



3rd Annual Accounts Payable Customer Service Survey

Conducted by:
InvoiceInfo



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Introduction

Accounts payable provides a critical service to organizations. It is one of the few departments that touches every department within a company as well as external parties, and has a direct impact on the reputation of the organization.

Accounts payable is unique in that multiple customers rely on outputs from its processes. Two critical customers of AP are internal clients and vendors. In some AP organizations internal customers are treated as fellow employees and not customers, and vendors as suppliers and not strategic business partners. But, an AP best practice is to treat those customers that AP serves as just that — customers. After all, you don't want any of your customers to take their business elsewhere. The growth of AP outsource providers has provided a competitive factor for in-house AP departments so not serving your customers can result in an outsourced environment.

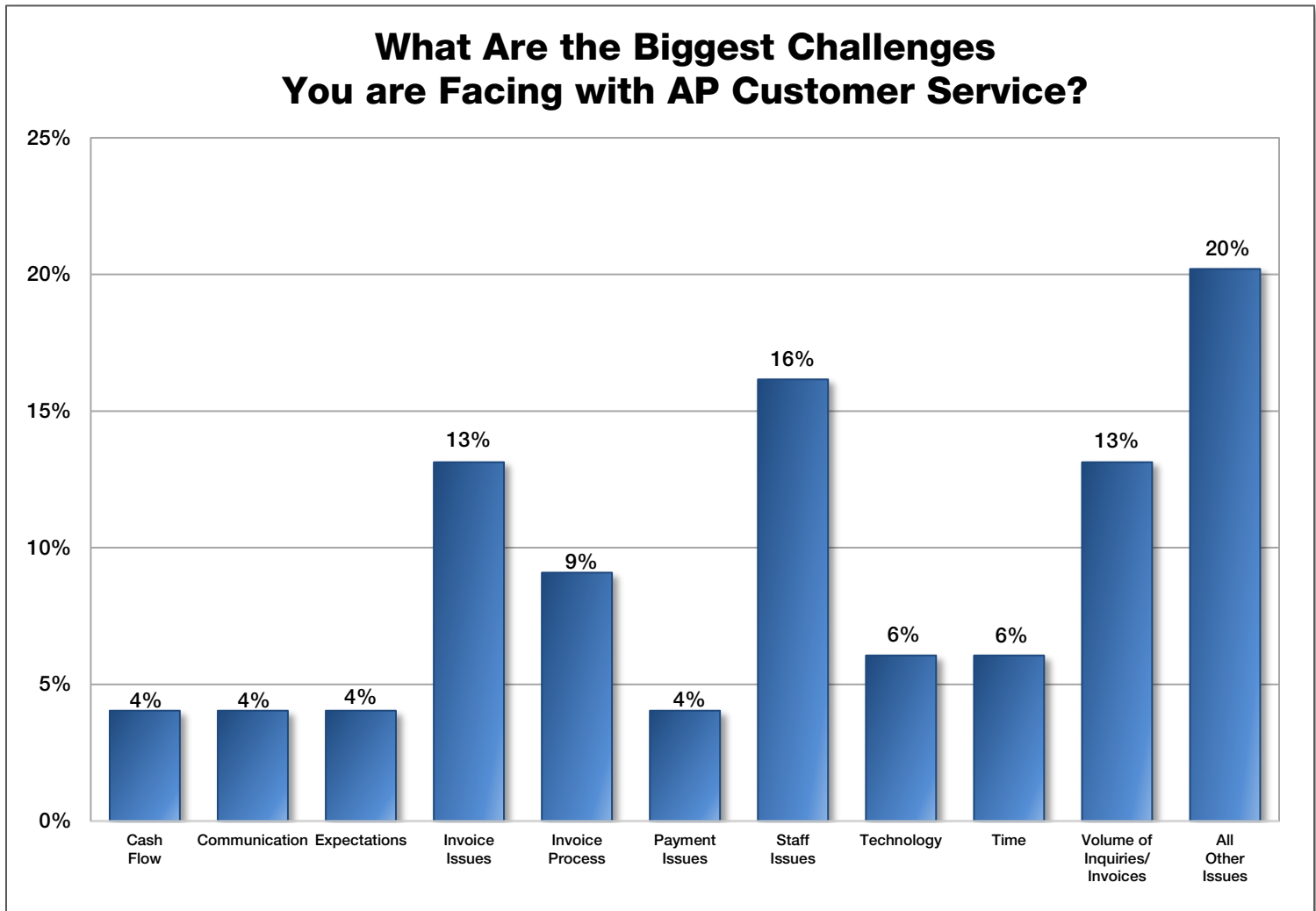
This survey reveals challenges, best practices, processes and tips for improved AP customer relationships.

Study Summary

- When asked how AP customer service is handled, 31% responded that emails go to a dedicated email box; 23% responded that AP staff takes turns answering inquiries; 21% said questions go to staff members who handle processing of invoices and 14% have a dedicated team to answer inquiries. The trend this year is that more inquiries are going to a dedicated email box.
- When asked about the most common inquiries received from vendors and internal colleagues, the clear winner was “Has my invoice been paid?” followed by “When will my invoice be paid?”
- The majority (54%) has a customer service policy stating how long staff has to research and turn around a response to inquiries.
- Of those that do have a policy, the majority (48%) is required to respond within one day and 29% are required to respond within two days.
- Only 12% of participants track customer service inquiries. Of those, 100% track how many invoices are inquired upon, 83% track the average length of inquiry calls or email responses and 83% track the fully weighted cost of an AP staffer to handle inquiries
- Only 25% of participants responded that they have a vendor self-service portal (up from 17.5% last year) to handle invoice inquiries and the main reason they have one is to reduce phone calls and emails.
- In making the decision to implement an online self-service portal, the most important factors considered included: Reduce phone calls and emails, move the focus from employees handling inquiries to more productive tasks; provide 24/7 customer service and reduce cost (in that order).
- Tracking customer service metrics is not that popular among survey participants. For those that do have a portal, only 34% track how satisfied their customers are with it, which is slightly up from last year’s results. Of those, 100% are extremely or somewhat satisfied.
- Only 24% of the survey participants that have implemented a portal track to what degree automation reduced the number of vendor and internal inquiries, which is down from 38% last year.
- For those participants who do not currently have a portal, 50% have no plans to implement one, while 29% are considering a portal within the next one to five years and 8% are looking for an option now.
- The vast majority (75%) of participants that have a portal believe that an online self-service portal can deliver the same or better customer service as a live person. That drops to 68% for non-portal users.

Participants Share AP Customer Service Challenges

Survey participants were asked to share their biggest challenges with AP customer service. The biggest challenges reported were Staff Issues (16%), Invoice Issues (13%), Volume of Inquiries/Invoices (13%), Invoice Process (9%), Time (6%) and Technology (6%). Four other categories came in at 4%, including Cash Flow, Communication, Expectations and Payment Issues. Last year's challenges were quite different with Compliance with Company Policies and Procedures coming in at 10% and Communication at 7%.



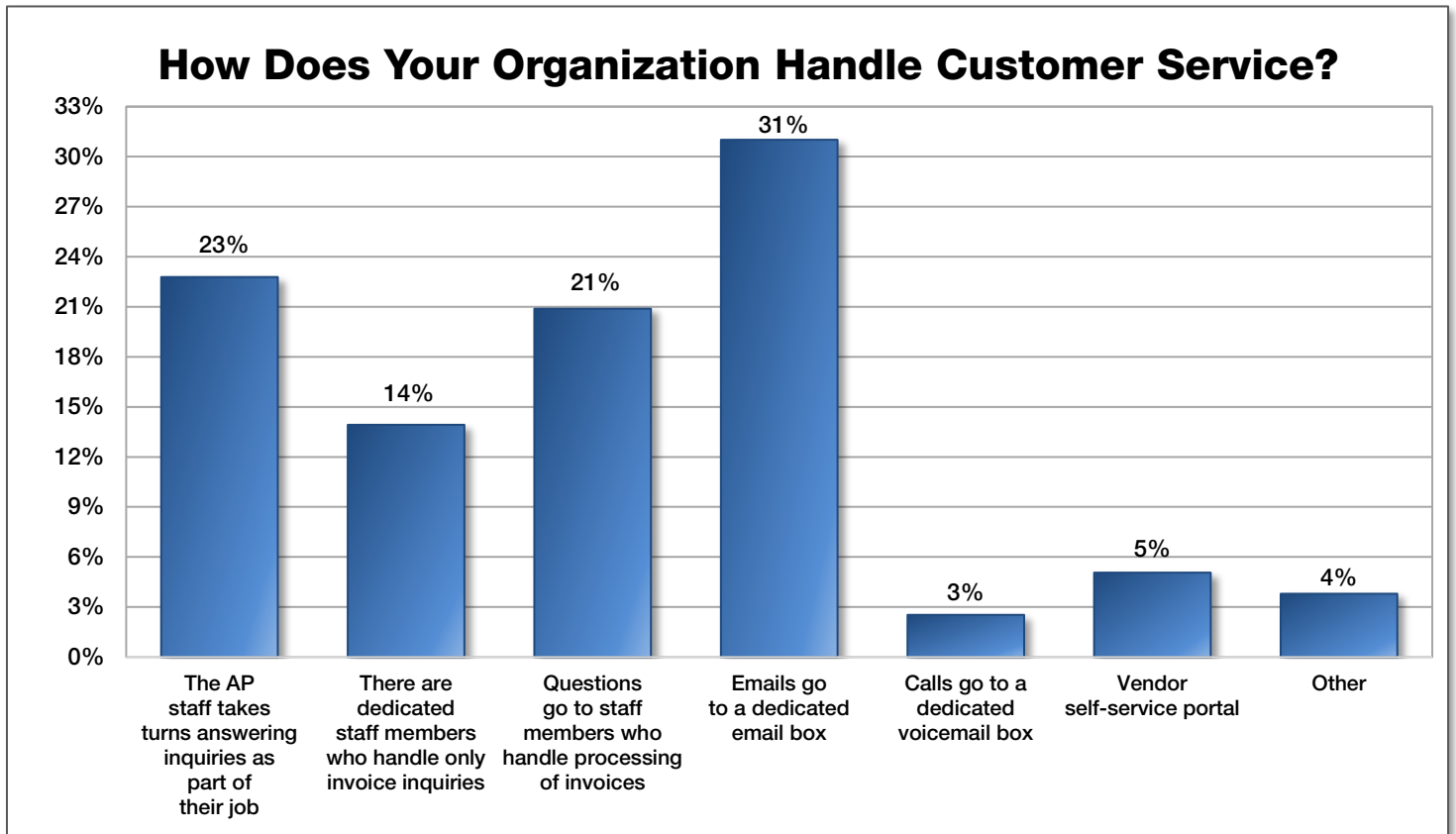
In addition, following are some specific challenges from participants:

- “Updating the supplier master with changes, system issues or constraints, lack of empowerment with staff”
- “Lacking knowledge of process”
- “Immediate expectation of payment”
- “Getting invoices sent directly to AP”
- “AP not only processing invoices and answering inquiries, AP also doing reconciliations”
- “When we think of a way of streamlining something, getting funding is always an issue”
- “Response time”
- “Paper”

