

THE STATE OF ACCOUNTS PAYABLE 2025

Trends & Insights



Table of Contents

Reimagining AP for Strategic Impact	3
The Fundamentals for AP Excellence	4
In Conversation with Steven Huynh, VP, Head of Payment Network and Strategy, Papaya Global	12
Top Trends Shaping the Future of AP	13
The Future of AP: Strategic, Unified, and Insight-Driven	17

Reimagining AP for Strategic Impact

Traditionally, Accounts Payable (AP) is defined as a back-office, transactional function; largely focused on processing invoices, managing payments, and reconciliations. However, future-looking Global Business Services (GBS) leaders are keen to reposition AP as a center of value to support the evolving role of shared services.

Like many forward-thinking GBS leaders, [Julie Schwendimann](#), VP of Global Shared Services Operations for Stanley Black & Decker, Inc., believes that strategic AP “needs to go beyond the transactional processing aspects, where you’re actively contributing to the organization’s overall financial health and objectives. GBS leaders are in a particular position to turn AP into a value center as shared services “sit on a lot of data; shared services have access and governance across multiple functions.” Julie also notes that moving AP beyond transactional processes is especially crucial in the modern business landscape, “given the tariffs and all the uncertainty in the markets.”

Yet, manual processes, inefficiencies, and security risks hinder AP teams. Data collected at the March [AP Automation Virtual Summit](#) revealed that data entry, processing delays, compliance complexities, and invoice matching errors are the top reported AP challenges.

As such, this report will first examine the core principles of AP excellence to secure a robust foundation for transformation. This includes key metrics, data management, compliance readiness, and fraud risk management.

Then, we will explore future trends that will reposition AP as a strategic value driver. This includes a comprehensive guide to improve manual and inefficient AP processes with unified payment platforms, touchless invoice processing, e-invoicing, and Artificial Intelligence (AI).

FIGURE 1

What are your biggest AP challenges?

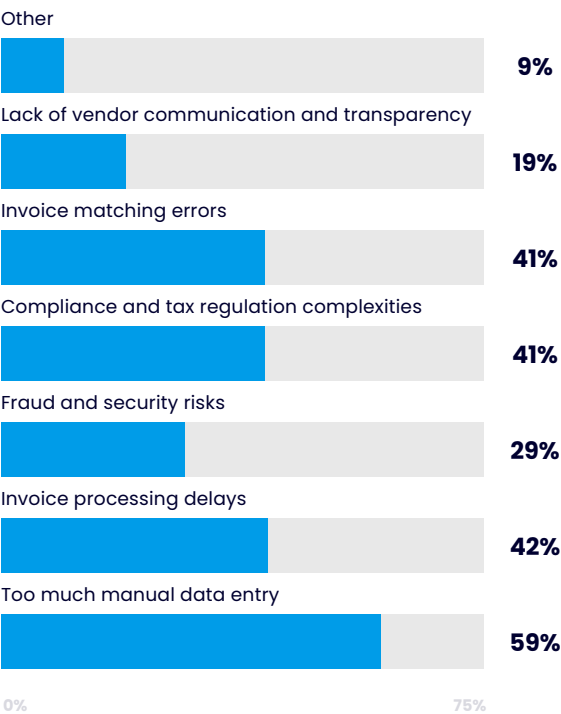


Figure 1 Source: AP Automation Virtual Summit, March 2025



Fundamentals for AP Excellence



The Key Metrics to Track for Successful AP

When efficiently monitored, AP data acts as a mirror of an organization's financial health. By tracking the correct metrics, leaders gain visibility into the enterprise's cash flow, spending patterns, and supplier relationships, allowing for more strategic decision-making.



FIGURE 2

What are the most important metrics to track within AP?

