



4th Annual Accounts Payable Customer Service Survey

Conducted by:
InvoiceInfo



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Introduction

“Customers” within the context of accounts payable (AP) means those whom AP serves. That typically includes internal employees across the company and those in the purchasing group. Externally, it largely means the companies’ vendors, which AP has the responsibility to pay.

Customer service is an important part of the Accounts Payable (AP) Department’s responsibilities. AP must meet legal and ethical debt obligations of course. How AP does that can enhance the relationship with an organization’s suppliers, bringing important benefits to it such as help with an emergency order, favorable pricing or positive references.

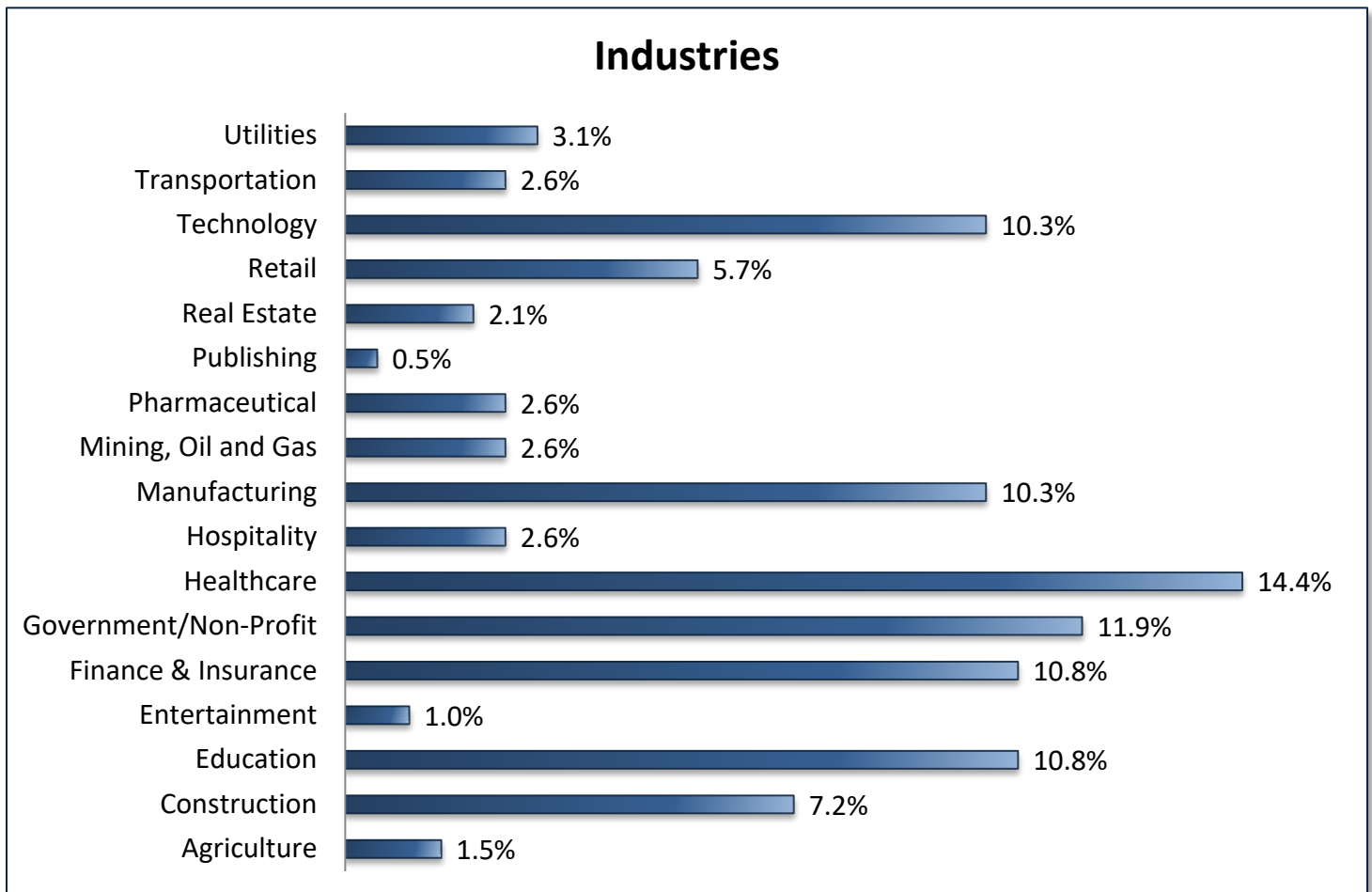
Job one for AP, and the primary thing AP can do to ensure good customer relations, is to pay accurately on time. But not everything goes according to plan and there’s a need for information and clarification among trading partners. Done well, relationships are strengthened. Done poorly, the partnership may not endure.

As more organizations increasingly automate the procure-to-pay process, customer service often remains a labor-intensive activity for accounts payable staff. It also affects other staff, since many times a vendor will call its customer or the purchasing department, who must in turn contact AP.

The 2019 Accounts Payable Customer Service Survey canvassed 189 organizations. Particular attention is paid in this study to the status of automating the AP customer service process through online vendor portals.

Survey Participant Profile

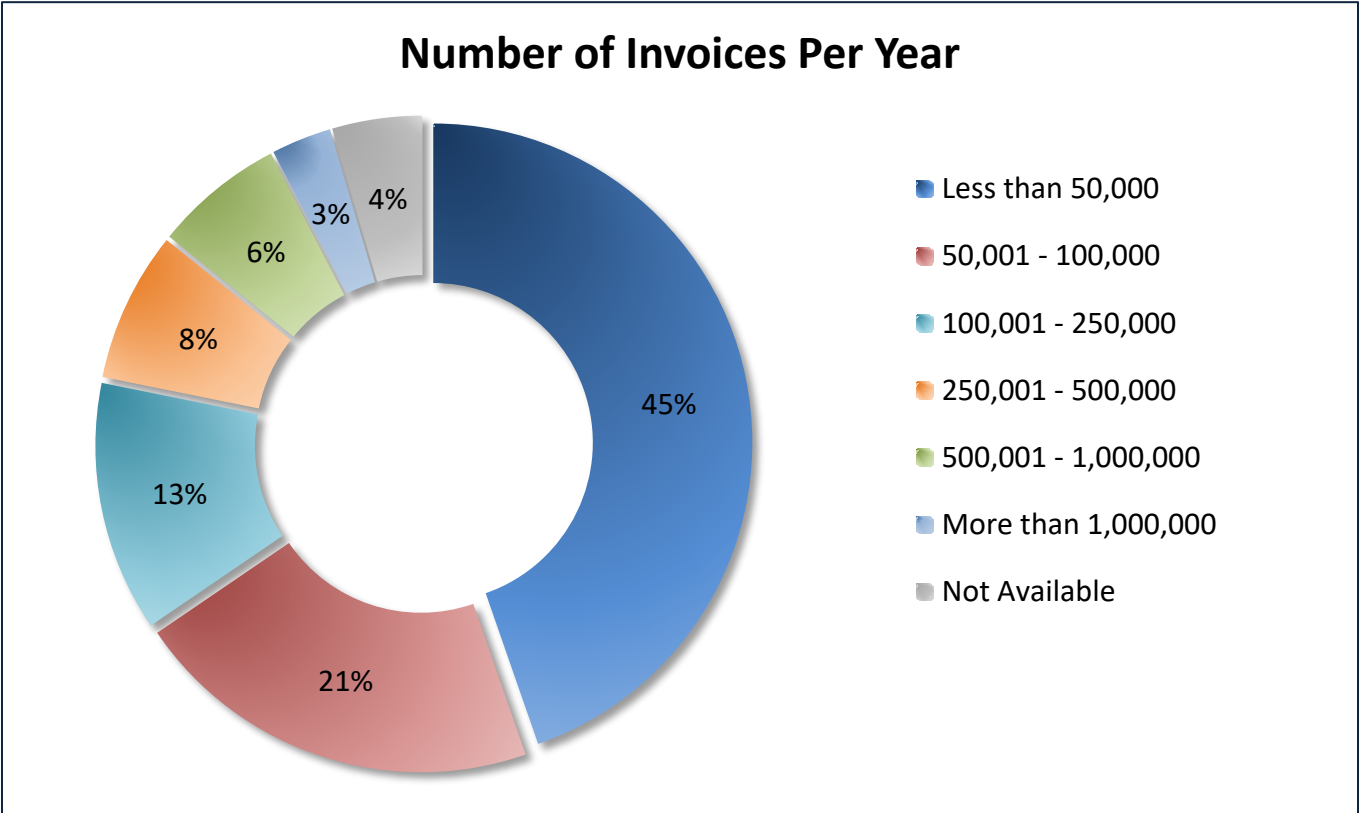
Participants in the survey come from across the spectrum of industries, with the largest numbers of participants from Healthcare, Government & Non-profit, Technology, Manufacturing, Finance & Insurance and Education.



