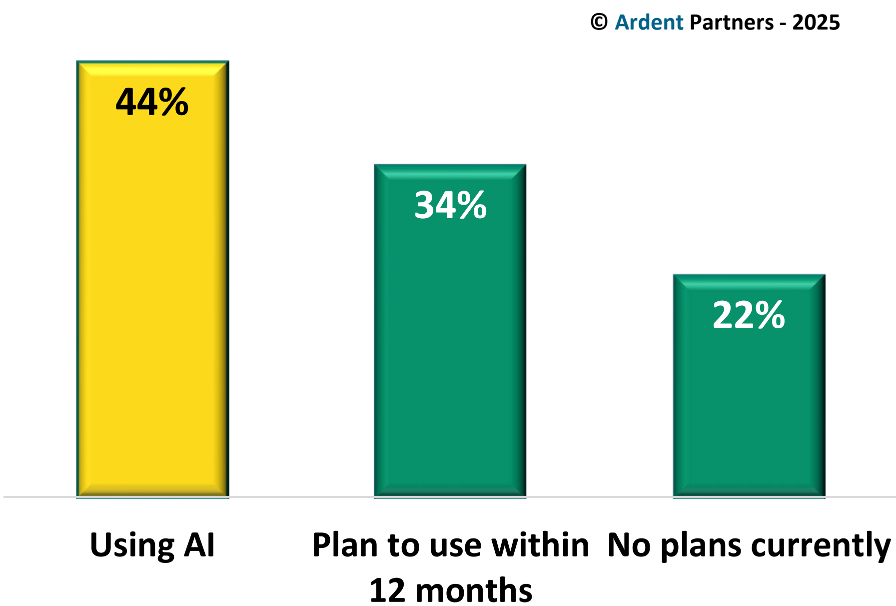
Figure 7: Levels of Automation Across Core AP Activities



AI Adoption: A Good Start with Room to Accelerate

AI adoption within AP remains in the early stages (*see Figure 8*), with fewer than half of AP teams (44%) currently using AI technologies in any capacity. This includes machine learning, natural language processing, and other AI-driven tools aimed at improving efficiency, accuracy, and decision-making. However, the landscape is shifting quickly. Within the next 12 months, the number of teams using AI is expected to rise to more than 75 percent, suggesting that many organizations are actively preparing to incorporate AI into their operations.

Figure 8: AI Adoption Rates by AP Teams



Despite this projected growth, a notable segment of AP teams (22%) report having no immediate plans to adopt AI. These teams may be constrained by budget limitations, integration challenges, or uncertainty around where to start. As AI tools become more accessible and embedded into core platforms, broader adoption will likely follow at a steady, but not universal, pace. AP is entering a transformative period where artificial intelligence will permeate its processes and solutions. For the 22% of respondents with no plans to use AI within the next year, it is still recommended to commit some time and effort to tracking it in the ePayables market.

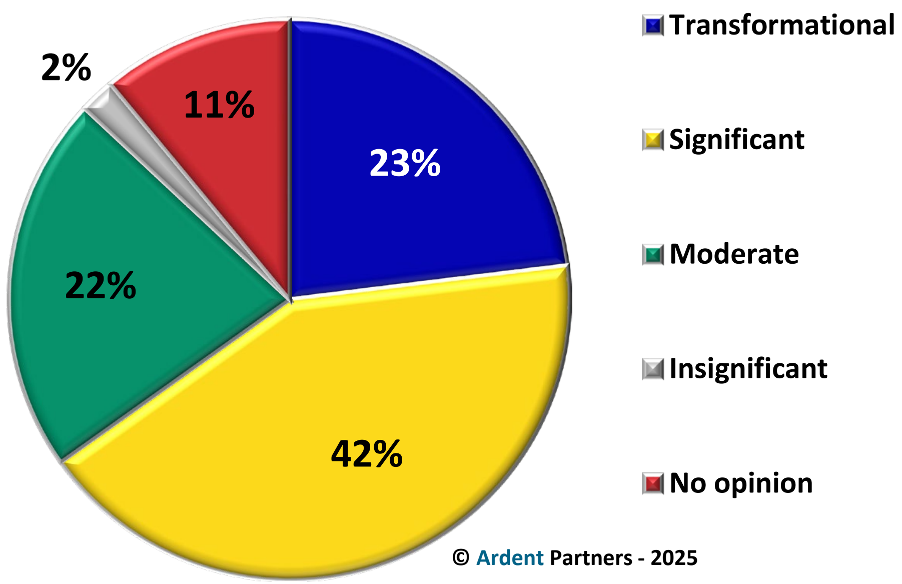
AI is Here. That's Clear. Start Using It!

While AI adoption use within AP is in the early stages, there is a strong view that it will have a major impact on operations over the next few years. A solid majority of AP leaders expect AI to deliver either a significant (42%) or transformational (23%) impact over the next two or three years (*see Figure 9*). This level of enthusiasm should continue to drive greater investment in ePayables solutions in the near term, particularly as the types of use cases for AI become more tangible and as more groups start using them.

What AP Hopes to Gain from AI

While AP leaders are optimistic about the potential of AI, their expectations remain grounded in practical goals (*see Figure 10*). The top objective, cited by a significant margin (65%), is to increase automation across AP processes. This reflects an ongoing desire to streamline the entire operation. Beyond automation, interest

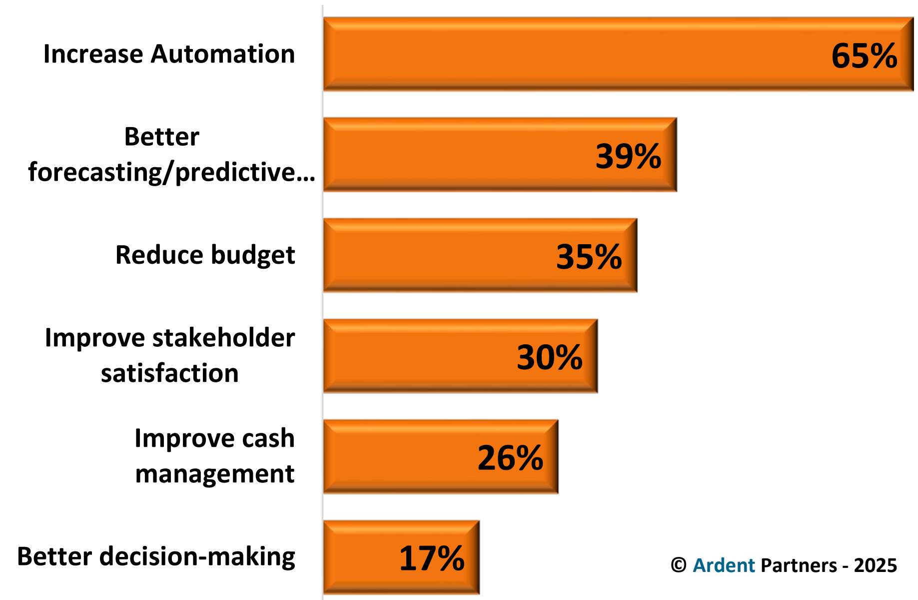
Figure 9: What Is AI's Expected Impact Over the Next 2-3 Years?



fragments across several areas. A cluster of secondary priorities includes improving forecasting and predictive capabilities (39%), reducing departmental budgets (35%), enhancing stakeholder satisfaction (30%), and strengthening cash management (26%). Each of these reflects a broader ambition to apply AI to key points of leverage, yet none of these goals commands widespread support. Surprisingly, better decision-making ranks lowest on the list of AI objectives. This suggests that many AP teams still see AI primarily as an operational efficiency tool rather than a strategic enabler and stands in contrast to the current view of AI's overall impact.