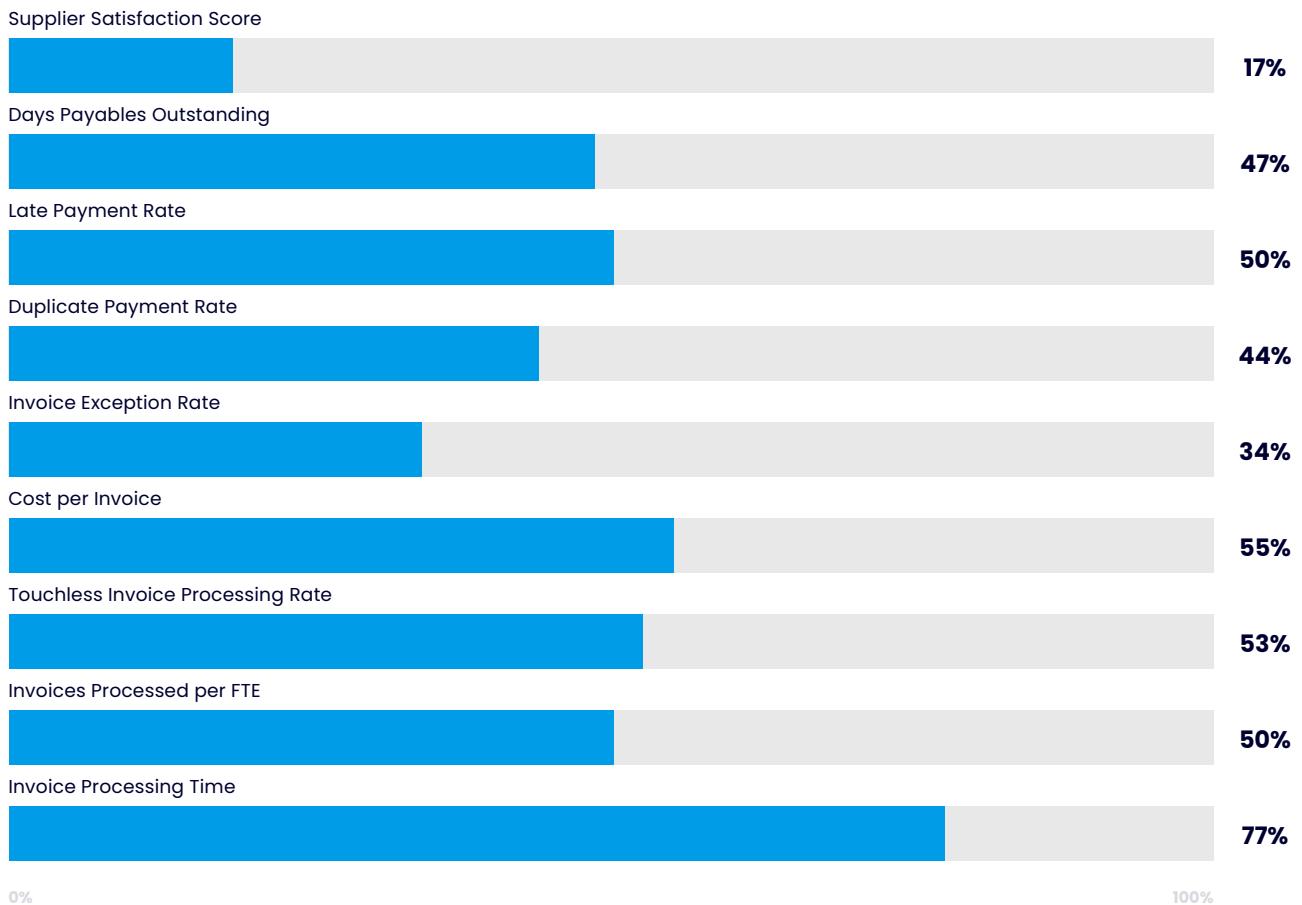


Figure 2 Source: AP Automation Virtual Summit, March 2025

continued

AP leaders at SSON's March [AP Automation Virtual Summit](#) identified the most important key performance indicators (KPIs) as: Invoice Processing Time, Invoices Processed per FTE, Touchless Invoice Processing Rate, Cost per Invoice, Late Payment Rate, and Days Payables Outstanding (DPO).



A Guide to the Top 5 AP KPIs

Invoice Processing Time	Definition Measures the average time it takes to process an invoice.	Strategic Benefit Shorter times mean faster supplier payments, which can unlock discounts and avoid late penalties.
Invoices Processed per FTE	Definition Measures how many invoices a full-time employee can process within a specific timeframe.	Strategic Benefit Lower numbers may suggest bottlenecks or reduced staff productivity.
Touchless Invoice Processing Rate	Definition Measures the percentage of invoices processed without human intervention.	Strategic Benefit Higher rates indicate improved efficiency, reduced errors, and faster processing.
Cost per Invoice	Definition Measures the total cost of processing a single invoice.	Strategic Benefit Cost visibility enables strategic cost optimization and resource allocation.
Late Payment Rate	Definition Measures the percentage of invoices paid after their due date.	Strategic Benefit High rates signal cash flow problems and can damage supplier relationships.

These prioritized metrics underscore the pillars of modern AP excellence: efficiency, automation, and cost control.

continued



Ensuring Compliance Readiness

Next, ensuring compliance within AP is crucial to maintaining legal, financial, and operational integrity. There are multiple forms of compliance that AP teams must be familiar with:

Accounting: Accurate and consistent reporting adheres to frameworks such as the Generally Accepted Accounting Principles (GAAP) and the International Financial Reporting Standards (IFRS).

Tax: Classifying vendors and withholding or reporting taxes accordingly adheres to regional variations in tax (such as VAT, GST, and Sales Tax).

Regulatory: For example, the Sarbanes-Oxley Act (SOX) ensures internal controls over reporting. Anti-Money Laundering (AML) and Know Your Customer (KYC) are examples of principles that prevent fraudulent activity.

Data & Privacy: Frameworks such as the General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA) protect enterprise data.

Robust Partnerships are Key



For Michael Stenzel, Head GPO Procure to Pay and T&E at Sandoz, a key consideration for ensuring compliance readiness is a robust partnership with suppliers and solution providers.