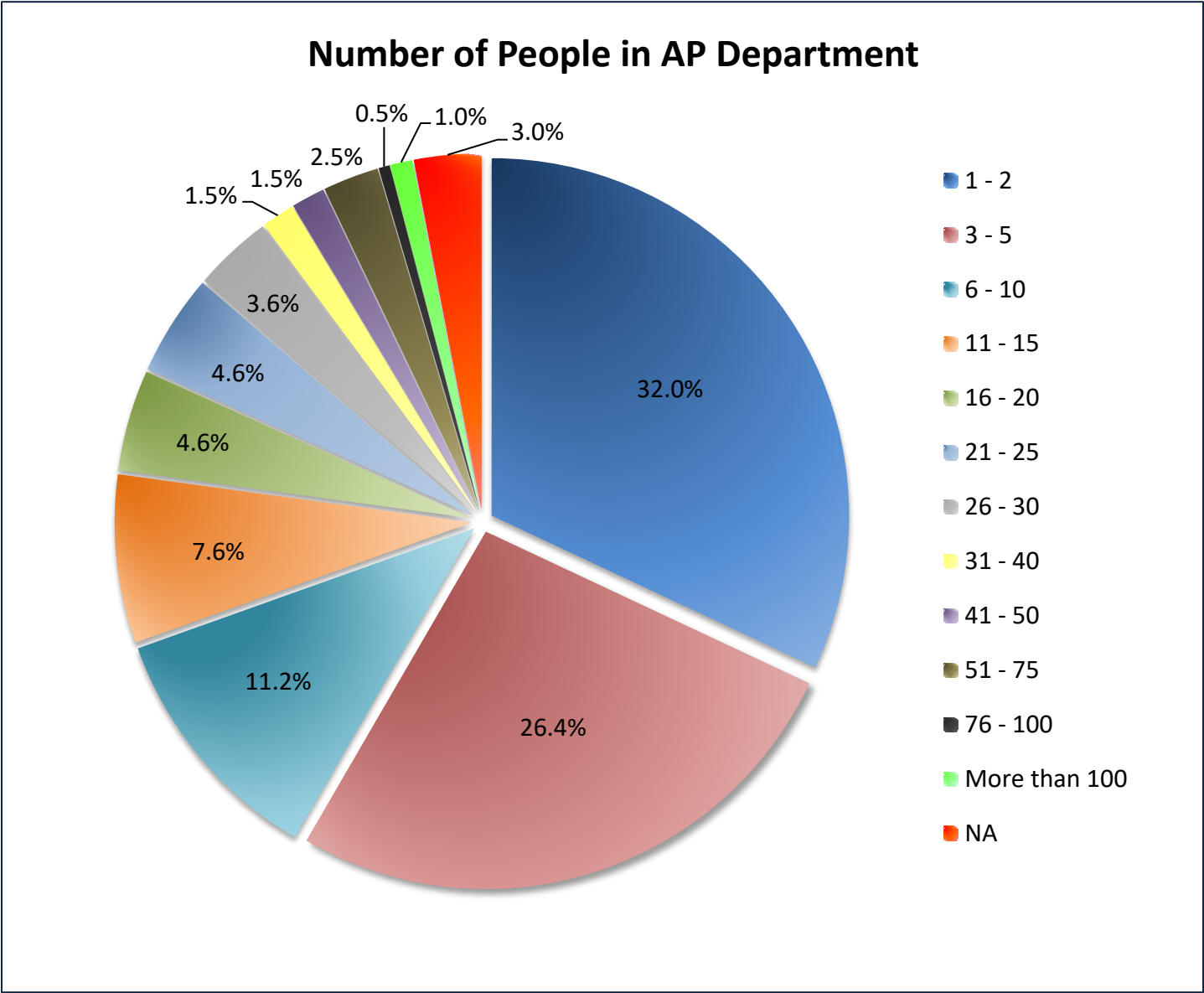
Similarly, the participants represent the spectrum in terms of annual revenue.



Accounts payable fundamentally is about invoices. The following shows the number of invoices processed annually by study participants.



More than half of participants have a handful of people to manage all of accounts payable including customer service.



AP Customer Service Challenges

Participants identified a variety of challenges in AP customer service. Responses received to the open-ended question reveal 29 different challenges. However there is a small group, comprising nine percent of participants, that say AP customer service does not present a challenge to them.

The most oft-cited customer service challenges include:

- Managing volume, time consuming; handling CS/incoming queries while keeping up with AP processing; resources; adequate staff for volume (17 percent)
- Timely response (15 percent)
- Invoice not received; invoices never sent to AP; missing invoices (10 percent)
- Approval delays (5 percent)
- Educating vendors and internal customers; communicating to vendors where to send invoices/ask about payment (4 percent)

Additional challenges listed that are specific to customer service include:

- Getting the same questions from the same vendors/customers
- Time to complete investigation of the question prior to talking with customer
- Policy for consistency of service
- Meeting needs; making everyone happy
- Payment terms
- Attitude
- Defined responsibilities
- Failure of departments to use available tools
- Handling collection calls
- Balancing world-class service with speed of service

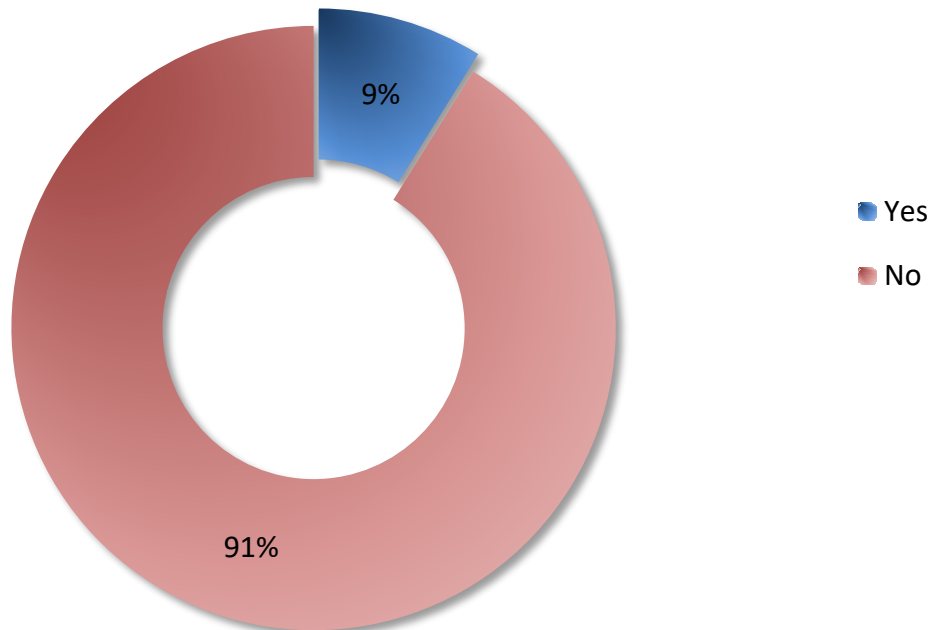
Of course, customer service, as a facet of accounts payable, depends upon a well-functioning P2P process (as a few of the top concerns above indicate). Many of the listed “biggest challenges in customer service” reiterate these issues:

- No PO on invoice or other lack of information
- Lack of coordination among internal departments
- Vendor information management/W-9
- Converting vendors to electronic payment
- Inadequate remittance advice
- Manual processes; lack of automation
- Software issues
- Developing a P2P system
- Internal lack of T&E rule understanding and approvals
- Lack of receiving documents
- Missing contact information
- Internal errors
- Lack of funds to pay everyone on time
- Payment/vendor fraud

Customer Service: How Are You Doing?

With regard to AP customer service, very few organizations survey their vendors about how they are doing.

