



# 2019 SUPPLIER SURVEY REPORT

25 June 2019

## Abstract

Data for the 2019 Supplier Survey Report was gathered over a one-month period by reaching out via email survey to suppliers using iPayables InvoiceWorks.



## 2019 Supplier Survey Report

The iPayables 2019 Supplier Survey found that suppliers are willing, and even want, to use a vendor portal. The survey responses highlighted four main benefits of using a vendor portal:

- Ease of use,
- Ability to resolve issues faster with invoice status visibility,
- Ability to resolve issues faster with issue/dispute notification, and
- Ability to resolve issues faster with PO Match exception visibility.

This report shows the survey methodology, survey results, and the business impacts of using a vendor portal as part of a payables automation initiative.

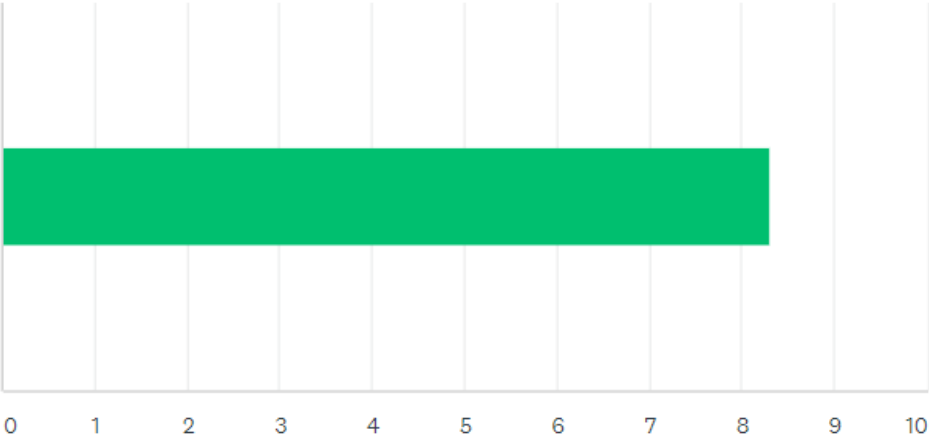
An eight-question survey was sent out to just under 3,000 suppliers, with the goal of learning what they want from a vendor portal as well as their thoughts and opinions of InvoiceWorks, the iPayables vendor portal. With approximately 190 responses, we were able to understand better what suppliers want, need, and expect from a portal. At a very specific level, we were able to see how well InvoiceWorks has allowed our customers and their suppliers to work together. Suppliers made comments concerning their influence on invoices being routed correctly and efficiently, more flexibility in offering discounts to customers, and receiving payments on time. More generally, we see that suppliers want to be able to see and assess the invoices they're working with, so as to be able to expedite the process when needed.

While the response rate was slightly lower than desired, it still provided statistically significant patterns in the data and in the opinions expressed. For example, 37.3% of

suppliers surveyed said they wouldn't change anything about InvoiceWorks, one going so far as to say, "Honestly, I think it's perfect. I wish all my clients used it!" In those same comments, "easy", along with "invoice", were the most frequently used words. A large majority of the remaining comments suggested further additions to data entry automation such as auto-population of recurring fields and addresses. These are the types of features and adjustments that can make a supplier's job even easier and faster. As we read through these comments, we can see how they relate to the ranking of ease of use on a scale of 1-10, with 10 being listed as the easiest (see Figure 1).