- “Lack of follow up”
- “Missing invoices”
- “Mass outreach due to outdated contact info”
- “Getting our internal customers to self-serve in the PeopleSoft system”
- “Volume of emailed invoices”
- “Resources – team is currently understaffed”
- “Not getting invoices”
- “Timeliness”
- “Keeping an up-tempo positive attitude”
- “Internal procedure – we are a large organization and invoices go to departments frequently, and aren’t routed to AP timely”
- “Freight charges not on PO”
- “Volume – people want an answer ASAP – will email and then call if not answered within 5 minutes”
- “Vendors send invoices to AP without any indication as to which department did the ordering. This is a large state university with eight campuses and it is extremely time consuming to figure out to whom the invoice belongs.”
- “Getting our clients to pay so we can pay our suppliers”
- “Knowing the contacts for the different functions and types of payments”
- “Having their payments released timely. Being decentralized we cannot inform a vendor why they have not been paid, however we receive the calls”
- “Internally, compliance with processes/procedures. Externally proper application of payments with utility type vendors.”
- “Others turning in paperwork to pay”
- “Onboarding to portal.”
- “Need more automation/better portal”
- “Returning calls; it is much easier to email”
- “Handling hundreds of inquiries from suppliers each month”
- “Need more technology”
- “Internal employees to work the PO system”
- “Not enough time for every inquiry”
- “Learning changing supplier behavior toward self-service portal”
- “Customer expectations are unrealistic and/or approvals are delayed”
- “Volume of calls/emails, lack of staff”
- “Time to address questions”
- “POs not indicated on invoice”
- “Application of checks on the vendor accounts receivable side”
- “Not having a designated customer service associate”
- “Product not received in a three-way match process”
- “Too many exceptions and people involved in a transaction”
- “Wanting everything done NOW”

Staff Organization for Handling AP Customer Service

When asked how participants handle their customer service, 31% responded that inquiries go to a dedicated email box, 23% responded that the AP staff takes turns answering inquiries as part of their job; 21% said that invoice questions go to the staff member who handles the processing of invoices, 14% have dedicated staff members who handle only invoice inquiries, 5% have a vendor self-service portal, 3% have a dedicated voicemail box and the remaining 4% said other.

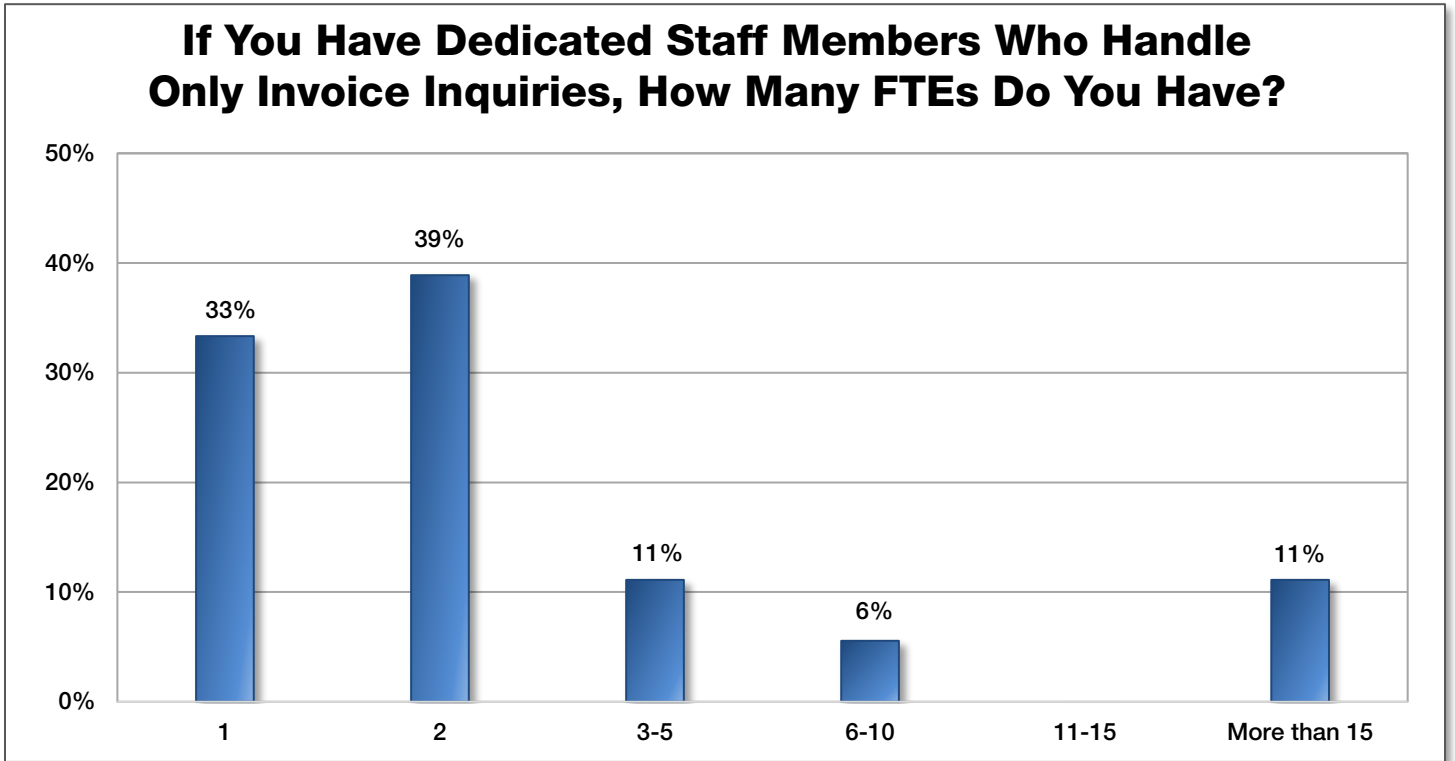


In comparison to past year's results, there is a steady increase in inquiries going to a dedicated email box. Two years ago, 19% of respondents said that inquiries go to a dedicated email box compared to 26% last year and up to 31% this year. Whereas two years ago 46% of the participants said that the AP staff takes turns answering inquiries as part of their jobs, this year that dropped in half to 23%.

Of those that replied "Other," many commented that they use a combination of all of the options offered. Here are some specific responses:

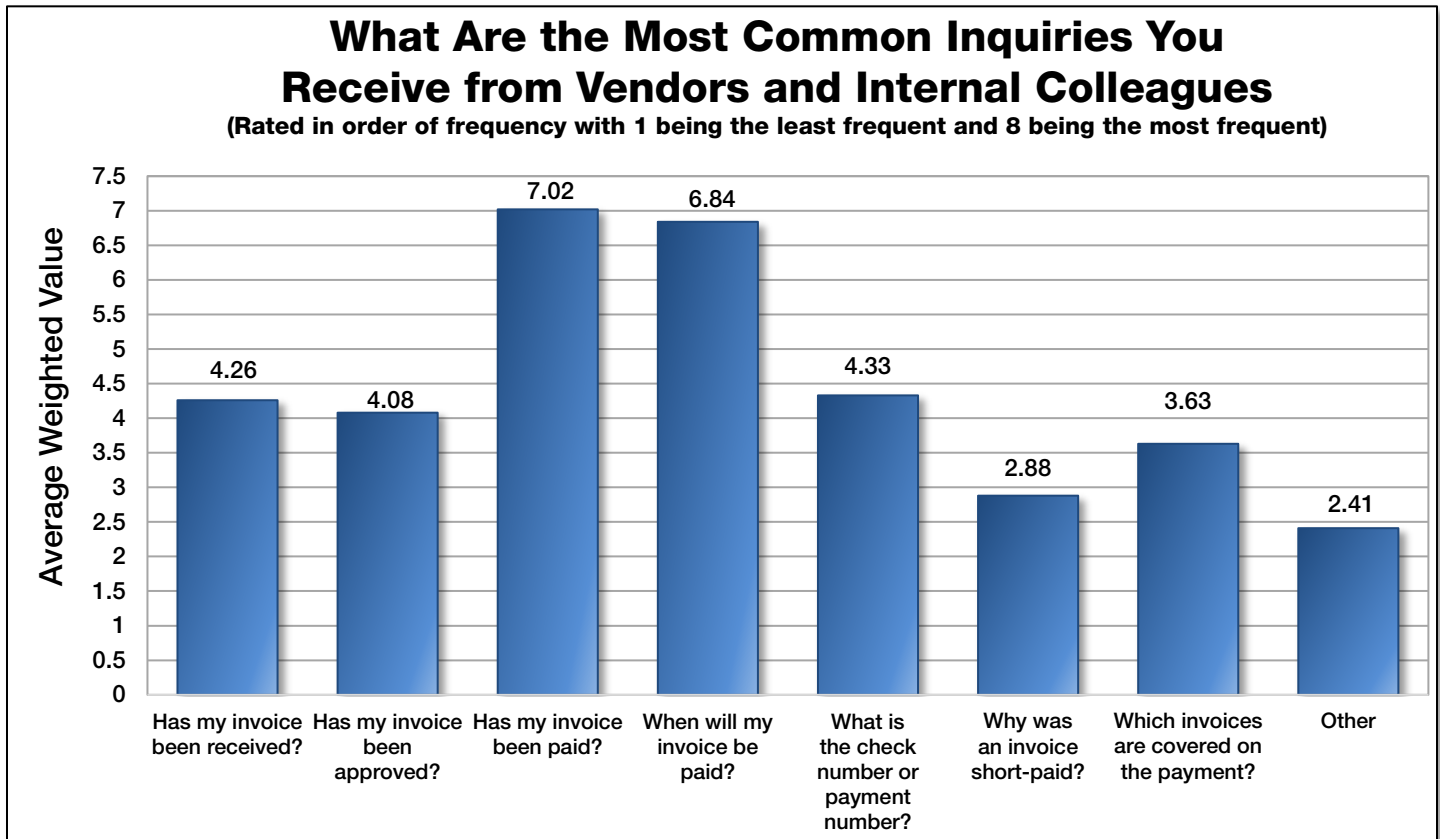
- Live chat or a ticketing system
- Manager handles both voicemails and emails

For those participants that have a dedicated staff handling invoice inquiries, 83% of the respondents had between 1-5 employees dedicated to handling inquiries.



Common Inquiries from Vendors and Internal Colleagues

Respondents indicated that the majority of vendor inquiries are about receipt, approval and payment of invoices. But surprisingly, in last year's survey, respondents said that the most common questions asked are questions about which invoices are covered on a payment (11%) and why an invoice was short paid (23%).