% of Respondents Conducting Vendor Satisfaction Survey

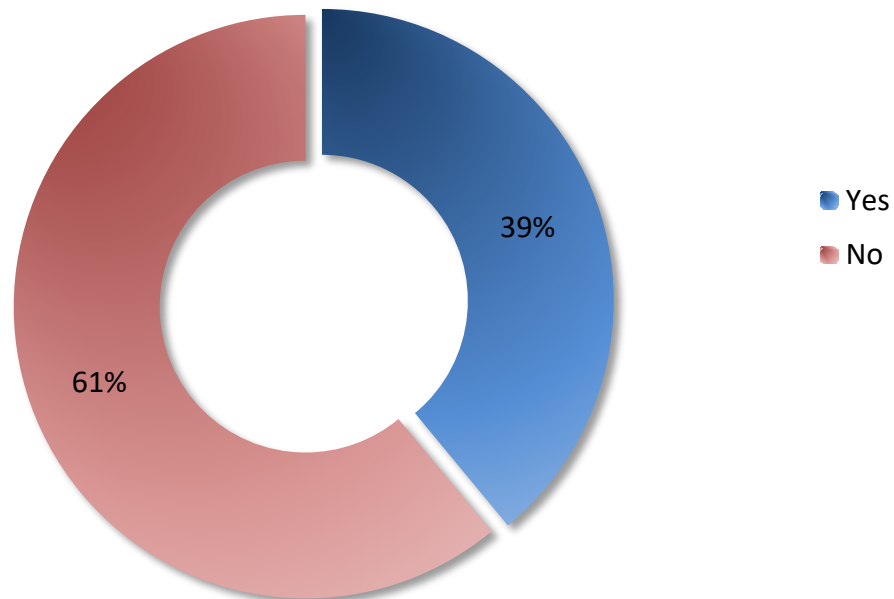


Customer Service Policies

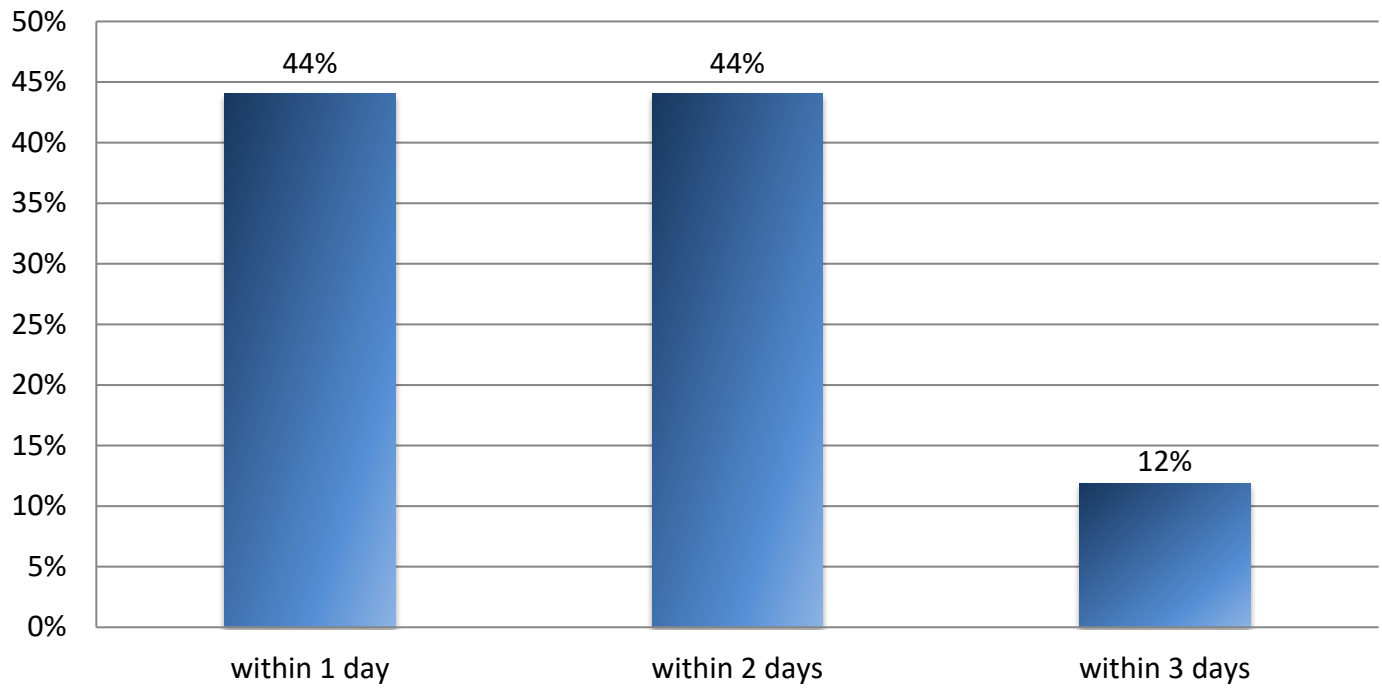
Response Policy

Just 39 percent have a customer service policy or service level agreement regarding how long staff has to research and turn around a response to inquiries; sixty-one percent do not. Is that due to customer service being a low priority for them? Perhaps it is because AP departments are focused on the main job of paying accurately and on time. For those with a policy, the required turn-around time is split between one or two days, with a minority at three days.

Respondents with Response Time Policy or SLA



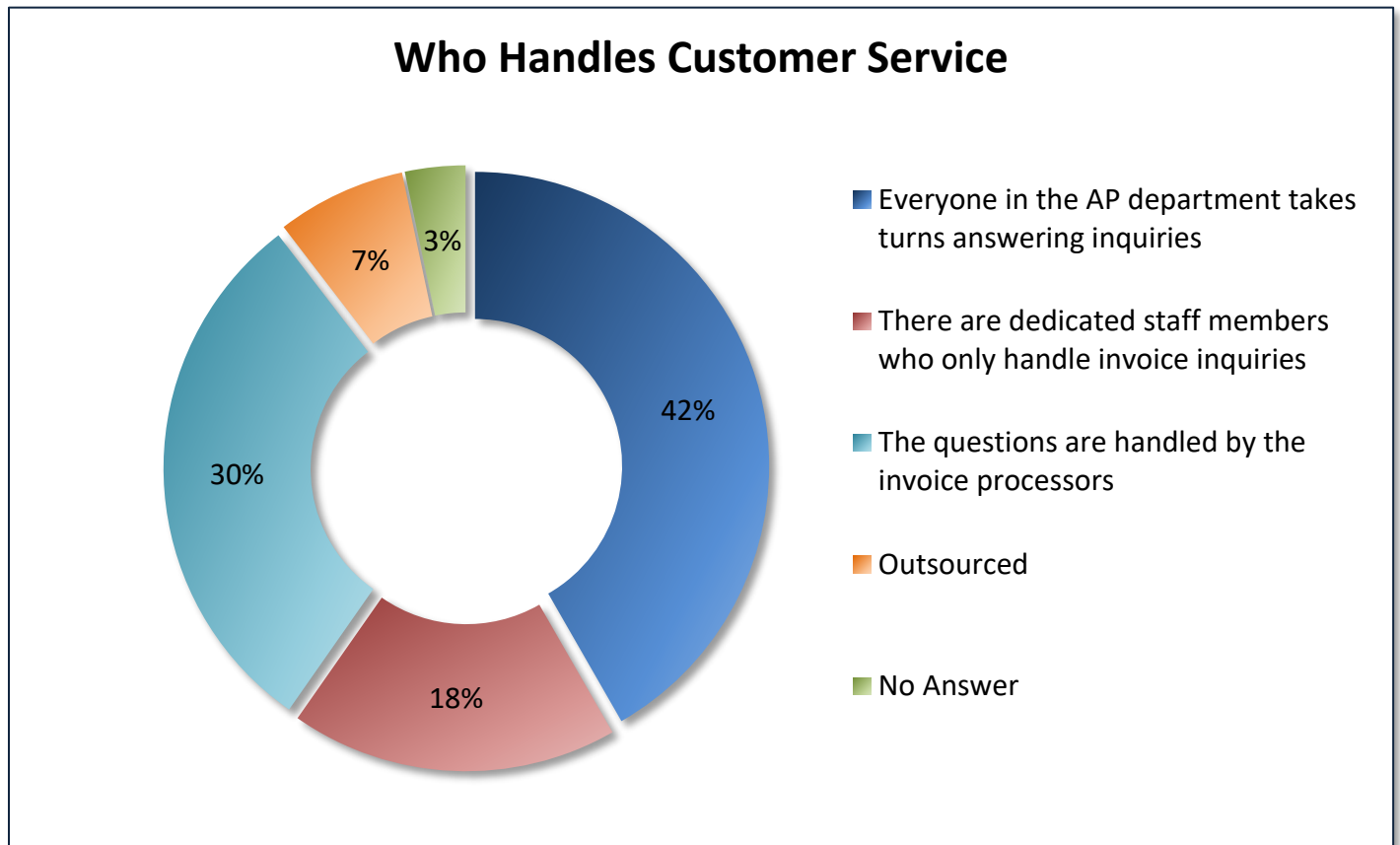
Response Policy



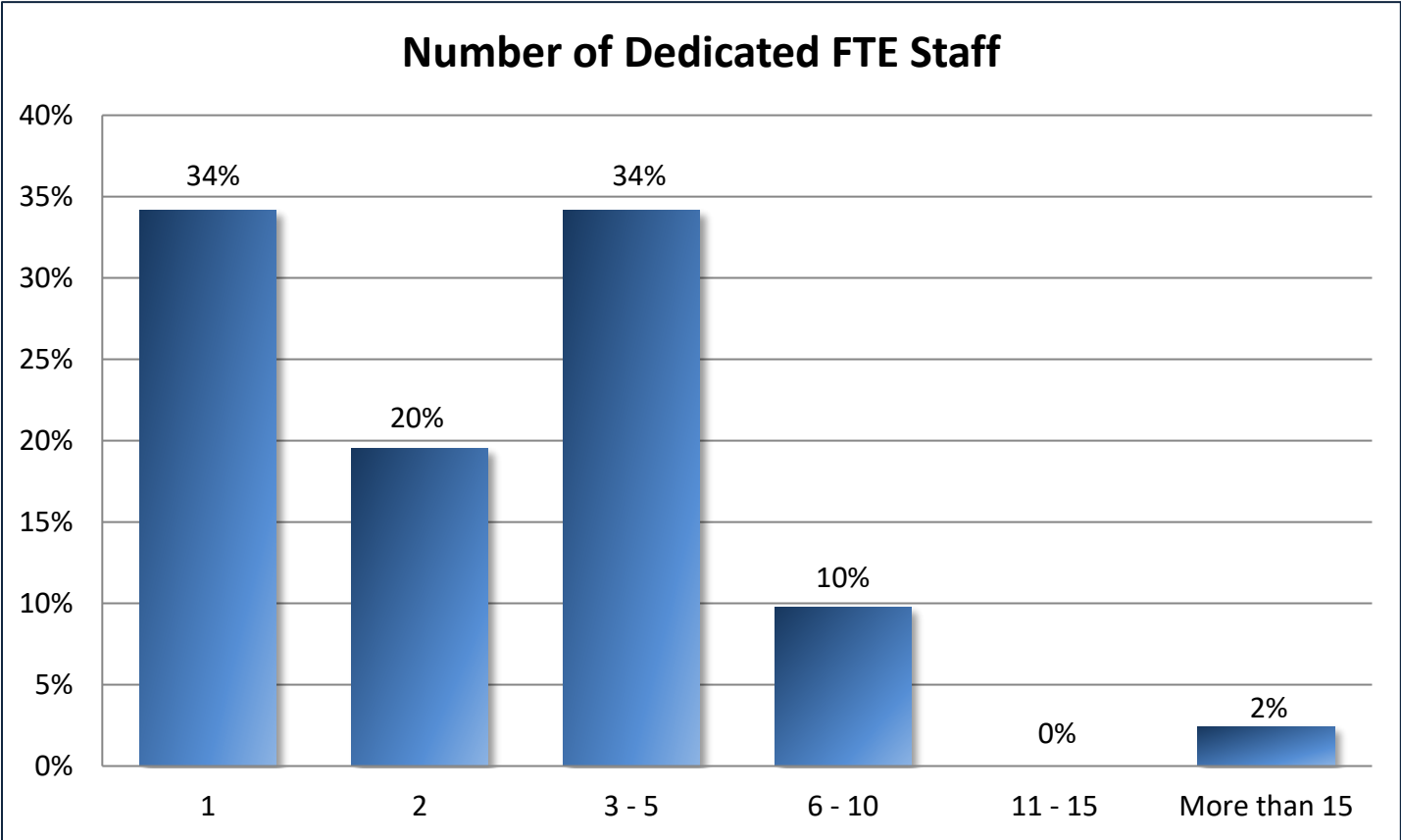
Staff Organization for Handling AP Customer Service

Who Handles Customer Service

In some organizations, AP customer service is handled by everyone in the department, though others have dedicated staff.