Ardent Partners 2025 research on AI within procurement identified several obstacles to AI usage and optimization, which include a lack of budget to invest in more resources, data quality and access, and employees lacking skills to use AI properly. These are likely shared by their AP counterparts today and indicate that while AI is a promising technology, organizational readiness must be addressed to fully realize its potential.

Figure 10: What Are AP's Primary Objectives in Using AI?



An AI Primer

Artificial intelligence ("AI") adoption within AP operations is still in its early stages, with most organizations applying it in targeted, tactical ways rather than as a fully integrated capability. The path of AI within AP over the next few years will not be linear, but the direction is clear. AI will become a core part of procurement operations, so it is important to start investigating it, and using it with controls.

The ABC's of AI

AI is a complex technology that can be looked at from different perspectives and classifications, such as general, narrow, or application AI (e.g., computer vision, speech recognition, robotics, expert systems, etc.). Another way of classifying AI, which has more relevance to this report, is by AI technique. Within procurement technology, machine learning, deep learning, and natural language processing (NLP) are perhaps the most important today.

- **Machine Learning** is a type of AI that learns from data to make predictions or decisions without being explicitly programmed. In AP, it can be used for invoice coding and data extraction, exception detection, and payment timing optimization.
- **Deep Learning** is a more advanced form of machine learning that finds complex patterns in large datasets using layered algorithms. It is often used behind the scenes in tools that handle tasks like OCR enhancement on poor quality documents, enhanced anomaly detection, or generating insights from unstructured data.
- **Natural Language Processing (NLP)** helps computers understand and work with human language in both written and spoken formats. In AP, NLP can be used to support automated vendor query response, PO text matching, and voice-enabled, mobile AP dashboards.

The newer AI innovations, such as generative AI (GenAI) and Agentic AI, build on these technologies.

Generative AI

Generative AI is a type of artificial intelligence that creates new content like text, images, or data based on patterns it has learned from large datasets. In procurement, it can help create written summaries for exceptions, invoice reviews, and general reports as well as drafting internal communications and process documentation. A common form of generative AI is the Large Language Model (LLM), which focuses on language tasks, such as summarizing documents, answering questions, or generating text. These tools respond to written prompts, so knowing how to give clear instructions is key to getting useful results. However, GenAI can sometimes produce information that sounds right but is inaccurate because the system lacks relevant training data or misinterprets the prompt. For AP teams, this means results should be reviewed carefully, especially when accuracy matters.

Agentic AI

Agentic AI refers to a more advanced type of artificial intelligence that can take action and make decisions on its own to achieve a goal. Unlike traditional tools that wait for instructions, these AI "agents" can plan, adjust, and use other systems to get tasks done with minimal human input. In an AP context, Agentic AI could eventually deliver autonomous correspondence to suppliers and stakeholders, self-service invoice help agents, and multi-system process coordination. It combines several advanced technologies, including generative AI, to operate more independently.

Chapter Three: Best-in-Class Accounts Payable

> *"The challenge for all AP leaders is to push higher. But that push must incorporate a view of the stakeholders and suppliers working within and beyond the enterprise."*
>
> ~ The State of ePayables 2015: Higher Ground written by Andrew Bartolini

This chapter is designed to enable the reader to do the following:

- Benchmark their performance to industry averages and understand how they perform relative to the average AP program in the marketplace.
- Understand what operational and performance metrics define Best-in-Class performance levels for accounts payable programs today.
- Understand the wide range of capabilities that Best-in-Class AP departments use to outperform the market.

The Future of AP: Dependent on Automation, Agility, and Intelligence

AP teams must work vigilantly to get their houses in order; but process efficiency and compliance, while still bedrock AP principles, are fast-becoming table stakes in a poker game with no limit. The keys to the castle will ultimately be given to the AP teams who can anticipate and adapt to dynamic change within their organizations and within their supply chains. Nonetheless, an AP department's ability to drive process standardization and general efficiencies across the entire operation has been a defining characteristic of Best-in-Class performance for much of the past two decades.

In 2025, the objectives of today's AP departments continue to grow and expand in scope and impact. For most AP groups, however, the drive to become a strategic and impactful function is clear and the distance to that goal remains significant. For most, improvement hinges on the breadth and depth of the transformation activities that each AP team can scale. There are many next-level attributes that contribute to a broad-based AP transformation and ultimately enable future success. Ardent Partners research indicates that there are several key factors that are essential for today's AP executives and professionals on their ongoing journey (*see Figure 11*). These are the organizational attributes and elements that AP leaders believe will propel their organizations to the next level of performance:

- **"Smarter" enterprise systems:** Seventy-two percent (72%) of AP leaders see smarter systems as essential for removing friction from daily workflows. These technologies can automatically route invoices, flag anomalies, and adapt to changing business rules without heavy manual oversight. By reducing the time and effort spent on routine processes, smarter systems allow AP teams to focus more on value-generating activities. Next-generation technology has been identified as the number one catalyst for future success.

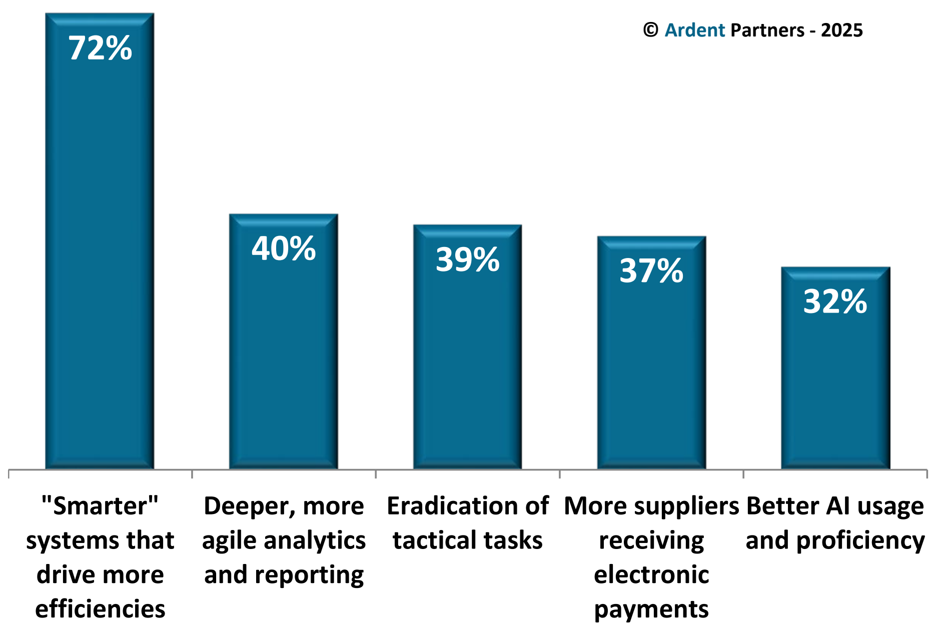
- **Deeper, more agile analytics:** Forty percent (40%) of AP leaders believe that better analytics will propel their teams to the next level by enabling them to get more actionable intelligence out of their data. The AP organizations that truly put their weight behind efforts to become more agile in nature will benefit down the line.