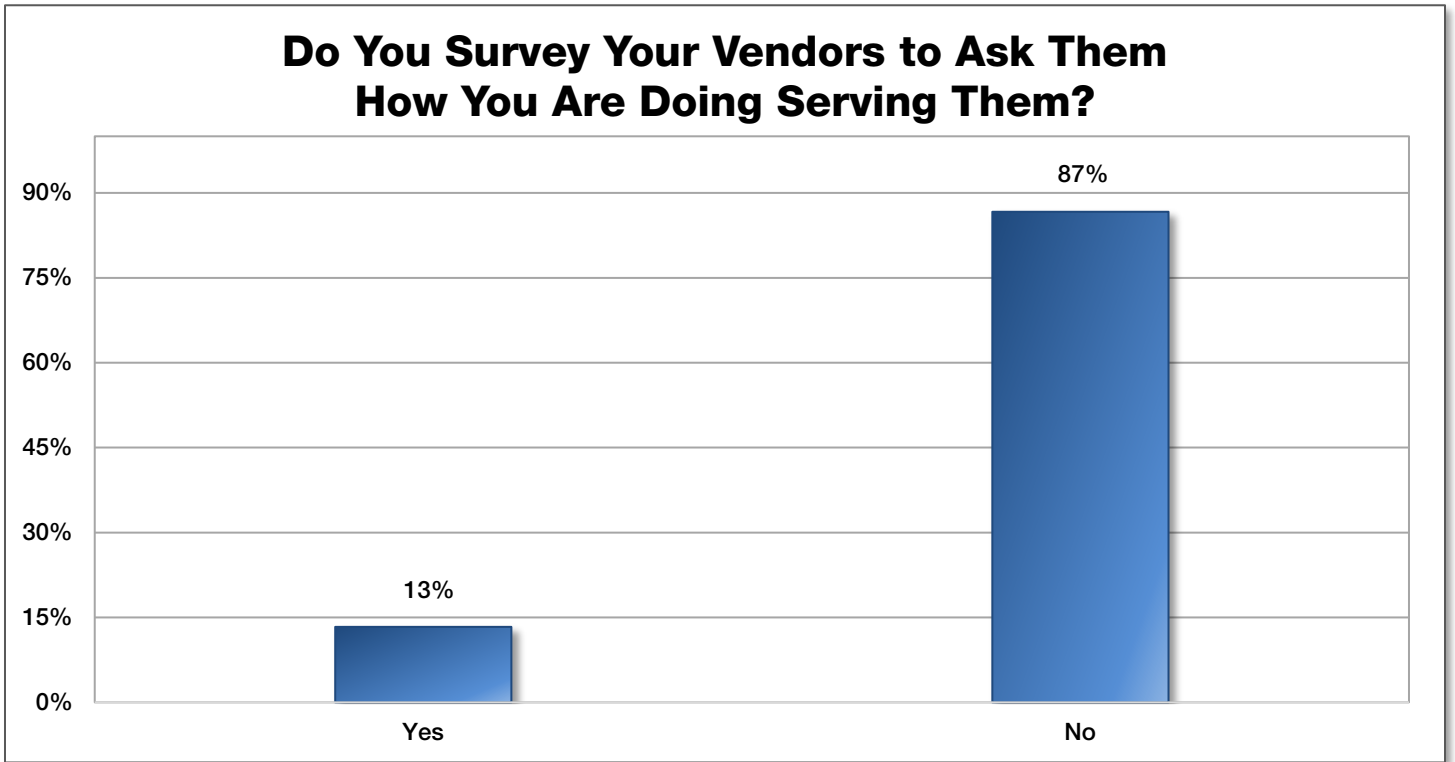


For those that chose "Other," the following were given as common questions:

- Why invoice was short paid, when will it be paid, check number
- Can we cash this check? Is it real?
- Contact information
- Claim disputes
- Need resale certificate
- Questions about return to vendor transactions
- General purchase order questions
- Tax-related questions

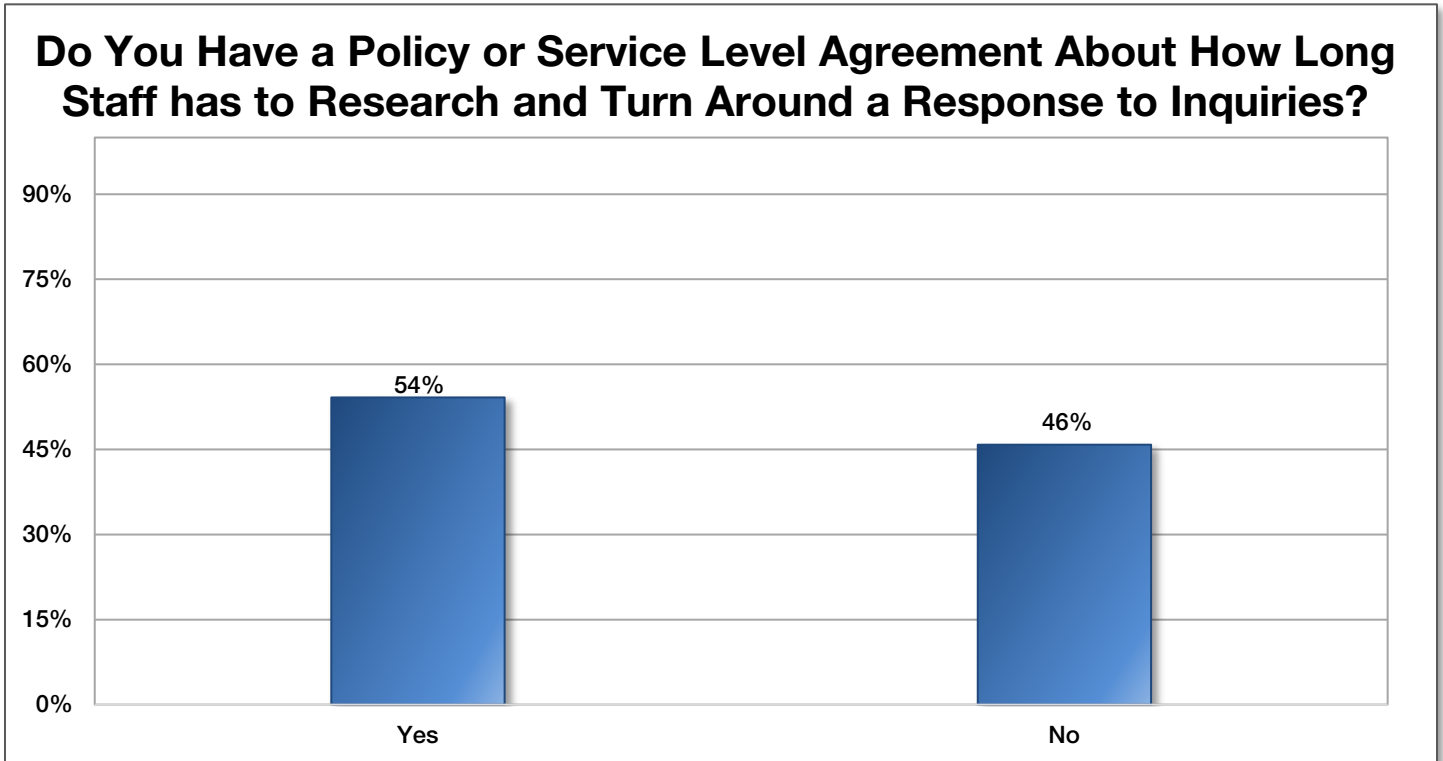
Customer Service: How Are You Doing?

Participants were asked if they survey their vendors to ask how they are doing. The majority (87%) do not survey their vendors.

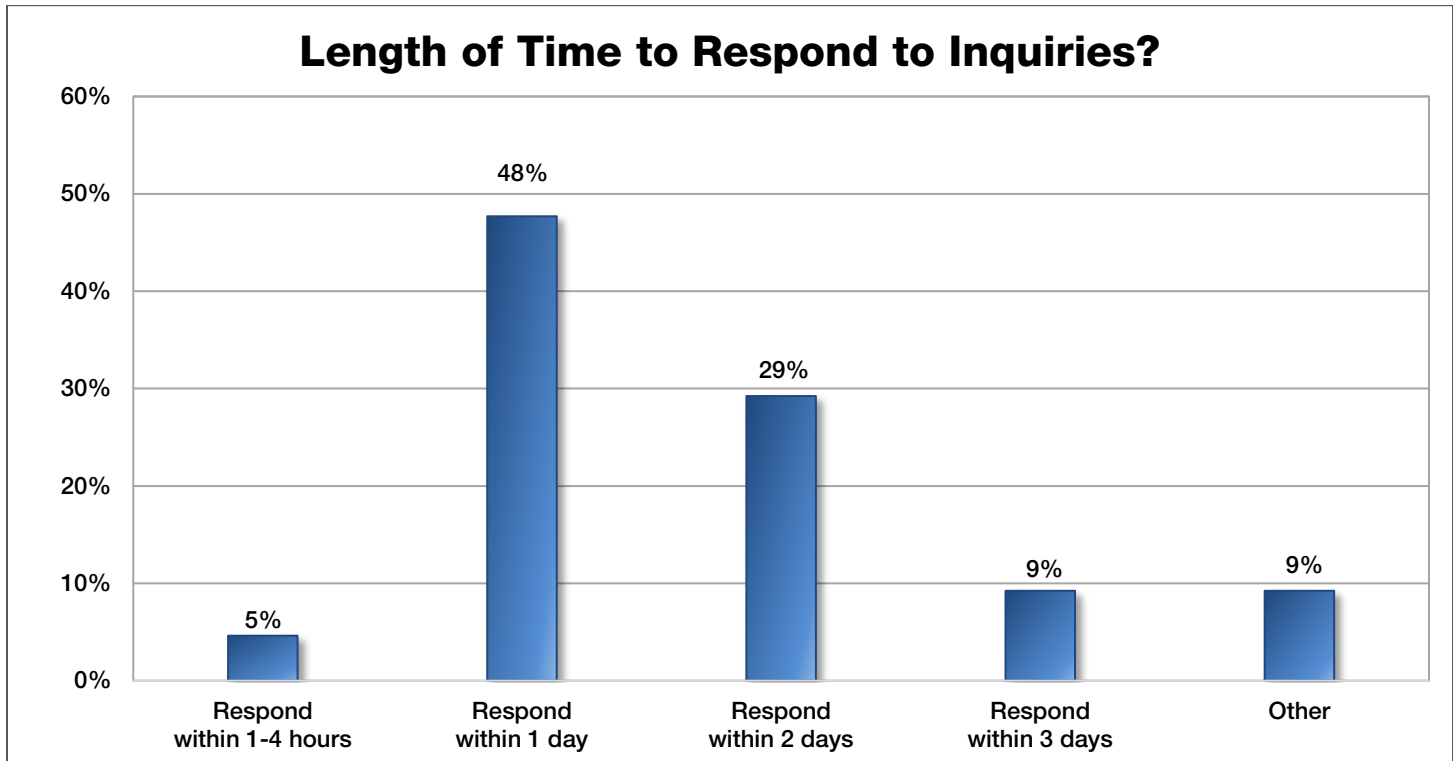


Customer Service Policies

Of those participants that responded to whether their company has a policy about how long staff has to research and turn around a response to inquiries, 54% responded that they do have a policy and 46% do not. Companies having a policy increased during the year from 48% to 54%.



