2014 Finance Executive Survey

IOFM INSTITUTE of FINANCE & MANAGEMENT

AN IOFM WHITE PAPER

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2014 Finance Executive Survey

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Executive Summary

As a result of increasing competition, ever-growing government regulations, and new opportunities for fraud and loss, many companies are strengthening their governance processes and risk culture with automated tools, reinvigorated risk procedures and more upper management involvement. In large part, this is why senior finance executives are playing an increasingly large role in the evaluation, purchase, monitoring of accounts payable, accounts receivable and payments solutions.

It's against this backdrop that IOFM conducted this survey of senior finance executives. The objectives of the survey were to:

- Understand the role that senior finance executives are playing in accounts payable, accounts receivable and payment solutions;
- Understand the metrics that are most important to senior finance executives;
- Uncover the challenges organizations face in financial operations;
- Learn the steps organizations have taken to address these challenges; and
- Understand the tools and strategies organizations plan to implement to improve financial operations outcomes.

Our survey found that:

- Cash flow is an important metric.
- A lack of visibility into invoices and overall organizational cash flow and difficulty accessing critical documents and data stands in the way of effective cash management.
- Delays in processing payments can lead to late payment penalties and strained supplier relationships.
- Organizations are increasingly concerned about the risks of payments-related fraud.
- Organizations have deployed imaging, workflow and electronic payments, integrated their accounts payable environment and enterprise resource planning (ERP) system, standardized and centralized invoice processes, and better aligned accounts payable and procurement.

- Organizations plan to deploy workflow and electronic payments and better align accounts payable and procurement.

The findings of this report provide senior finance executives with a glimpse into the challenges faced by some of their peers. And it offers a roadmap for how organizations can help optimize cash management.

Key survey findings:

Cash flow

- Cash flow tops the list of metrics that organizations regularly track and/or report on.

- More than one-third of respondents (38.6 percent) indicated that cash flow against current/future expenses will remain the most important metric to their functional role during the next year.

Accounts payable

- 57.6 percent of respondents see accounts payable as a critical, high-value component of their business.

- 47.1 percent of respondents indicated that a lack of visibility into invoices and payables documents is their organization's top accounts payable pressure.

- One-third of the survey respondents (36.8 percent) indicated that the difficulty finding or managing paper-based documents is their greatest accounts payable challenge.

- A plurality of survey respondents (27.8 percent) indicated that integrating accounts payable and procurement was their organization's top strategic action over the past year.

- Nearly two-thirds of respondents (65.1 percent) indicated that their organization has standardized invoice management processes across its locations/units.

- 79.8 percent of survey respondents indicated that their organization has centralized invoice management processes in a single location or financial shared services center. Improved visibility is the top benefit of accounts payable automation solutions, as far as survey respondents are concerned.

- Most accounts payable departments represented by survey respondents lack visibility into overall organizational cash flow on a day-to-day basis, but many respondents indicated that is likely to change within two years.

- If an organization has an enterprise resource planning (ERP) system, chances are good that it is fully integrated with the organization's accounts payable environment.

- A slim majority of organizations will soon have a "No PO, No Pay" policy.

Accounts receivable

- High Days Sales Outstanding and a lack of visibility into receivables information are the top accounts receivable pressures/functional drivers that organizations face.

- Nearly one-quarter of respondents (23.2 percent) identified centralizing visibility into receivables information as their accounts receivable department's top strategic action over the past year.

Payments

- Accuracy and timeliness are the top payment processing pressures that organizations face.

- Nearly two-thirds of survey respondents (59.5 percent) indicated that their organization has deployed electronic payments.

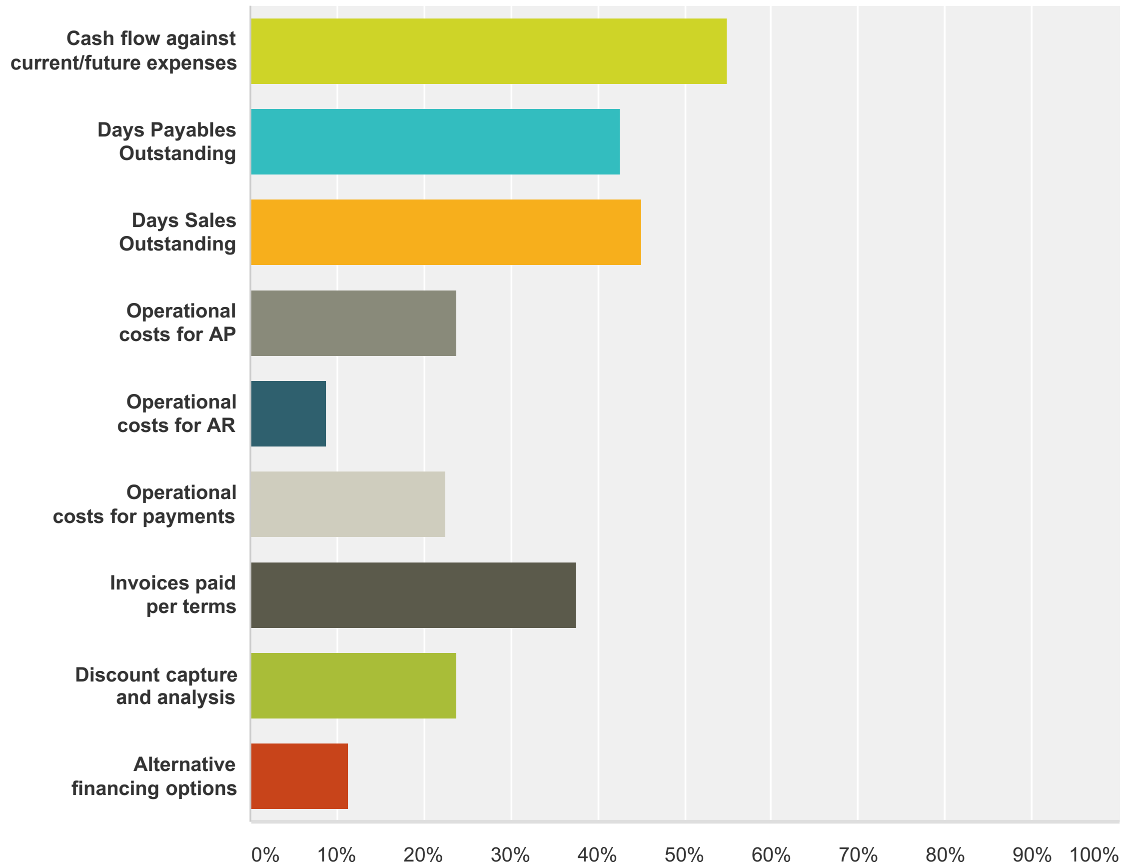
- More than one-third of survey respondents (38.2 percent) indicated that their organization plans to deploy electronic payments within the next year.

To achieve their top objective of improving cash flow, senior finance executives must ensure that their organizations implement tools and best practices to help eliminate inefficient paper processes.

Survey Methodology

The online survey was presented to several thousand senior finance executives during the summer of 2014. The survey was 27 questions, including some that could be answered instantly with a single mouse click and others that were more complex (and likely required the respondents to retrieve some information). Survey respondents were given several weeks to complete the survey. 101 finance professionals completed the survey. Survey respondents represented a wide range of vertical industries and companies of varying revenue size.

Which of the following metrics do you regularly track and/or report on (Check all that apply)?



Cash flow tops the list of metrics that organizations regularly track and/or report on.

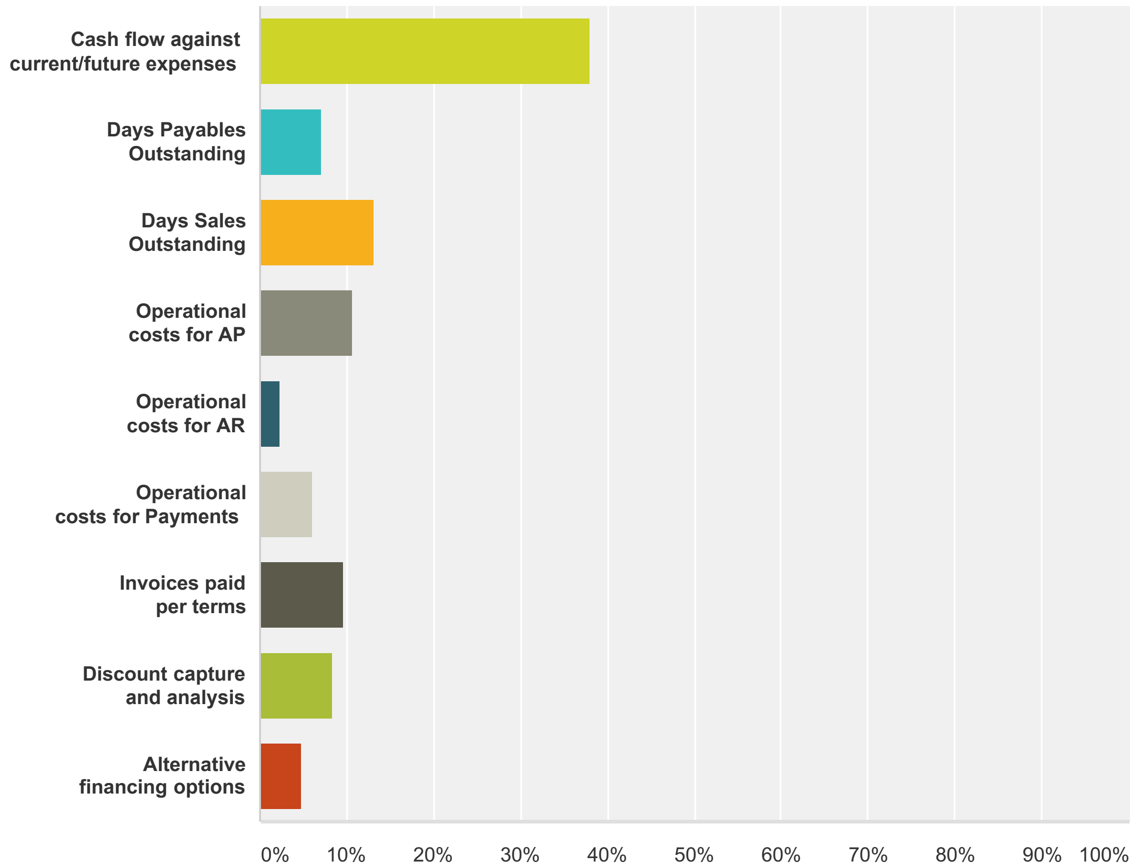
The majority of survey respondents (55.7 percent) indicated that their organization regularly tracks and/or reports on cash flow against current/future expenses. Tracking and reporting on cash flow provides organizations with increased visibility into their income, irrespective of market or economic conditions. Effectively managing cash flow helps to ensure timely payments, eliminate late fees, increase investable income and return-ratios, and reduce the need for borrowing and corporate debt.

The majority of respondents regularly track and/or report on cash flow. Similarly, 44.3 percent of respondents stated that their organization regularly tracks and/or reports on Days Sales Outstanding (DSO), while a slightly smaller percentage of respondents (41.8 percent) indicated that their organization regularly tracks and/or reports on Days Payables Outstanding (DPO).

Approximately one-third of the survey respondents (38 percent) indicated that their organization regularly tracks and/or reports on invoices paid to terms. Meantime, operational costs for accounts payable, operational costs for payments, and discount capture analysis are all regularly tracked and/or reported on by nearly one-quarter (22.8 percent) of organizations represented by survey respondents.