- **Eradication of tactical tasks:** For the first time, this element was identified as a top driver of future success, with 39% of all AP leaders admitting that their overall potential is stunted by the sheer volume of manual, low-value work. Eliminating these tasks frees time and talent for higher-order projects and proactive collaboration with key stakeholders.

The 2025 Accounts Payable Benchmarks

For 20 years, the author of this report has delivered detailed performance metrics for finance executives and AP leaders to benchmark the performance of their AP operations against the market. When viewed year by year, the progress of the profession, while positive, appears painfully slow. But over longer timeframes like five, 10 and 20 years, the improvements are inspiring. The 2025 metrics are no different.

Figure 11: The Drivers of Future Success



Smart AP, P2P, and finance leaders also know that the best way to understand and communicate the impact that an AP transformation has on business operations and results is to begin measuring and tracking their department's performance. Ardent Partners ultimately recommends that every AP leader reading this report develop and use a series of "AP Metrics that Matter" for exactly that purpose. Readers can reference the values in Table 1 as important markers on their overall AP journey.

- **Less time and lower costs, together, are formidable.** For many working in AP, it takes too long to process a single invoice while costing it too much money to do so. Applying a $9.84 average invoice processing cost to the thousands or tens of thousands (or more) of invoices processed each month by AP should approximate an average AP department's budget. While average invoice processing times (8.2 days) have dropped nicely, it should be noted that there has been wage inflation over the past five years.

- **Accentuate the positive.** Supplier enablement figures continue to improve. One by-product of the pandemic (as it relates to business) was a sharp decrease in in-person meetings. As more businesses conduct the majority of their business with suppliers through digital means (i.e., online meeting and negotiations), it makes sense that a majority of suppliers (57%) can now send invoices electronically. This metric helps improve the touchless or straight-through processing average, which is also trending up.

- **Eliminate the negative.** AP groups have a long way to go to solve their invoice exception problem. The invoice exception rate for AP departments is, on average, 18.4%. Exceptions are typically the biggest single reason why the benchmarks in Table 1 are not lower. Additionally, the amount of staff time dealing with suppliers overall (21.9%) is in no small part caused by exceptions. They continue to be the bane of AP's existence.

Table 1: The 2025 AP Benchmarks

Metrics	Average	Trend
Cost to process a single invoice (all-inclusive cost)	$9.84	Declining
Time to process a single invoice	8.2	Improving
Invoice exception rate	18.4%	Declining
Invoices processed "straight-through"	35.4%	Improving
Suppliers that submit invoices electronically	57.4%	Improving
Percentage of invoices linked to a purchase order (PO)	65.4%	Improving
Staff time spent managing supplier inquiries	21.9%	Flat

Best-in-Class AP Performance

Twenty years ago, Ardent Partners analysts developed a unique framework to highlight the performance of top-tier organizations (referred to as the "Best-in-Class") by analyzing a specific set of performance benchmarks. In the decades that followed, Ardent Partners has defined Best-in-Class performance as the 20% of enterprises with the lowest average invoice processing costs and shortest average invoice process cycle times. These top-performing groups have taken their AP operations to the next level by leveraging technology to streamline the AP process, making it more efficient and enabling more strategic activities. Best-in-Class enterprises have demonstrated their ability to drive superior performance across the AP metrics that matter and their annual results are proof that AP can finish its journey and generate a lasting impact on financial operations and the enterprise's bottom line.

The metrics outlined in Table 2 represent the culmination of the Best-in-Class AP teams' skills and efforts and stand in sharp contrast with those of the "All Others" maturity class. Achieving greatness in AP is possible, and it is the AP leaders and teams who develop the ability to consistently combine innovative strategies with underlying technologies and an ability to execute who will continue to reap a competitive advantage and challenge the conventional wisdom of what is possible for AP.

Best-in-Class AP teams achieve per-invoice processing costs that are 79% lower than their peers, and invoice processing times that are 79% faster than all other groups. Their invoice exception rates are 47% lower than the rest of the marketplace. Notably, Best- in-Class enterprises have 1.4 times more of their suppliers enabled to submit electronic invoices and, as a result, process more than 1.8 times as many of their invoices in a straight-through manner than their peers, which greatly contributes to their strong performance across all metrics. Best-in-Class staffers spend roughly half as much time on supplier inquiries.

AP executives and professionals can gain a rewarding and strategic outcome if they understand the inherent value in AP transformation, push the envelope in regards to innovation, and serve as a point of convergence in the months ahead. To complete these objectives, today's AP departments must follow the course developed by Best-in-Class organizations and the AP programs they have cultivated, by building on core competencies and capabilities, cash management approaches, supplier management principles, and intelligence-led strategies. The rest of this chapter will highlight advantages that enable Best-in-Class AP teams to excel.

Table 2: The 2025 AP Maturity Framework

Metrics	Best-in-Class	All Others
Cost to process a single invoice (all-inclusive cost)	$2.65	$12.42
Time to process a single invoice	2.9	13.5
Invoice exception rate	11.1%	20.9%
Invoices processed "straight-through"	51.0%	29.0%
Suppliers that submit invoices electronically	67.2%	47.3%
Percentage of invoices linked to a purchase order (PO)	84.0%	47.3%
Staff time spent managing supplier inquiries	12.8%	24.0%