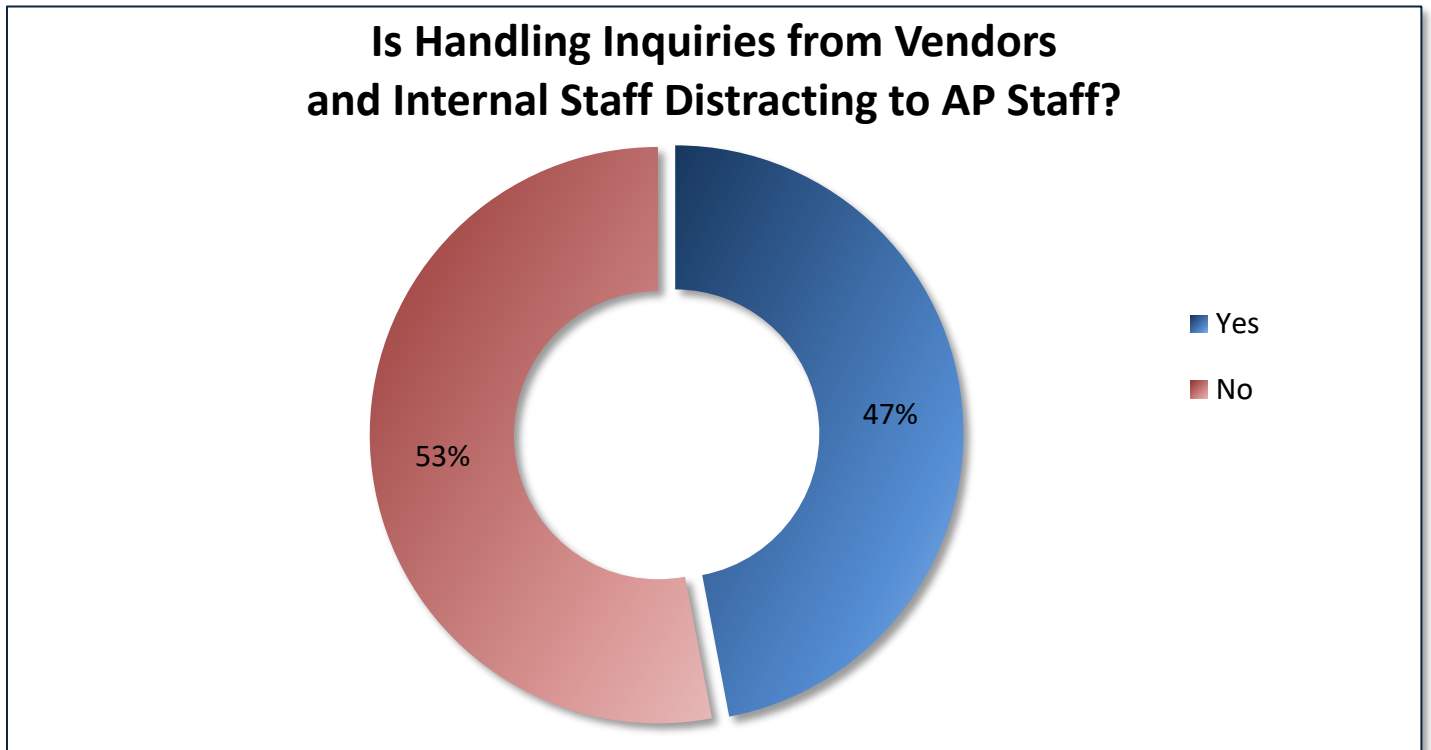


One in five organizations have dedicated staff members to handle invoice inquiries; the number naturally varies by organization size.



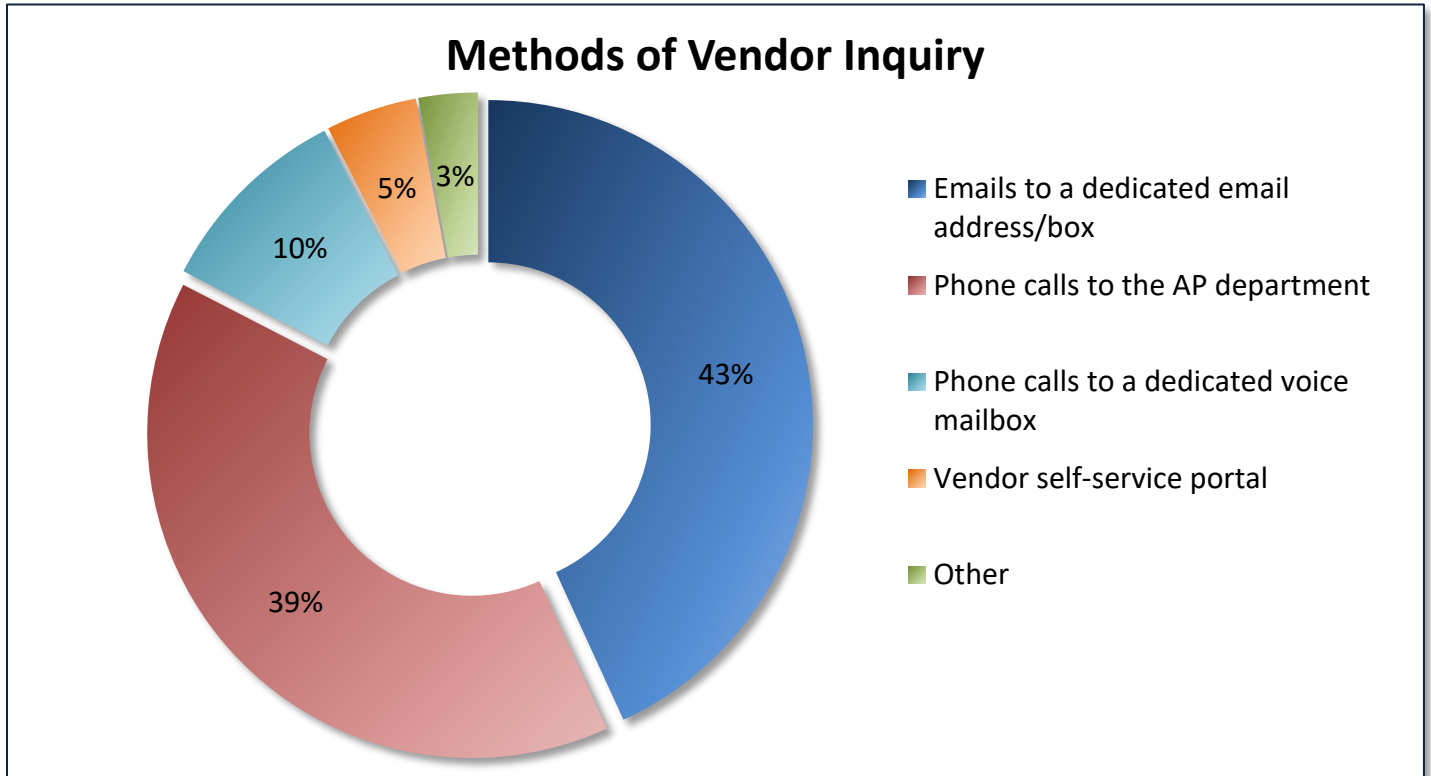
Distraction or Just Part of the Job

Vendor and internal inquiries are regarded as a distraction by nearly half of respondents.