Figure 1

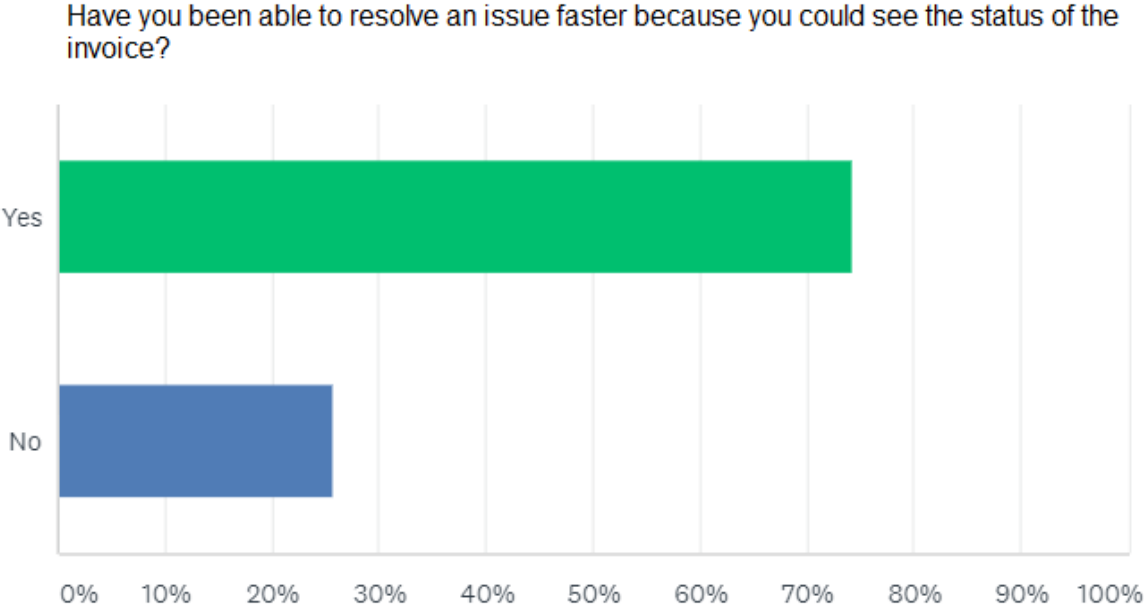
On a scale of 1-10, with 1 being very difficult and 10 being very easy, how easy is it to use InvoiceWorks?



One of the most interesting correlations we found was between frequency of use and defined ease of use. For example, lower scores on the aforementioned scale were regularly associated with those who stated using the program "rarely" or "never". Another common request was related to password requirements and the security required due to the sensitivity that often accompanies the information on the invoices. However, it is because of such detailed security measures that iPayables is able to

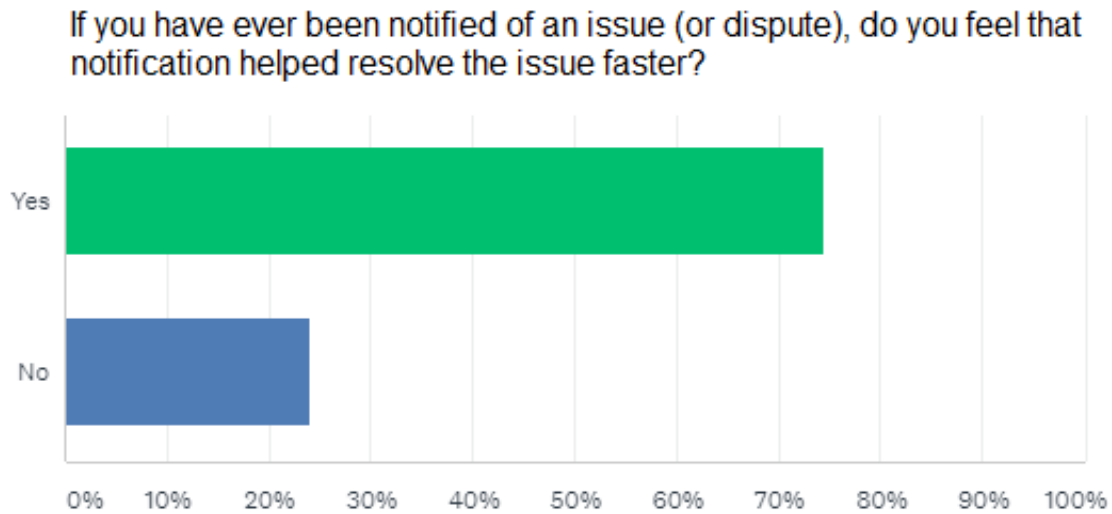
provide viewing and searching access of invoices and invoice statuses, which 65% of respondents use at least once a month, some as often as daily. With the invoice status viewing capability, 74% of respondents say they have been able to resolve an issue faster, and therefore get paid sooner (see Figure 2).