Alternative financing options (identified by 11.4 percent of survey respondents) and operational costs for accounts receivable (7.6 percent) round out the top metrics that organizations track and/or report on. It is interesting to note that three times as many organizations track operational costs for accounts payable and payments than those that track operational costs for accounts receivable.

Which of the following metrics will be most important to your functional role during the next year?



Cash flow metrics will remain critical to helping survey respondents do their jobs.

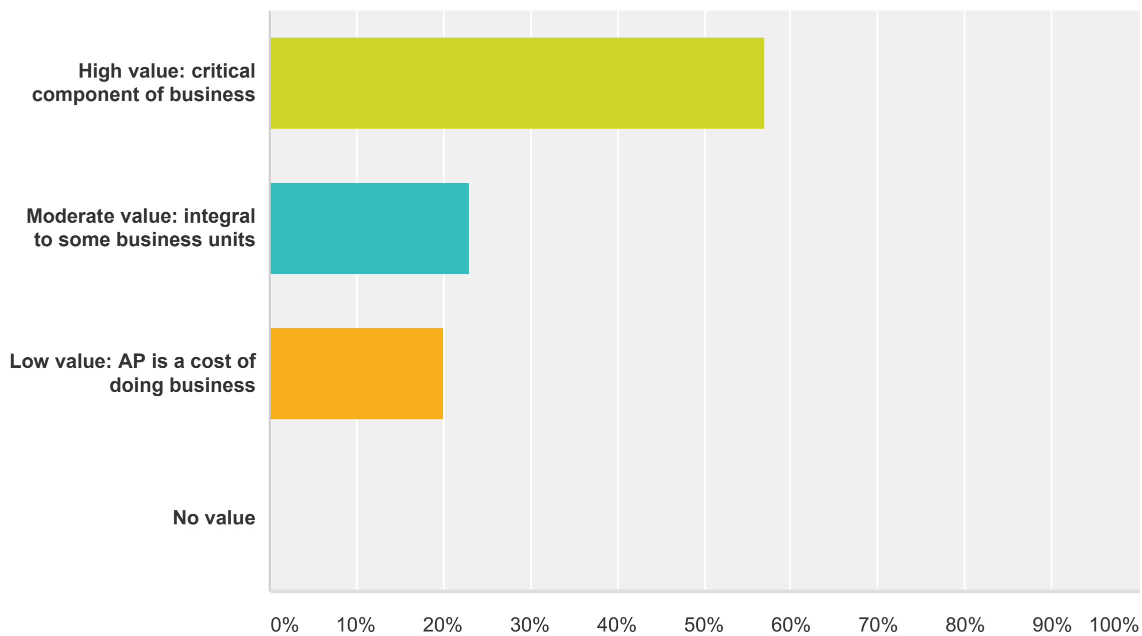
More than one-third of respondents (38.6 percent) indicated that cash flow against current/future expenses will remain the most important metric to their functional role during the next year. Similarly, 13.3 percent of survey respondents stated that DSO will be the most important metric to their functional role during the next year, while 7.2 percent of respondents identified DPO as the most important metric for their functional role. It is interesting that survey respondents see cash flow metrics as the most important metrics for their functional role, yet the majority of survey respondents identify compliance and risk management and accounts payable, accounts receivable and payments management – and not cash flow or liquidity management – as their top functional responsibility.

Some 10.8 percent of survey respondents identified operational costs for accounts payable as the most important metric to their functional role during the next year, while 6 percent of respondents said operational costs for payments will be the most important metric to their functional role.

Invoices paid to terms (identified by 9.6 percent of survey respondents), discount capture and analysis (8.4 percent), and alternative financing options (4.8 percent) round out the list of the metrics that survey respondents believe will be most important to their functional role during the next year.

Only 1.2 percent of survey respondents indicated that operational costs for accounts receivable will be the most important metric to their primary functional responsibility during the next year.

How would you describe the value of accounts payable to your organization?



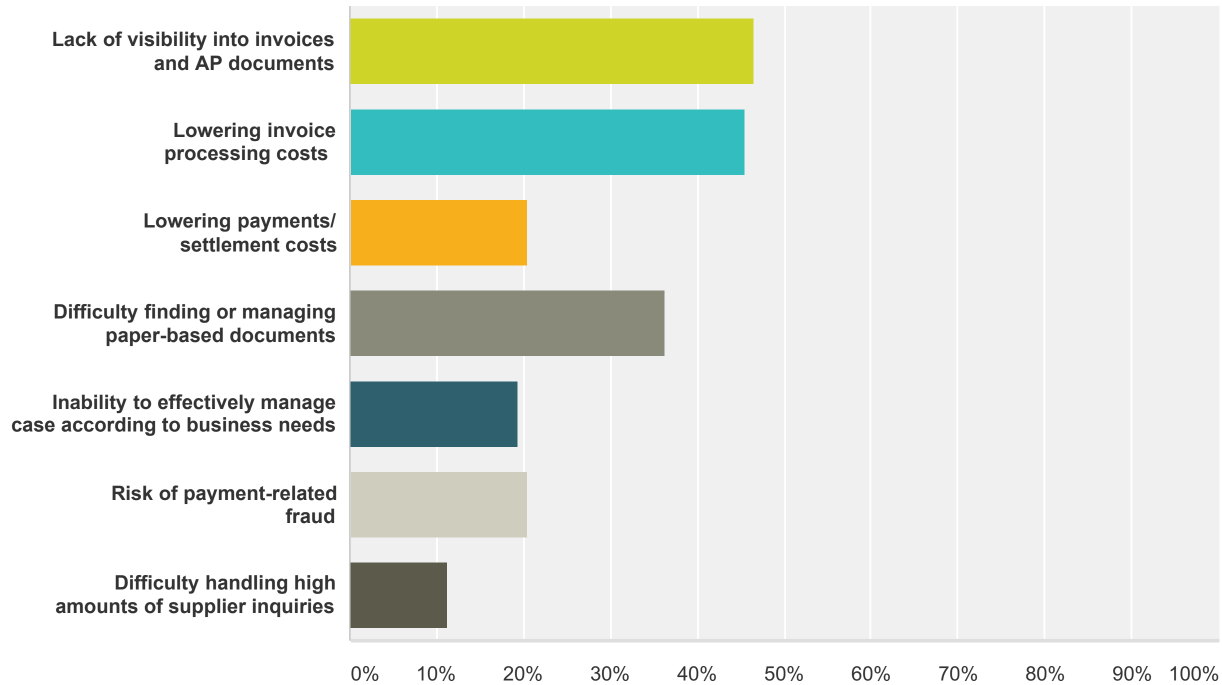
With such a high percentage of survey respondents indicating that they have direct oversight of accounts payable, accounts receivable and/or payments management, it should come as no surprise that the majority of respondents (57.6 percent) see accounts payable as a critical, high-value component of their business. Additionally, nearly one-quarter of survey respondents (22.2 percent) see accounts payable as having moderate value and being integral to some business units.

Conversely, 20.2 percent of respondents see accounts payable as a low-value cost of doing business.

None of the survey respondents said accounts payable was of no value.

Effective accounts payable processes help to support cash flow management and analysis, ensure adherence to budgets, cultivate positive supplier relationships, and drive contract compliance and spend management. It's for these reasons that more organizations are migrating accounts payable from a back-office, "bill-payer" function, to a strategic business partner for the enterprise.

What are your top two AP pressures/functional drivers (check two)?

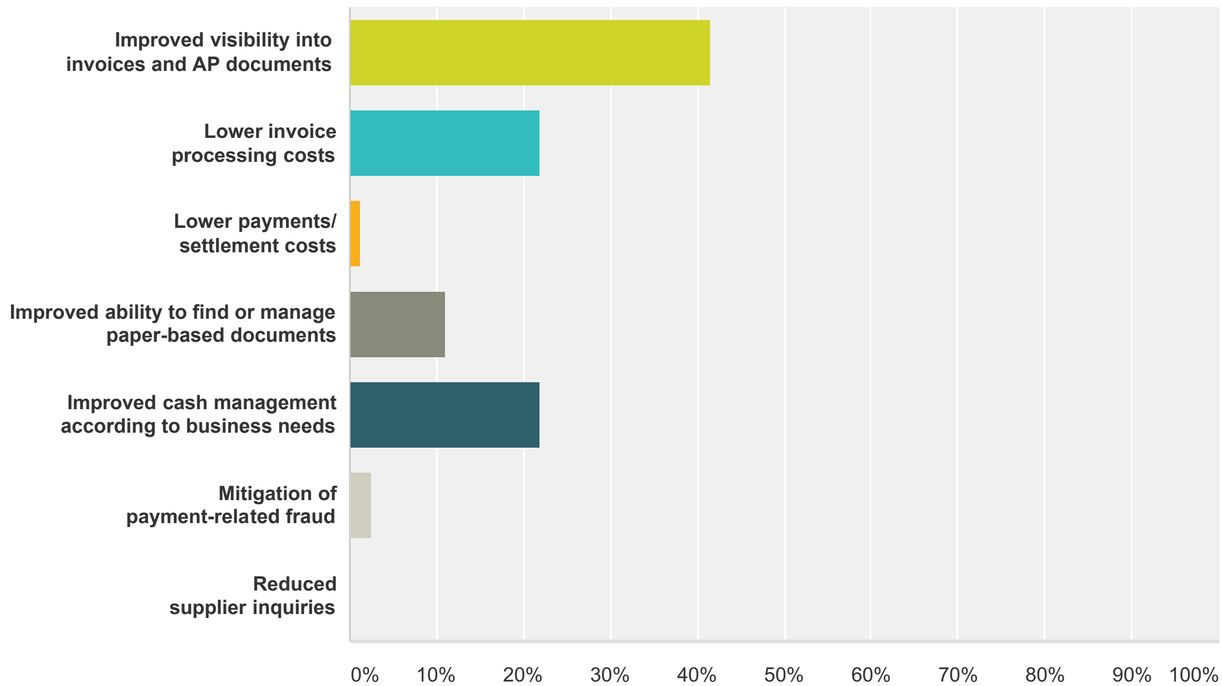


The ill effects of paper-based processes are the common denominator among the top accounts payable pressures that organizations represented by survey respondents face. Nearly half of the respondents (47.1 percent) indicated that a lack of visibility into invoices and payables documents is their organization's top accounts payable pressure. Similarly, one-third of the survey respondents (36.8 percent) indicated that the difficulty finding or managing paper-based documents is their greatest accounts payable challenge. Automating accounts payable with imaging and electronic invoicing helps substantially reduce or even virtually eliminate these challenges by making critical information readily accessible to payers and suppliers alike, helping to eliminate the opportunities for lost or misplaced invoices, and increasing document tracking and control.

At a time when organizations are looking for ways to reduce costs across the enterprise, 44.8 percent of survey respondents stated that lowering invoice processing costs is their greatest accounts payable pressure. When you consider that the majority of organizations have a low or moderate level of accounts payable automation, according to IOFM's 2013 AP Department Benchmarks and Analysis, it is no surprise that organizations are often frustrated by their invoice processing costs. Conversely, automation is the single greatest enhancer of accounts payable productivity that organizations can implement, delivering up to five times the positive impact of other measures (including staff training and improved compliance), according to IOFM's research.