Methods of Inquiry

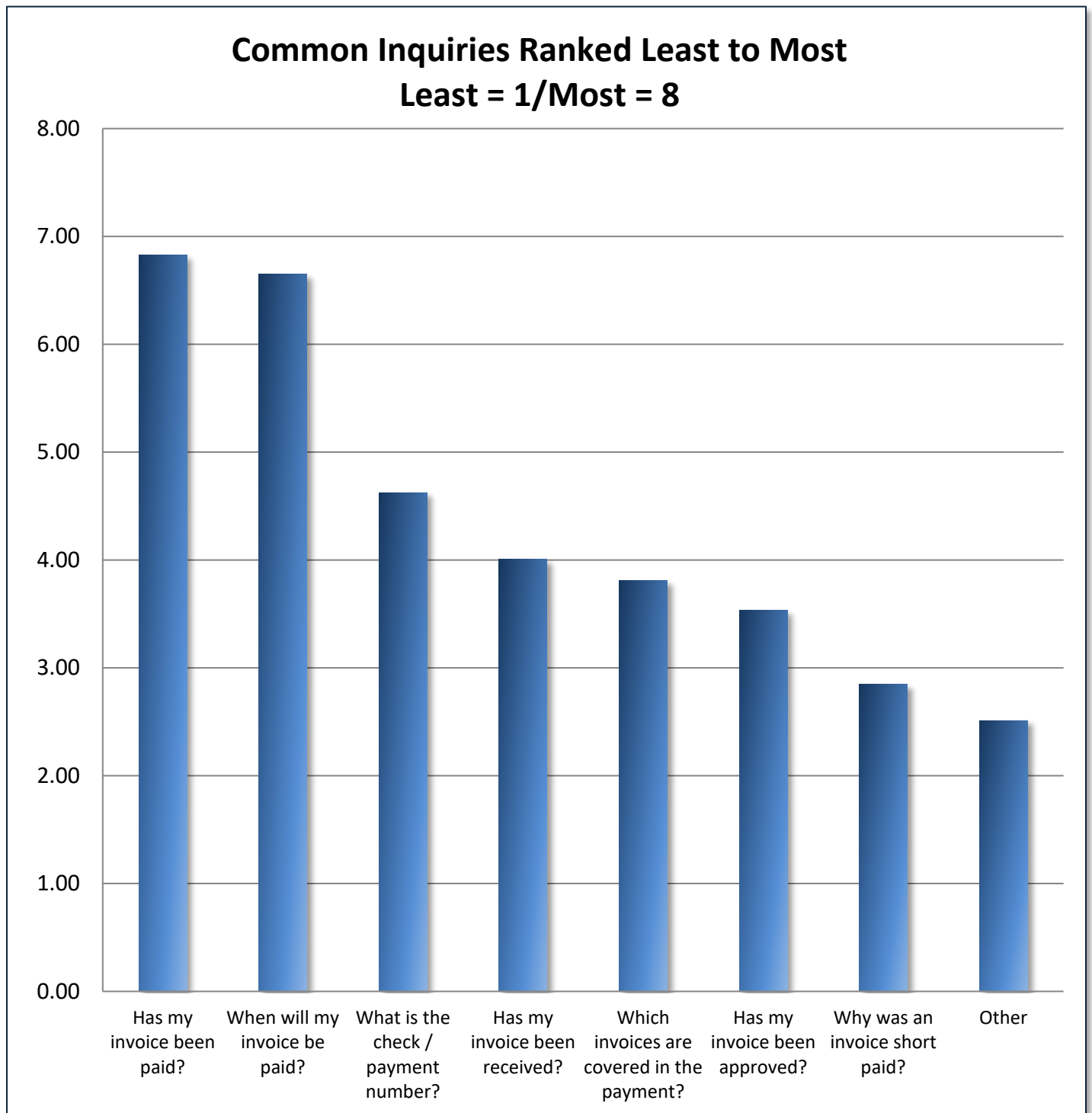
The methods by which AP receives customer inquiries are primarily via email and phone call.



Common Inquiries from Vendors and Internal Colleagues

Common Inquiries

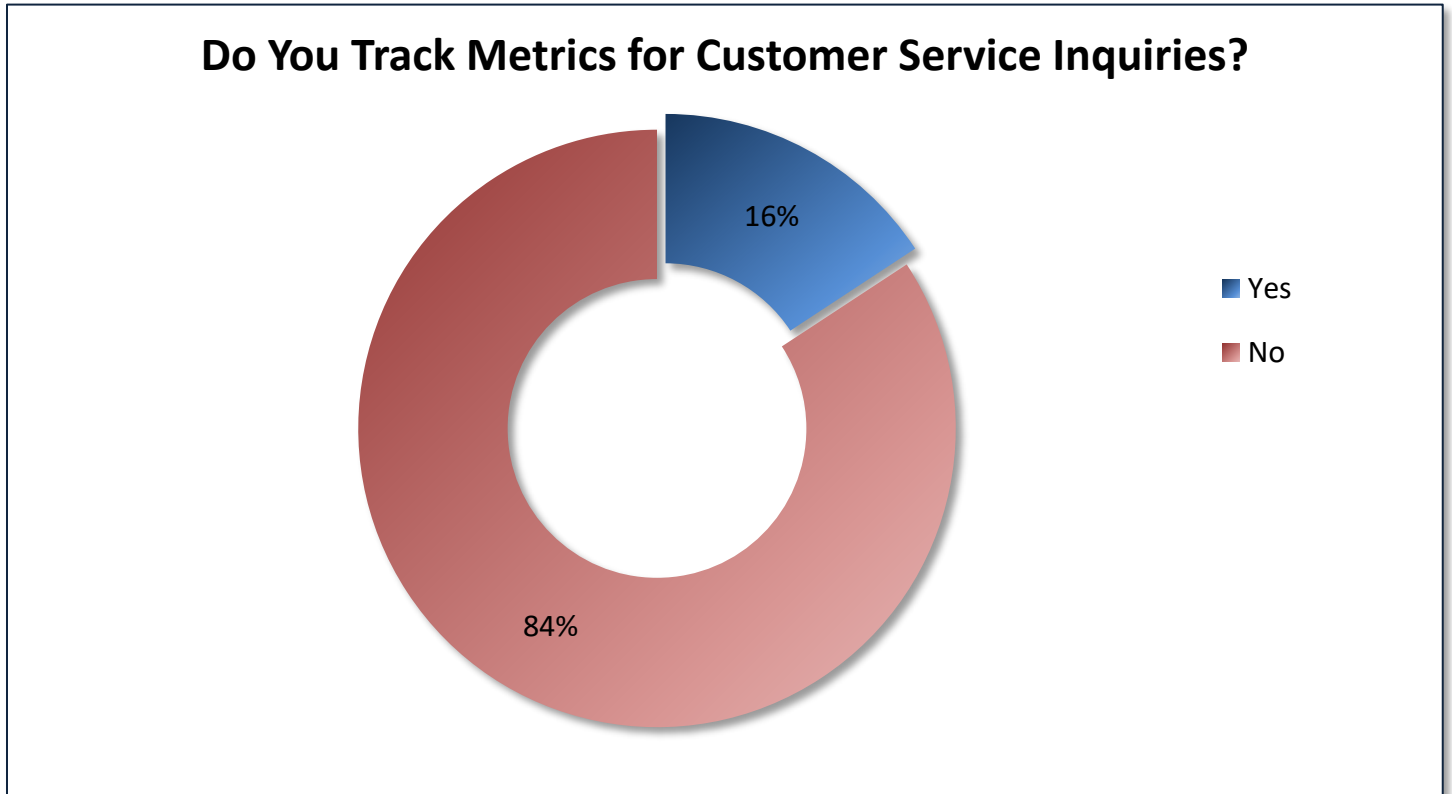
What are most of the calls and emails about? There were no particular surprises here. Leading the list – “Has my invoice been paid?” followed closely by “When will my invoice be paid?”



Customer Service Metrics

Metrics

Few organizations track metrics on customer service inquiries.



Customer Relations Advice

Maintaining Good Customer Relations

Asked for best advice on how to maintain great relationships with AP customers, whether vendors or internal customers, participants most often offered the following:

- Be timely and responsive (28 percent)
- Be polite, courteous, helpful, empathetic and respectful (18 percent)
- Communicate; be proactive in communication (15 percent)
- Pay on time (12 percent)

Additional advice included:

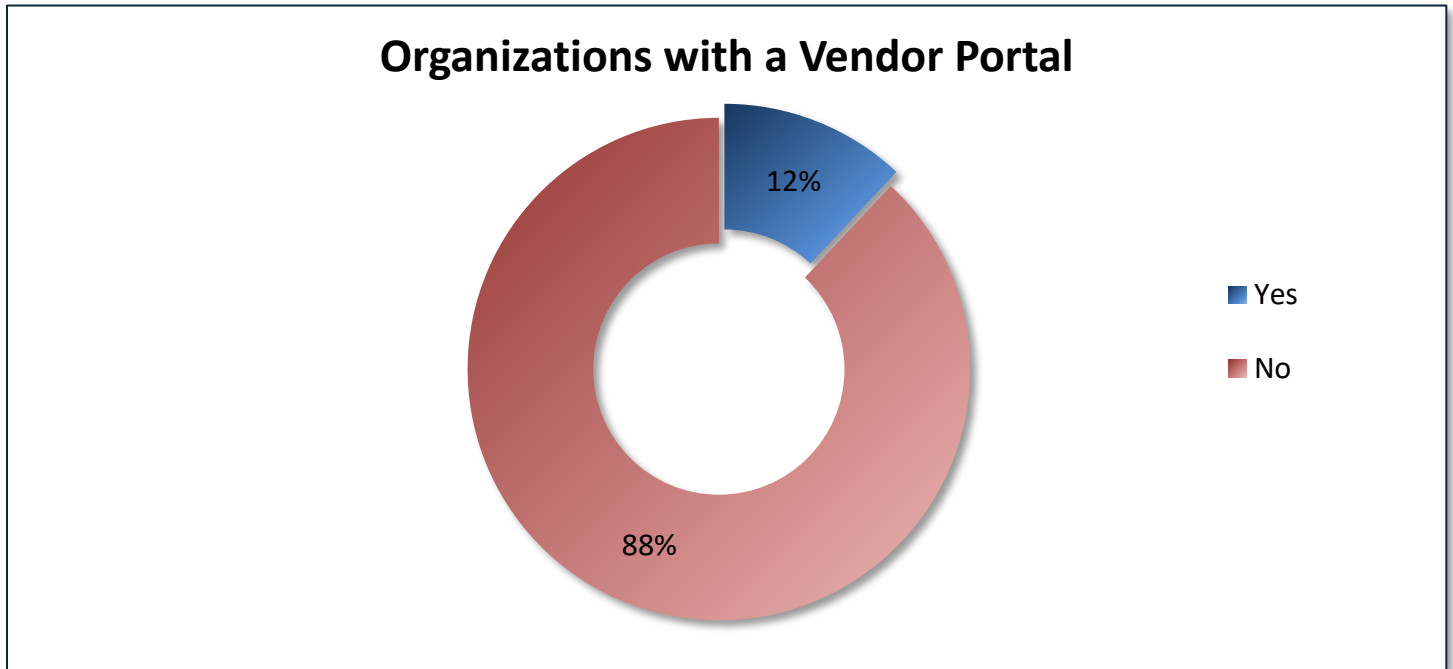
- Do what you say you will do
- Set expectations and be consistent
- Be honest and transparent
- Always call back
- Listen

Others pointed to having a good procurement agreement, an SLA and a dedicated team for strategic vendors in particular. Patience and staying positive were also advised.