Figure 2



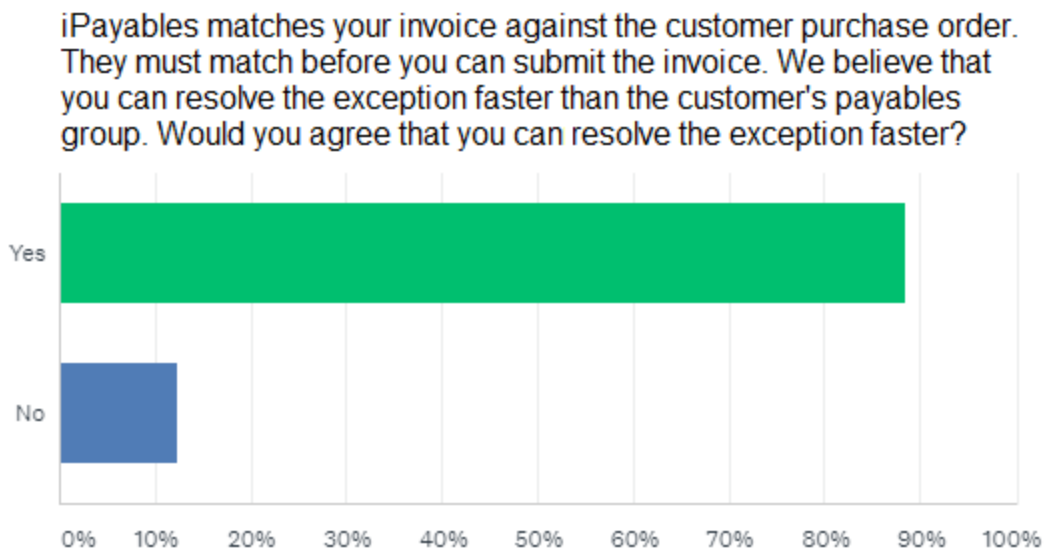
In addition to simply being able to see the invoice status, suppliers receive notifications through the portal if there is any sort of dispute or issue with an invoice. In this way, suppliers are able to make any corrections needed to assist and continue the process. Of the suppliers surveyed, 76.7% feel these notifications have helped resolve issues faster (see Figure 3).

Figure 3



While status and notifications are important, one of the biggest efforts and cause of delays are associated with PO match exceptions. And while knowing the status of a payment is useful, that knowledge by itself doesn't resolve match exceptions. iPayables vendor portal, InvoiceWorks, requires that the supplier's invoice match the purchase order, and shows the supplier any PO match exceptions. PO match exceptions occupy a large portion of a payables group's time, and one may wonder how much the supplier can do on their own. Out of curiosity, we asked the suppliers if they thought they could resolve a PO match exception in the vendor portal faster than the AP department and 88.6% came back with a resounding yes (see Figure 4).

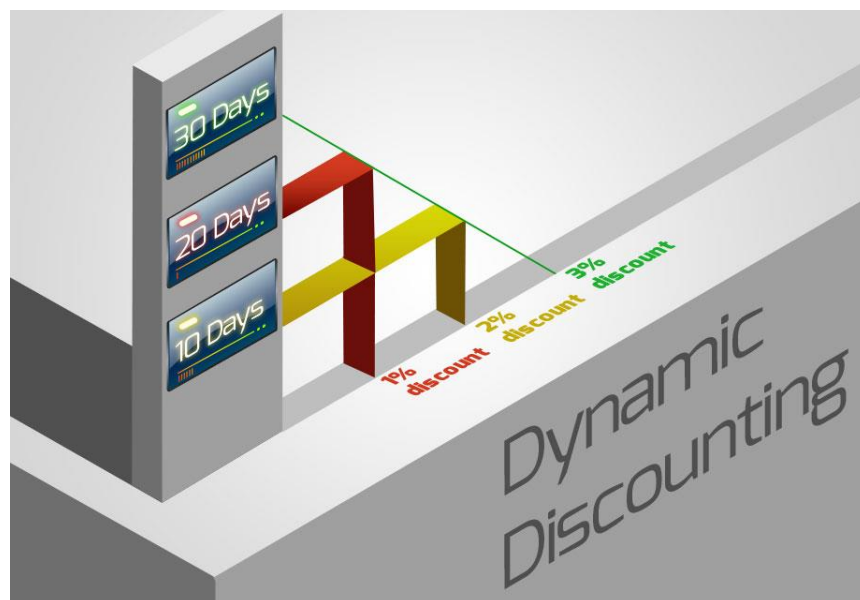
Figure 4



Why are numbers like this important? For starters, it's important to ensure that automating an AP department will provide benefits and solutions for everyone involved. Suppliers are often the last people to hear about any setbacks or problems, meaning they spend a lot of time wondering where the invoice is in the process or making calls trying to figure that out. As a result, AP managers and controllers spend a lot of time answering those phone calls and trying to track down the invoice being discussed. Automation with vendor portals fixes this problem for everyone. In the AP department, managers and controllers don't have to worry about lost or duplicate paper invoices because it's all electronic. With the proper vendor or supplier portal, suppliers are able to see where an invoice is and have confidence that they will be paid on time. In fact, with iPayables InvoiceWorks, AP departments and suppliers can set up dynamic discounting, an early pay discount program that automatically calculates discounts

agreed on by suppliers and AP departments (see Figure 5). For example, say a supplier wants to get paid 20 days ahead of schedule; a discount is calculated and the supplier and AP staff in charge of the invoice agree. However, things happen, and the process can only finish 10 days early. Dynamic discounting simply recalculates the discount based on what terms have been agreed to and the supplier can still be paid early while the AP department still receives a discount.