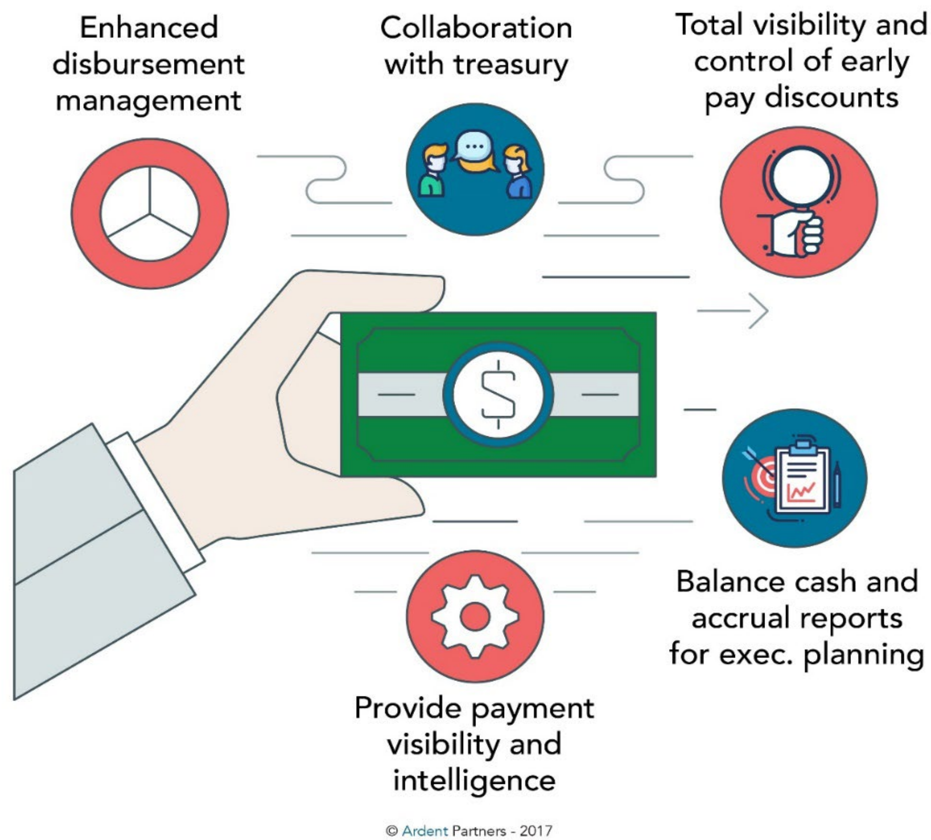
The Best-in-Class AP Program, Part I: Cash Management

AP's ability to complete its journey hinges on its capacity to not only transform itself into a more strategic unit, but also to serve as a strong partner for larger enterprise initiatives. One of those, cash management, should be an area of support for even the most immature AP units. Best-in-Class AP departments are strategically involved in the key principles of cash management.

AP sits in an ideal position today to support the treasury department. By building basic capabilities, it can augment cash management strategies and processes, to become an active partner in managing enterprise liquidity. The five main competencies listed in the infographic in Figure 12 show the areas where Best-in-Class AP functions have direct involvement, helping to:

- Establish a dotted-line reporting structure to treasury so the lines of communication are formalized, and alignment is established.
- Drive visibility into early payment discounts across all invoices, helping to develop and execute a strategy to identify, consider, and (where desired) capture discounts.
- Develop disbursement procedures that optimize how funds leave the organization and the method used while maintaining overall visibility.
- Balance both cash and accrual reports to enable better planning.
- Generate payment intelligence reports that capture transactions and status and provide access to the decision-makers who meet regularly to review.

Figure 12 : AP's Strategic Involvement in Cash Management



The Best-in-Class AP Program, Part II: Supplier Management

While procurement rightly owns the supplier relationship, it benefits greatly from a strong AP partnership. Suppliers benefit as well. Here are a few areas where Best-in-Class AP teams are creating value with better procurement collaboration:

- Slightly more than 80% of Best-in-Class AP teams hold direct responsibility for managing real-time supplier inquiries and requests. While fairly tactical in nature, this remains a critical piece of the overall supplier relationship. AP's success goes a long way towards establishing lasting supplier partnerships.

- Sixty-seven percent (67%) of Best-in-Class AP teams hold some responsibility for managing the vendor master.

- Thirty-two percent (32%) of Best-in-Class AP teams report that they are part of the strategic sourcing process and support those projects by providing reports and information by request.

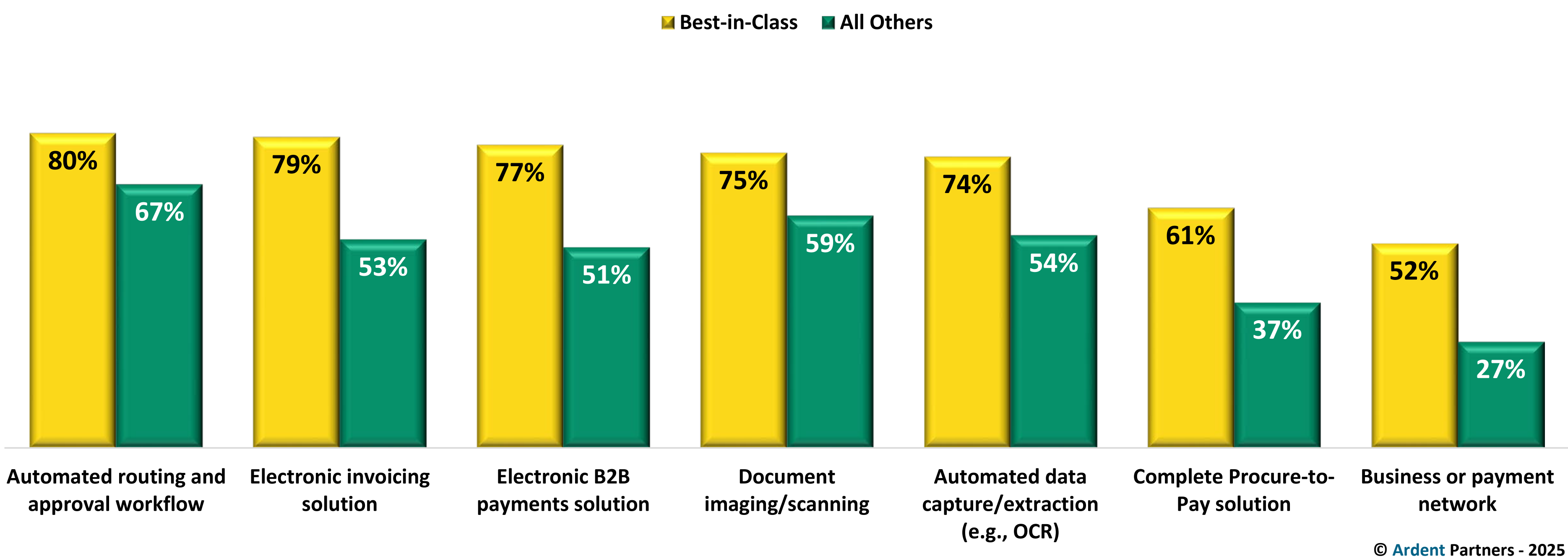
The Best-in-Class AP Program, Part III: The Technology

Technology continues to be a defining factor in business . Organizations that delay digital transformation risk falling behind, while those investing now build proficiency faster and expand and accelerate their impact. It also lays the groundwork for long-term success, particularly as transformational AI capabilities become more prevalent over the next few years. Core efficiencies still matter, but innovation will drive AP forward.