“How do we hold IT providers accountable, so that they’re living up to these requirements? We have issues here in Germany, for example, as of this year, we should comply with e-invoicing standards [...] So, how do we push and hold these providers accountable?”



E-invoicing Compliance

In the digital age, many AP leaders are concerned with how e-invoicing has complicated the regulatory landscape. According to SSON data, 76% of organizations are already receiving e-invoices. Yet, polling at SSON’s March AP Automation Virtual Summit reveals only 10% feel “very equipped” for e-invoicing mandates and Continuous Transaction Controls (CTC) compliance; a concerning discrepancy.

FIGURE 3

What is your current level of knowledge for e-invoicing mandates or CTC compliance?

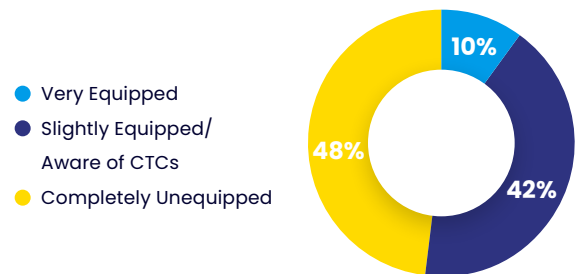


Figure 3 Source: AP Automation Virtual Summit, March 2025

FIGURE 4

Are you receiving electronic invoices today?

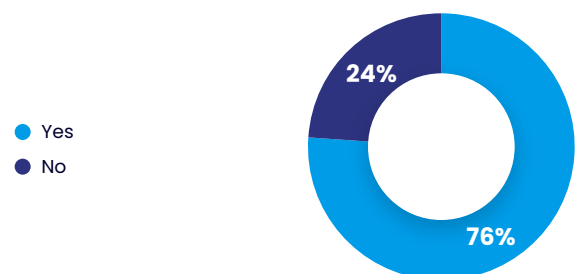


Figure 4 Source: Data collected at SSON Digital webinar

continued

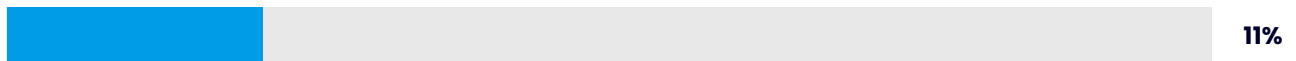
SSON data also cites four key e-invoicing compliance challenges: budget constraints, integration challenges, strategic technology implementation, and keeping up with the evolving regulatory landscape.



FIGURE 5

What is your biggest challenge in complying with e-invoicing regulations?

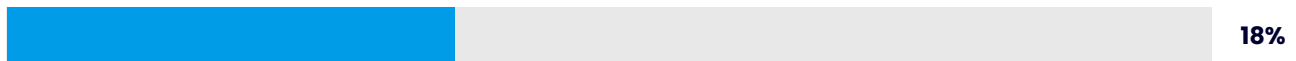
Budget constraints and resource limitations



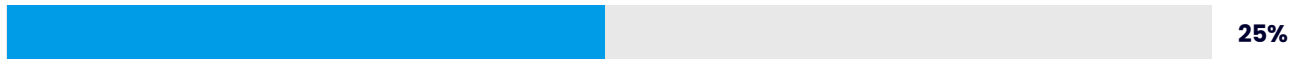
Managing integration with existing systems



Implementing the right technology



Keeping up with changing mandates



0%

50%

Figure 5 Source: Data collected at SSON Digital webinar

With this in mind, best practices for adhering to e-invoicing compliance include:

- 1 A phased, scalable approach to compliance to tackle budget constraints.
- 2 Select a modular, API-driven solution to address integration challenges.
- 3 Establish a centralized compliance team for strategic implementation.
- 4 Remain proactive in monitoring the regulatory landscape.
- 5 Consider leveraging a cloud-based compliance platform.

"[...] We sit on 50+ ERPs. So, what I would say is, we're looking for technology enablement.

How do we upgrade our AP systems to be able to support the different automated tax calculations, e-invoicing compliance, and real-time validation, because we want to be able to continuously monitor?

This also means a lot of collaboration. Not just within my shared services organization, but working very closely with tax, legal, and IT teams to bring all of this together in a coordinated effort. [...] So, definitely, a proactive, technology-driven, and collaborative approach when thinking about how we approach e-invoicing."

Julie Schwendimann

continued



Fraud Risk Management

Fraud management is a cornerstone of AP as teams handle a large volume of financial and vendor data. Effective fraud mitigation is more crucial than ever, as advanced technologies have given rise to more sophisticated fraud risks. SSON data reveals that 60% of organizations are facing increased fraud risks, with another quarter noting risks have remained consistent.

Types of fraud risk include:

Payment Fraud: Unauthorized or deceptive payments that can occur through falsified invoices, fake payment requests, or email scams.

Cybersecurity Threats: Examples include phishing, malware, and ransomware that target AP systems to access sensitive data. This leads to costly data breaches, regulatory penalties, and damaged vendor relationships.