The risk of payment-related fraud (identified by 19.5 percent of survey respondents), the inability to manage cash according to business needs (19.5 percent), and the difficulty handling high amounts of supplier inquiries (11.5 percent) rounded out the top accounts payables pressures organizations face.

What do you believe is the primary benefit of AP automation solutions?

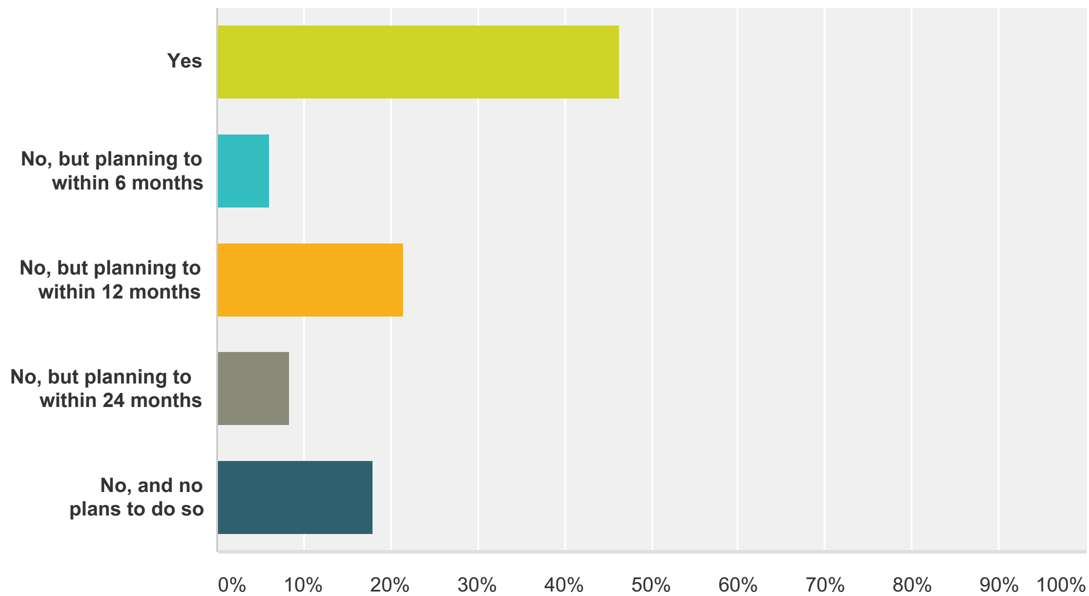


Improved visibility is the top benefit of accounts payable automation solutions, as far as survey respondents are concerned. A plurality of survey respondents (40.7 percent) indicated that improved visibility into invoices and other documents is the primary benefit of accounts payable automation. Automation unlocks data previously trapped on paper invoices, providing payables departments with near real-time access to information on liabilities and accruals, as well as comprehensive reporting.

Nearly one-quarter of survey respondents (22.2 percent) stated that lower invoice processing costs is the primary benefit of accounts payable automation solutions, while an additional 22.2 percent of respondents see improved cash management as the primary benefit of accounts payable automation.

Improved document accessibility (11.1 percent), fraud mitigation (2.5 percent), and lower payment/ settlement costs (1.2 percent) are other benefits of payables automation identified by respondents.

Does your AP department currently have the ability to provide you with visibility into overall organizational cash flow on a day-to-day basis?



Most accounts payable departments represented by survey respondents lack visibility into overall organizational cash flow on a day-to-day basis, but according to many respondents, that is likely to change within two years.

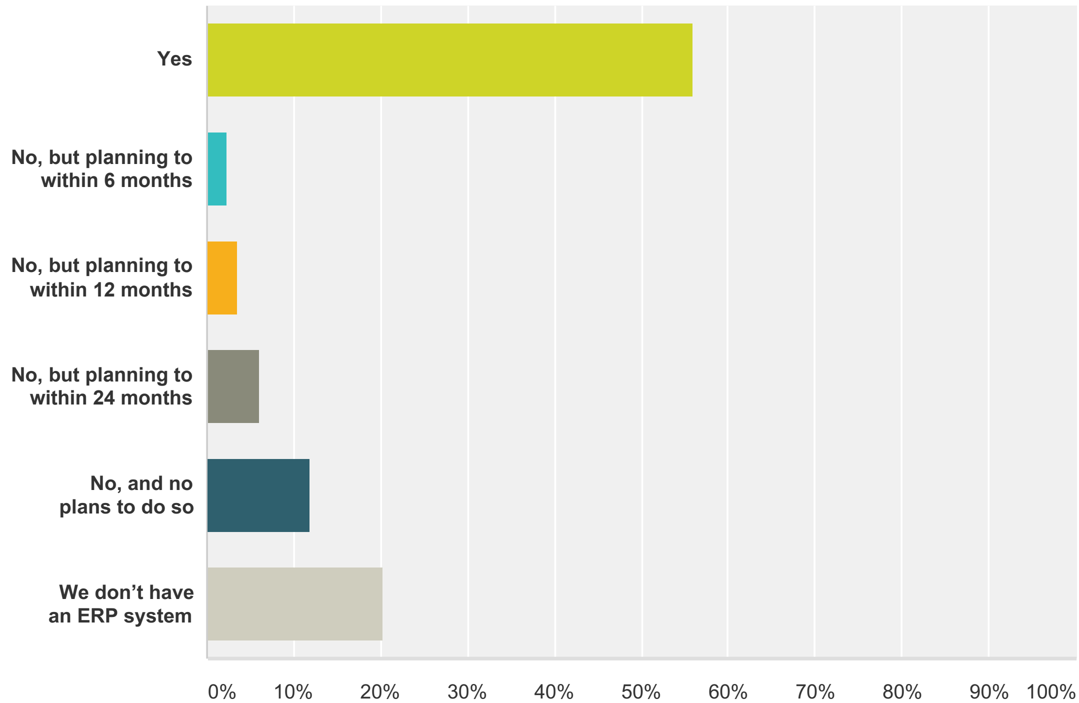
Nearly one-quarter of survey respondents (21.7 percent) indicated that their accounts payable department is planning to deploy tools for cash flow visibility within the next 12 months. Some 8.4 percent of survey respondents stated that their accounts payable department is planning to deploy tools for cash flow visibility within 24 months, while 6 percent of respondents said their accounts payable department plans to deploy tools for cash flow visibility within six months.

Some 18.1 percent of survey respondents have no plans to deploy tools for cash flow visibility.

On the bright side, 45.8 percent of survey respondents indicated that their accounts payable department has the ability to provide visibility into overall organizational cash flow on a daily basis.

If the accounts payable departments represented by survey respondents follow-through on their automation plans, within 24 months a whopping 81.9 percent of accounts payable departments will have the ability to provide visibility into overall organizational cash flow on a day-to-day basis.

Has your organization fully integrated AP with its ERP system?



If an organization has an enterprise resource planning (ERP) system, it doesn't mean it is fully integrated with the organization's accounts payable environment.

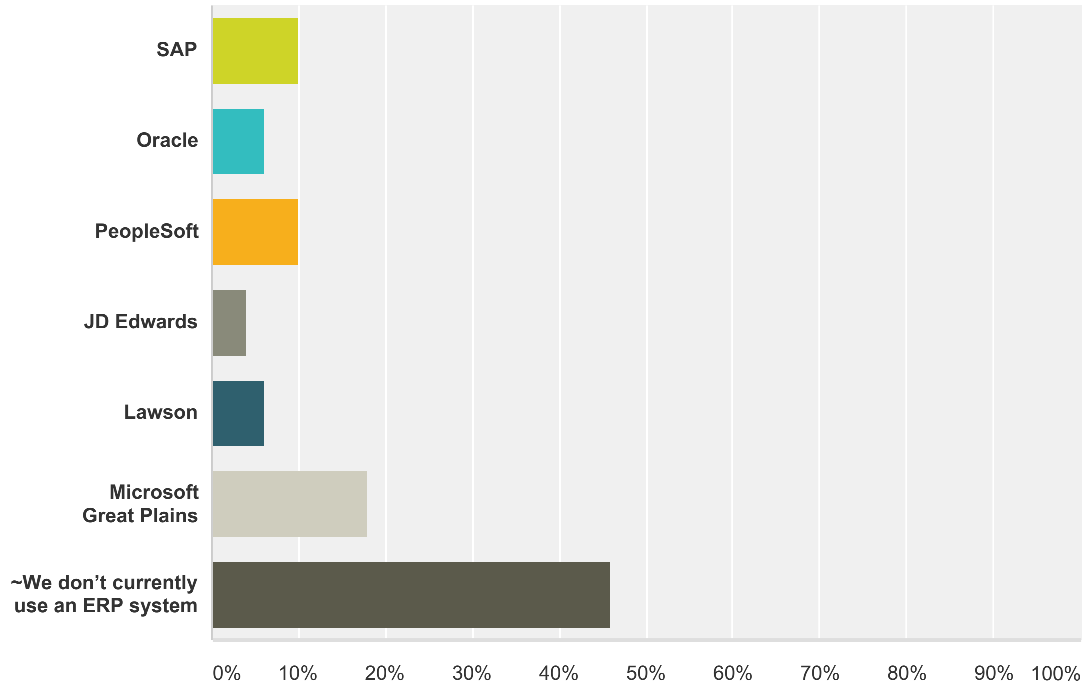
Integrating an organization's ERP system and accounts payable environment helps eliminate duplicate data entry of invoice information and enable automatic updates of invoice and payables information to the accounting and management system, in turn, helping to reduce mistakes and conflicting data.

Twelve percent of survey respondents indicated that their organization has no plans to fully integrate its ERP system and accounts payable environment. On the other hand, 2.4 percent of respondents said their organization plans to integrate its ERP system and accounts payable environment within 6 months, while 3.6 percent of respondents said their organization plans to do so within 12 months and 6 percent of respondents said their organization plans to do so within 24 months.

Some 55.4 percent of survey respondents indicated that their organization has integrated its accounts payable environment with its ERP system.

Less than one-quarter of the organizations surveyed (20.5 percent) do not have an ERP system.

Which ERP system does your organization currently use?

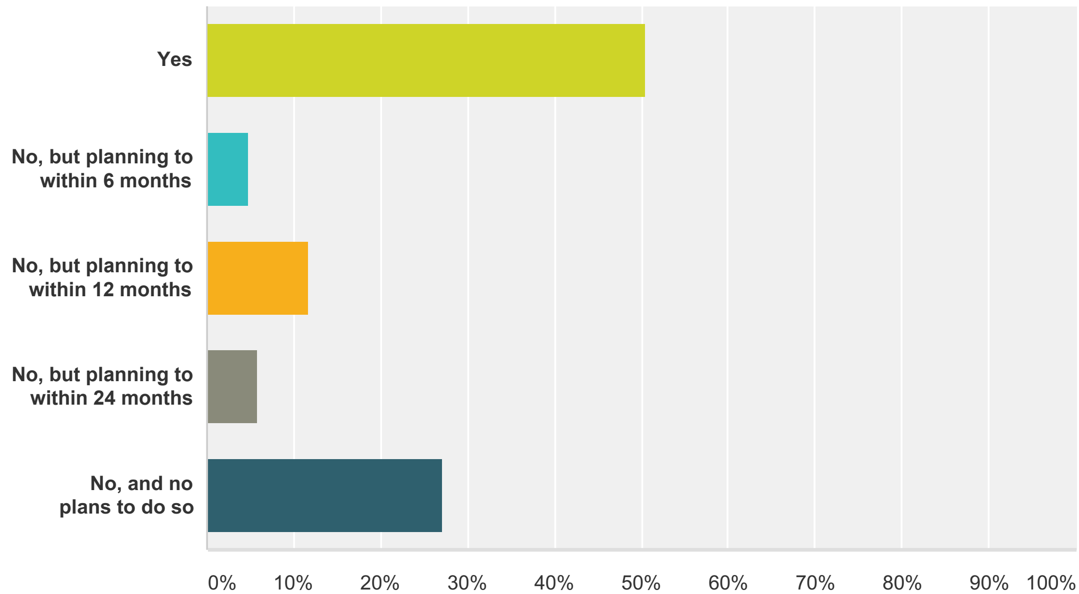


Reflecting the high percentage of respondents from smaller organizations, a plurality of respondents (18.4 percent) indicated that their organization uses the ERP system from Microsoft Great Plains.

