

# AP Automation *Readiness* Research

*Segmented Results Covering  
Different Revenue Levels*

Summary Report

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## SURVEY CONTACTS

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# About the Survey

1<sup>st</sup> Year of Research



**118**  
respondents



**18**  
questions



**28 Day**  
survey  
runtime

## Top Respondent Industries



Manufacturing

**19%**



Healthcare / Hospital /  
Health Services

**8%**



Retail / Wholesale /  
Distribution

**8%**

## Top 3 Respondent Roles

**42%**

Treasury Manager /  
Cash Manager /  
Treasury Analyst

**30%**

Assistant Treasurer /  
Director of Treasury

**10%**

CFO /  
Treasurer

## Annual Revenue

Under \$50MM 12%

\$50MM - 100MM 11%

\$100MM - 500MM 18%

\$500MM - 1B 9%

\$1B - 10B 36%

Greater than \$10B 14%

# » Executive Summary

In this survey, Strategic Treasurer and Deluxe have sought out the viewpoints and plans of companies of all sizes and industries. We placed particular emphasis on evaluating the situation of mid-market firms in this research.

The research covers various aspects of AP and AP automation. These include volumes, processes, barriers and pain points, priorities, drivers, and how companies learn and keep up with changes in the market.

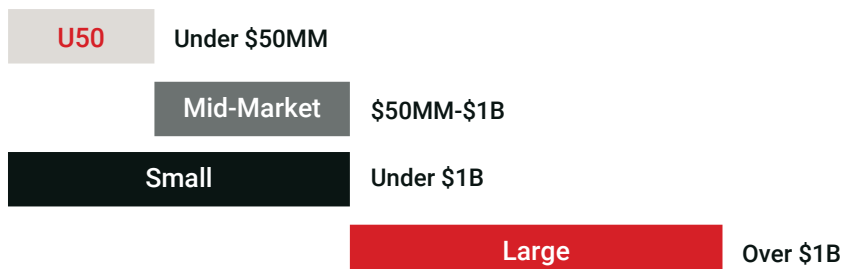
In reviewing the results of this research, we identified several key storylines that summarize the findings from the study.

- » **The Larger the Company, the Greater the Pain of Fraud.** The level of pain felt while protecting companies against fraud is proportional to company size. This scales up from 47% (smaller), to 56% (mid-market), and finally 65% (largest).
- » **Barriers to Automation Include the Perennial Leaders.** For 58% of all respondent companies, IT availability was a top barrier to automation, while system limitations was noted by 49%. Most noteworthy is the fact that system limitations is the top issue for mid-market companies and was identified by two-thirds of respondents (66%), landing them in a demonstrably higher strata than large companies, who registered a still-important 40% in this category.
- » **Top 3 Pain Points (Manual, Fraud, Vendor Information).** Three-quarters of respondents (75%) identified manual processes as their top pain point. For fraud and changing vendor payment information, the larger the company, the higher the pain on a proportional basis.

For those who took the survey, please accept thanks and gratitude from both of our companies for your effort to make this research meaningful. Our thanks to Deluxe for their support and input on the formation of this survey. Finally, if you have any questions about this research or the topics discussed, please feel free to reach out to Deluxe or Strategic Treasurer. We welcome the discussion.

Enjoy the read!

The following key findings include tables with breakouts by size. For this survey, we have broken the small category into two groups: under \$50MM (U50) and mid-market.



**STEVE GAIDA**  
Payments Leader in Product  
Management & Consulting  
Deluxe Corporation



**CRAIG JEFFERY**  
Founder & Managing Partner  
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# Key Finding Analysis