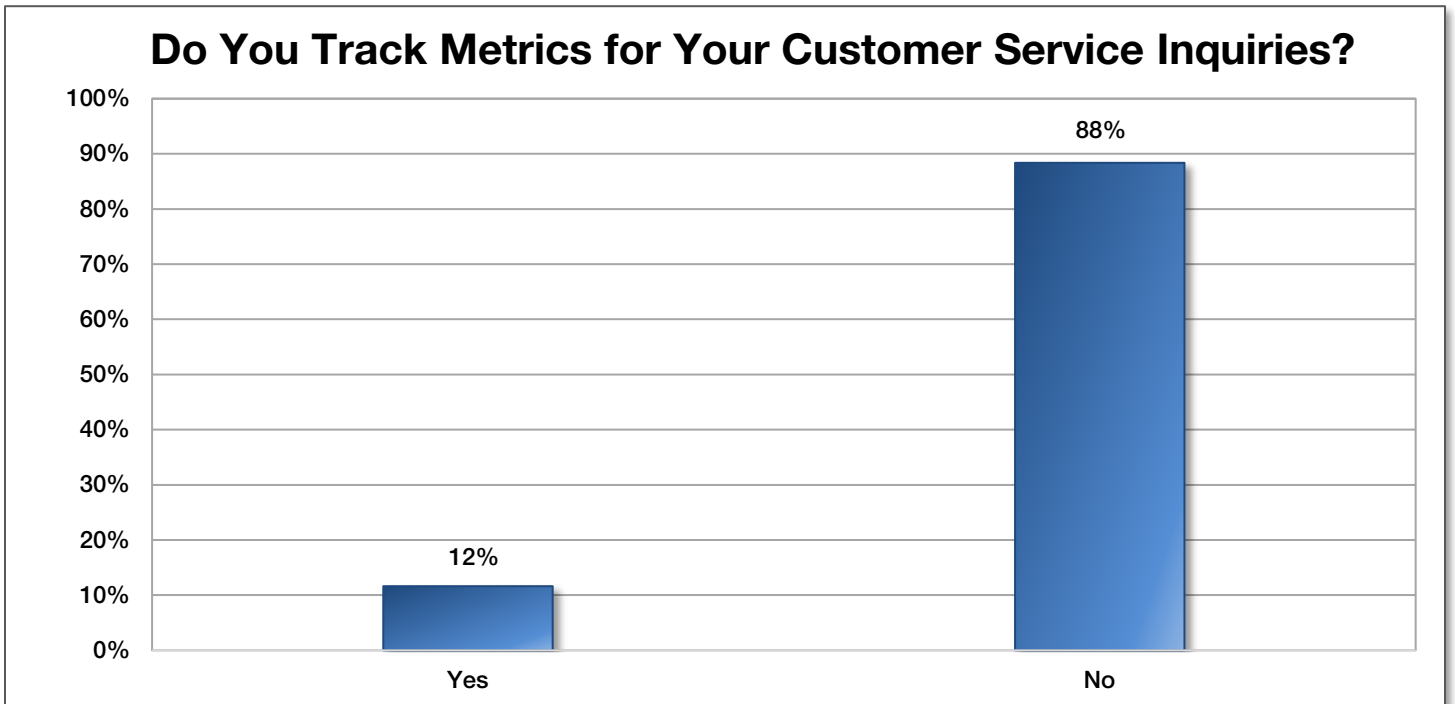
Of those that do have a policy, the clear majority (48%) requires a response within one day with 29% required to respond within two days. Less than 5% require a response within four hours.



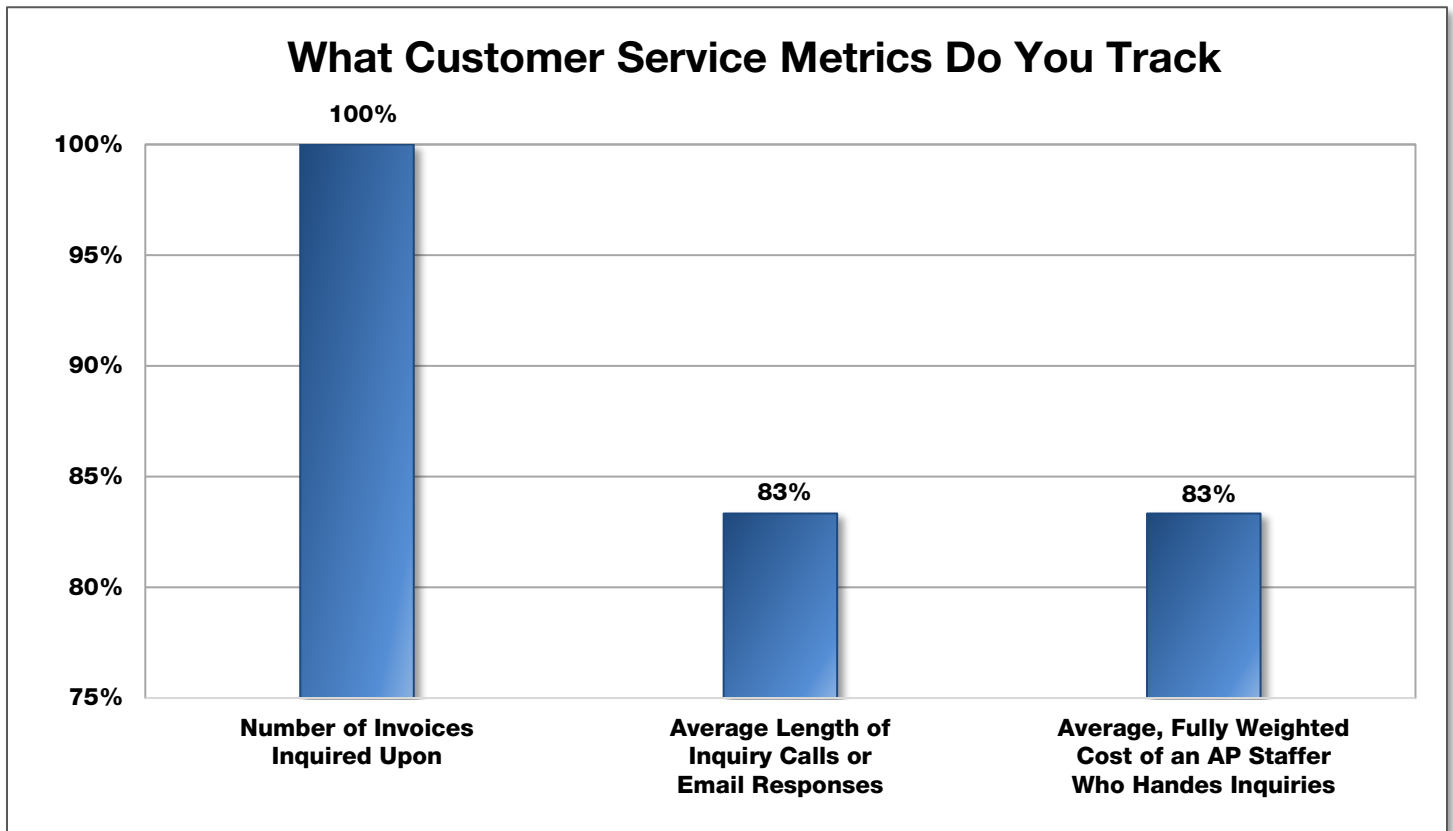
One participant commented that they are required to pay within two weeks, while several responded they have five days to process. Another said their policy is to pay after the client pays.

Customer Service Metrics

When asked if metrics are tracked for customer service inquiries, 12% responded yes while 88% said no.



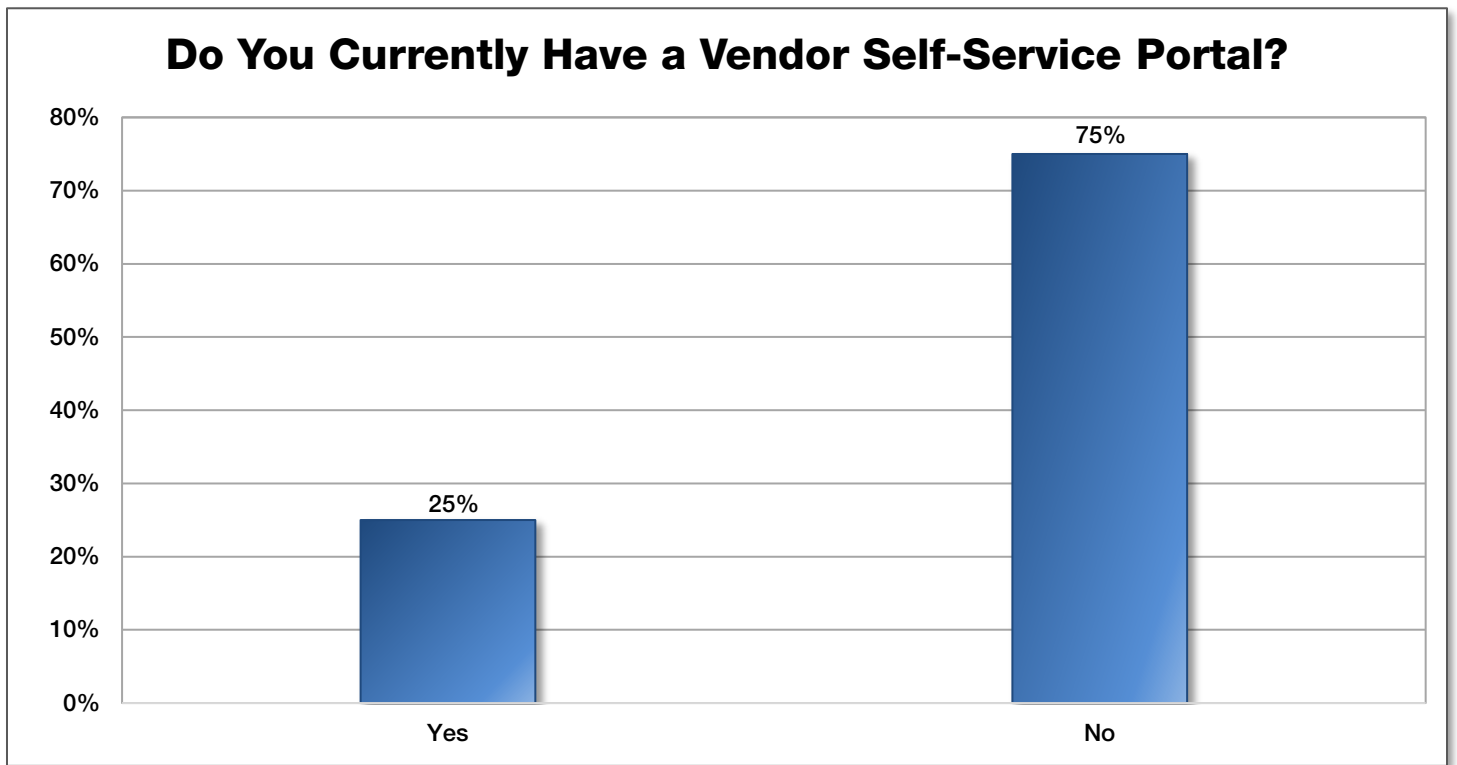
Of those that do track metrics 100% said that they track how many invoices are inquired upon and 83% track the average length of an inquiry call or email response and 83% track the average, fully weighted cost of an AP staffer to handle inquiries.



