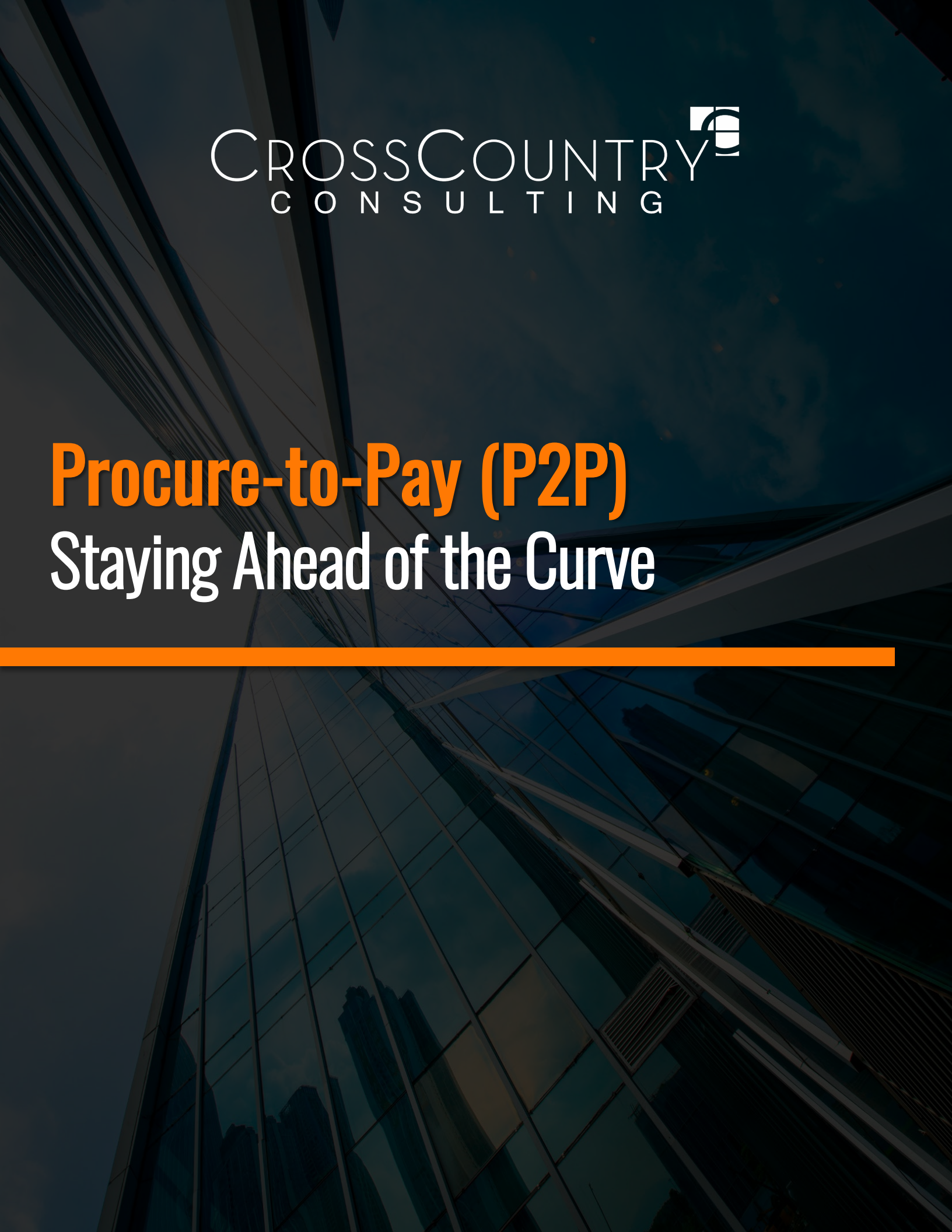


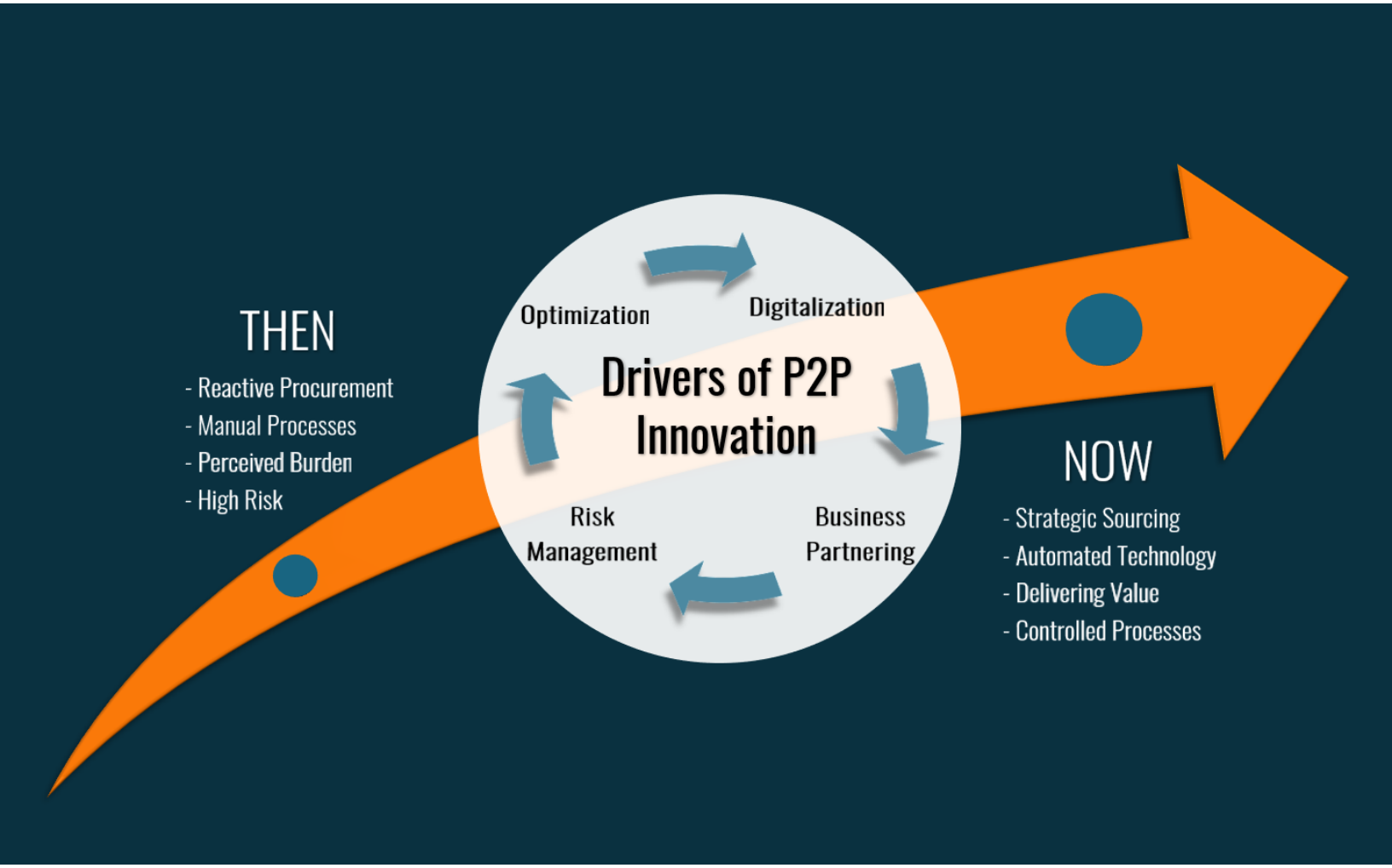
CrossCountry Consulting

Procure-to-Pay (P2P)

Staying Ahead of the Curve

The Evolution of P2P

The P2P function continues to evolve in response to the increasing pace of business and the need to deliver more value to the organization. The combination of new technologies and the growing trend to provide more insight on spend and reduce risk has created exciting opportunities in the P2P function.



This report was prepared utilizing secondary research and insights shared by Procurement and Finance professionals during several events, hosted by CrossCountry in Boston, New York, San Francisco and Washington DC.

Key Trends

The following key trends and takeaways were consistently cited as important areas to focus on in order to be successful in P2P



Optimization

The increased complexity of today's procurement environment introduces new challenges for organizations trying to find balance between supporting the business and following approved processes designed to mitigate risk and improve data transparency. Organizations are:

- Responding rapidly to business requests while also aligning the appropriate reviews from other support teams, e.g. FP&A and legal.
- Using purchase orders to drive the control optimization and increase spend transparency, while also ensuring the organization can address ad hoc needs.