Core ePayables for Best-in-Class AP Teams

Adoption of technology is one area where the Best-in-Class differentiates itself from its competitors. They not only adopt solutions at a much higher rate, but they also use them more aggressively. The differences in technology adoption manifest themselves in the large metrics gaps shown in Table 2 above. As Figure 13 shows, Best-in-Class AP teams are more likely to leverage a robust foundation of solutions to get their work done.

Figure 13: ePayables Adoption, Best-in-Class vs. All Others



Best-in-Class companies leverage core ePayables solutions, such as automated routing/approval (80%), eInvoicing (79%), and ePayments (77%). Automating routing and approval workflow capabilities eliminate the long paper trail of manual-based invoice approval processes, shortening approval periods and getting invoices paid much faster than leveraging simple manual tactics. Leading organizations long ago realized the disadvantages of paper invoices and largely eliminated them through eInvoicing.

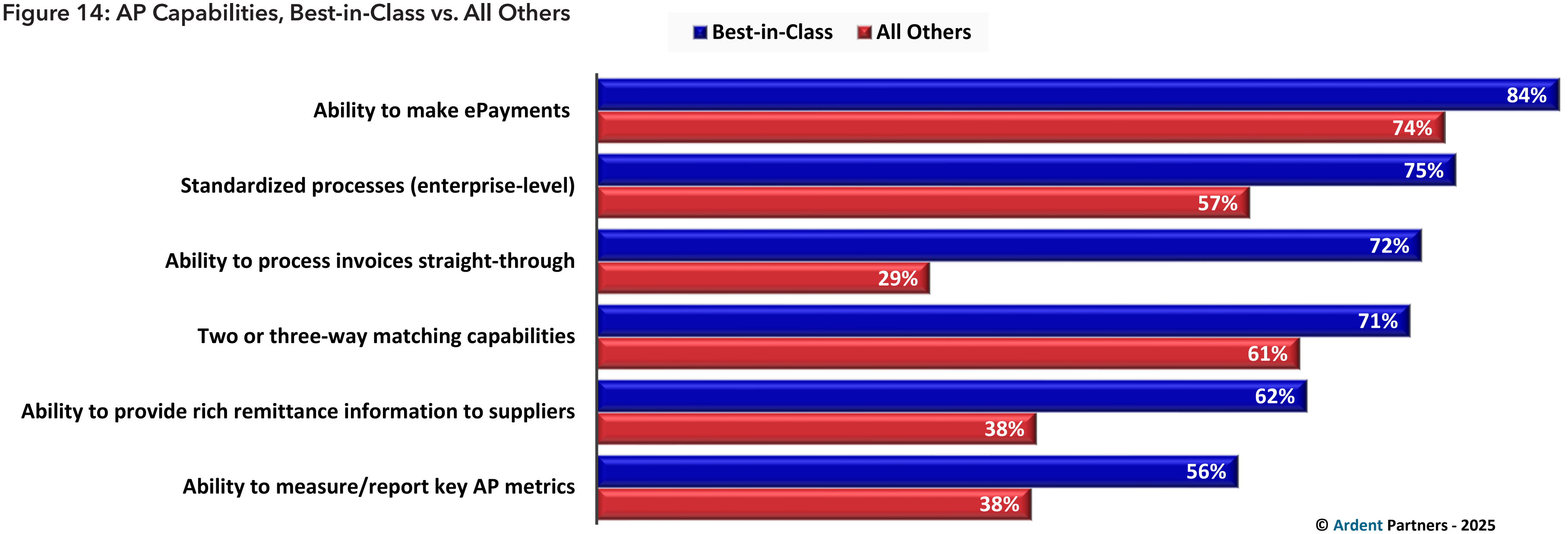
Best-in-Class AP teams also prioritize ePayments for improved money management (given persistently high rates), recognizing that both are crucial for optimizing B2B financial operations. Additionally, Best-in-Class operations are nearly twice as likely as all other organizations to leverage and utilize a payment network as part of its accounts payable program; their use of systems that close the P2P loop is also more extensive.

The Best-in-Class AP Program, Part IV: Capabilities

While automation tools comprise a key part of a Best-in-Class AP operation, the skills, experience, and ideas of the team are essential elements that enable consistently strong execution. For the Best-in-Class AP department, key competencies serve as both the foundation for top performance and an enabler of continuous improvement.

Best-in-Class AP teams consistently differentiate themselves by investing in and institutionalizing key capabilities that drive efficiency, accuracy, and value (*see Figure 14*). Among the most impactful are the ability to make ePayments, which improves speed and reduces costs, and the establishment of standardized processes at the enterprise level, ensuring consistency and scalability. These leaders also excel in processing invoices straight-through without human intervention, minimizing errors and freeing up staff for more strategic tasks. Two- or three-way matching capabilities add a critical layer of control and fraud prevention, aligning AP more closely with procurement and finance goals. While many teams still struggle to offer rich remittance data or deliver advanced reporting, top performers are building these capabilities into their operations. The presence of these functions not only boosts day-to-day AP performance but also builds the foundation for broader business impact. They are hallmarks of maturity and readiness for more advanced technologies and roles.

Figure 14: AP Capabilities, Best-in-Class vs. All Others



Two New Metrics to Consider

As AP continues its transformative journey in 2025, traditional metrics alone no longer suffice to capture the full scope of its strategic impact. To truly measure both efficiency and value contribution, Ardent Partners is introducing two innovative benchmarks: the **Cost-Adjusted Invoice Cycle (CAIT)** and the **Strategic Payment Optimization Ratio (SPOR)**. These forward-thinking metrics empower AP leaders to gain deeper insights, drive continuous improvement, and articulate the department's profound influence on overall enterprise performance.

Cost-Adjusted Invoice Cycle Time (CAIT)

The **Cost-Adjusted Invoice Cycle Time (CAIT)** is a powerful new metric developed by Ardent Partners that is designed to encapsulate the efficiency of invoice processing from receipt to payment scheduling. It directly blends the speed of an AP operation with its cost-effectiveness, offering a holistic view of process health. CAIT is calculated by dividing the **Average Invoice Processing Time (in days)** by a factor that reflects cost efficiency, typically using an industry benchmark: **(1 + (Average Cost Per Invoice Benchmark / Your Average Cost Per Invoice)).**

A lower CAIT indicates a more efficient and effective AP function. Tracking CAIT is useful because it highlights the interplay between speed and cost; a fast process that is overly expensive will yield a higher CAIT, prompting a focus on cost reduction. Conversely, a slow, cheap process also signals inefficiency. Improving CAIT means optimizing workflows, leveraging automation to reduce manual touches, and strategically managing resources to lower the per-invoice cost, ultimately leading to faster processing and improved working capital management.

$$\frac{\textbf{Average Invoice Processing Time (in days)}}{\textbf{(1 + (Average Cost Per Invoice Benchmark / Your Average Cost Per Invoice)).}}$$

As a point of reference, based upon the data captured in this study, the following CAITS can be calculated.