Vendor Self-Service Portals

Certain elements involved in vendor service can be addressed electronically through vendor self-service portals. These include onboarding, communication between AP and the vendor, obtaining required tax and regulatory information and answering common vendor (and internal) inquiries.

Customer service is one of the last parts of the procure-to-pay process to take advantage of advanced systems for vendor interaction. Just twelve percent of participants in the survey have a vendor self-service portal.

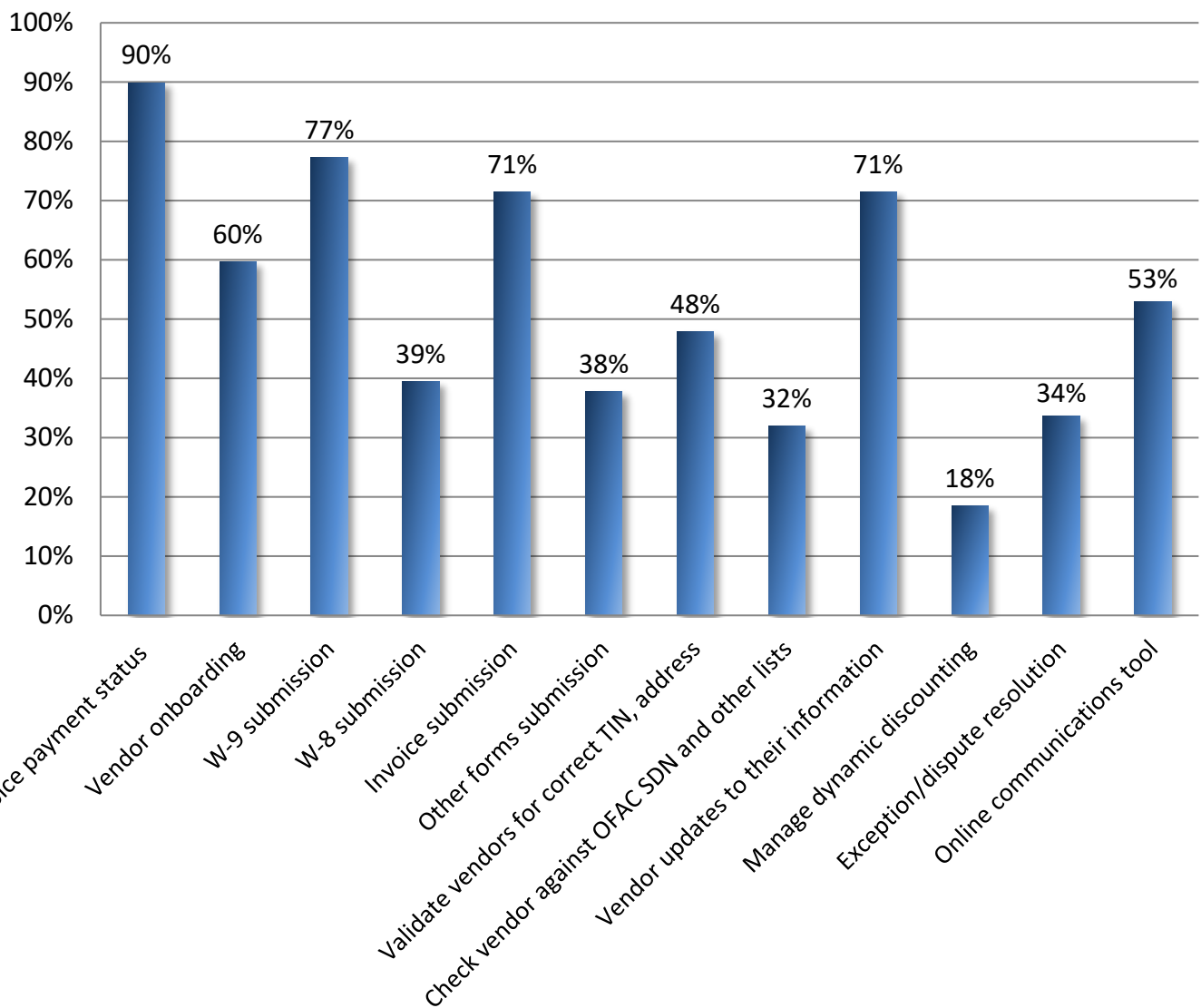


Following are several questions and responses related to vendor portals, beginning with two questions on attitudes toward portals from the wider group of survey participants. Next follows a portrait of those organizations that have implemented a vendor self-service portal. This includes decision factors, implementation champions, the nature of the platform and its use.

Attitudes toward Portals

A vendor self-service portal can deliver a number of functions—depending on the portal. Participants are aware of the most common functions, including invoice inquiries, submission of W-9s and invoices, and updates to vendor information, with less awareness of some other functions.

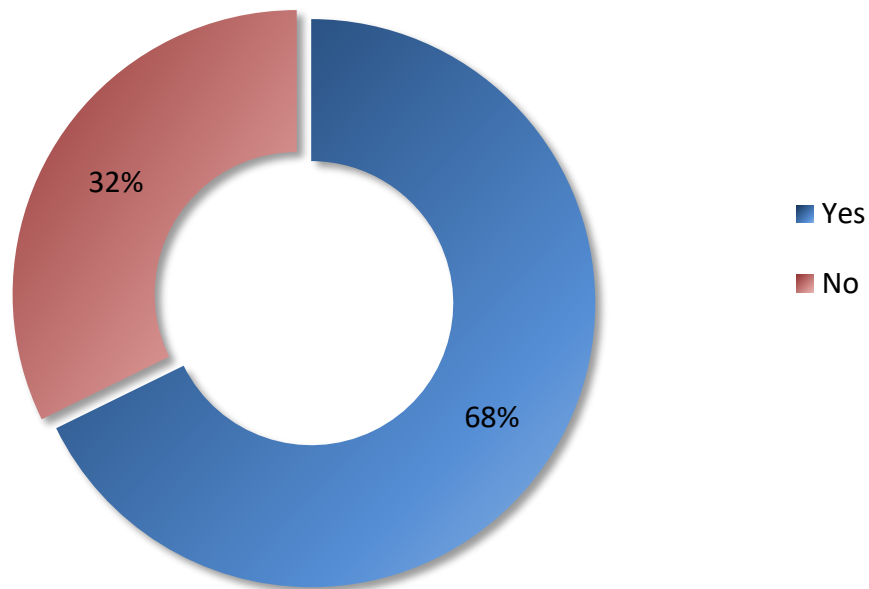
Which Functions Do You Believe a Vendor Portal Can Deliver?



Effective Customer Service

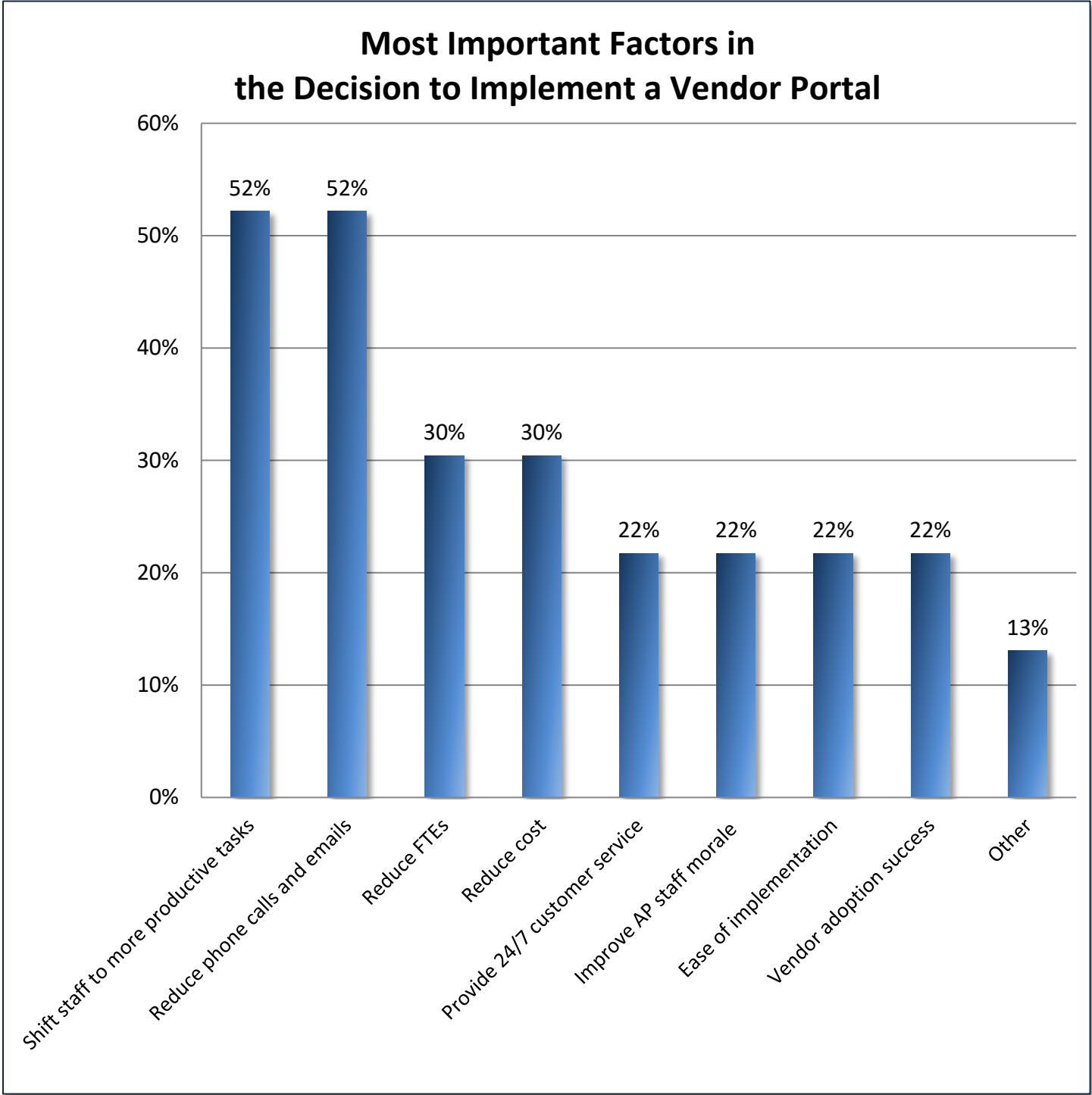
Can an online vendor self-service portal provide the same or better customer service answering invoice inquiries as manually responding to calls, emails and faxes? Better than two-thirds of respondents believe they can.