Vendor Fraud: This refers to a vendor or employee altering records or submitting fake invoices. Overpayments directly impact cash flow and integrity.

The Power of Automation in Fraud Mitigation



For Michael Stenzel, the future of fraud mitigation lies in automation.

"We embedded automation for bank account validation. [...] Then, in the T&E space, we are leveraging technology. We are now at a 60% automation rate. So, if a traveler is expensing their claims, we have a rules-based automation engine [...] and it gives us 60% fewer manual audit checks. So, we want to drive this further upwards. I would like to go between 80% and 90%."



FIGURE 6

How have your department's fraud risks changed compared to three years ago?

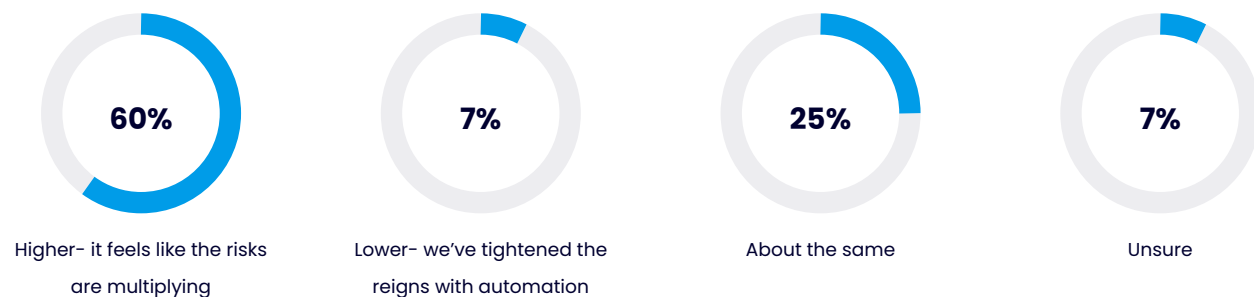


Figure 6 Source: Data collected at SSON Digital webinar

continued

StanleyBlack&Decker

THE STANLEY BLACK & DECKER, INC. SUCCESS STORY

“Even a small number of cases raised concerns with our board and leadership. Their tolerance is understandably low, although I find it interesting, because while it is important to strive for the highest standards, there’s always going to be some level of fraud risk. Eliminating it entirely is unrealistic.” –

Julie Schwendimann

Yet, Stanley Black & Decker Inc. has maintained zero AP fraud cases over the past five years. Their success is the result of a multi-layered prevention strategy, blending advanced technologies with continuous improvement and strong internal oversight:

AI-Driven Detection

To stay ahead of increasingly sophisticated fraud attempts, the company deployed an AI and machine learning-based fraud detection tool.

- ✓ When a vendor submits a bank account change request, the tool generates a brand-new email thread and contacts the primary, secondary, and tertiary vendor contacts to confirm the change.
- ✓ The tool analyses the email’s origin, including IP address, and flags requests from high-risk regions.
- ✓ The system is adaptive, so if a fraudulent attempt succeeds, it retains information based on what it missed, improving future detection.

Voice-Based Validation

The organization also leverages manual intervention via its internal data voice validation team.

“If, for any reason, we’re not confident in the tool or the information provided, we fall back on a data voice validation protocol. Someone from my team calls the vendor directly, preferably via Teams or Zoom, to verify the identity.”

This team of 10 to 15 people is dedicated to monitoring and handling vendor data changes and inquiries. The company intentionally kept this team in-house, due to:

- ✓ The significant liability that third parties might not be willing to assume.
- ✓ Their existing internal capabilities are also cost-effective.

Comprehensive Playbook

The strategy is supported by a detailed internal playbook, which includes risk-based categorizations for different types of data changes. This framework ensures a standardized, repeatable response based on the level of risk associated with each request.

Training and Education

“A playbook requires humans, and humans make mistakes. That underscores the importance of robust training: why we follow certain processes, what the policies are, how to recognize and respond to potential risks.”

Training is both technical and contextual, emphasizing policy adherence, fraud awareness, and the rationale behind every step.

continued

Continuous Improvement

Fraud prevention at Stanley Black & Decker is never a one-and-done exercise. Their approach is grounded in continuous improvement:

“Today’s tools and playbooks are based on current threats, but tomorrow could bring new schemes. That’s why we use tools with machine learning, which evolve as new patterns emerge.”

Beyond tool optimization, the company places a high priority on **external engagement**. Leaders regularly attend industry events and conferences to stay informed of new trends, tools, and evolving fraud threats.

“Fraud prevention is never truly finished—you have to keep testing, probing, and closing potential gaps.”

Overall, Stanley Black & Decker’s ability to sustain zero fraud incidents over five years is a testament to continuous improvement, layered defense, and strategic technology investments.



Smart Data, Stronger AP

Beyond the sensitive nature of AP data, it is crucial to understand the organization’s financial health. Strong data management ensures accurate decision-making, supports compliance, enables smoother automation, and drives efficiency. Essentially, data is the backbone of AP excellence.