We at InvoiceInfo are always asking AP professionals if they track customer service metrics and are always surprised that most don't have any idea how much customer service is costing. If you asked the same questions about whether AP tracks on-time payment or cost per invoice, you would probably get a very different answer. Although, couldn't one argue that handling invoice inquiries should be included when calculating cost-per-invoice?

Vendor Self-Service Portals: Do Participants Have a Portal?

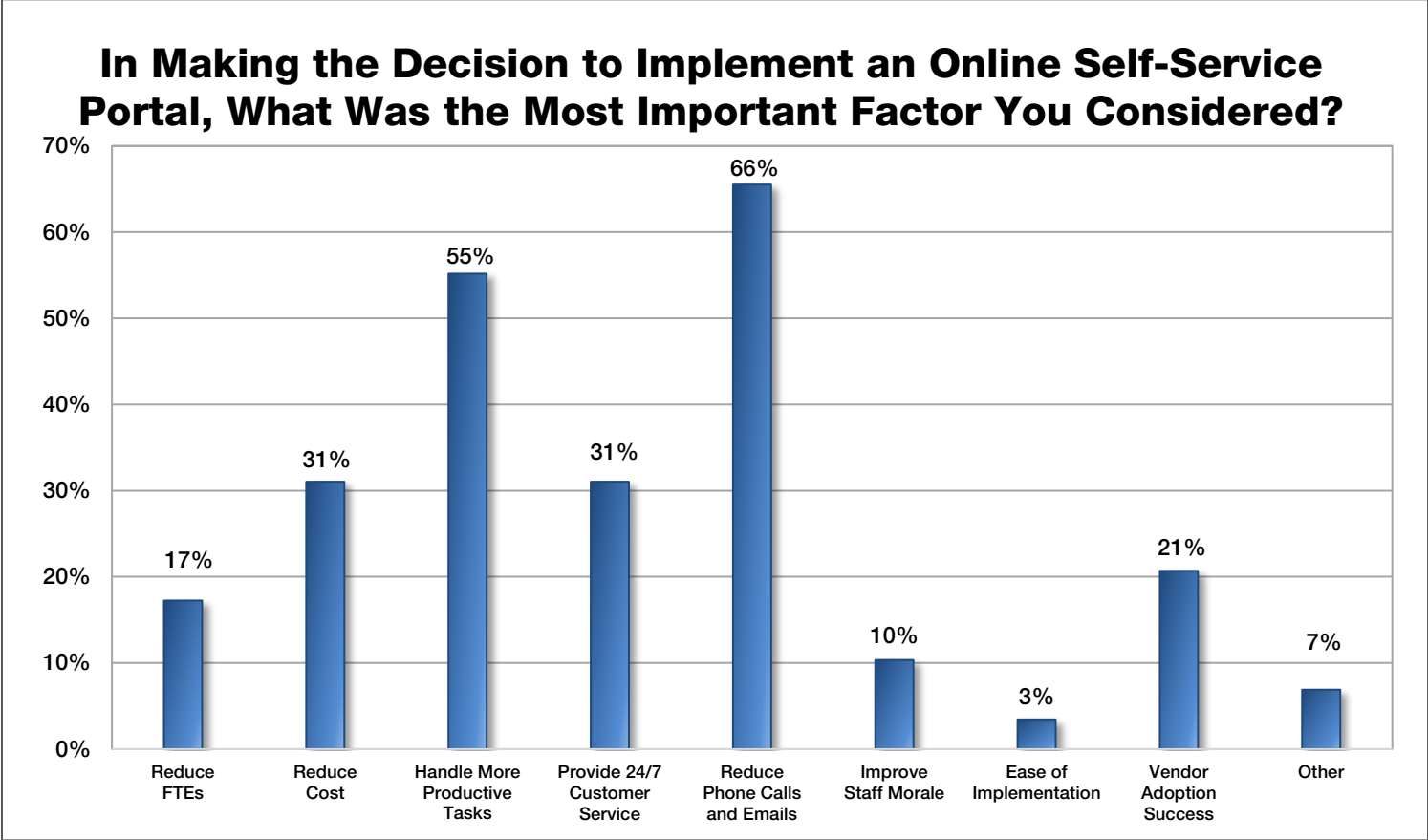
When participants were asked whether they currently have a vendor self-service portal that handles invoice payment status inquiries, 25% responded that they do (up from 17.5% last year) while 75% do not.



For participant companies with revenue greater than \$1 billion, 83% of respondents have a portal, which is an increase of 17% from last year's survey. So it appears that the larger the organization, the more likely they are to utilize a self-service option.

Vendor Self-Service Portals: Why?

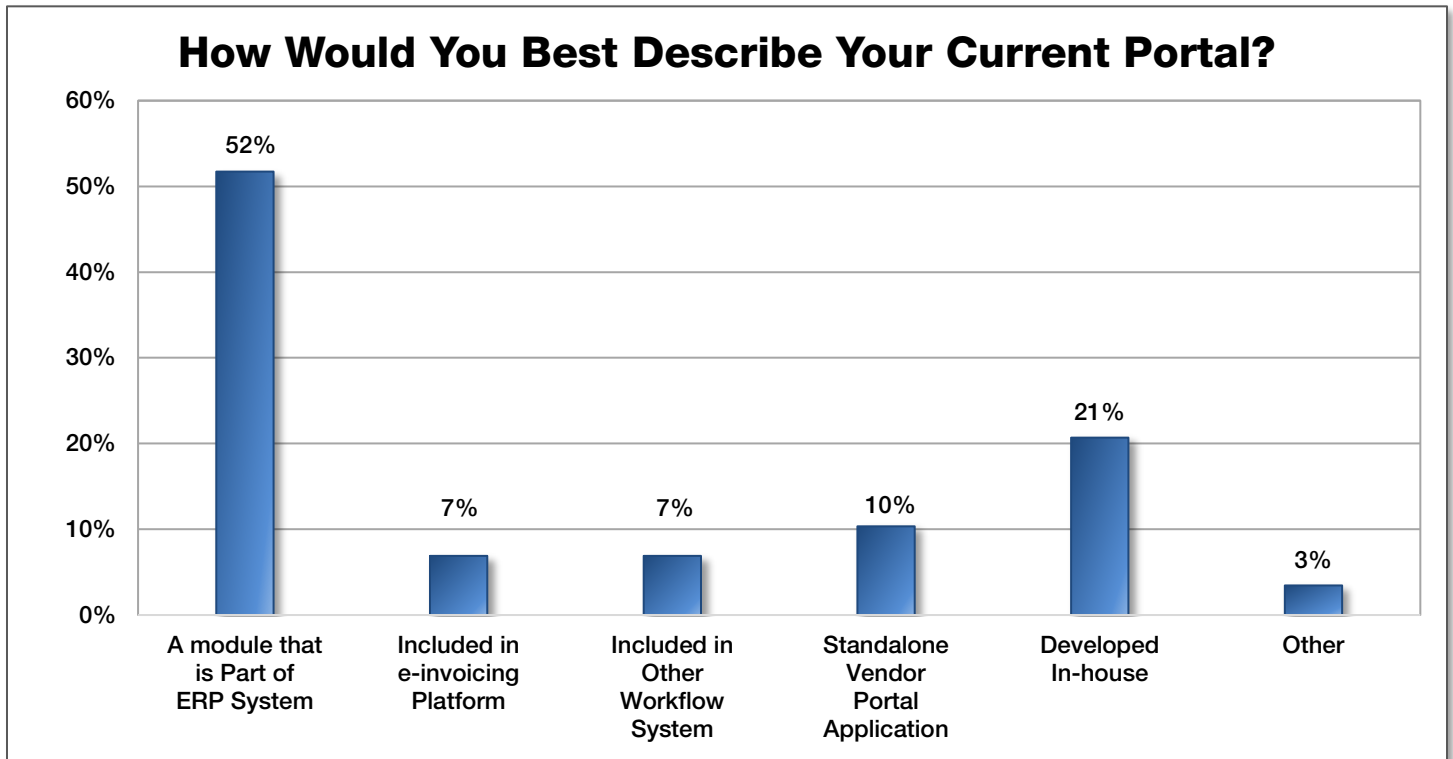
Of those that do have a vendor portal, the main reason they made the decision to get a vendor portal was to reduce phone calls and emails, followed by moving the focus from employees handling inquiries to more productive tasks, to provide 24/7 customer service and fourth on the list was to reduce cost.



Surprisingly, only 31% of those that responded were motivated by cost reduction. And of those, 67% of the respondents were companies with revenue greater than \$1 billion. Larger companies appear to be more focused on cost reduction as a motivator to implement a self-service portal.