- **Best-in-Class = 0.62 CAIT**
- **Industry average = 4.1 CAIT**
- **All Others = 7.5 CAIT**

Strategic Payment Optimization Ratio (SPOR)

The **Strategic Payment Optimization Ratio (SPOR)** is another new metric developed by Ardent Partners that moves beyond payment timeliness to gauge AP's direct contribution to an organization's financial strategy and supplier relationships. This metric quantifies the percentage of payments made that actively deliver strategic value, such as those capturing early payment discounts, adhering to critical contract terms, or processed via preferred, cost-effective methods (e.g., virtual cards over checks). SPOR is calculated by dividing the **Number of Strategically Optimized Payments** by the **Total Number of Payments Made.**

A higher SPOR signifies AP's active role in optimizing cash flow, enhancing supplier relationships, and ensuring compliance, moving beyond a simple transactional role. Tracking SPOR provides insight into AP's tangible financial impact and its effectiveness as a strategic partner. Improving SPOR involves proactive discount capture, optimizing payment methods, enhancing communication with suppliers, and leveraging technology to identify and execute value-adding payment opportunities.

Ardent Partners will continue the discussion of these new metrics on Payables Place and in future research.

Chapter Four: Strategies for Success

"AP's journey may be unfinished, but it is undeniably underway, and the next steps have never been more promising." ~ Andrew Bartolini, Ardent Partners

Ardent Partners' New Call to Action for AP Leaders

The last two decades have proven that AP is capable of growth, adaptation, and transformation. From paper checks and late payments to eInvoicing and supplier portals, AP has made undeniable progress. But progress is not the same as arrival. Despite all the advances, AP's journey remains unfinished (*see Figure 15*). If the goal is to be viewed as a strategic contributor and an indispensable player on the finance (and P2P) team, then AP must act accordingly.

Let's be clear: This is not an indictment, but rather, a call to action. The next five years will define whether AP finally claims its seat at the strategic table or remains a reactive function just outside the room. Some teams have already crossed that threshold. For the rest, the path forward is both clear and achievable.

Start with the fundamentals. Today, fewer than half of AP organizations set performance targets at the beginning of each year. Fewer still have strategic plans approved by finance leadership or aligned with enterprise goals. Even fewer take the critical step of reviewing those plans with staff. And the number that have built multi-year roadmaps for where AP is going and how it will contribute to long-term value? Quite small.

AP managers and directors have to understand that these things are not luxuries. These are the hallmarks of a professional operation. IT, marketing, procurement, and HR all build strategic plans. They tie objectives to broader business goals. They report on outcomes, adjust priorities, and seek investment based on their ability to articulate their purpose and their impact. Why should AP be held to a different standard?

The answer, of course, is that it should not. If AP wants to be funded like a critical function, it must act like one. A larger budget comes from a stronger operation. Influence follows clarity of purpose. Respect grows from performance and transparency. That begins with a plan.

Not just any plan, but one that maps AP's capabilities to the broader business need — whether that is improved working capital, stronger supplier relationships, higher efficiency, tighter compliance, or better spend intelligence. That plan should include performance targets, approved by finance leaders, and communicated to every member of the team. It should evolve each year and stretch out over multiple years. The plan should track what is being measured, define what success looks like, and identify where help is needed.

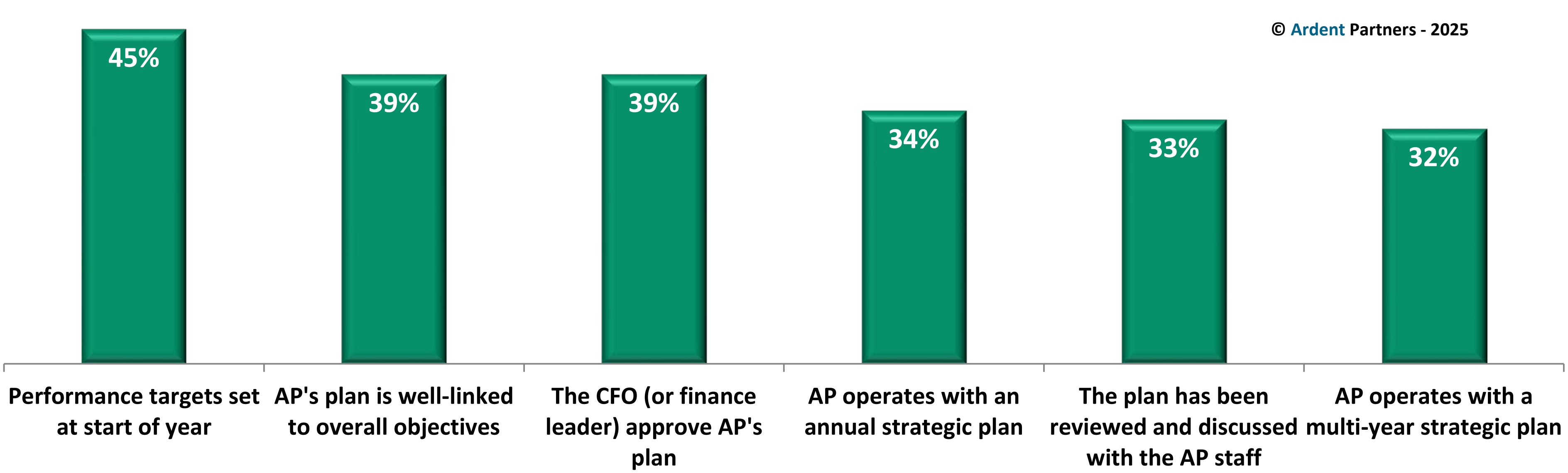
But it should not stop there. Other business functions collect feedback and measure internal satisfaction. Consider implementing a supplier Net Promoter Score (NPS), or surveying internal stakeholders to assess AP's responsiveness, accuracy, and value. These things improve perception, but they also build the credibility required to finish the journey.

Imagine an AP department that begins each year with a clear set of priorities tied to financial goals and endorsed by the CFO. Imagine that department tracking performance metrics not just for internal review, but to guide operational decisions and justify investments. Imagine team members who understand how their work contributes to the larger mission. This is not some abstract vision. This is how Best-in-Class departments operate today.

The other AP teams now have the opportunity to show what they can do and adopt the practices and approaches of their market-leading peers and finish what they started.

AP's unfinished journey is not a weakness; it is a strength. It is a signal that there is more value to unlock and more progress to make. AP leaders must build the function that the future of finance requires. The unfinished journey starts with one small step. Take it today!

Figure 15: AP Management and Planning



Strategies for Success

The results from Best-in-Class organizations show that an investment in AP can pay large dividends. Today's high levels of uncertainty and market volatility demand that every business function operate at an optimal level. The emergence of AI has raised the stakes on automation and will propel AP ahead on its journey. Beyond following Ardent Partners' "New Call to Action for AP Leaders" and modeling the Best-in-Class attributes, capabilities, and approaches (discussed in the preceding chapter), Ardent recommends the following actions and strategies for AP departments seeking to accelerate their journey forward in three general categories.

