

THE STATE OF AP AND 7 IMPORTANT TRENDS TO BE READY FOR



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MEET YOUR SPEAKER



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AGENDA



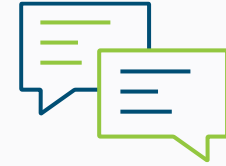
**The Current State
of Accounts
Payable**



**Tech making an
impact for Finance
Professionals**



**7 Important
Trends to Be
Ready for**



Q&A



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THE CURRENT STATE OF B2B PAYMENTS

60%

of total US B2B payments (80 percent of small B2B) are still made via paper check, which points to opportunity for growth, efficiency and tech solutions

33%

Middle market businesses are 33 percent more likely to pay by check than large businesses.

\$2.15B

Back-office AP costs total more than \$2.15 billion annually.*

*per Goldman Sachs



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CURRENT/HISTORICAL PAIN POINTS FOR B2B PAYMENT MANAGEMENT



What we've heard about paper?

\$12.90

is the average cost to process an invoice, with a median invoice processing cost of \$7.90.*

20%

of businesses say that reconciling duplicate invoices is among their top challenges in processing paper invoices.**

72%

of businesses surveyed by IOFM said that paper checks (generated by the accounts payable department or by a third-party) are the payment type most vulnerable to fraud.

16%

of businesses have suffered check fraud within the past two years, IOFM reports.

*Association for Image and Information Management (AIIM)

**IOFM



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BUSINESSES FACE NEW CHALLENGES

DISJOINTED WORKFORCES

94 percent of organizations are allowing for **more flexibility in where and when employees work**, even as employees return to the workplace

*per Gartner research

CYBERSECURITY THREATS

72 percent say the **cyber threat against their organization has increased** over the last two years – 34 percent say it's grown even more during pandemic

*per Deloitte research

INCREASING DIGITIZATION

96 percent of **CFOs plan to digitize AP and AR** functions within the next year

*per PYMNTS.com research



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Ask Yourself:

What are the toughest challenges my AP operation faced over the past 12-18 months?

Why should your CFO care?



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**“APPLIED” TECHNOLOGY
CAN MAKE A DIFFERENCE
FOR
FINANCE PROFESSIONALS**

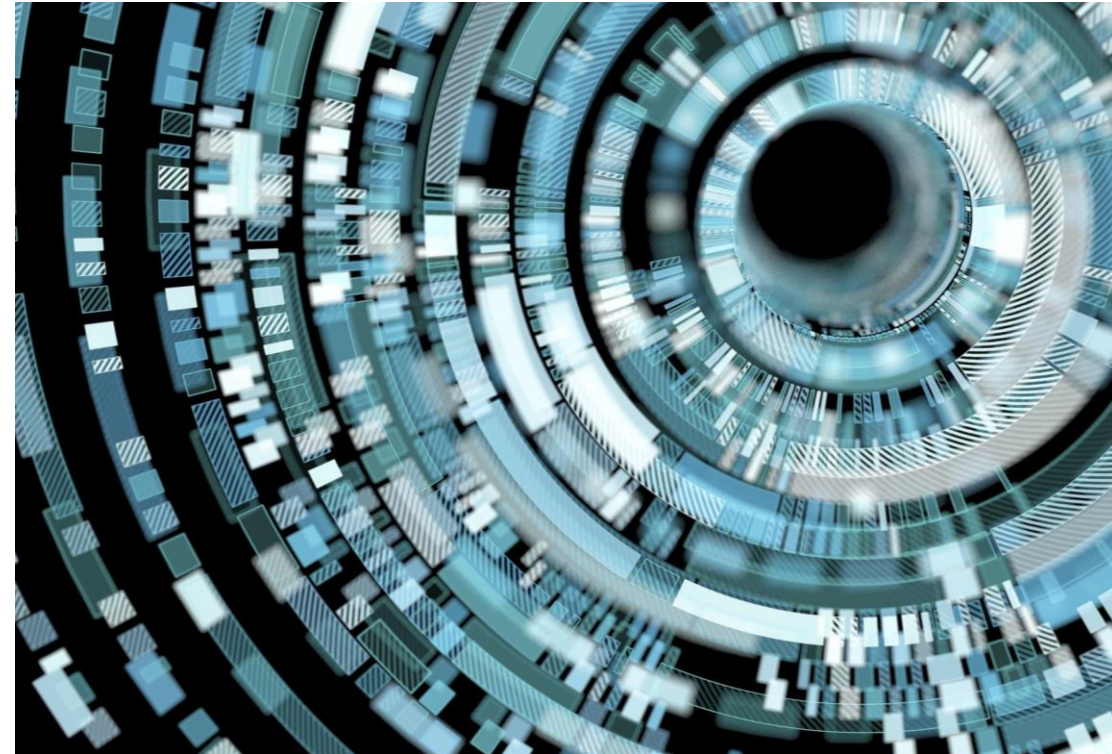


Artificial intelligence (AI)