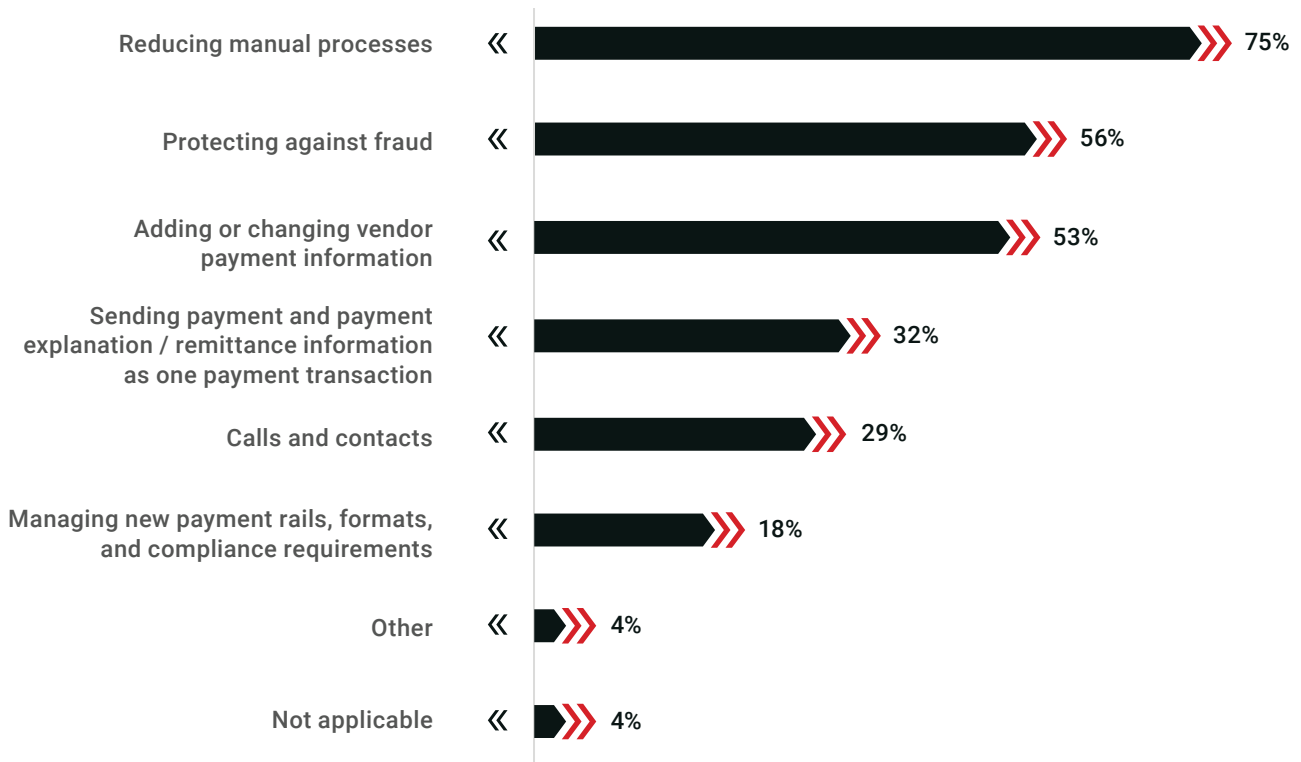
## 1. Top Three Disbursement Pain Points: Manual Processes, Fraud, and Changing Vendor Payment Information.

Three quarters of companies (75%) indicated that reducing manual processes would solve a significant pain point. This was the most frequently identified pain point for both smaller and larger companies (73% for mid-market, 72% for overall small, 78% for large).

Protecting against fraud was second overall, with 56% of all companies noting it. However, only 47% of smaller firms identified fraud, compared to 56% of mid-market companies and 65% of larger firms, showing a 9-point spread between each category.

Adding or changing vendor payment information is a significant pain point for over half (53%) of all firms, putting it in third place. For larger firms, the pain is about 1.5x that of smaller firms, with 63% of larger firms identifying it compared to 43% of smaller firms. Mid-market firms, again, sit almost in the middle at 51%.

**Which of the following are significant pain points in your organization's current disbursement process?  
(Select all that apply)**



Which of the following are significant pain points in your organization’s current disbursement process?  
(Select all that apply)

	Subsets of Small				All Responses	
	U50 Under \$50MM	Mid-Market \$50MM-\$1B	Small Under \$1B	Large Over \$1B		
Reducing manual processes	67%	73%	72%	78%	75%	↑
Protecting against fraud	17%	56%	47%	65%	56%	↑
Adding or changing vendor payment information	17%	51%	43%	63%	53%	↑
Sending payment and payment explanation/remittance information as one payment transaction	17%	46%	40%	24%	32%	▲
Calls and contacts from suppliers	8%	32%	26%	31%	29%	▲
Managing new payment rails, formats, and compliance requirements	42%	22%	26%	10%	18%	↓
Other	0%	5%	4%	4%	4%	
Not applicable	17%	5%	8%	0%	4%	

↕ The arrows and highlighted percentage indicate a noteworthy trend in response based on size.

▲ A triangle indicates a peak in Mid-Market.