1. Cash Management (Elevate AP as a Strategic Financial Lever)

- **Integrate cash forecasting with AP data flows.** Provide Treasury with up-to-date visibility into outstanding liabilities and expected disbursements. By feeding real-time invoice and payment status data into Treasury's forecasting models, AP can provide more accurate projections of outgoing cash. This alignment reduces reliance on estimates and enables smarter liquidity decisions. It also reinforces the idea that AP should be a better financial partner.

- **Formalize cash collaboration routines with Finance and Treasury.** Ensure AP payment timing supports broader liquidity objectives. Regular coordination through dashboards, joint planning, and shared metrics will help AP move beyond reactive disbursement. This collaboration ensures payment strategies align with debt, investment, and operational cash requirements. It's another example of AP's evolving role from executor to orchestrator.

- **Tier suppliers by criticality and payment terms.** Align cash usage with strategic priorities while minimizing supply risk. Not all suppliers require the same payment treatment; strategic tiering enables AP to optimize spend without creating friction. This practice supports business continuity and supplier satisfaction while preserving cash where possible. It also connects to the report's discussion of AP's influence on supplier stability.

- **Automate payment scheduling based on real-time data.** Work to optimize working capital without jeopardizing supplier trust. ePayment solutions can adjust payments based on due dates, cash position, and supplier relationships. Use rules established by treasury to reduce manual decision-making and unlock efficiency while preserving goodwill. This is an example of how smarter systems can get AP to the next level.

2. Supplier Management (Position AP as a Frontline Partner with SRM)

- **Actively support the supplier onboarding and validation process.** Joint ownership of supplier information helps to ensure that supplier data is validated early and often, reducing downstream issues and potential fraud. This collaboration reflects best practices among top AP teams that emphasize control and speed while also shoring up defenses against fraud. It also mirrors broader efforts toward standardization and cross-functional cohesion.

- **Set an internal goal to improve supplier service, reduce inquiries, and enhance transparency.** Start by standardizing and, where possible, digitizing supplier communications. A consistent digital interface via portals, automated emails, or chatbots will lower friction and build trust. When suppliers know where to go and what to expect, the time spent with them will be greatly reduced.

- **Provide suppliers with rich remittance information and payment status.** AP should work consistently to reduce supplier friction and strengthen relationships. Incomplete or vague remittance data can undermine the payment process. By ensuring clarity in every transaction, AP also improves reconciliation and reinforces reliability with its trading partners. Once this is established, communicate this to procurement and the business, as this is an underappreciated area where AP directly affects the supplier relationship.

- **Analyze payment trends and exception patterns.** Recurring late payments, disputes, and/or mismatched invoices can reveal serious process or technology issues and/or misaligned supplier expectations. Finding and addressing these issues proactively is a major benefit to suppliers, the business, and AP itself.

- **Develop a standard feedback loop with suppliers.** Coach suppliers on improving invoice quality as a way to minimize disputes and delays. Open communication and structured feedback processes will help suppliers submit more accurate invoices. This should help reduce exceptions and accelerate processing. It also fosters mutual accountability in the invoice process.

3. Establish AI Readiness in 2025

- **Invest in establishing a baseline of data quality before scaling AI.** Invoice and payment data, as well as supplier data, can be incomplete, inconsistent, and/or stored in different systems. For AI to generate meaningful insights or automate decision-making, it needs organized, accurate, and normalized input. That means dedicating time and resources to cleanse and classify the data, harmonize records, and resolve conflicting entries. Be pragmatic, but remember, a data-driven operation needs good data.

- **Start with clear use cases that address real pain points.** The number of potential use cases for AI in AP is already quite large. This has the potential to overwhelm AP departments. And while most of the initial uses for AI in AP this year will be smaller and tactical in nature, make sure to pick the low-hanging AI fruit first. Rather than chasing hype, focus on AI applications that solve specific, known challenges — such as invoice coding, fraud detection, or streamlining workflows. Quick wins help build internal confidence and demonstrate early ROI.

- **Establish AI 101 training for AP staff.** The most discussed and overhyped technology in decades has a ton of baggage in the form of misconceptions and myths that should be addressed. Introduce basic AI literacy into your AP team's training. The team does not need to become data scientists, but rather possessing an understanding of what AI can (and cannot) do will help them identify opportunities, interpret results, and trust the outputs ... and also know how to verify them.

- **Establish an AI governance framework.** At the enterprise level, most IT departments should already be working on an AI governance framework that outlines acceptable use, data access protocols, system integration standards, and audit requirements (in the mid-market, AP leaders and controllers should be prepared to establish their own policies). IT can and should serve as a resource for AP departments wanting to establish robust protocols and standards on how AI will be used, by whom, and to what extent within the AP operation. The guidelines and frameworks emerging from these exercises should be adaptable in their design with the goal of empowering teams to harness the full potential of AI technologies.

- **Establish outcome-focused metrics that track AI's impact across AP operations.** Start by aligning AI initiatives with tangible business goals, like faster process cycle times or increased sourcing throughput, and building KPIs that directly reflect those outcomes. Measure both efficiency (e.g., time saved, touchless transactions) and effectiveness (e.g., quality of insights, stakeholder satisfaction). Regularly review performance with internal teams, and refine metrics as AI use matures.

- **Join (or form) a cross-functional AI review council.** Join (or form) an AI governance group that includes stakeholders from finance, IT, legal, data governance, and other functions like HR. This council should review AI use cases, evaluate new tools or pilots, and monitor ongoing AI performance for fairness, accuracy, and transparency. Involving IT ensures alignment with enterprise data policies and strategies, while keeping AP at the table to help ensure the AI tools it deploys are practical, relevant, and impactful.

4. Business Intelligence Hub (Become a Resource for the Enterprise)

- **Track and report the AP metrics that matter regularly.** Metrics tell a story not only about AP's efficiency but also about cash flow, supplier health, and controls. Regular reporting builds credibility and can offer finance and procurement early indicators for strategic shifts.

- **Build dashboards that serve stakeholders.** Cross-functional visibility allows other teams to act faster, make better decisions, and plan more effectively. When AP data is delivered in usable formats, the entire enterprise benefits. Shared visibility should be central to AP's transformation efforts.

- **Invest in analytics tools and AI.** Build tools that convert operational data into insights on trends, risks, and opportunities. Develop proficiency at tracking "what happened" so the team is ready when new systems start predicting "what will happen next."

- **Strengthen internal capabilities and insight generation.** To realize its intelligence potential, AP should work to develop organizational fluency in reading, interpreting, and communicating data. This empowers team members to move from task executors to insightful partners.