Can a Self-Service Portal Deliver the Same or Better Service as Manual Responses?



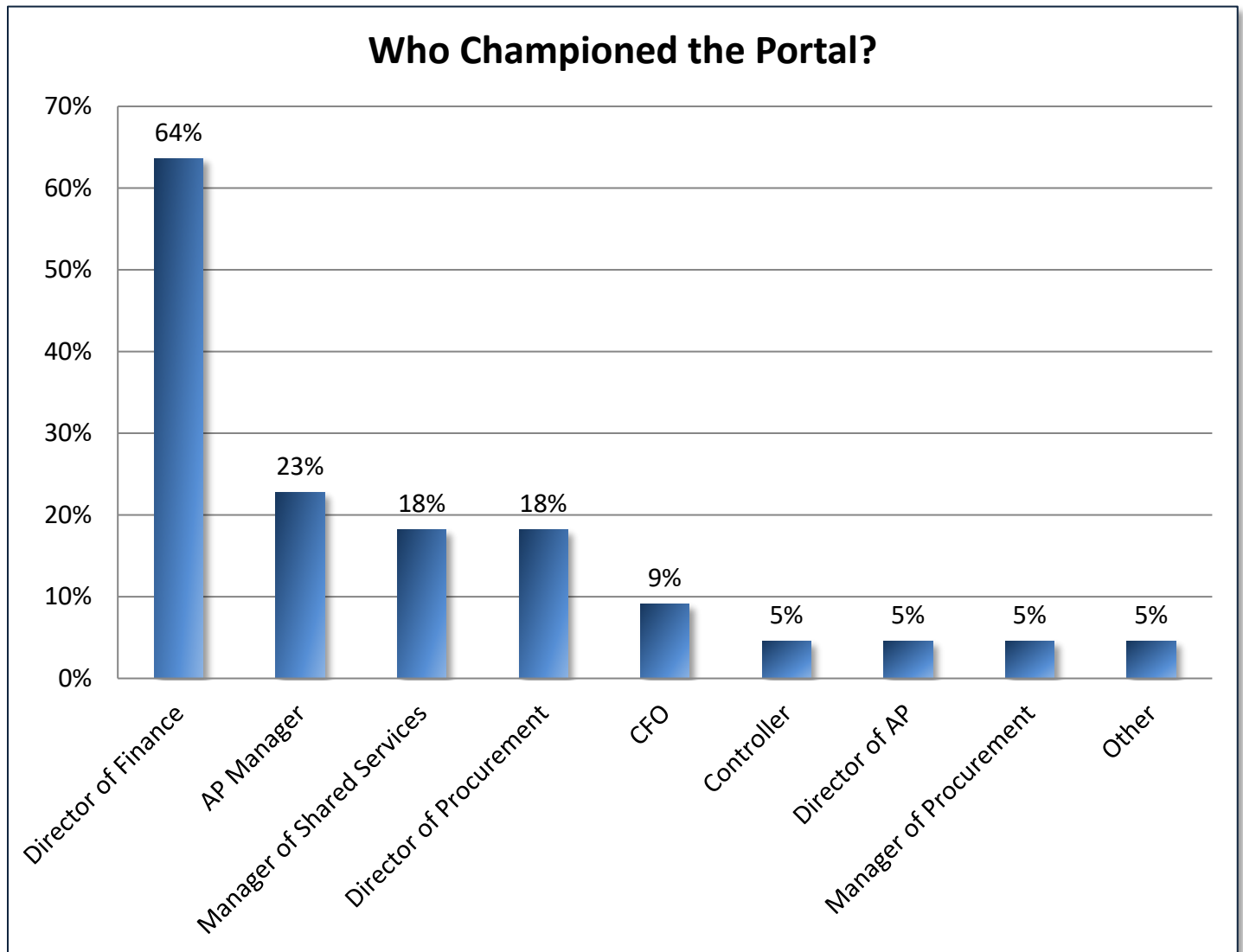
The Decision to Implement a Portal

For those few organizations that have implemented an online self-service portal, the most important factors considered in the decision were to reduce calls and emails and shift staff focus to other priorities.



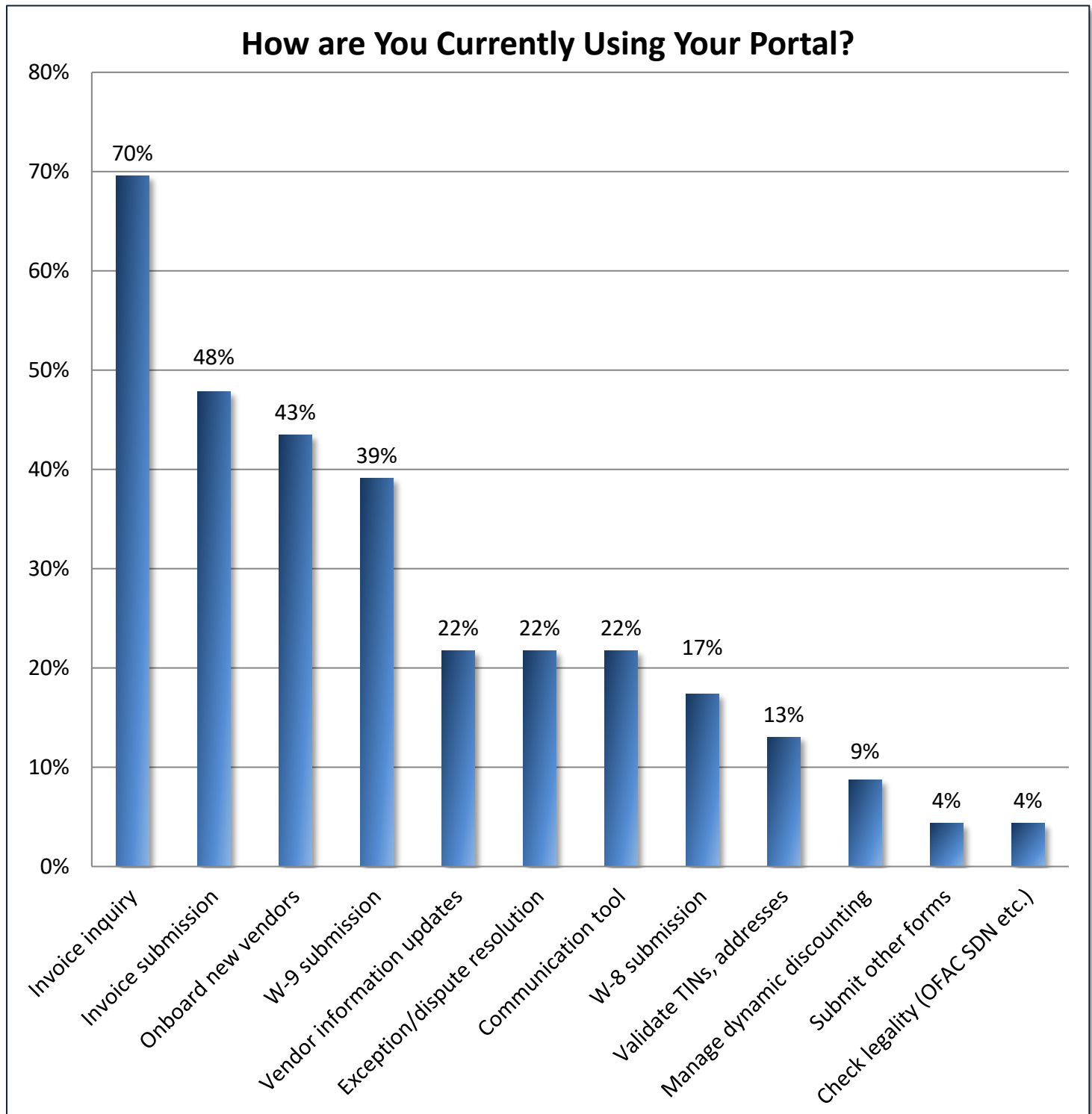
Portal Champions

Getting any new technology requires a driver who sees and promotes the project. That has most often been a director of finance.