SSON’s November AP Automation Virtual Summit 2024 revealed that vendor master data is the most challenging area of Procure-to-Pay (46%), followed by AP/ Ordering transactional data.

FIGURE 7
What is the most challenging P2P data area that requires your focus?

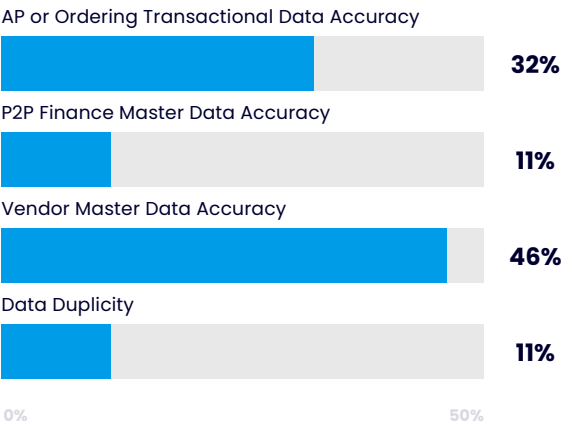


Figure 7 Source: AP Automation Virtual Summit, November 2024



continued

We have certain requirements for suppliers, like a return-to-vendor invoice process. So, if the invoice does not meet our requirements, we're sending it back [...] otherwise we can't process it. I think, in the beginning, it's not appreciated by suppliers, but this just helps to drive quality."

Michael Stenzel.

"[...] We have a Center of Excellence focused on all things related to vendor, customer, and financial. That group is separate from my AP team, but we maintain proper segregation of duties, governance, and a strong framework. Those teams partner closely, which helps ensure compliance and audit readiness. Across all areas, internal controls are critical."

Julie Schwendimann.

AP excellence is a balance of efficiency, compliance, and control. For optimal visibility, organizations should focus on strategic metrics to drive process improvements and strengthen vendor relationships. Next, compliance readiness, in accounting, tax, regulatory, and data security frameworks, is essential to maintain integrity and control. With increasing fraud, AP teams must adopt robust prevention measures and data management practices. Ultimately, data remains the backbone of AP by powering smarter decisions, enabling automation, and ensuring compliance. By prioritizing these elements, organizations lay the infrastructure for a strategic, value-generating AP function.

Top 10 Data Management Tips for AP

1. **Standardize Data Entry:** Consistent formats and protocols to minimize errors.
2. **Automate Invoice Capture & Matching:** Leverage automation tools and Optical Character Recognition (OCR) to reduce manual work.
3. **Validate Data at Entry:** Apply rules to check formats, detect duplicates, and flag anomalies.
4. **Centralize Vendor Information:** Leverage portals and a centralized database to manage vendor records.
5. **Maintain Clean Vendor Master Data:** Regularly update and verify vendors' details.
6. **Integration:** Ensure your ERP, procurement, and AP are fully integrated to sync data.
7. **Audit Regularly:** Conduct routine data audits to detect inconsistencies.
8. **Automate Approval Workflows:** Implement automated checks and routing for verification.
9. **Communicate Clearly with Vendors:** Provide clear invoicing guidelines.
10. **Close the Feedback Loop:** Notify vendors of rejected invoices to prevent repeated errors.



In Conversation with

Steven Huynh, VP, Head of Payments Network and Strategy, Papaya Global

AP is becoming more strategic. What changes or tools do you think will drive that shift in the next few years?

AP has evolved from a reactive back-office function into something much more strategic. Tools that bring more visibility, control, and efficiency into the process—like smart approval flows, embedded payments, and real-time dashboards—are driving that change. I also think we'll see more companies leveraging AP data to manage working capital and supplier relationships more proactively. Fast, compliant execution is becoming a real competitive edge.

As finance teams rethink their tech stacks, what should they focus on first to stay ahead in AP automation?

It starts with getting the foundations right: clean data, integrated systems, and consistent processes across entities. That's what makes automation possible and useful. From there, it's about choosing tools that can scale with the business and reduce friction across AP, payments, and reporting.

"The goal isn't just automation; it's smarter, more connected workflows."

With tax and compliance rules changing fast across regions, how can companies keep up and stay compliant globally?



"You can't treat global compliance as an afterthought."

It needs to be part of how your systems and workflows are built. That means staying current on local requirements, building relationships with trusted partners who understand the regulatory landscape, and having tools that automatically update and track changes. It's not just about avoiding penalties; it's about building trust and being able to scale responsibly.

What are the real benefits of moving to a single, unified payment platform?

When you consolidate payments onto one platform, you reduce errors, improve visibility, and speed up decision-making. It also makes it much easier to stay compliant and report accurately. For global companies, a unified setup helps you act fast in new markets without reinventing the wheel each time. It's one of those changes that may feel complex up front, but it pays off quickly.

What does a smart, scalable cross-border payment setup look like in today's global economy?