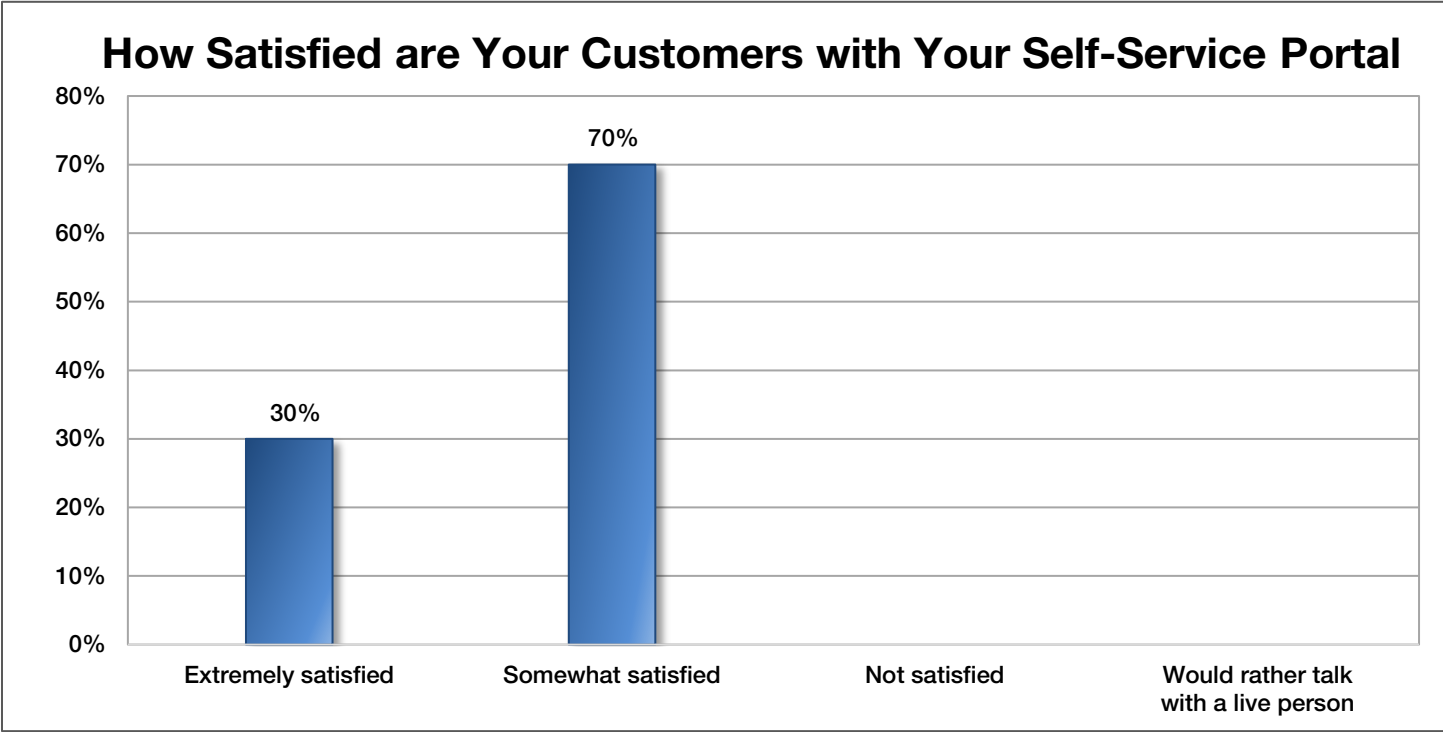
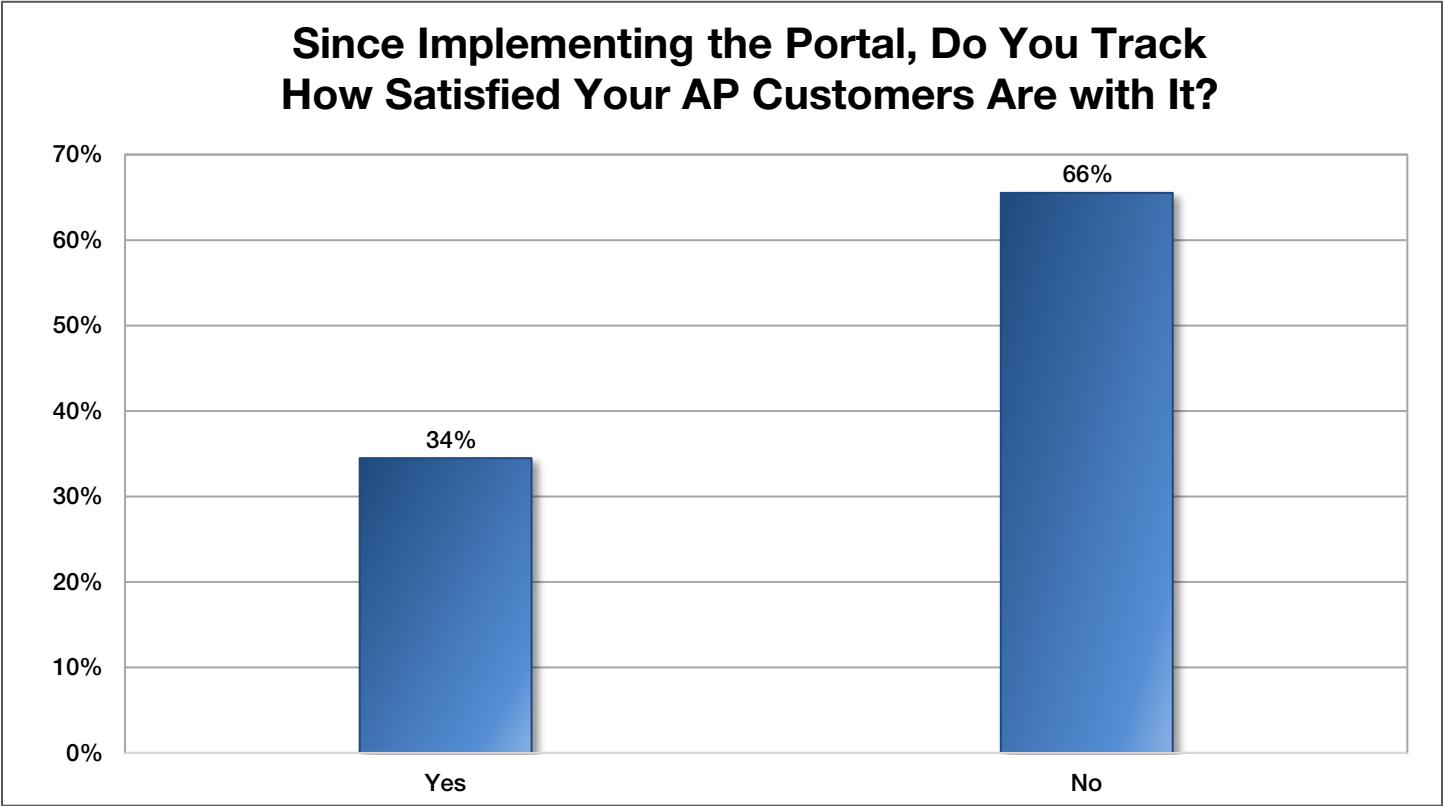
Vendor Self-Service Portals: Describe

For those participants that currently have a portal, 52% have a module that is part of their current ERP system, 21% have developed an in-house portal, 14% have a portal included in their e-invoicing platform or other workflow system and 10% have a standalone portal application.



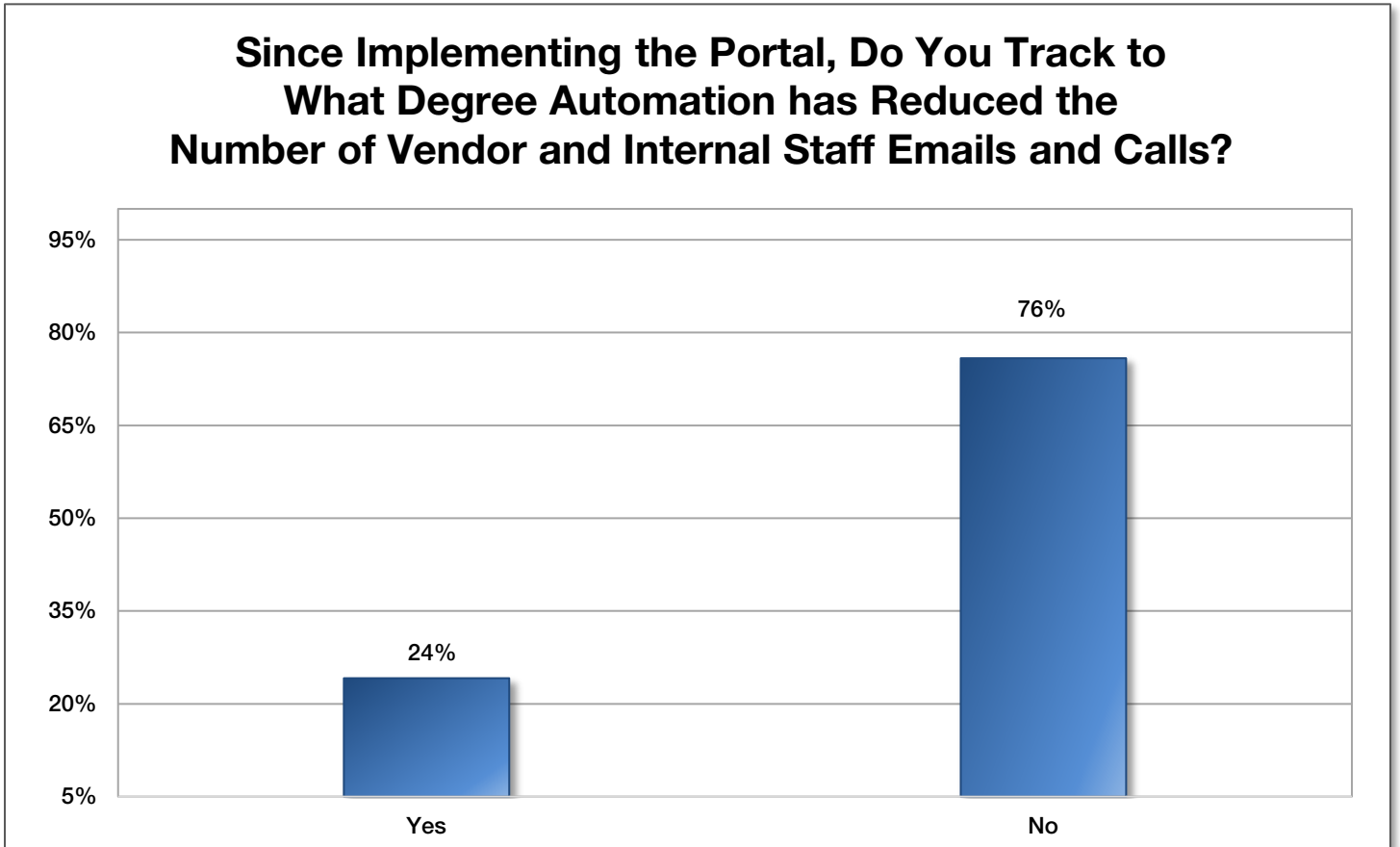
Vendor Self-Service Portals: Metrics

Tracking customer service metrics is not that popular among participants. For those that do have a portal, only 34% track how satisfied their customers are with it which is up slightly from last year (31%). Of those, 30% are extremely satisfied and 70% somewhat satisfied.