In 2025, AP continues its long journey forward, driving a necessary, but often overlooked part of the modern supply chain. AP's road ahead is paved with opportunities … to execute with greater efficiency, inform smarter decisions, support liquidity management, strengthen supplier partnerships, and transform the operation with AI-driven technology. The best way to predict your future is to own your present. So when these opportunities start knocking, AP leaders, managers, and staff must be ready to answer and act. The journey may be unfinished, but it is undeniably underway, and the next steps have never been more promising.

Appendix

About the Author

Andrew Bartolini, Founder & Chief Research Officer, Ardent Partners

With 26 years in the industry and 16 years leading the charge at Ardent Partners, Andrew Bartolini is a globally recognized expert in accounts payable, sourcing, procurement, and supply management. As the Chief Research Officer at Ardent Partners, Andrew oversees all research and client programs, including the annual State of the Market and Metrics that Matter eBook Series', Technology Advisor Reports, Ardent's monthly webinar series, as well as its in-person and virtual CPO Rising Summits. Andrew is also the publisher of CPO Rising (www.cporising.com) and Payables Place (www.payablesplace.com) two popular industry sites.

Advisor to corporate executives and leading solution providers alike, Andrew is a sought-after presenter, having lectured and presented more than 650 times in ten different countries. Over the past decade, Andrew has benchmarked thousands of enterprises across all facets of their sourcing, procurement, supply management, and accounts payable operations and his research has been part of the Supply Chain Management curriculum at several U.S. universities. He actively covers the technology marketplace as well as trends in sourcing, procurement, supply management, and accounts payable, and has been published or quoted in leading business publications including *The Wall Street Journal*, *Business Week*, *Investor's Business Daily*, *Forbes*, and *Fortune*, as well as the major trade publications focused on accounts payable and supply management.

Prior to becoming an industry analyst, Andrew developed, packaged, deployed, and used supply management solutions on behalf of enterprises in the Global 2000 while working for several prominent spend management solution providers. Additionally, his experience in strategic sourcing (where he managed sourcing projects totaling more than $500 million in aggregate client spend), business process transformation, and software implementation provides a "real-world" context for his research and writing. Andrew's post-MBA work started in management consulting and investment banking where he structured, managed, and advised on large capital market transactions. Andrew began his professional career running a homeless family shelter in Los Angeles. He welcomes your comments at abartolini@ardentpartners.com. Follow him on LinkedIn.

About Ardent Partners

Ardent Partners is a next-generation analyst firm that leverages its data-driven research to help business executives make smarter decisions and achieve better results. Ardent's clients (and global community) understand and appreciate that when we publish research and guide our clients, we do so based upon literally thousands of data points collected and analyzed over the past two decades. Our unique primary research methodology, high-impact research publications, and deep domain focus set Ardent apart from its competition. Our community is expansive, our influence is extensive, and our research is unrivaled. Register for exclusive access to Ardent Partners research at https://ardentpartners.com/subscribe/.

Research Methodology

Ardent Partners follows a rigorous research process developed over years spent researching the accounts payable market. The research in this report represents the web-based survey responses of 204 AP and finance leaders captured between March and May 2025, and includes direct interviews with several survey respondents. These 204 participants shared their strategies and intentions, as well as their operational and performance results to help us define Best-in-Class AP performance and understand what levers the leading groups pull to obtain their advantage. This primary research effort was also informed by the experience and analysis of the report author and the entire Ardent Partners research team. Complete respondent demographics are included to the right.

Report Demographics

This report is drawn from 204 respondents representing the following demographics:

Job Function: 47% AP; 16% Finance/Accounting; 15% P2P; 20% Procurement; 2% Treasury

Job Role: 34% VP-level or higher; 27% director-level; 29% manager-level; 10% staff-level

Company Revenue: 54% Large (revenue > $1 billion); 26% Mid-market (revenue $250 million - $1 billion); 20% Small (revenue < $250 million)

Region: 58% North America; 31% EMEA; 11% APAC

Industry: More than 24 distinct industries, no industry represents more than 12% of the overall survey respondents

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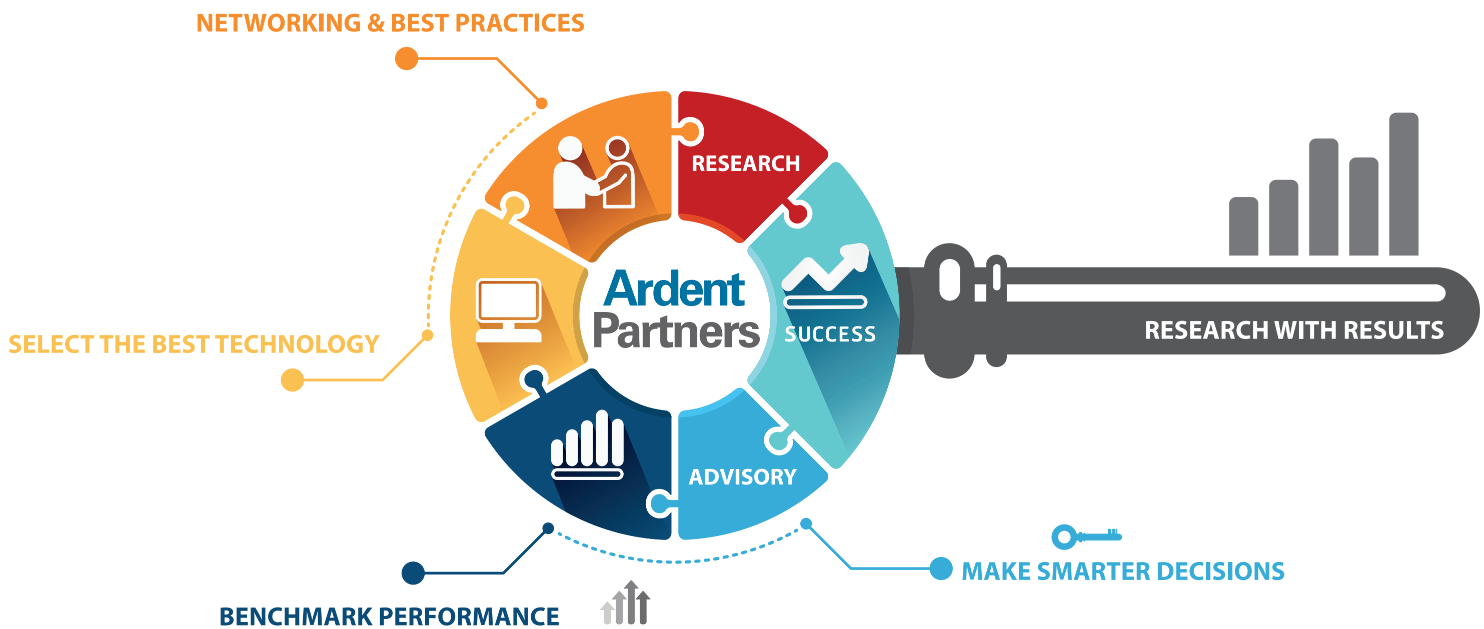

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