Some 10.2 percent of respondents indicated that their organization uses an ERP system from SAP, while 10.2 percent of respondents stated that their organization uses an ERP system from PeopleSoft and 6.1 percent of survey respondents use an ERP system from Oracle. JD Edwards (identified by 4.1 percent of survey respondents) and Lawson (4.1 percent) also are used by survey respondents.

Approximately half of the survey respondents (46.9 percent) indicated that their organization does not currently use an ERP system. The percentage of ERP system users varies from the findings of the previous question because of the different number of individuals who responded to each question.

Has your organization tightly aligned AP with procurement?



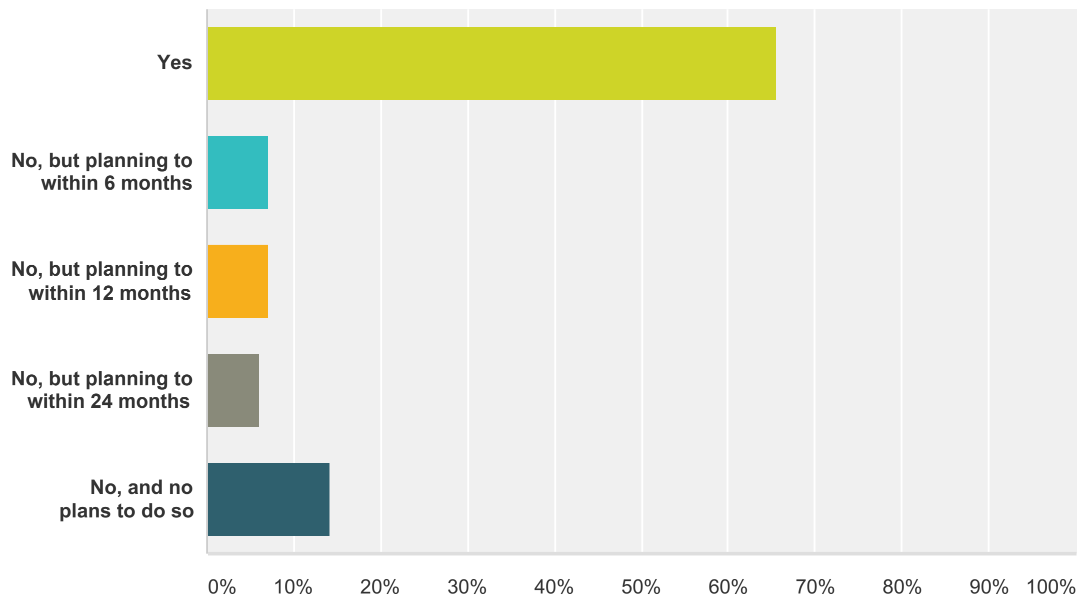
Many companies represented by survey respondents are working hard to better align accounts payable and procurement.

Strong alignment of accounts payable and procurement helps improve contract compliance and spend management, helps eliminate errors and duplicate payments, and helps enable financial visibility.

Half of the survey respondents (50 percent) indicated that their organization's accounts payable and procurement functions are tightly aligned. Additionally, 4.8 percent of respondents stated that their organization plans to tightly align accounts payable and procurement within the next six months, 11.9 percent of respondents said their organization plans to tightly align accounts payable and procurement within 12 months, and 6 percent of organizations plan to do so within 24 months.

Interestingly, approximately one-quarter of survey respondents (27.4 percent) indicated that their organization has no plans to tightly align their accounts payable and procurement functions.

Has your organization standardized invoice management processes across locations/units?



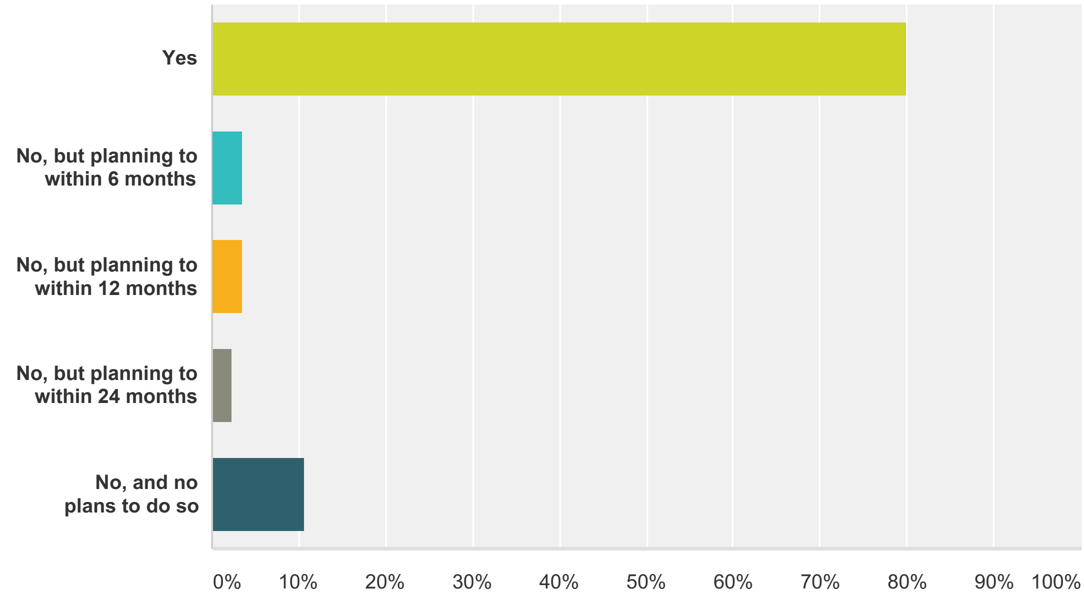
Organizations represented by survey respondents generally recognize the importance of standardization for invoice management.

Nearly two-thirds of respondents (65.1 percent) indicated that their organization has standardized invoice management processes across its locations/units. Additionally, 7.2 percent of respondents stated that their organization plans to standardize invoice management processes within 6 months, 7.2 percent of respondents stated that their organization plans to standardize invoice management processes within 12 months, and 6 percent of respondents said their organization plans to do so within 24 months. If organizations represented by survey respondents follow through on their plans, within 24 months 85.5 percent of those organizations will have standardized their invoice management processes across locations/units.

Standardizing invoice management processes across locations and units helps enable organizations to achieve processing efficiencies, implement best practices across the enterprise, improve document tracking and control, ensure adherence to regulations and corporate standards, and cross-train staff.

Despite these anticipated benefits, 14.5 percent of survey respondents indicated that their organization has no plans to standardize its invoice management processes across locations and/or business units.

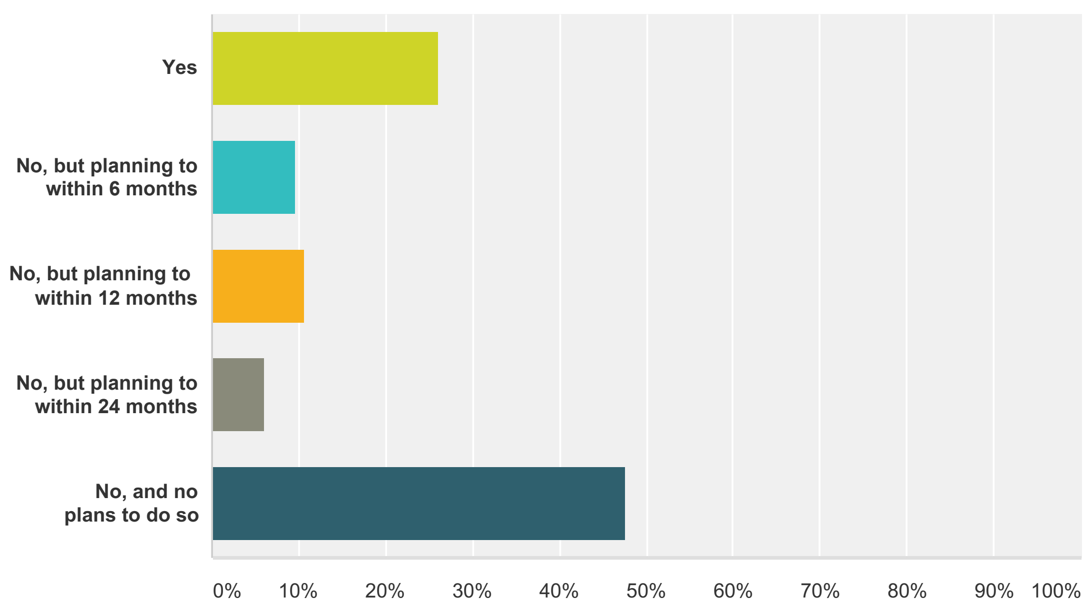
Has your organization centralized invoice management processes in a single location or shared services center?



Decentralized invoice management is becoming a thing of the past.

An eye-popping 79.8 percent of survey respondents indicated that their organization has centralized invoice management processes in a single location or financial shared services center. Additionally, 3.6 percent of survey respondents indicated that their organization plans to centralize invoice management within 6 months, 3.6 percent of survey respondents stated that their organization plans to centralize invoice management within 12 months, and 2.4 percent of survey respondents said their organization plans to centralize invoice management within 24 months. Only 10.7 percent of survey respondents said their organization is holding out and has no plans to centralize invoice management.

Has your organization implemented a moderate or strict "No PO, No Pay" policy?



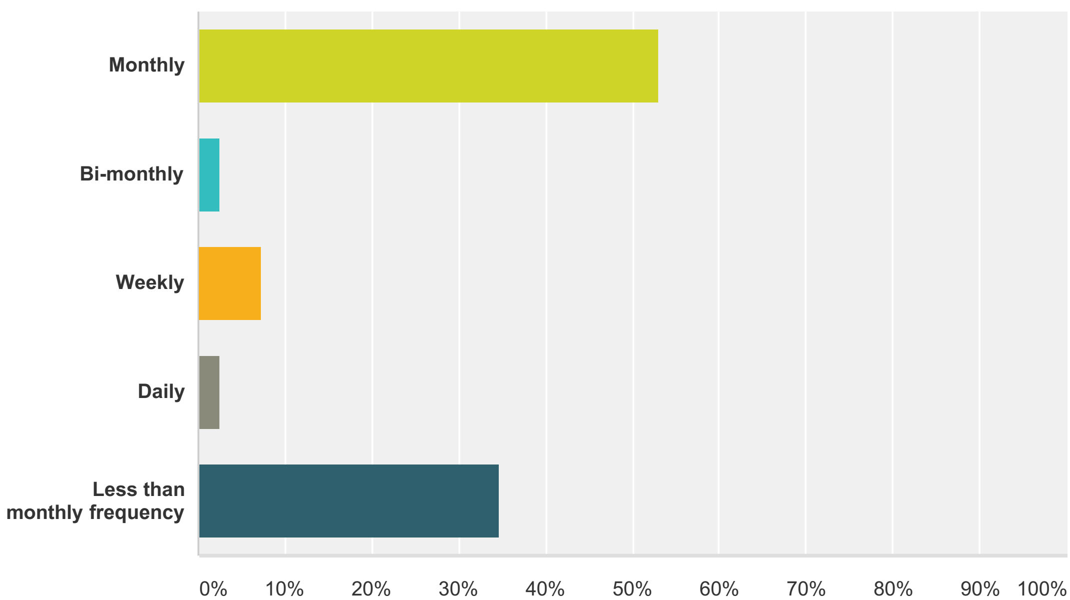
A slim majority of organizations represented by survey respondents will soon have a "No PO, No Pay" policy.