83% of businesses cite artificial intelligence as a strategic priority in the coming years.¹

Key benefits of AI:

- AI can boost labor productivity by up to **40%** by automating mundane tasks.²
- The AI market is expected to reach **\$190 billion** by 2025 (CAGR of 36.62% during the forecast period).³
- **84%** of businesses say AI will help them obtain or sustain a competitive advantage.⁴
- **75%** say AI will allow them to move into new businesses and ventures.⁴



1. AvidXchange research
2. [Accenture research](#)
3. [MarketsandMarket forecast](#)
4. [MITSLoan Management Review](#)



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MACHINE LEARNING & BIG DATA

Machine learning analyzes historical data and behaviors to predict patterns and make decisions.

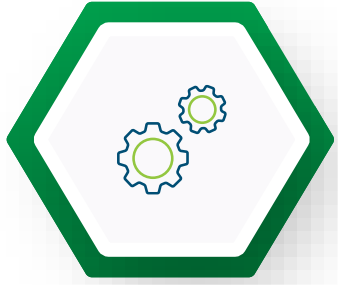
Machine learning can:

- Help identify and evaluate specific risk indicators
- Uncover any unusual patterns or threats
- Reduce fraud (even delay a potentially fraudulent transaction until a human makes a decision)
- Identify future opportunities



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Automated Accounts payable



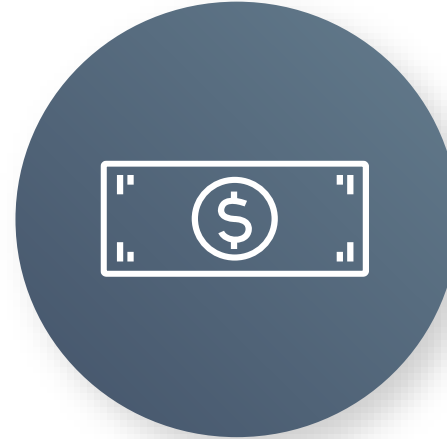
Increase Efficiency and Flexibility

You can increase your visibility of all invoices and payments while being able to access your data from anywhere.



Increase AP Security

Lose any paper checks lately? Reduce fraud risk by removing paper from the process.



Save Your Company Money

When you get rid of the paper checks and a lot of the manual processes, you can save money.



Improve Supplier Relationships

Gain a dedicated team to assist your suppliers and ensure they get paid on time in their preferred payment method.



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7 IMPORTANT TRENDS TO BE READY FOR



1. STAFF IN TRANSITION

Organizations will continue to evaluate ways to allow staff maximum flexibility.

The new workforce expects flexibility:

- Progressive organizations will continue to look at their **options in allowing maximum flexibility** for staff
- Many companies have seen **turnover** — and we expect to see more of it
- Allowing **remote workers opens the door to a wider labor pool** than just those people within commuting distance
- Accenture’s “Future of Work” study revealed 83% of those surveyed believe **a hybrid work model would be ideal**, hybrid defined as WFH 25-75 percent of the time



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C-SUITE EXECUTIVES GRAPPLE WITH TALENT CRISIS

TOP 5 RISKS FOR 2022	TOP 5 RISKS FOR 2031
1. Pandemic-related government policies and regulation impact business performance	1. Adoption of digital technologies requires new skills or significant efforts to upskill/reskill existing employees
2. Succession challenges, ability to attract and retain top talent	2. Succession challenges, ability to attract and retain top talent
3. Pandemic-related market conditions reduce customer demand	3. Rapid speed of disruptive innovation outpaces our ability to compete
4. Adoption of digital technologies requires new skills or significant efforts to upskill/reskill existing employees	4. Substitute products or services arise that affect our business model
5. Economic conditions, including inflationary pressures, constrain growth opportunities	5. Economic conditions, including inflationary pressures, constrain growth opportunities