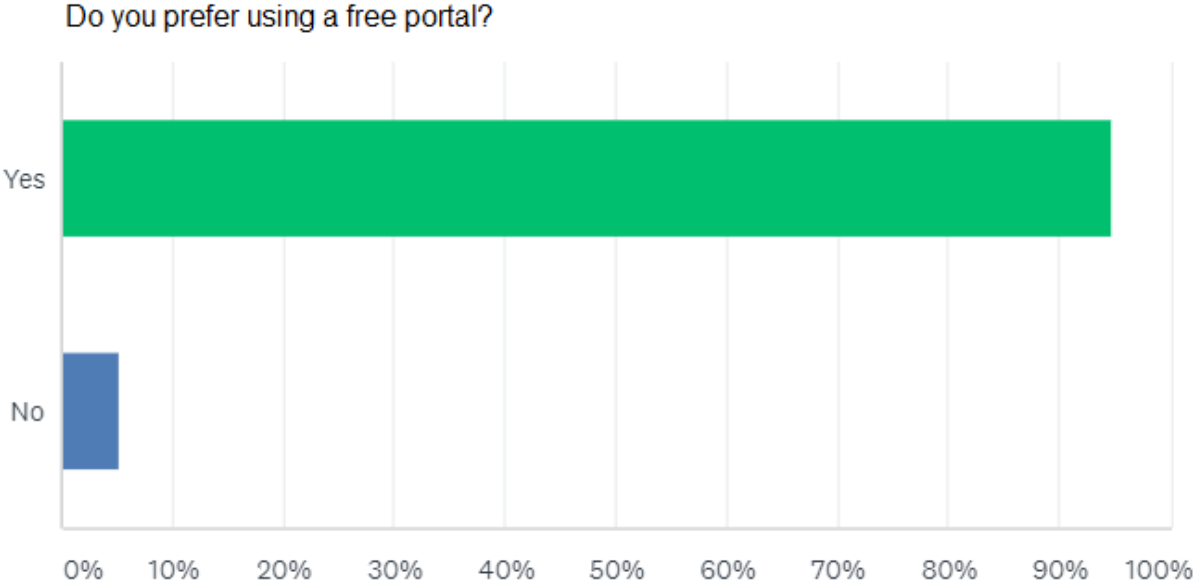
Figure 5



This is one example of the many ways iPayables InvoiceWorks has allowed our customers to improve relationships with suppliers and make the invoice process easier and more efficient. As can be seen by the amount of positive feedback our portal received, and the positive attitude expressed towards portals in general, suppliers shouldn't be the reason an AP department isn't automating. What's important is automating in a way that improves the process for everyone. For example, 94.7% of

suppliers prefer using a free vendor portal (see Figure 6). It may be harder to get suppliers on board with automation if you add that they have to pay for that automation.

Figure 6



However, free shouldn't mean low quality. The purpose of a supplier portal should be simple: it's a web-based, management solution that allows companies to work with suppliers in a secure, online setting. The iPayables portal allows suppliers to create an account in order to view their respective invoices throughout the process. The supplier can upload their own files and can flag, dispute, or open commentary on an invoice for themselves if they have any questions or concerns. In the past month alone, InvoiceWorks has processed approximately \$4 billion worth of invoices.

About 84% of respondents fall into the category of "active user" in InvoiceWorks, a free vendor portal. About 28% of respondents are currently also using another portal that is not free. Of those 28% specifically, 94.3% would rather just work with the free portal, as



it provides them with the tools and features they need, without the additional cost. As previously expressed, automation of an AP process should benefit and improve the working environment for everyone involved. It should reduce cost and complexity, not add to it. Suppliers, just as AP departments, have a right to know where an invoice is in the process and when they can expect payment. AP Automation with a vendor portal saves time and money, increasing efficiency and simplicity. When done well, relationships between AP departments and their suppliers improve, making the invoice process better for everyone involved.

This article was written by iPayables, Inc. If you have any questions regarding the survey or AP Automation, please feel free to contact us at 866-874-7932 or <https://www.ipayables.com/contact/>

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