PO-based invoicing helps organizations reduce unauthorized spending, improve adherence to budgets, align procurement and payables, streamline invoice processing and minimize exceptions.

One-quarter of survey respondents indicated that their organization currently has a moderate or strict "No PO, No Pay" policy. However, 9.6 percent of respondents indicated that their organization plans to implement a moderate or strict "No PO, No Pay" policy within 6 months, 10.8 percent of survey respondents stated that their organization plans to implement a "No PO, No Pay" policy within 12 months, and 6 percent of survey respondents said their organization plans to do so within 24 months.

Despite this strong movement towards purchase orders, nearly half of the survey respondents (48.2 percent) indicated that their organization has no plans to implement a "No PO, No Pay" policy.

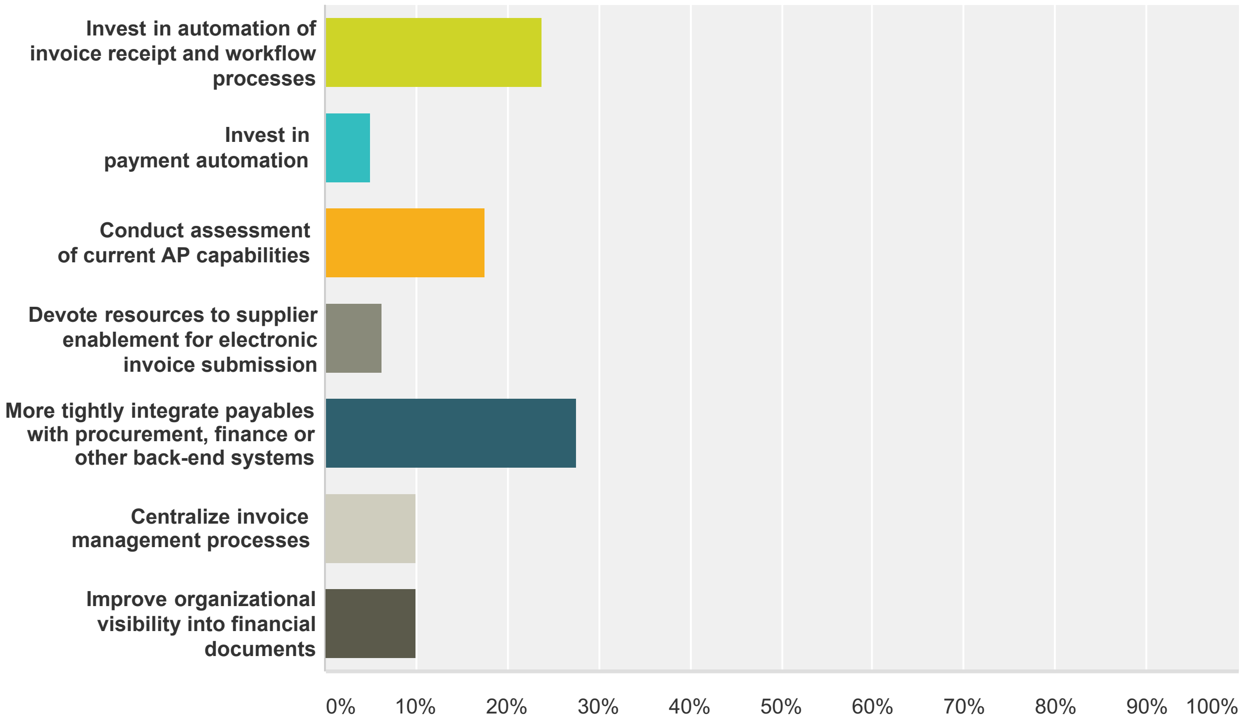
Does your organization measure AP performance on a monthly or more frequent basis?



Improving processes requires organizations to establish benchmarks against which they can measure progress. But nearly half of all organizations represented by survey respondents are not measuring accounts payable performance on a monthly or more frequent basis. A surprisingly high 35 percent of survey respondents indicated that their organization measures accounts payable performance on a less frequent basis than monthly. Some 2.5 percent of survey respondents stated that their organization measures accounts payable performance bi-monthly.

Some 52.5 percent of survey respondents indicated that their organization measures accounts payable performance on a monthly basis. Only 2.5 percent of respondents stated that their organization measures accounts payable performance on a daily basis, while 7.5 percent of survey respondents measure accounts payable performance on a weekly basis.

What was your AP department's top strategic action over the past year?



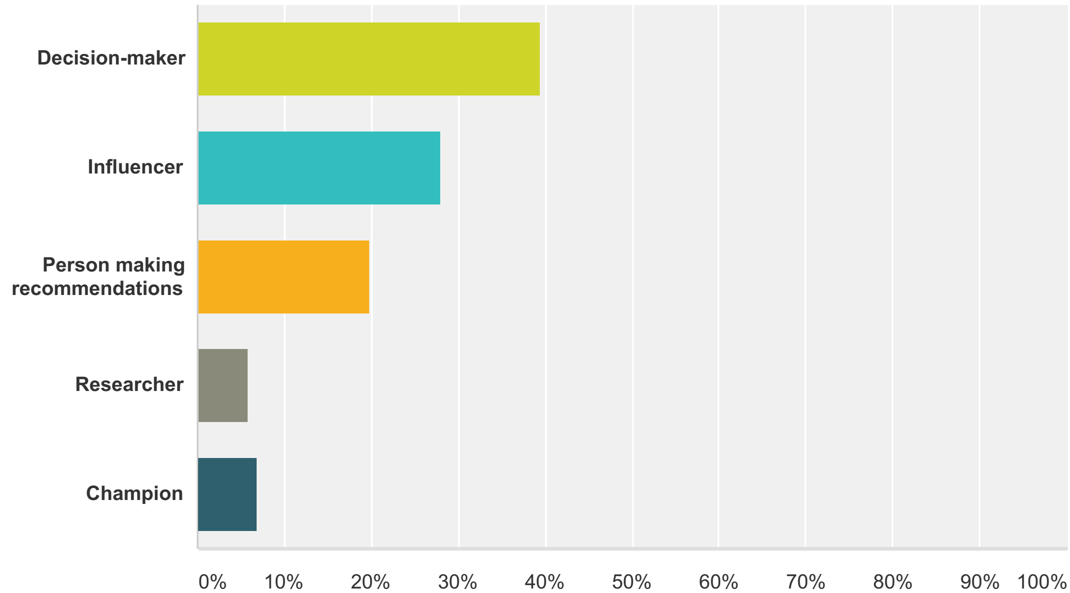
Organizations represented by survey respondents are generally working hard to better align accounts payable and procurement.

A plurality of survey respondents (27.8 percent) indicated that integrating accounts payable and procurement was their organization's top strategic action over the past year. In many companies, accounts payable and procurement act independently of each other, often resulting in limited collaboration between the departments, duplicate tasks and functions, and a lack of visibility across the purchase-to-pay cycle. The situation can be complicated by inefficiencies such as missing purchase order numbers, lost invoices, and incorrectly keyed data. Aligning accounts payable and procurement helps enable organizations to better manage spending and their suppliers, and achieve greater process efficiency.

One-quarter of survey respondents (24.1 percent) indicated that automating invoice receipt and workflows was their accounts payable department's top strategic action over the past year. An additional 16.5 percent of respondents stated that assessing their current accounts payable capabilities – likely in anticipation of automation – was their department's top strategic action over the past year. Automating invoice receipt and workflow can result in lower invoice processing costs, faster invoice cycle times, improved invoice tracking and control, and streamlined resolution of supplier inquiries.

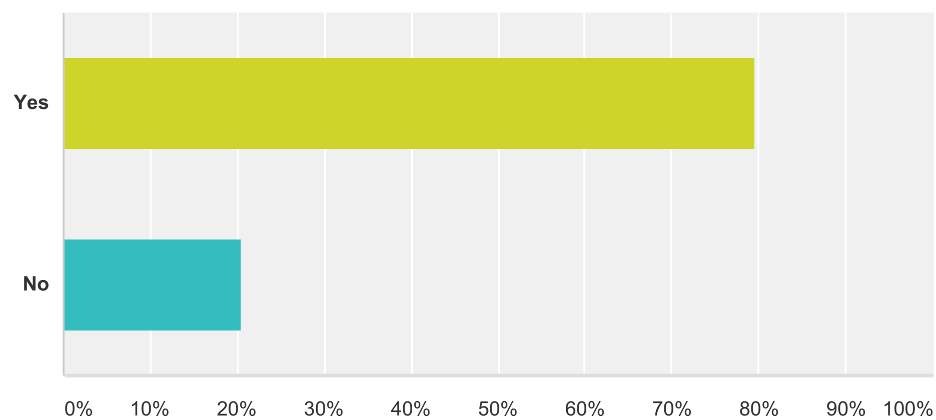
Centralizing invoice management processes (identified by 10.1 percent of respondents), improving organizational visibility into financial information (10.1 percent), dedicating resources to supplier enablement (6.3 percent) and automating payments processes (5.1 percent) rounded out the list of the top strategic actions in accounts payable that organizations have undertaken over the past year.

What is the primary role you play in your organization's purchase of AP automation solutions?