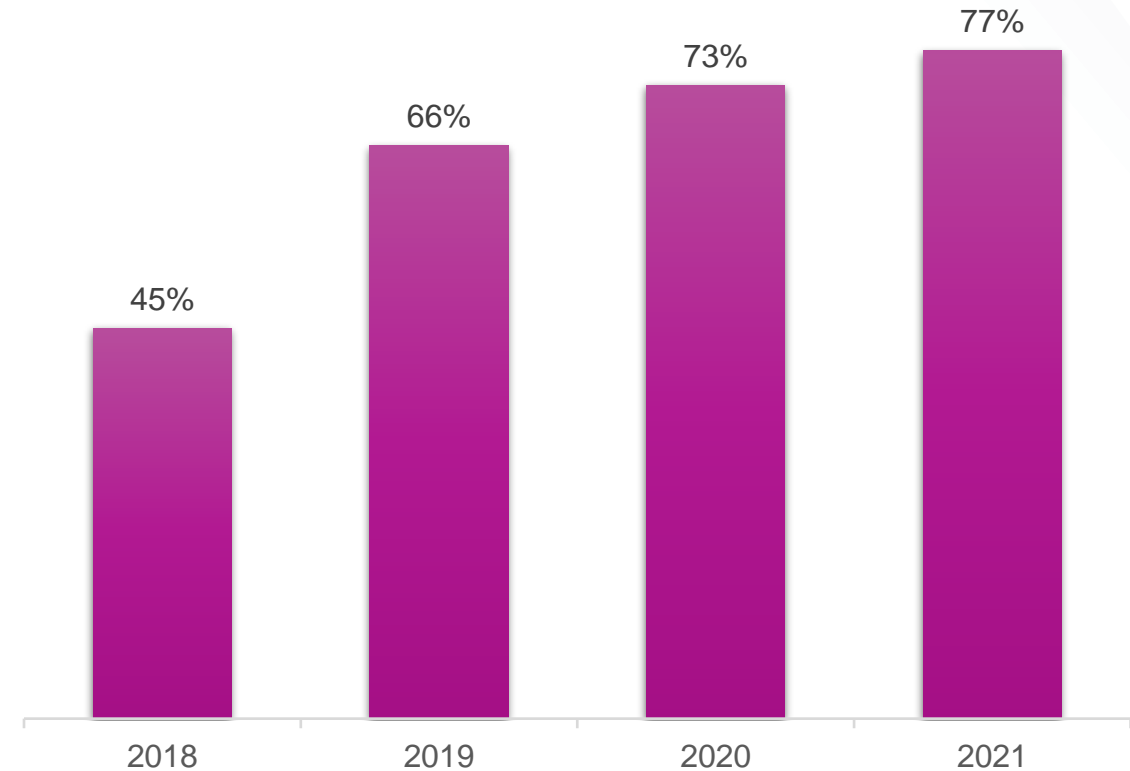
2. END-TO-END PAPERLESS SOLUTIONS

Eliminating paper invoices and checks can be a catalyst for further automation

Organizations hustled to automate end-to-end:

- IOFM benchmarking data shows 77 percent of surveyed AP teams have adopted some form of automation
- Departments that considered themselves automated because they were scanning in their paper invoices or routing invoices for approval via email quickly realized that this was not a true paperless solution, and they needed much more
- It's also unlikely that once automated, AP organizations will go back

