

AP AUTOMATION GAP BRIEFING PAPER

Executive Summary

Accounts Payable (AP) is evolving from an operational task to a strategic finance issue. Only 15% of UK organisations have fully automated AP processes, the majority rely on manual or partially automated workflows. Finance leaders are recognising that manual AP processes restrict **scalability, visibility, compliance, and control**. This briefing outlines the key findings, strategic risks, challenges, considerations, opportunities and recommendations for CFOs and Finance Directors.

KEY STATISTICS

%	Responses	% Cited	Primary Challenges
15%	Organisations have fully automated AP processes	35%	Invoice approval delays
69%	Finance professionals believe manual AP makes it harder to scale	31%	Rising processing costs
70%	CFOs feel current systems lack the control to address AP inefficiencies	28%	Manual data entry
84%	CFOs agree improving invoice accuracy enhances reporting reliability	27%	Lack of visibility
90%	CFOs believe efficient AP processes strengthen supplier relationships	26%	Duplicate payments
75%	Finance professionals expect AI to free teams for strategic work		
77%	Believe AP automation reduces compliance risk and audit stress		

RISKS

Manual AP processes carry significant strategic risks including:

- Cash flow uncertainty due to delayed approvals and limited visibility
- Increased likelihood of duplicate or erroneous payments impacting financial accuracy
- Compliance challenges, particularly with rising e-invoicing mandates and audit demands
- Erosion of supplier relationships due to inconsistent payment cycles and errors
- Strategic credibility issues for the CFO as forecasting and reporting rely on inaccurate AP data

CHALLENGES

As organisations expand, manual AP processes become increasingly unsustainable:

- Mid-market organisations (100–249 employees) report 40% approval delays and 36% visibility issues
- Larger organisations continue to face month-end close pressure, rising costs, and error rates even with partial automation

CONSIDERATIONS

Compliance is a primary driver for AP transformation:

- 39% of finance professionals rank compliance and e-invoicing readiness as top investment priorities
- 77% agree automation reduces compliance risk, and 84% of CFOs note improved reporting reliability via accurate invoice capture
- E-invoicing mandates (ViDA, PEPPOL) and regulatory requirements elevate the need for digital AP solutions

OPPORTUNITIES

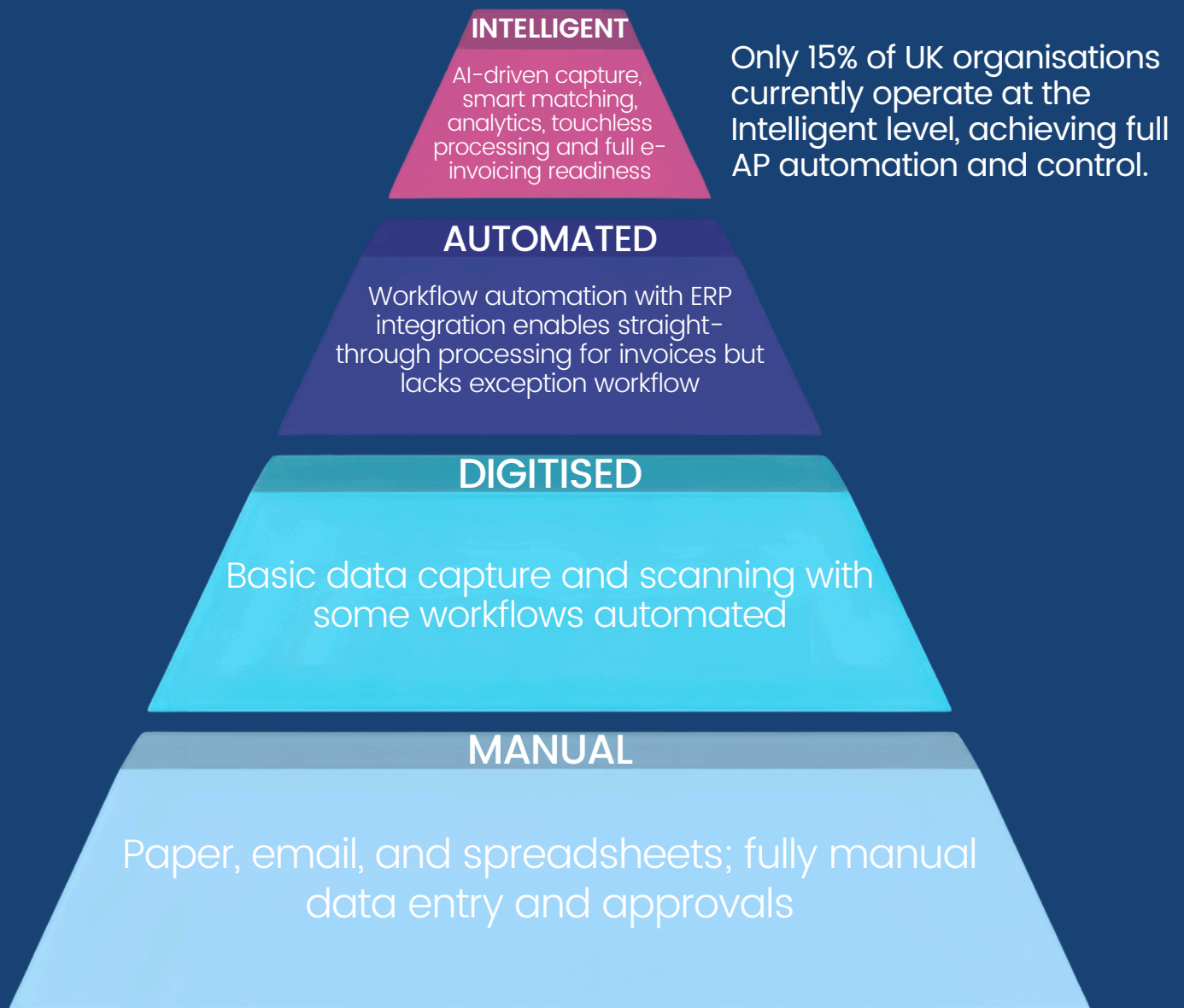
Artificial Intelligence is now seen as a transformative tool in AP automation:

- 75% of finance professionals (80% of CFOs) believe AI will free up teams for strategic activities.
- AI enables near 99% data capture accuracy, automated matching, coding, and exception handling.
- Real-time analytics and dashboards enhance cash flow and supplier performance insights.
- AI-driven automation significantly reduces manual data entry, approval cycle times, and error rates.

CONCLUSION

Accounts Payable is no longer a back-office function; it is a strategic finance process that directly impacts control, scalability and investor confidence. With only 15% of organisations fully automated, finance leaders must anticipate the inflection point and invest in integrated AP automation, AI and analytics to support growth, compliance and reporting.

AP MATURITY MODEL



RECOMMENDATIONS

Based on the findings, CFOs should consider the following actions:

- ☐ Conduct an AP maturity assessment to benchmark current performance
- ☐ Invest in end-to-end AP automation with ERP integration for full process visibility
- ☐ Leverage AI for data capture accuracy, verification, intelligent matching and routing
- ☐ Prioritise compliance readiness and e-invoicing capabilities
- ☐ Use reporting and analytics to improve cash flow forecasting and supplier management
- ☐ Re-allocate skilled finance resources from manual tasks to strategic initiatives