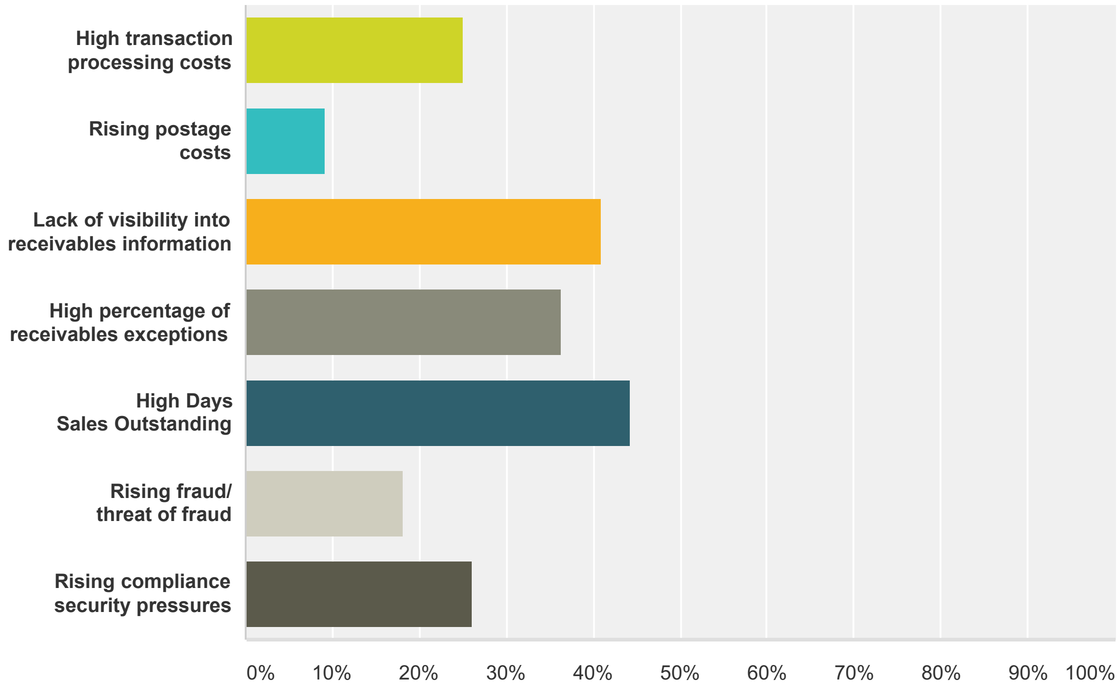
Forty percent of survey respondents indicated that they are the decision-maker in their organization's accounts payable purchases. An additional 27.1 percent of survey respondents identified themselves as an influencer in their organization's accounts payable purchases. Some 20 percent of survey respondents said they make recommendations on accounts payable purchases, while 7.1 percent of survey respondents described themselves as a champion and 5.9 percent said they were a researcher.

Does your organization's AP department report directly to you?



More than three-quarters of the survey respondents (80.4 percent) indicated their organization's accounts payable department reports directly to them. Only 19.6 percent of the respondents stated that their organization's accounts payable department does not report directly to them.

What are your top 2 AR pressures/functional drivers (Check two)?



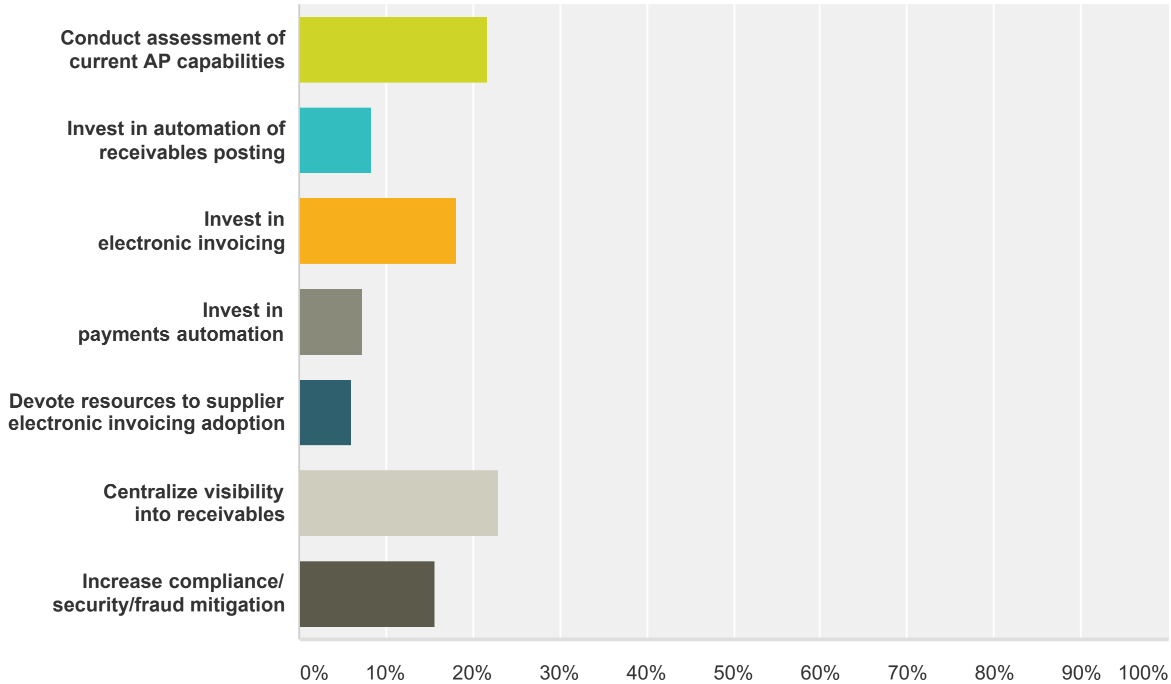
High DSO and a lack of visibility into receivables information are the top accounts receivable pressures/ functional drivers that organizations represented by survey respondents face. Nearly half of the respondents (43.7 percent) identified high DSO as one of their organization's top accounts receivable pressure/functional driver. A slightly smaller percentage of survey respondents (41.1 percent) stated that a lack of visibility into receivables information is one of their top accounts receivable pressure/functional driver.

Approximately one-third of respondents (35.6 percent) identified a high percentage of exceptions as one of their top accounts receivable pressures/functional drivers. Resolving exceptions such as receivables with incomplete or inaccurate data often increases operational costs and may delay posting.

One-quarter of survey respondents (26.4 percent) stated that rising compliance and security challenges is one of their department's top accounts receivable pressures/functional drivers. A slightly smaller percentage of survey respondents (25.3 percent) indicated that high transaction processing costs is one of their department's top accounts receivable pressures/functional drivers.

Fraud is also a rising concern for organizations represented by survey respondents. Some 18.4 percent of survey respondents said that rising fraud or the threat of fraud is one of their top accounts receivable pressures/functional drivers, while 9.2 percent of respondents named rising United States postage costs as one of their top accounts receivable pressures/functional drivers.

What was your AR department's top strategic action over the past year?

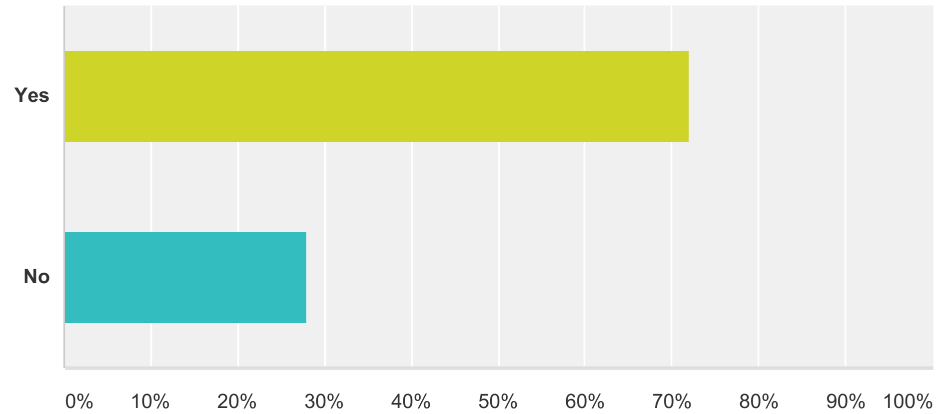


Accounts receivable departments of organizations represented by survey respondents are focused on increasing visibility into receivables.

Nearly one-quarter of respondents (23.2 percent) identified centralizing visibility into receivables information as their accounts receivable department's top strategic action over the past year.

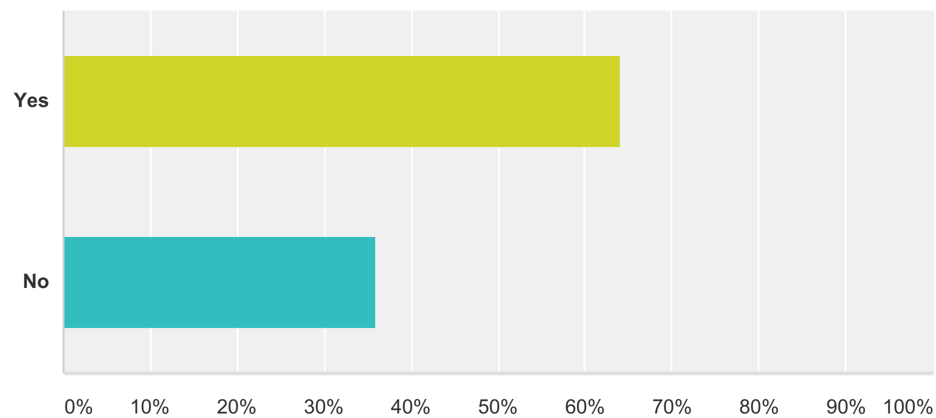
Some 20.7 percent of respondents stated that conducting a capabilities assessment was their accounts receivable department's top strategic action over the past year, while 18.3 percent identified investing in electronic invoicing and 15.9 percent identified investments in fraud mitigation and compliance and security. Automation of receivables posting (identified by 8.5 percent of respondents), payments automation (7.3 percent), and devoting more resources to supplier electronic invoicing (6.1 percent) rounded out survey respondents' top strategic actions in accounts receivable over the past year.

Does your organization's AR department report directly to you?



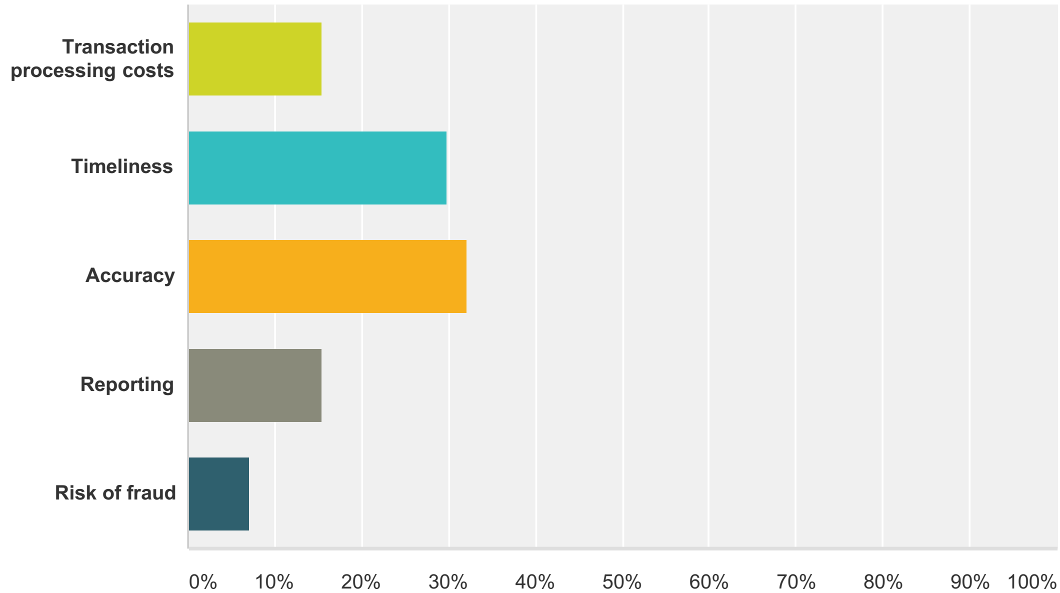
Some 72.7 percent of survey respondents indicated that their organization's accounts receivable department reports directly to them – an overwhelming majority, but a significantly smaller percentage compared to the survey respondents who said their organization's accounts payable department reports directly to them. More than one-quarter of survey respondents (27.3 percent) stated that their organizations accounts receivable department does not report directly to them.

Does your organization's treasury department report directly to you?