SHARE OF AUTOMATED AP TEAMS*



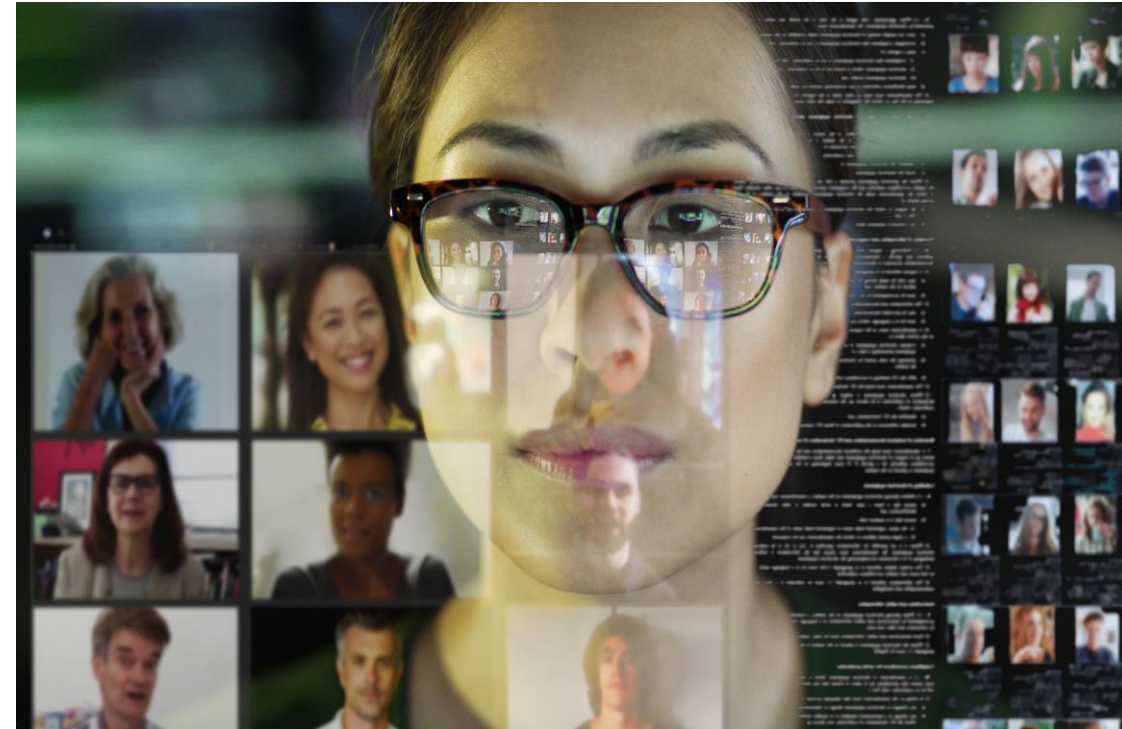


3. GREATER STRATEGIC FOCUS

The move to paperless processing will allow AP teams to become more strategic.

Instead of performing mundane tasks, AP team members can instead:

- Work on process improvements to get the most from automated solutions
- Create workflow efficiencies that generate fewer errors
- Breakdown silos between AP and procurement to uncover discounts and rebate programs
- Investigate suppliers to ensure compliance
- Clean up master vendor files to avoid errors, fines and penalties



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4. BETTER DATA, BETTER REPORTING

Business intelligence gained through data can shed light on important trends and more impactful financial stories.

Reasons to value data storytelling:

- Presenting information to business leaders in story form makes a compelling case for process improvements that can even turn AP into a profit center
- Data can uncover missed discounts and billing errors
- “Based on numbers, a finance pro needs to know what story they’re trying to tell. They need to know if the story is of value to the business or if they’re missing the mark,” said Tara Klein, VP of Finance at Graham Oleson, during REVx on the Road, Denver



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5. MORE ROBUST CYBERSECURITY

In 2022, fraud will continue to rise; the best-protected organizations will employ a strong cybersecurity and risk assessment partner to thwart it.

Major fraud risks for AP:

- Ransomware attacks
- Check fraud
- Decentralized, vulnerable systems lessening information security and risk mitigation
- Automated AP solutions can help provide protection against these pervasive problems



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Why Understanding Fraud is Important



49%

FRAUD TARGETS

49% of organizations globally said they've been a victim of fraud, up from 36%



64%

FINANCIAL LOSSES

64% of organizations said losses could amount to \$1M USD



52%

PERPETRATORS

52% of all frauds are perpetrated by people inside the organization



31%

CYBERCRIME

31% of fraud events were in the form of cybercrime



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HOW AP AUTOMATION ENHANCES AP SECURITY

SECURITY MONITORING

When you automate you gain a 24/7, 365/day on-call rotation of security operations staff dedicated to protecting your data.

IDENTITY ACCESS MANAGEMENT

Ensure the right individuals have the right access to resources at the right times and for the right reasons.

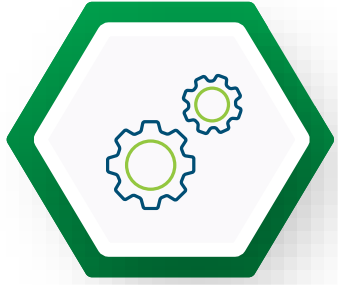
DATA SECURITY

Help protect many different data types and information. No more paper checks floating around the office or storing sensitive information in a filing cabinet.



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6. COMPLIANCE CHALLENGES

2022 brings several new and challenging compliance requirements.

Compliance is always a concern for finance teams, so keep these points in mind:

- For 2022 reporting of 2021 payments (1099 and 1042 series), the electronic filing threshold has decreased from 250 forms of a single type to 100 forms of all types combined; that will decrease further for 2023 reporting
- Extension requests for 2022 forms must be faxed, not mailed in
- Enhanced enforcement of the Corporate Transparency Act and the Anti-Money Laundering Act
- Tech will play a major role in ensuring compliance



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QUESTIONS?

THANK YOU!