Optimize with the right balance of standardization and agility



Digitalization

Today's focus on digital transformation has created new opportunities for organizations to gain efficiencies in their P2P processes. Organizations which have embraced digitalization can pursue further efficiencies through:

- Identifying reoccurring processes which can be automated through Robotics Process Automation (RPA).
- Finding ways data analytics can be utilized to make more informed decisions.
- Exploring how machine learning can detect anomalies, further drive efficiencies and continuously enhance processes.

Open the door to new technologies

Key Trends



Business Partnering

With the purpose of propelling the partnership between the business and procurement, organizations are developing strategies to increase collaboration. Procurement can partner with the business through:

- Understanding business drivers associated with purchases, while also communicating the potential risks of non-compliant spend.
- Leveraging targeted interactions to obtain improved insights from the business into how they can support their operational challenges, as well as drive end-user technology adoption through demonstrating its capabilities and benefits.

Collaborate to accomplish strategic objectives



Risk Management

Historically, organizations have been largely focused on delivering cost savings. Organizations today are increasingly shifting their attention to mitigating and managing risks through:

- Improving the vendor onboarding process to proactively identify potential issues prior to delivery.
- Supporting user adoption of policy compliance through increased communication and education with the business.
- Increasing data monitoring and phishing controls to reduce fraud.

Increase focus on mitigating and managing risks

The Current State of P2P

A majority of organizations lack a digital strategy for procurement

Despite the known benefits of analytics and automation, more than half of procurement departments have not prioritized outlining a clear digital strategy. Without a clear plan in place:

- Undertaking automation, analytics and RPA initiatives become more limited and challenging.
- Organizations will always face competing priorities, and likely feel the need to continue focusing most of their time on traditional procurement activities.
- Identifying the right set of use cases to support digital transformation is more difficult and will continue to keep organizations on the sidelines until digitalization is the true norm.

> "More than half of organizations surveyed said their procurement function does not have a clear digital strategy."
>
> Neil Smith, Partner
> CrossCountry Consulting

Companies that don't go paperless will lose efficiencies

There are bound to be greater direct or indirect costs incurred per transaction with most paper-based processes. Companies that have not planned to go paperless will likely continue to watch their digital peers gain more efficiencies and cost savings over time, especially when experiencing increases in volume.[1]

43%

Percentage of invoices manually keyed by top-performing organizations

Vendor risk management has proven valuable

Putting in place a Supplier Risk Management (SRM) program provides a governance framework to proactively manage the vendors' execution and provide additional benefits that span beyond quality control.

Benefits include [2,3]:

- Reduced vendor risk
- Increased reliability
- Better monitoring of contract compliance
- Simplification to their processes.

80%

Percentage of survey respondents that stated an SRM improves supplier reliability and reduces risk

What's Ahead

Big Picture View
Much More Than Limiting Cost

Managing cost will always be a key driver for the procurement function, but with the advent of technology and better sources of data, developing a more holistic approach will be expected. Extenuating this demand are the rapidly changing external factors facing firms moving forward, including fluctuating tariffs and threats to reputational damage through the exposure of the supply chain.

Key areas that organizations should focus on to transform their P2P function include:

P2P Technologies
Nearing a Necessity

P2P technologies simplify the procurement process for all stakeholders and allow for a more strategic approach to procurement. Firms in a variety of industries will not be able to match their competitors without an investment in best in class P2P technologies. Adoption will become more of a question of when, rather than if.

Talent
Staffing the Revolution

With the increased digitalization and automation of the procurement function, staffing requirements will see a radical change. More mundane and repetitive tasks are giving way to more value-added work. The change in the nature of the work will require organizations to upskill and identify more well-rounded resources in the marketplace.

RPA & AI
From Concept to Business as Usual

The wider use of RPA and AI throughout the procurement function is the obvious next step. These automation bots will be able to take over the high volume and repetitive procurement tasks and activities that require decision-making by leveraging internal and external sources of data.

Payments
Say Goodbye to Checks in the Mail

There have never been more ways to make payments, and P2P functions have begun to take their first steps to catch up. The adoption of more automated payment options (e.g. virtual cards) should create a more efficient way of engaging with high-volume, low-value, and one-off suppliers while reducing the workload for finance teams.

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Inc. 5000

Washington Business Journal 50 Fastest Growing Companies

www.crosscountry-consulting.com

Sources used in this report:

1. APQC - KPI Metrics For Top Performers In Accounts Payable
2. APQC – Five Steps to Collaborative Relationships
3. APQC – Blueprint for Success – Procurement (3rd Edition)