A majority of respondents (64.6 percent) indicated that their organization's treasury department reports to them. But a smaller percentage of respondents have oversight of treasury management compared to those with oversight of accounts payable and/or accounts receivable. The smaller percentage of respondents with treasury management oversight also is reflected in the fact that more respondents identified accounts payable, accounts receivables and/or payment management as their top functional responsibility than those who named cash flow analysis their top responsibility.

What is your top pressure from a payment processing perspective?

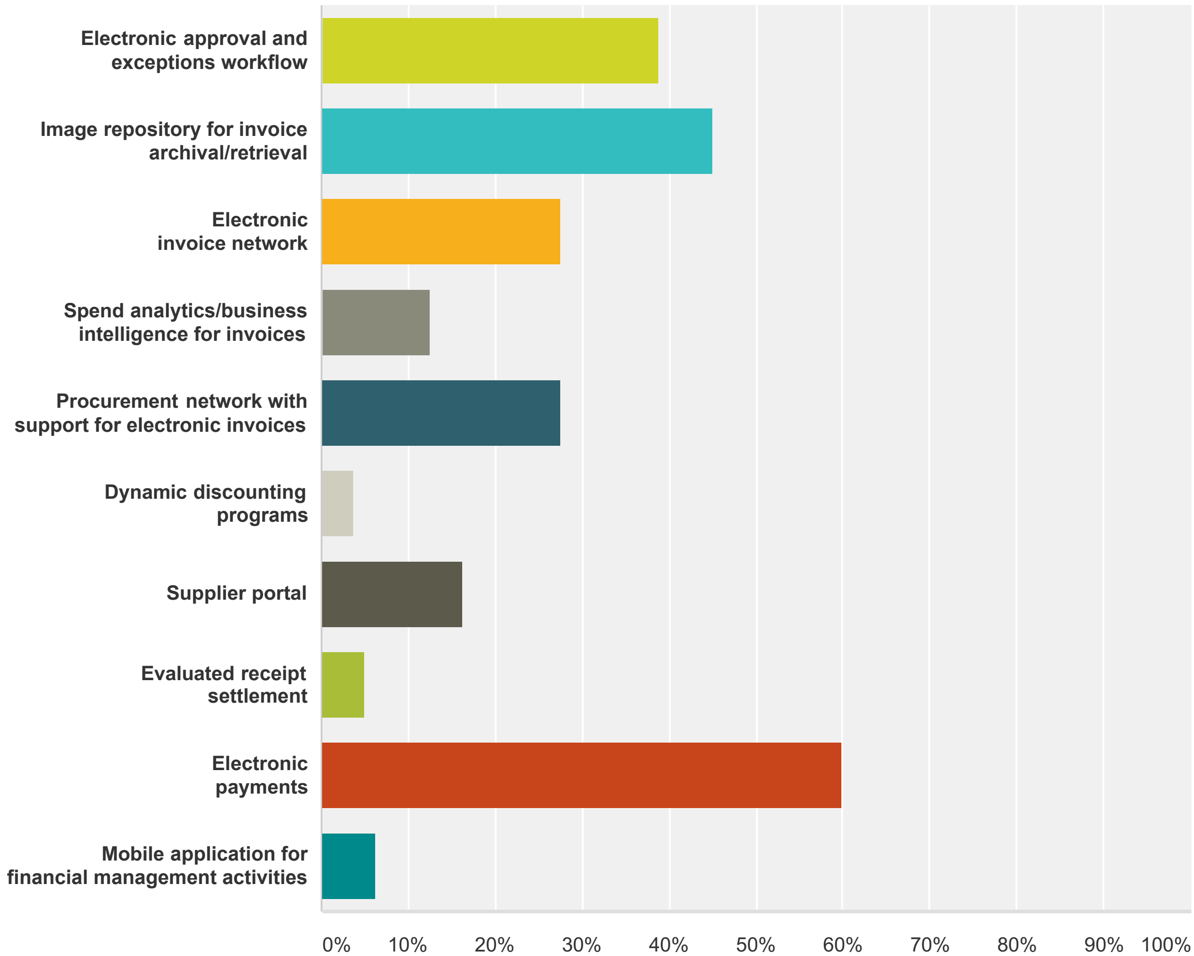


Accuracy and timeliness are the top payment processing pressures that organizations represented by survey respondents face.

Nearly one-third of respondents (32.5 percent) indicated that accuracy is their top pressure from a payment processing perspective. A slightly smaller percentage of respondents (30.1 percent) stated that timeliness is their top payments processing pressure. From a disbursements standpoint, delays in processing payments can lead to penalties and strained supplier relationships, while delays in processing inbound payments can result in lost float, operational impact, and unnecessary borrowing.

High transaction processing costs was the top payments processing pressure of 15.7 percent of survey respondents, while 14.5 percent of respondents identified reporting as their top payments processing pressure. Only 7.2 percent of respondents said fraud was their top payments processing pressure.

Which of the following capabilities/tools has your organization already deployed (Check all that apply)?



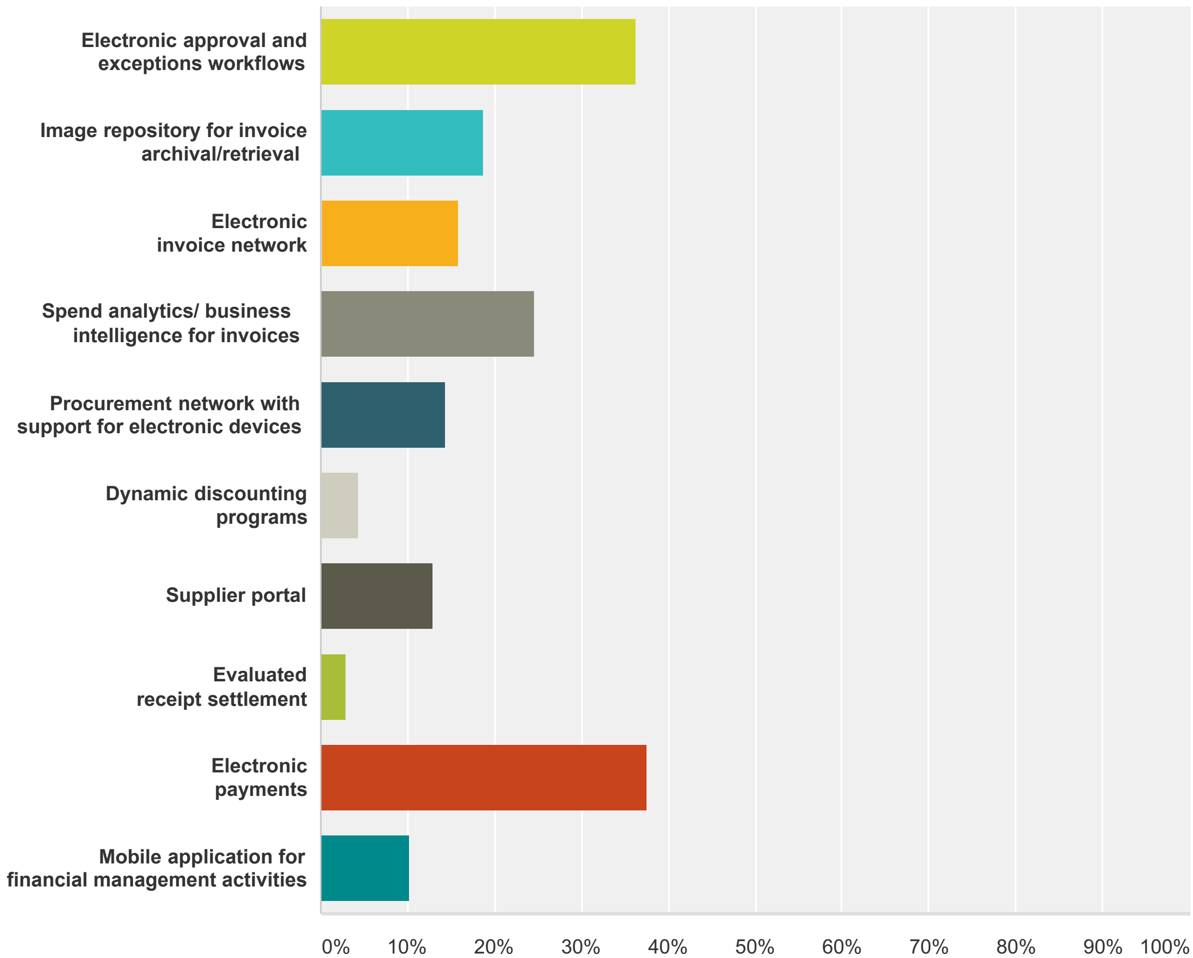
Electronic payments, imaging and workflow top the list of automated tools used by organizations represented by survey respondents.

Nearly two-thirds of survey respondents (59.5 percent) indicated that their organization has deployed electronic payments. Electronic payments is the only automated tool used by the majority of survey respondents. Migrating to electronic payments helps enable organizations to slash disbursement and collections costs, improve the control and tracking of payments, and reduce opportunities for fraud.

Approximately half of the respondents (44.3 percent) stated that their organization has deployed an image repository for invoice archival and retrieval, while 38 percent of respondents use electronic approval and exceptions workflows. But imaging and workflow aren't the only technologies that organizations are using to automate invoice processes. More than one-quarter of survey respondents (27.8 percent) use an electronic invoice network, 26.6 percent of respondents use a procurement network with support for electronic invoices, and 15.2 percent of respondents use a supplier portal.

Spend analytics (identified by 12.7 percent of survey respondents), mobile applications (6.3 percent), evaluated receipt settlement (5.1 percent) and dynamic discounting programs (3.8 percent) are other capabilities/tools that survey respondents indicated that their organization has deployed.

Which of the following capabilities/tools does your organization plan to deploy within the next year (Check all that apply)?



Electronic payments and workflow not only top the list of the most widely deployed automated tools, they also top the list of tools that organizations represented by survey respondents plan to deploy within the next year.

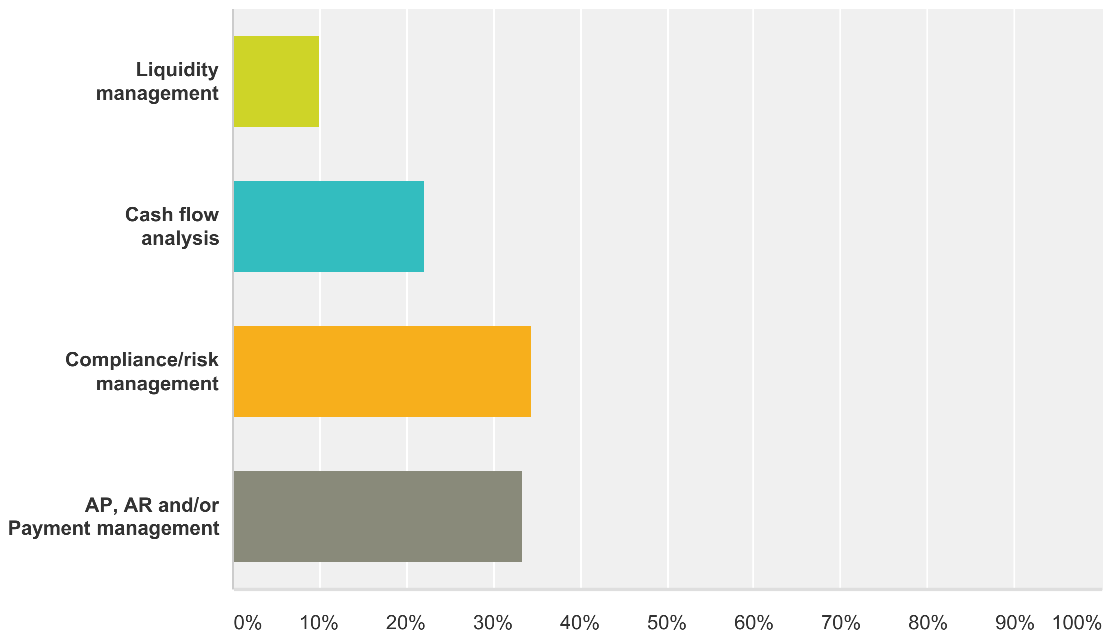
More than one-third of survey respondents (38.2 percent) indicated that their organization plans to deploy electronic payments within the next year. A slightly smaller percentage of respondents (36.8 percent) stated that their organization plans to deploy workflow tools within the next year.