It's one that is simple but at the same time gives you both flexibility and control. You need the ability to tap into local payment rails when it makes sense, while also having global infrastructure that ensures speed, transparency, and compliance. Smart setups offer real-time tracking, flexible currency options, and built-in risk controls. Most importantly, they're designed with both the payer and the recipient in mind, making the experience seamless for everyone involved.

Top Trends Shaping the Future of AP

Modern AP is transforming on multiple fronts, as the digital age is reshaping how global finance and shared services teams operate. Steven defines the future of AP with three distinct elements:

AP is becoming a competitive advantage – no longer a cost center, AP is now central to cash flow, compliance, and supplier trust across global operations.

The future is unified and intelligent – a single platform for workforce and vendor payments unlocks real-time visibility, auditability, and faster decisions.

Compliance must be proactive and built-in – global scale demands AP systems that automatically adapt to local tax, reporting, and regulatory changes.



Unified Payment Platforms

Many organizations are looking toward centralized payment hubs that consolidate all payments into a single system. These platforms streamline how businesses send and receive cash by simplifying cross-border and multi-channel payments. Benefits include:

- ✓ Reducing manual work and errors.
- ✓ Providing real-time visibility into cash flows.
- ✓ Enables instant tracking of all transactions.
- ✓ Speeds up reconciliation and cash forecasting.
- ✓ Automate compliance across regions.

As real-time payment options and open banking increase in popularity, unified payment hubs will become the norm. In the long term, centralizing payments positions finance teams for scale and agility.



Touchless Invoice Processing

Through AI and automation, organizations are looking to streamline invoice processing from receipt to payment.

“Touchless” AP refers to fully automated invoice capture, matching, and approval without human intervention. This improves process speed and accuracy, as AI eliminates manual data entry and reduces errors. With routine work automated, AP staff can focus on exceptions, vendor queries, and strategic tasks.

However, completely touchless invoice processing is a goal rather than a reality for the majority of organizations, with many enterprises opting for a phased approach. Data collected at the March [AP Automation Virtual Summit](#) notes that only 3% of respondents have reached a 70% automation level for invoice processing. The majority (42%) report a 31–50% level in processing automation.

FIGURE 8

What is the processing automation (e.g. touchless invoice handling) level in your P2P procedures?

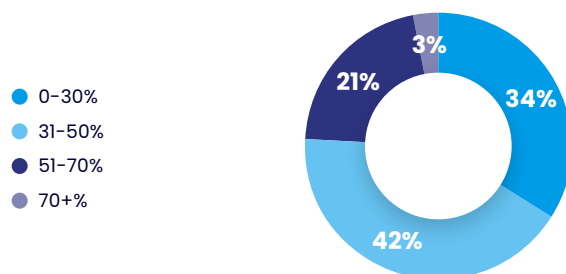


Figure 8 Source: AP Automation Virtual Summit, March 2025

continued

FIGURE 9
Which of these represents your biggest concern about autonomous AP?

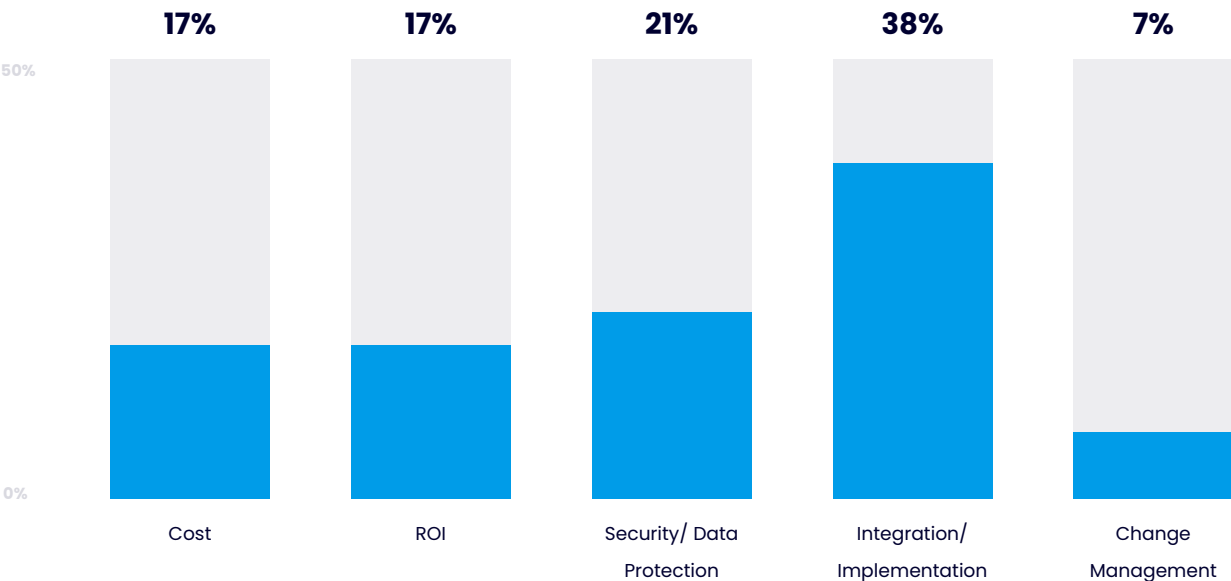


Figure 9 Source: AP Automation Virtual Summit, March 2025

Beyond this, almost 40% of respondents noted integration/implementation as the biggest concern regarding autonomous AP.