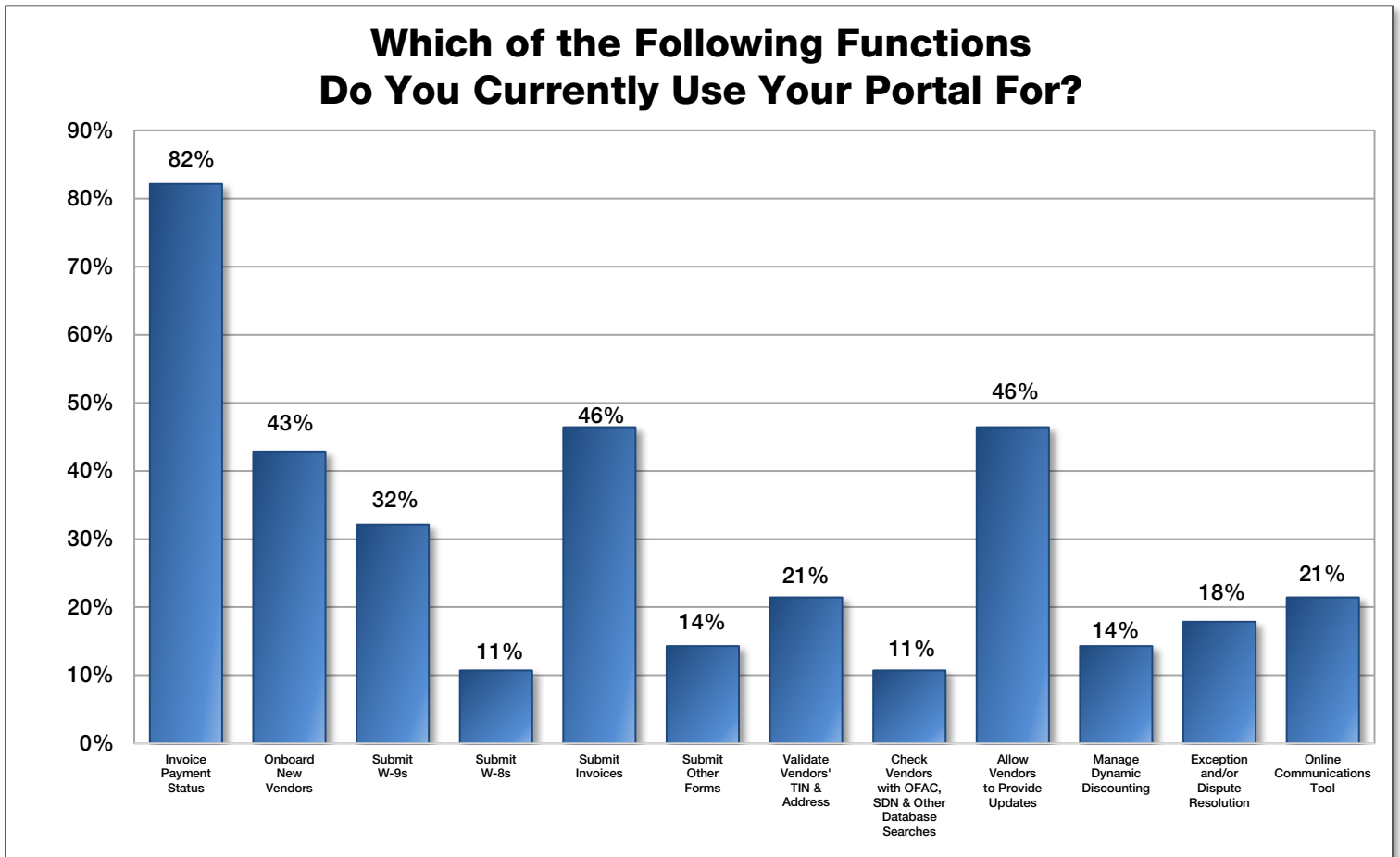
Vendor Self-Service Portals: Tracking Adoption

Since implementing a portal, only 24% of those that have a portal track to what degree automation has reduced the number of vendor and internal staff emails and calls, while the majority (76%) do not. The number of survey participants that track this dropped from 38% in last years survey to only 24% this year.



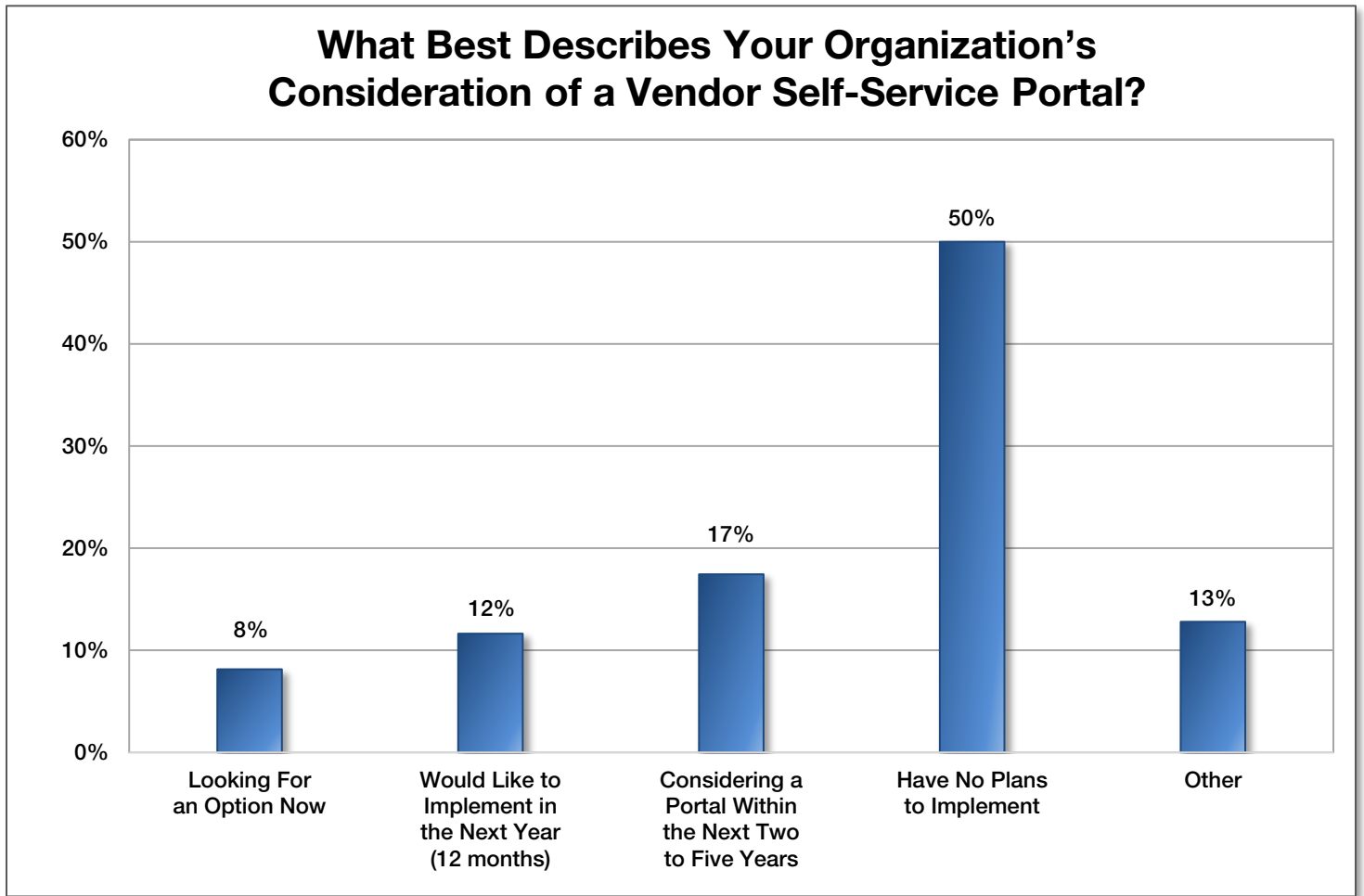
Vendor Self-Service Portals: Actual Uses

Of those participants that do have a portal, 82% use the portal for invoice payment status. Nearly half (46%) use the portal to submit invoices and allow vendors to provide updates, 43% onboard new vendors, 32% utilize the portal to submit W-9s and 21% validate vendor TIN and address via the portal.



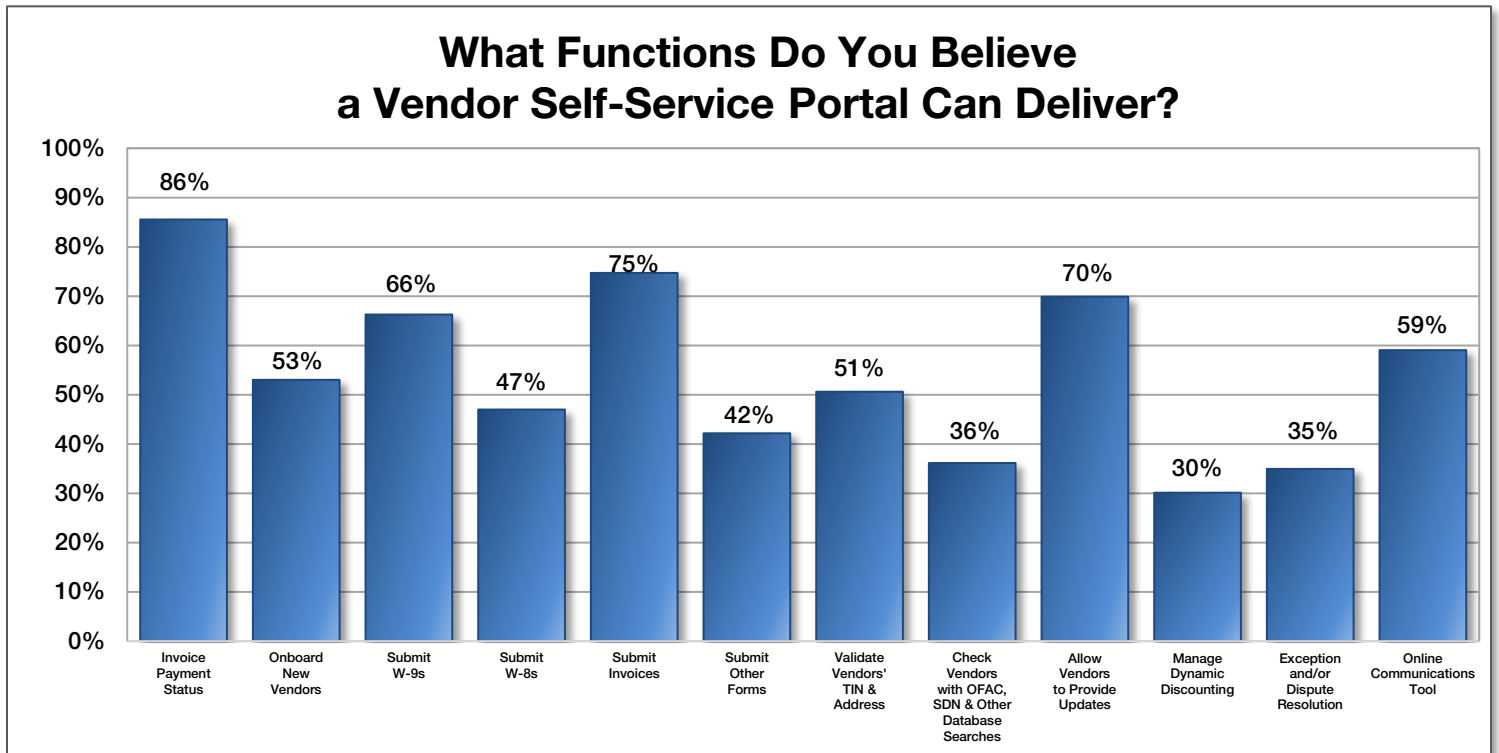
Vendor Self-Service Portals: Implementation Planning

Of those participants that currently do not have a portal, the majority (50%) have no plans to implement a portal, while 17% are considering a portal within the next two to five years and 12% are looking for an option to implement within the next year and 8% are looking now.