One-quarter of survey respondents (25 percent) indicated that their organization plans to deploy spend analytics and business intelligence for invoices within the next year. Spend analytics and business intelligence solutions help enable organizations to ensure contract compliance, gain leverage when renegotiating contracts with suppliers, and develop more accurate budgets and forecasts.

Invoice automation also is a top priority of organizations. Some 19.1 percent of survey respondents indicated that their organization plans to deploy an image repository for invoice archival and retrieval, while 16.2 percent of survey respondents stated that their organization plans to deploy an electronic invoice network, 13.2 percent of organizations plan to deploy a supplier portal, and 13.2 percent of organizations plan to deploy a procurement network with support for electronic invoices.

Mobile applications for financial activities (identified by 10.3 percent of survey respondents), dynamic discounting programs (2.9 percent), and evaluated receipt settlement (1.5 percent) are other capabilities/tools that survey respondents said their organization plans to deploy within the next year.

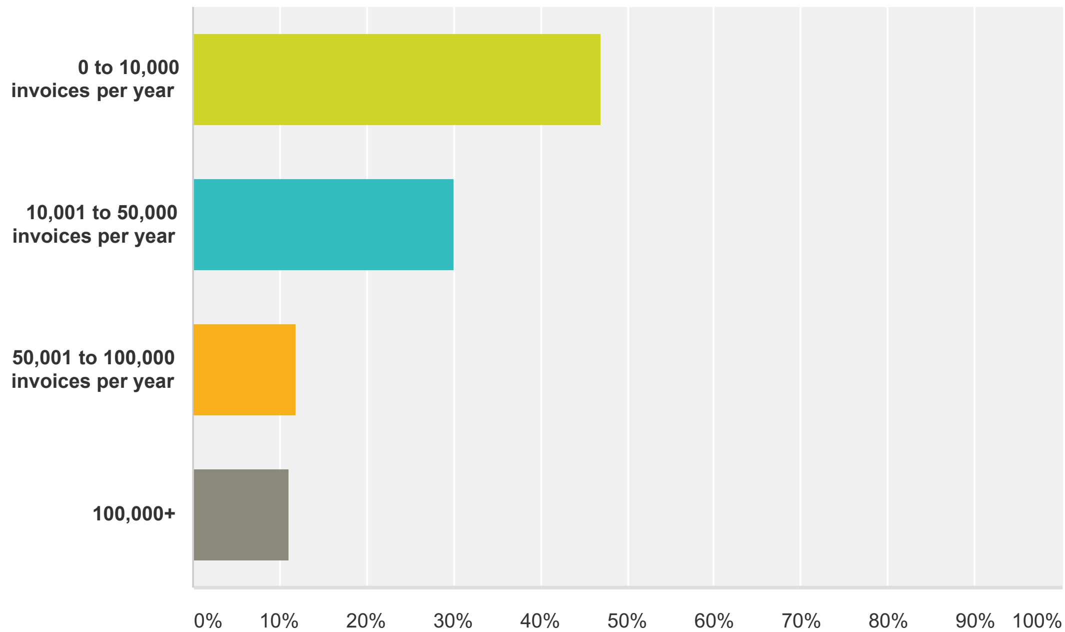
How would you describe your primary functional responsibility?



Compliance and risk management and accounts payable, accounts receivable and/or payments management are the primary functional responsibilities of survey respondents.

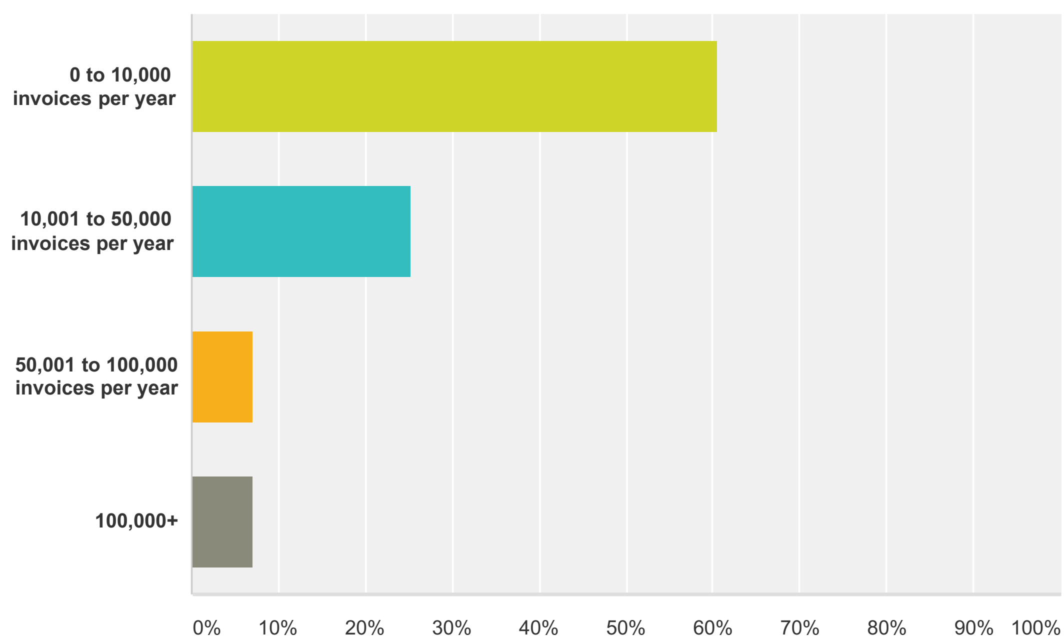
The plurality of survey respondents (34.7 percent) indicated that compliance and risk management is their primary functional responsibility. A slightly smaller percentage of survey respondents (33.7 percent) stated that accounts payable, accounts receivable and/or payments management is their primary functional responsibility. Less than one-quarter of survey respondents (21.4 percent) identified cash flow analysis as their primary functional responsibility, while just 10.2 percent of respondents said liquidity management is their primary functional responsibility.

How many AP invoices does your organization process annually?



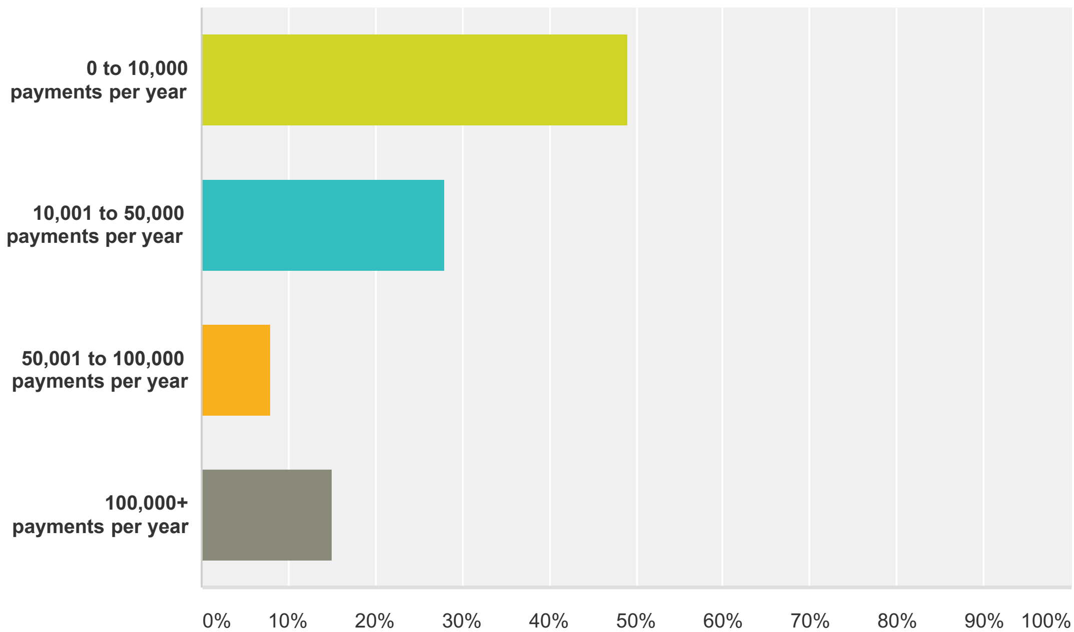
The relatively low invoice volumes that most organizations receive may surprise some people. Nearly half of the survey respondents (47.5 percent) indicated that their organization receives 10,000 or fewer invoices annually. Some 30.3 percent of respondents stated that their organization receives between 10,001 invoices and 50,000 invoices per year, while 12.1 percent of respondents indicated that their organization receives between 50,001 invoices and 100,000 invoices per year. Just 10.1 percent of survey respondents said their organization receives more than 100,000 invoices annually.

How many AR invoices does your organization send out annually?



The majority of organizations represented by survey respondents send out 10,000 or fewer invoices annually. Nearly two-thirds of survey respondents (61.2 percent) stated that their organization sends out 10,000 or fewer invoices annually – much higher than the percentage of organizations that receive 10,000 or fewer invoices annually. One-quarter of survey respondents (25.5 percent) stated that their organization sends out between 10,001 invoices and 50,000 invoices annually. Just 7.1 percent of respondents indicated that their organization sends out between 50,001 invoices and 100,000 invoices per year, while 6.1 percent of respondents said their organization sends out more than 100,000 invoices annually.

How many disbursements does your organization make annually?



The number of disbursements made by organizations represented by survey respondents mirrors the number of invoices they receive. Disbursements are the outflow of a cash from a business to make payments (such as on approved invoices). Half of the survey respondents (49.5 percent) indicated that their organization makes 10,000 or fewer disbursements annually. Approximately one-quarter of the survey respondents (28.3 percent) stated that their organization makes between 10,001 disbursements and 50,000 disbursements annually, while 8.1 percent of the survey respondents indicated that their organization makes between 50,001 invoices and 100,000 disbursements annually. In the most significant divergence from findings on the number of invoices received annually, 14.1 percent of survey respondents indicated that their organization makes more than 100,000 disbursements annually.

Summary

As the saying goes, "Cash is king." For senior finance executives, cash is fundamental to their jobs. But paper processes often make it more difficult for senior finance executives to gain visibility into invoices and overall organizational cash flow, to access documents and important information, and to ensure the timely processing of inbound or outbound payments. Implementing imaging, workflow automation and electronic payments are helping organizations substantially reduce or even virtually eliminate paper from their financial operations. It is for this reason that workflow and electronic payments top the list of strategic initiatives. But for organizations to truly eliminate paper, they should also consider strategies such as electronic invoicing, "No PO, No Pay" policies, and measuring accounts payable performance more frequently.