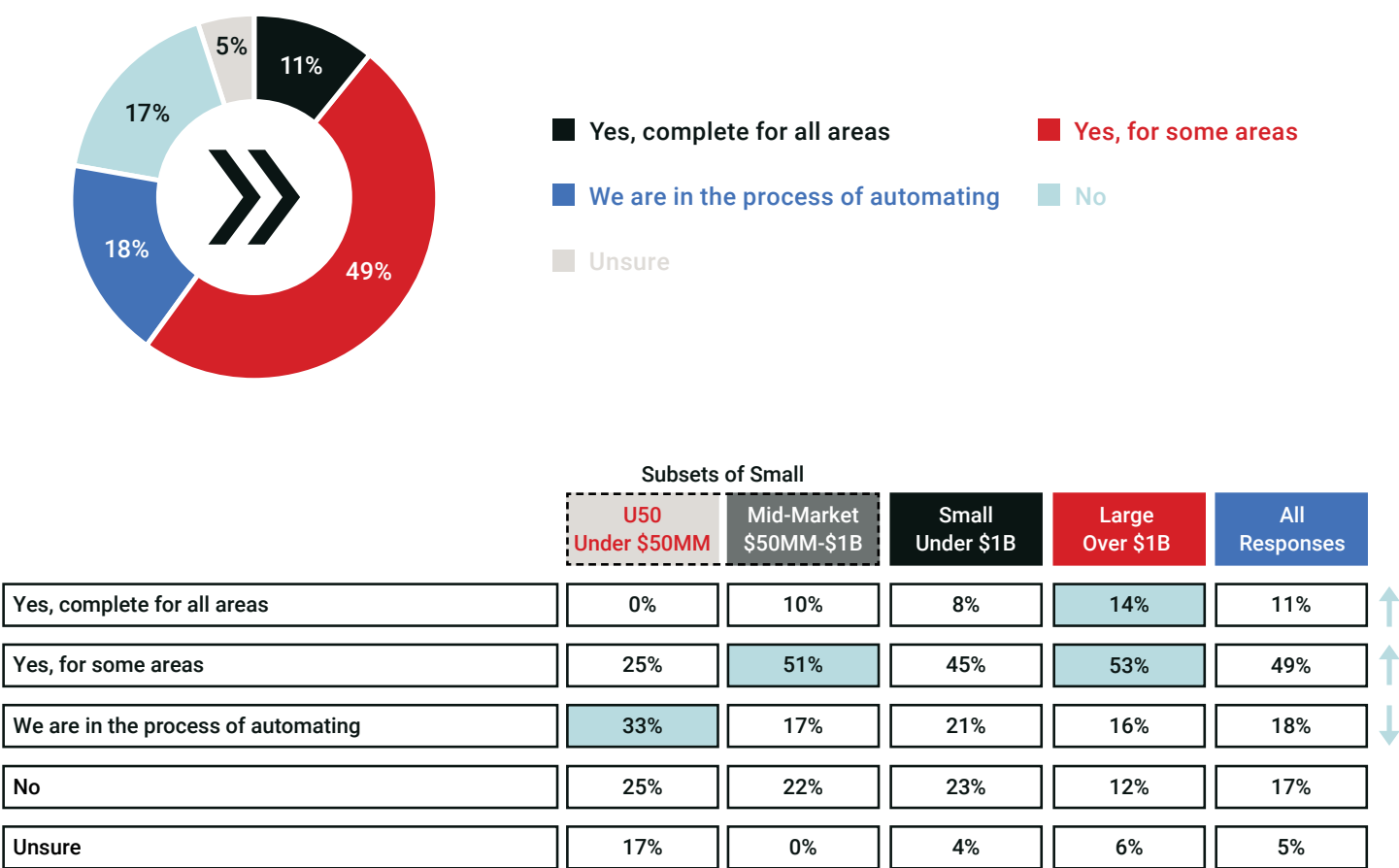
## 2. Only 1 in 9 Companies Have Completely Automated Payment Disbursements

Just 11% of companies indicated that they have completely automated their payment disbursements. For smaller firms, the percentage is 8%, while it is 10% for mid-market firms and 14% for larger firms. Nearly half (49%) of all firms have automated some of the in-scope areas, and another 18% are currently working to automate disbursements.

Doubled percentages of note:

- » Non-automated: Smaller and mid-market firms (23% and 22%, respectively) responded that they are not at all automated at about 2x the rate of larger firms (12%).
- » All areas automated: Larger firms (14%) are almost 2x more likely than smaller firms (8%) to be fully automated. Ten percent of mid-market companies fall into this category.