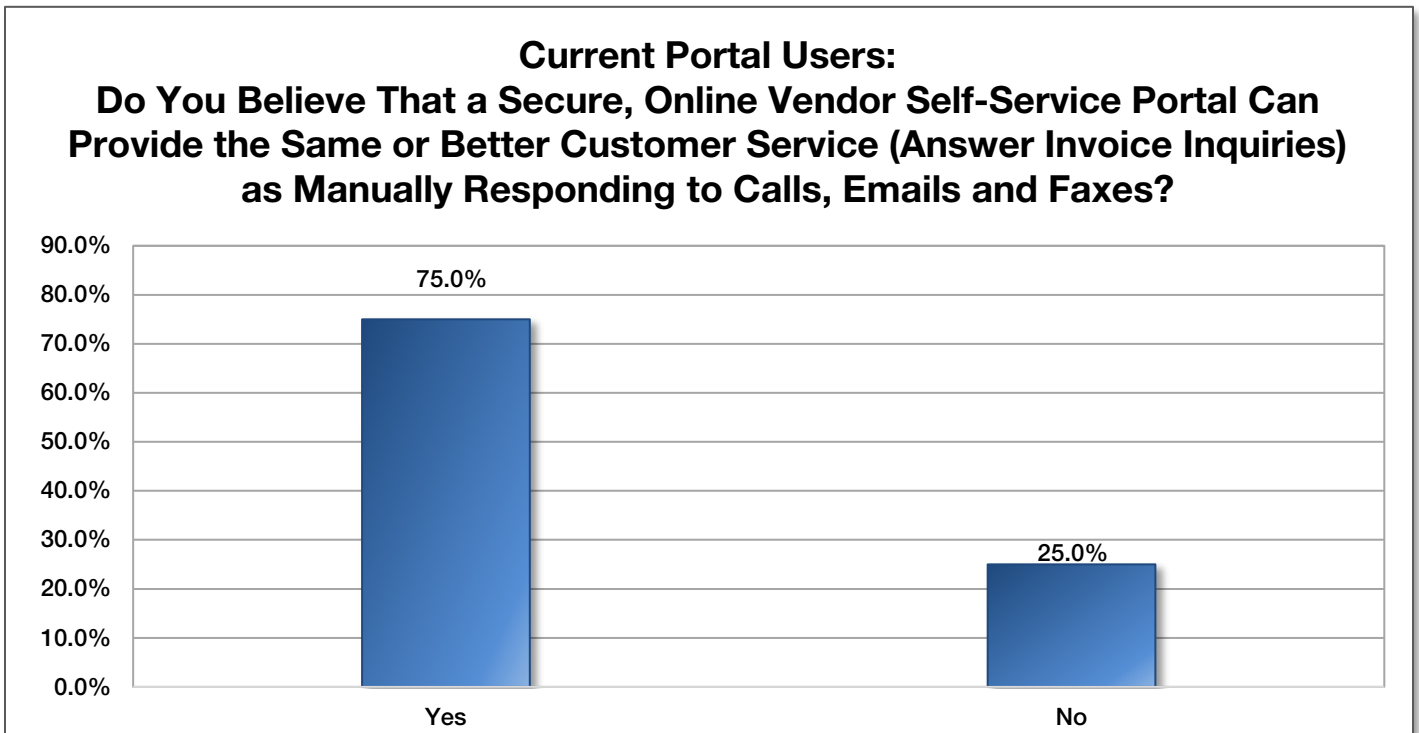
Vendor Self-Service Portals: Expected Uses

When asked what functions participants believe a self-service portal can deliver, the vast majority (86%) answered invoice payment status. Other popular responses were W-9 and invoice submission and updates to vendor information, onboarding new vendors and as an online communications tool.

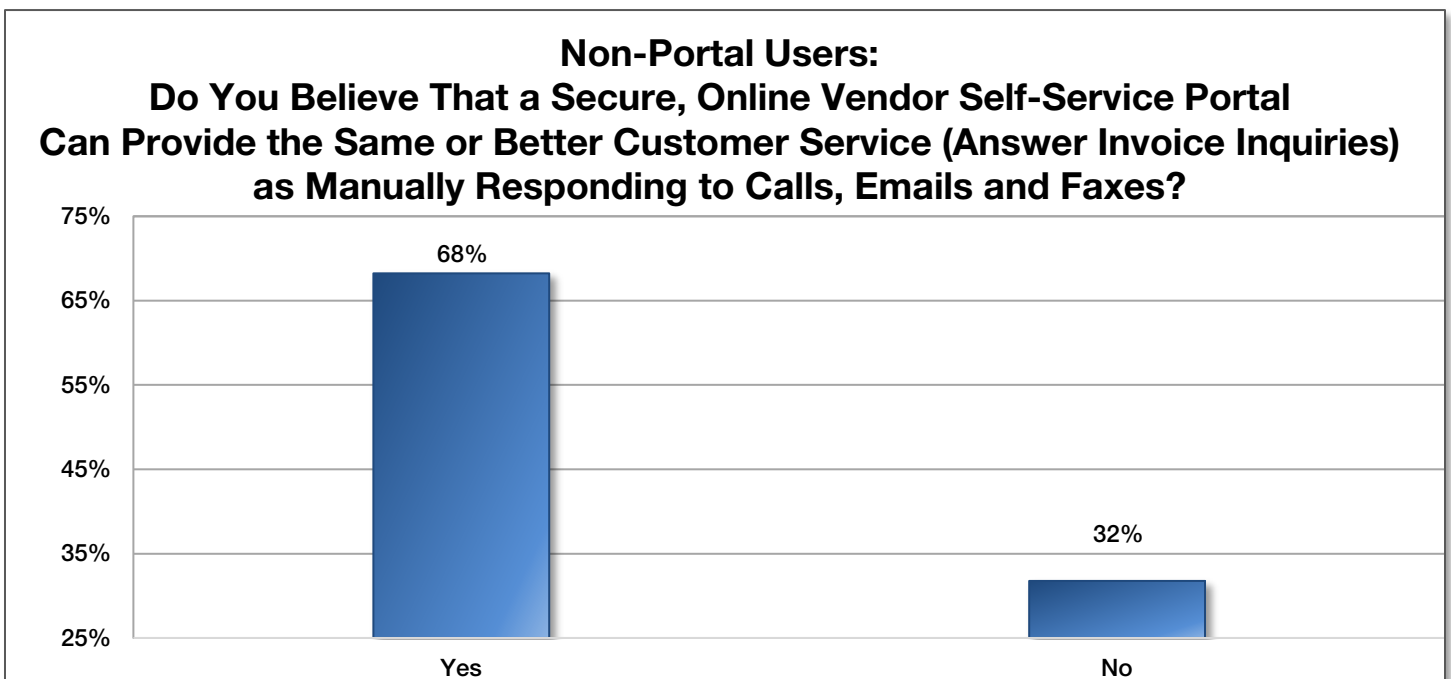


Vendor Self-Service Portal: Can Vendor Self-Sufficiency Deliver Great Customer Service?

The clear majority of participants that currently have a portal (75%) believe that an online self-service portal can deliver the same or better customer service as a live customer service representative.



For those respondents that do not currently have a portal, only 68% believe that a portal can provide the same or better customer service.



How to Maintain Great Relationships with Your AP Customers

When asked to share best ideas for how to maintain great relationships with AP customers, communication with customers (27%) and providing timely responses (17%) were the top two chosen. Here are some specific tips from survey respondents:

- “Prompt, accurate processing, courteous service”
- “Pay accurately and pay on time. Be transparent end to end.”
- “Process everything correctly the first time.”
- “Perform well”
- “Response time and quality processing”
- “Be courteous and patient with their inquiry”
- “Prompt, accurate processing, courteous service”
- “Smile when talking to them, either on the phone or in-person. It changes the tone of the voice.”
- “Golden rule: Always treat your customers – both internal and external – like you would like to be treated”
- “Contacting AP customers about any issues that arise”
- “Quick follow up on questions, proactive communication on issues”
- “Be proactive”
- “Clear communication and tight process”
- “Build your network and stay firm on policies so expectations are clear”
- “Communicate when there is a problem processing their invoices”
- “Open the lines of communication”
- “Communicate and pay on time”
- “Communicate, communicate!”
- “Communicate change”
- “Provide good customer service and maintain good communications”
- “Open communications”
- “Keep communication open – I’ve noticed that it’s ok to miss an invoice or extend terms a few days as long as you provide an accurate payment date”
- “Maintain good communication with all stakeholders”
- “Have an open line of communication with vendors and make sure you process their payments in a timely manner”
- “Good communication”
- “Communication is key”
- “Constant and current communication”
- “Contact through email and/or phone”
- “Great communication, keep everyone informed of changes”
- “Regular communication with key stakeholders”
- “Communication and timeliness”
- “Communication and follow-up”

- “Keep the customer informed of their account”
- “Keep customers in the loop. Always let them know what is happening.”
- “Return a call or email as soon as possible even if you don’t have an answer. Let them know you are working on getting an answer.”
- “Communication and flexibility”
- “Flexible processes, consistent execution, cross-functional partnership, focus on global compliance”
- “Be consistent, praise work, listen”
- “Have cross-functional meetings”
- “Set levels of expectation, education on process, establish SLAs and be ready to handle exceptions/urgency”
- “Treat everyone as if they are your only customer”
- “Provide good customer service and maintain good communications”
- “Provide the best possible customer service you can provide”
- “Always be kind to the customers as they are the reason we have jobs”
- “Flexible processes, consistent execution, cross-functional partnership, focus on global compliance”
- “Always follow through with commitments”
- “Always act on what you say”
- “Prompt response and follow up with issues”
- “Have an online portal, a ticketing system, and a great response time to issues and a quick resolution”
- “Honesty”
- “Genuine honest and timely responses”
- “Keep an open mind and options”
- “Return calls promptly, be knowledgeable when answering questions, try to work with them to figure out the best solution for all (win-win)”
- “Listen to the vendor and try to be as helpful as possible”
- “Always listen to what they have to say and do your best to resolve issues”
- “Patience is the best thing and change in accounting automation is difficult for some companies”
- “Have an open line of communication with vendors and make sure you process their payments in a timely manner”
- “Pay your bills – then negotiate”
- “Pay on time and provide visibility to the invoice status”
- “Focus on what you can do vs. what you cannot do”
- “Simple processes; quick turnaround”
- “Do the right thing in a timely manner”
- “Be responsive and attentive to inquiries”
- “Respond to email/phone call within 24 hours, even if you don’t have the issue resolved let them know you are researching”
- “Always reply to your vendor within 24 hours”
- “Pay on time and provide visibility to the invoice status”
- “Treat vendors as partners”
- “Let vendors understand then collaborate; work as a team for the common goal of the company”

About InvoiceInfo Supplier Self-Service Solutions

InvoiceInfo's modular suite of specialized supplier self-service applications transforms time-consuming tasks, such as vendor inquiries, registration and information management, into vendor self-service solutions. InvoiceInfo has been implemented by leading companies worldwide to improve productivity, reduce cost and enhance vendor relations.

InvoiceInfo's modular design requires little to no IT time and lets you implement the exact functionality you need today while allowing you to add features as needed:

- Payment status inquiry automation
- Vendor registration: W-9, W-8, custom registration forms
- Vendor verification: TIN, OFAC, Address, 22 additional lists
- Vendor profile change requests
- Statement matching

To see how InvoiceInfo's self-service solutions can benefit your operations and your company click [here](#) to request more information or call us at (678) 335-5735.



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