With this in mind, key implementation considerations include:

Automated Invoice Capture: Leverage OCR and AI-based data extraction tools to capture invoices from all sources with minimal manual intervention.

Clearly Defined and Enforced Workflows: Design standardized workflows with predefined rules for approvals, validations, and exceptions.

Human Oversight for Exceptions: Implement intelligent exception-handling workflows with human intervention reserved for complex cases.

Proactive Change Management: Support transformation through structured change management, including stakeholder engagement, training, and continuous feedback loops.

Strong Compliance Controls: Embed controls to ensure compliance with tax, regulatory, and internal policies.



continued

Non-PO Invoices

However, whilst organizations advance toward fully touchless invoice processing, a key challenge remains in handling non-PO (purchase order) invoices, as Michael Stenzel points out.

“For PO invoices, we are in fairly good shape. But what about non-PO invoices? If you don’t have a purchase order mandate, you have a non-PO invoice. These non-PO invoices are not something you can’t fully automate, or we can’t fully automate yet. There are solutions out there that can take such invoices and go through coding proposals, but the question lies in the level of quality there. This is something we are at least three to five years away from.”

Unlike PO-based transactions, which follow predefined structures and approvals, non-PO invoices often lack the standardization necessary for full automation. As a result, achieving end-to-end touchless processing for non-PO invoices remains a longer-term goal,

highlighting the need for a phased and realistic approach to AP automation.

In the future, AP could become a largely exception-driven function, with most invoices flowing straight through and finance professionals acting as analysts and strategists.

The Unstoppable Momentum of E-Invoicing

E-invoicing is rapidly becoming standard worldwide, yet preparation is lacking. Many countries, such as Italy, Brazil, India, and Mexico, now mandate B2B e-invoices or real-time reporting to tax authorities. This trend goes hand-in-hand with CTC, where governments require near real-time submission of transaction data to increase tax compliance.

However, recent data collected by SSON Digital reveals that only 5% of teams feel “fully compliant and ready” for upcoming e-invoicing mandates. A quarter are “not sure where to begin,” and 40% are only just beginning to explore the topic.

FIGURE 10
How prepared is your organization for upcoming e-invoicing mandates?

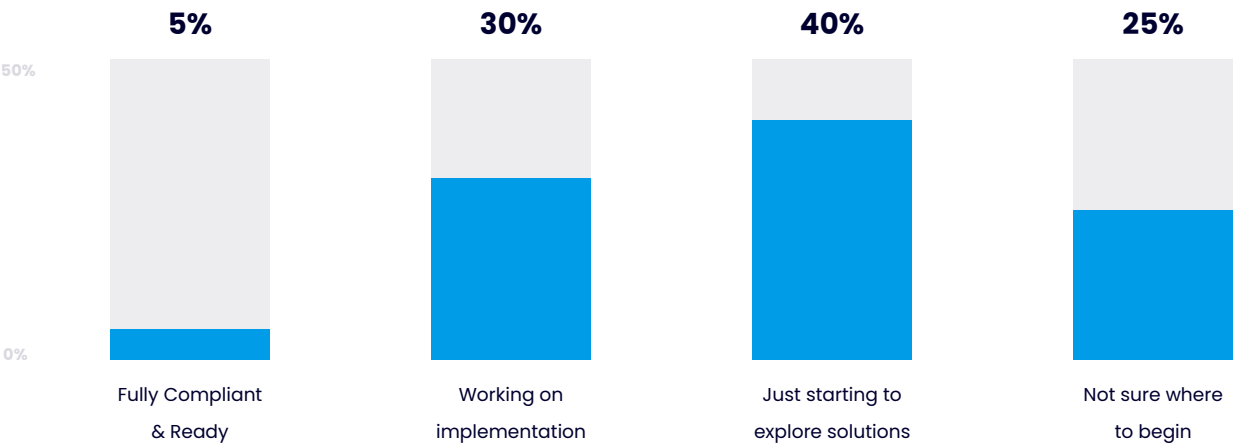


Figure 10 Source: Data collected at SSON Digital webinar

continued

However, e-invoicing compliance not only avoids legal repercussions but also provides organizations with a competitive edge. For example, structured e-invoices contain complete tax and line-item data, speeding up validation and reducing errors compared to paper invoices. In short, AP teams gain faster processing, fewer disputes, and peace of mind that compliance is embedded in the workflow.



AI-Powered AP

AI has been impacting AP for years through OCR, rule-based automation, and predictive analytics. However, recent advances in generative and agentic AI are propelling AP from a cost center into a strategic function.