Use of the Vendor Portal

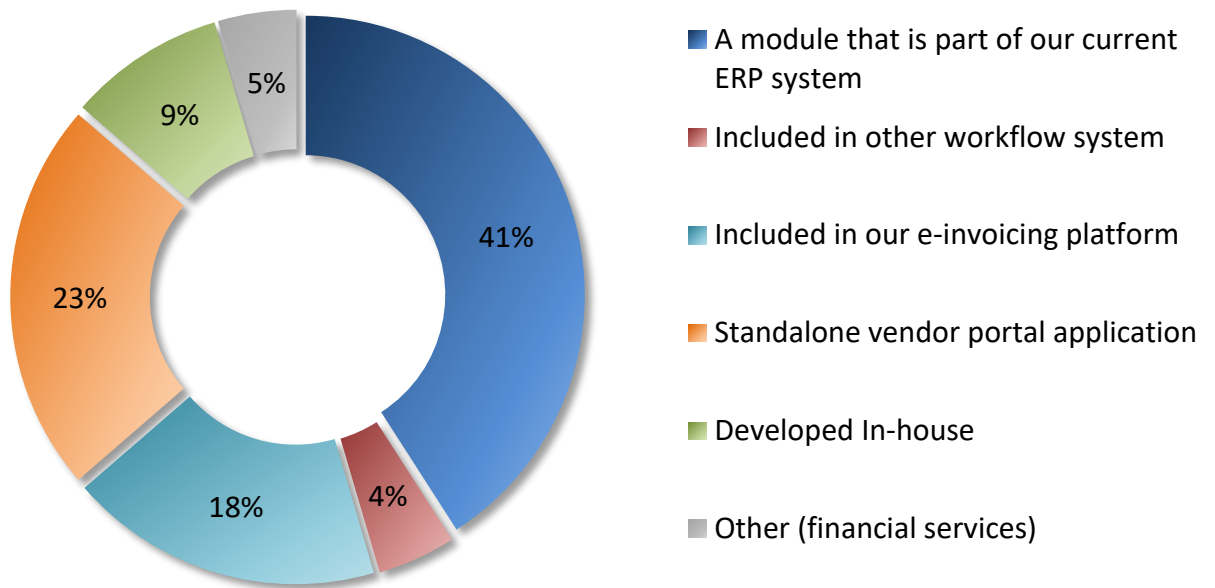
Those with portals use them for the following functions. The functions most often used are those common to all portals. Less often used functions may not be available in all portal systems.



Portal Systems

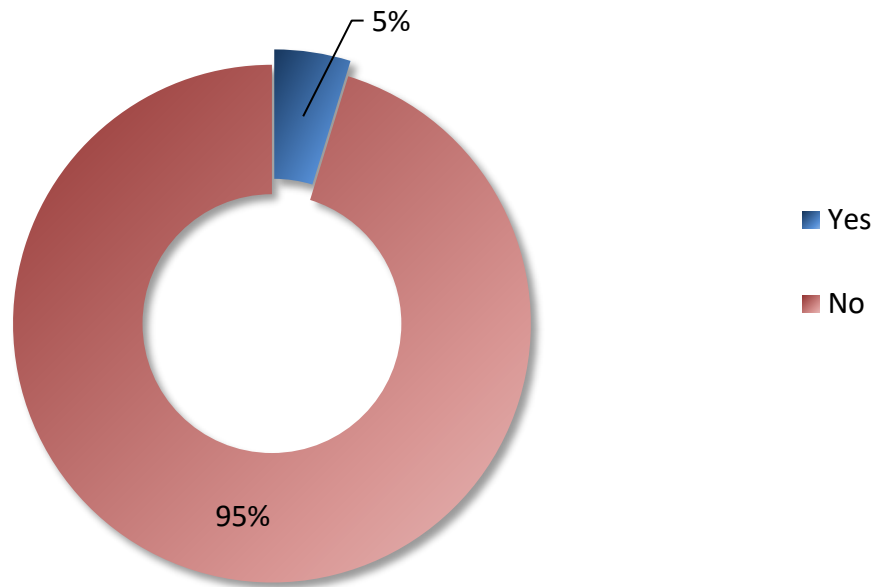
Portal systems may be part of the respondent's ERP system, their workflow system, part of an e-invoicing platform, or a stand-alone system – a small percentage having been developed in-house.

Describe Your Portal



Perhaps in line with the general lack of metrics in the area of customer service, most organizations that have implemented a portal have not tracked how satisfied their AP customers are with it.

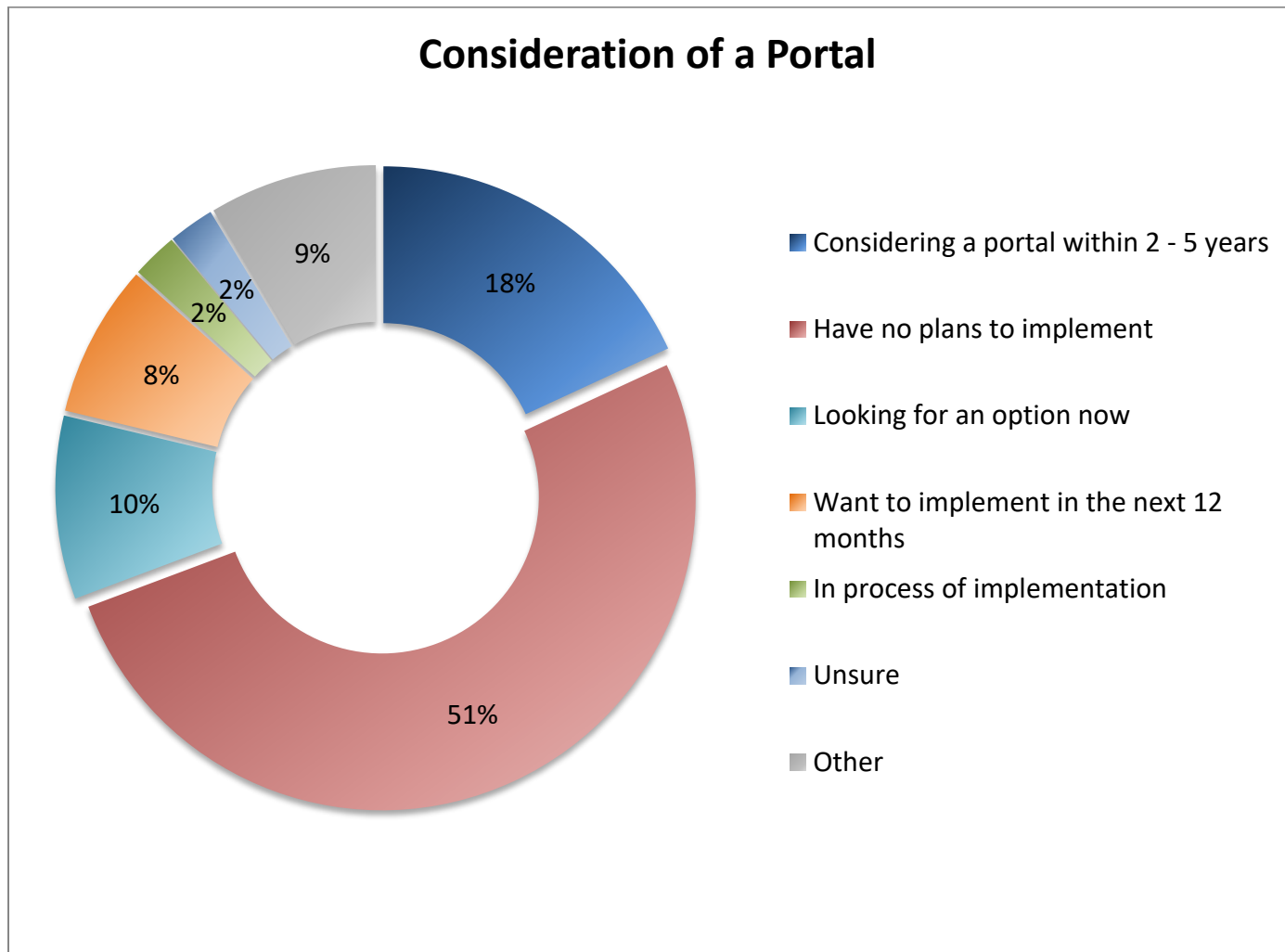
Tracking Customer Satisfaction with Vendor Self-Service Portals



Neither do many formally track the degree to which automation has reduced the number of vendor and internal staff emails and calls, though one that does indicated a 90 percent reduction.

Status of Vendor Portal Consideration

For those without a portal, eight percent are looking at implementation in the next 12 months, while 18 percent anticipate implementation in two to five years. Half of respondents indicate having no plans to implement a vendor portal.



Status offered by the nine percent responding “other” include the following:

- Haven't thought of it or looked at the cost to implement or maintain.
- Don't think it's a good fit for our vendors.
- It has not been suggested.
- Tried vendor self-service, it created a flood of irrelevant questions, so we ultimately shut it down.
- Would love to have for AP but pricing is an issue.
- Have a supplier portal set up, but not all functions are turned on; in the future we will turn on all features.
- Currently have a portal but it is not activated or enforced/suggested to vendors.
- Not currently looking as we are updating our ERP system.
- We have begun automating many processes, so this seems a next logical step.
- Waiting on funding, supplier and portal option identified.

As one participant noted above, automated vendor self-service portals are a logical next step as P2P continues to gain tools to streamline and improve processes and eliminate friction. The survey indicates that moving to vendor self-service portals has been a lower priority behind other aspects of P2P automation. So far, the adoption curve has not taken a sharp upward turn. But given the trend of increasing automation together with a broader context of cultural expectations and habits for easy self-service to quickly address information needs, the portal's tipping point will eventually come.

About InvoiceInfo Vendor Self-Service Made Simple

InvoiceInfo and VendorInfo are vendor self-service solutions used by leading companies worldwide. Replace time-consuming activities, such as vendor inquiries, registration & TIN matching, with self-service and spend less time on routine tasks.

- Be up and running in weeks — InvoiceInfo and VendorInfo are the easiest vendor self-service portals to implement and maintain.
- So simple, both suppliers and staff start using immediately.
- Implement only the functions you need.
- Configure to your requirements.

Choose from:

- Invoice status inquiry
- Statement reconciliation
- W-9, W-8, custom registration forms
- Verification: TIN, OFAC, Address and 24 other watchlists
- And much, much more

To learn more about InvoiceInfo's and VendorInfo's modular vendor self-service solutions, email info@FinOpsNet.com, call us at 678-894-4600.



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