

Challenges in Traditional P2P Processes and How Modern SpendTech® Overcomes Them

Traditional procure-to-pay (P2P) processes are inefficient and outdated. The manual labor involved in matching purchase orders (POs) and invoices, coupled with the arduous task of securing approvals, adds unnecessary work for procurement and accounts payable (AP) professionals. This not only wastes money but also leads to payment delays and distracts from strategic work. This infographic clearly illustrates the pitfalls of conventional P2P methods and demonstrates how modern, digitized, and automated P2P solutions effectively address these challenges.



Manual P2P processes waste time and money.

Inefficient processes cost businesses between 20-30 percent of their annual revenue.¹

1.

Every time an employee picks up an invoice or purchase order (PO), types in data, and codes purchase requisitions or invoices manually, time and money fly out the window.

How SpendTech helps:

Advanced P2P solutions automatically create POs, code purchase requisitions and invoices, scan and capture invoice information to your digital payment system, and eliminate manual work. That frees up time for more strategic work and leads to significant cost saving

Mismatched invoices and POs interrupt business.

In 2022, 22.5 percent of invoices were flagged for exception.²

With manual P2P processes, each mismatched document interrupts an employee's day and distracts from strategic work.

2.

How SpendTech helps:

SpendTech will automatically complete two-way and three-way matching. When exceptions pop up, P2P solutions automatically route documents to the right person to fix them so they are resolved quickly.

Inaccurate and incomplete data obscures Procurement's vision.

Only around 2 percent of chief procurement officers (CPOs) say they have high visibility beyond their tier 1 suppliers.³

Lack of spend visibility hinders procurement leaders from identifying cost-saving opportunities, ensuring compliance, and making informed strategic choices.

3.

How SpendTech helps:

Digital P2P platforms enhance the accessibility and richness of spend data, consolidating it into a single digital hub. This visibility allows you to easily monitor company expenditures, evaluate supplier relationships, and identify strategic opportunities for cost savings.

Rogue spending is racing out of control.

Maverick spending costs enterprises an extra 12-18 percent per dollar, and only 61 percent of spend was contract-compliant in 2022.⁴

How SpendTech helps:

SpendTech features an intuitive digital marketplace in which employees can easily search for products and services from approved suppliers, thereby enforcing compliant purchases. Because it's easy to use, user adoption increases, rogue spending is eliminated, and your organization saves money.

4.



Best-in-class procurement teams average 16 percent higher addressable spend than their peers.⁴

Too much spend is unaddressable.

Best-in-class procurement teams average 16 percent higher addressable spend than their peers.⁴

Manual P2P processes increase unaddressable spend, lower spend under management, and limit your spending control.

5.

How SpendTech helps:

SpendTech funnels supplier data into one intuitive platform, and AI will categorize spending for you. It automatically captures and labels spend data by supplier, location, department, or custom category.

Supplier performance is difficult to track.

Only 43 percent of enterprise suppliers are digitally enabled.⁴

Fewer digital suppliers means slower invoice processing, less accurate POs and invoices, and less frequent status updates.

6.

How SpendTech helps:

Digital P2P solutions move supplier data onto your digital platform. That boosts PO and invoice accuracy, leads to more on-time payments, and lets you see an order's status at every stage of the P2P process.

Weak reporting stalls procurement initiatives.

Poor data quality costs organizations \$15 million each year.⁵

Manual P2P inputs cause errors, tarnish data quality, and limit the amount of spend data you can gather. They also lead to costly financial miscalculations.

7.

How SpendTech helps:

Digital P2P solutions reduce manual input errors, capture more spend data through a digital marketplace, and provide real-time reports. Those insights empower procurement leaders to identify opportunities and make smarter strategic decisions.

Conventional P2P derails supplier diversity goals.

Best-in-class companies' diversity spend is more than twice as high as the average business.⁶

Meeting diversity objectives is difficult if employees making purchases are unaware of the supplier diversity options available.

8.

How SpendTech helps:

Advanced SpendTech can categorize suppliers and provide detailed insights into expenditures with businesses owned by women, veterans, or others that align with a company's environmental, social, and governance (ESG) initiatives. This simplifies the process of achieving corporate social responsibility (CSR) objectives.

Traditional P2P is muddying accounting.

Human error causes 41 percent of reporting mistakes.⁷

Manual entry causes errors that can throw off accounting, confuse forecasting, and slow down growth plans.

9.

How SpendTech helps:

Digital P2P solutions automate accounts payable tasks, use artificial intelligence to reduce errors, and produce comprehensive financial reports. This results in more precise and detailed financial data, enabling businesses to forecast more effectively, maintain compliance with contracts, and manage budgets more efficiently.

Technology is tangled and complicated.

On average, mid-sized companies use 255 apps.⁸

If the components of your tech stack don't seamlessly work together, it confuses employees, frustrates teams, and wastes time and money.

10.

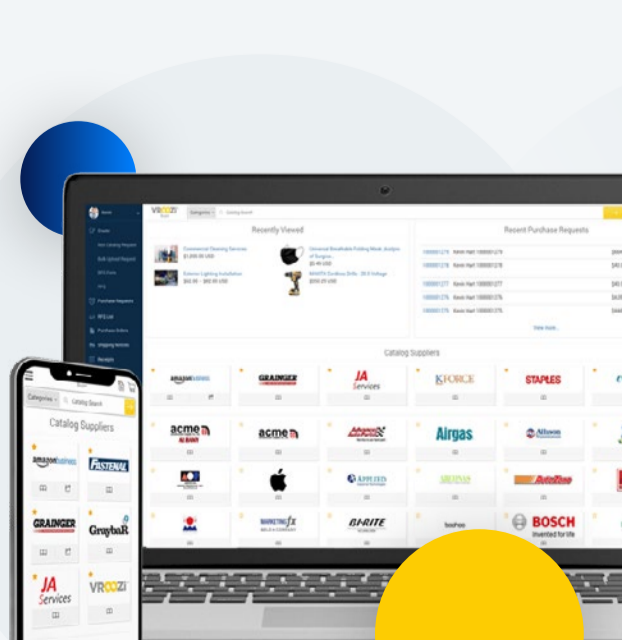
How SpendTech helps:

SpendTech seamlessly integrates with your existing ERP and financial systems, centralizing data from diverse applications into one intuitive platform for a streamlined and efficient user experience.

Supercharge Your P2P Processes with Best-in-Class SpendTech®

Want to see how a best-in-class automated P2P solution can help your procurement and AP teams hit their goals faster? Schedule a Vroozi demo to see how our AI-powered solution can transform your procurement and financial operations.

[Request a Demo](#)



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