AI adoption within P2P is a clear priority for GBS leaders, supported by data collected by SSON. With almost half of organizations noting AI implementation as a part of their digital roadmap, a further 23% are already in the process.

FIGURE 11

What is the level of AI adoption in your P2P procedures?

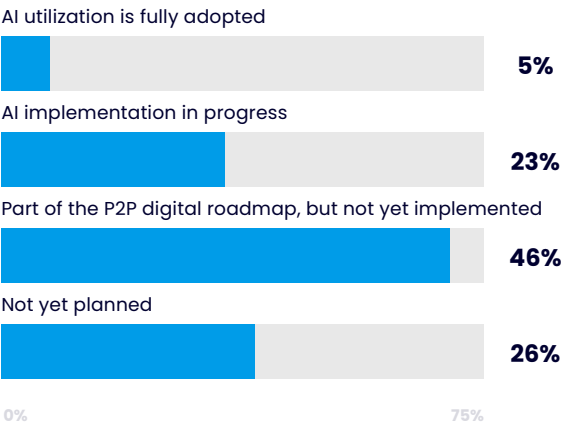


Figure 11 Source: AP Automation Virtual Summit, March 2025



Top Use Cases for AI-Powered AP

Exception Handling

For example, Michael Stenzel notes the potential of AI to reduce manual effort in deviation management.

“It’s about how you bring in invoices with the least amount of effort. The biggest workload always stems from deviation management. What if GRs (goods receipts) are not posted? What if you have price or quality deviations, and you need to get additional approval? So, what requires human intervention?”

Vendor Inquiries

Julie Schwendimann highlights the potential of AI handling vendor queries, especially when considering cross-border AP. Some inquiries are simple and can receive automated responses, while others may require escalation.

AI as a first-line filter, improving speed, reducing manual handling, and maintaining sentiment neutrality:

“You want to respond with just factual information, no drama or emotions [...] So, not that I want to take the human element out of it, but generative AI can somewhat help to balance that in a response.”

AI can also support multilingual translation, address global communication barriers, and improve service levels. As Julie Schwendimann notes, this would improve clarity and customer satisfaction across regions.

“With generative AI, the sophistication around translation tools is just getting better. So, you can be someone in India looking at something that’s in Czech or Polish and easily convert that and respond, and it would sound like you were a native speaker!”

The Future of AP

Strategic, Unified, and Insight-Driven

AP is shifting beyond transactional tasks, evolving into a strategic pillar within global finance and shared services. As this report notes, leading organizations are reimagining AP to enhance efficiency, ensure compliance, mitigate risk, and unlock greater value through data and automation.

The road to AP excellence requires a foundational focus on KPIs, robust data management, and proactive compliance readiness. As fraud risks and regulatory requirements grow more complex, automation, AI, and layered defense strategies become essential tools to safeguard operations. At the same time, innovations like touchless invoice processing, unified payment platforms, and generative AI are reshaping what is possible in AP.

To truly transform, organizations must move beyond short-term automation goals and invest in scalable, connected systems that support global growth and resilience. The future of AP is intelligent, unified, and insight-driven. This digital ecosystem allows finance professionals to shift from manual processing to strategic decision-making, empowered by technology and data.

By embracing this evolution, AP leaders can elevate their role from cost managers to value creators, driving impact across cash flow, compliance, supplier relationships, and enterprise agility. **The transformation is not only necessary, but already underway.**

Contributors



Julie Schwendimann

VP of Global Shared Services
Operations

Stanley Black & Decker, Inc



Michael Stenzel

Head GPO Procure to Pay and T&E

Sandoz



Steven Huynh

VP, Head of Payment Network and
Strategy

Papaya Global


www.papayaglobal.com

Papaya Global is the platform for global workforce, helping leading enterprises to pay workers compliantly in the local currency of 160+ countries. After having revolutionized payroll by automating manual processes, Papaya is the first SaaS company to offer its own licensed payments platform, in partnership with J.P. Morgan. With same-day delivery and low, transparent fees, Papaya makes global payments faster, safer, and more efficient*.

Backed by world-leading investors, Papaya Global has raised more than \$450M (most recently at a \$3.7B valuation).

*Papaya Global's payment services are offered through Azimo, Papaya's licensed payments arm. Azimo is a payment services provider regulated in five Tier-1 jurisdictions. These licenses allow Papaya, together with its partners, to provide workforce payments worldwide. For further information on Azimo's licenses worldwide, check our licensing page.


www.ssonetwork.com

The **Shared Services & Outsourcing Network** (SSON) is the largest and most established community of shared services and outsourcing professionals in the world, with over 170,000 members. Established in 1999, SSON recognised the revolution in support services as it was happening and realised that a forum was needed through which practitioners could connect with each other on a regional and global basis. SSON is a one-stop shop for shared services professionals, offering industry-leading events, training, reports, surveys, interviews, white papers, videos, editorial, infographics, podcasts and more.