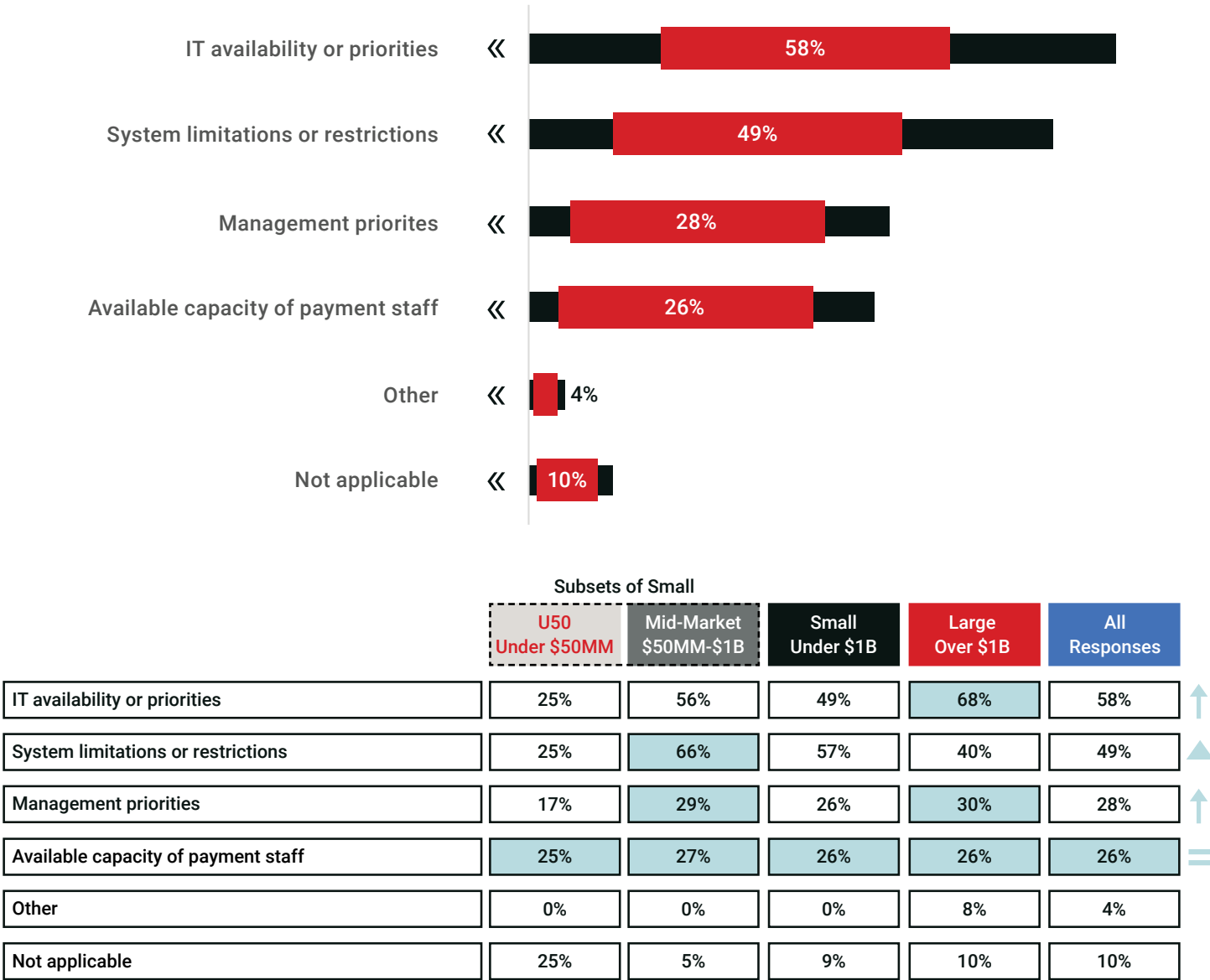
### Has your organization automated payment disbursements?



### 3. Top Barriers to Payment Automation: Pain Hits Differently Depending on Company Size

For all respondents together, “IT availability or priorities” was the top barrier to automation at 58%, with “system limitations or restrictions” in second place at 49%. The order is the same for larger firms, with 68% and 40% respectively. With this 28-point spread, the pain caused by IT availability is nearly 1.75x the pain caused by system limitations for large firms. For smaller companies, the priority is reversed, although with a less dramatic spread, with 49% for IT availability and 57% for system limitations. System limitations appear to hit the mid-market category particularly hard, with 66% noting it.

Which of the following are significant barriers to automating your payments for disbursements?  
(Select all that apply)

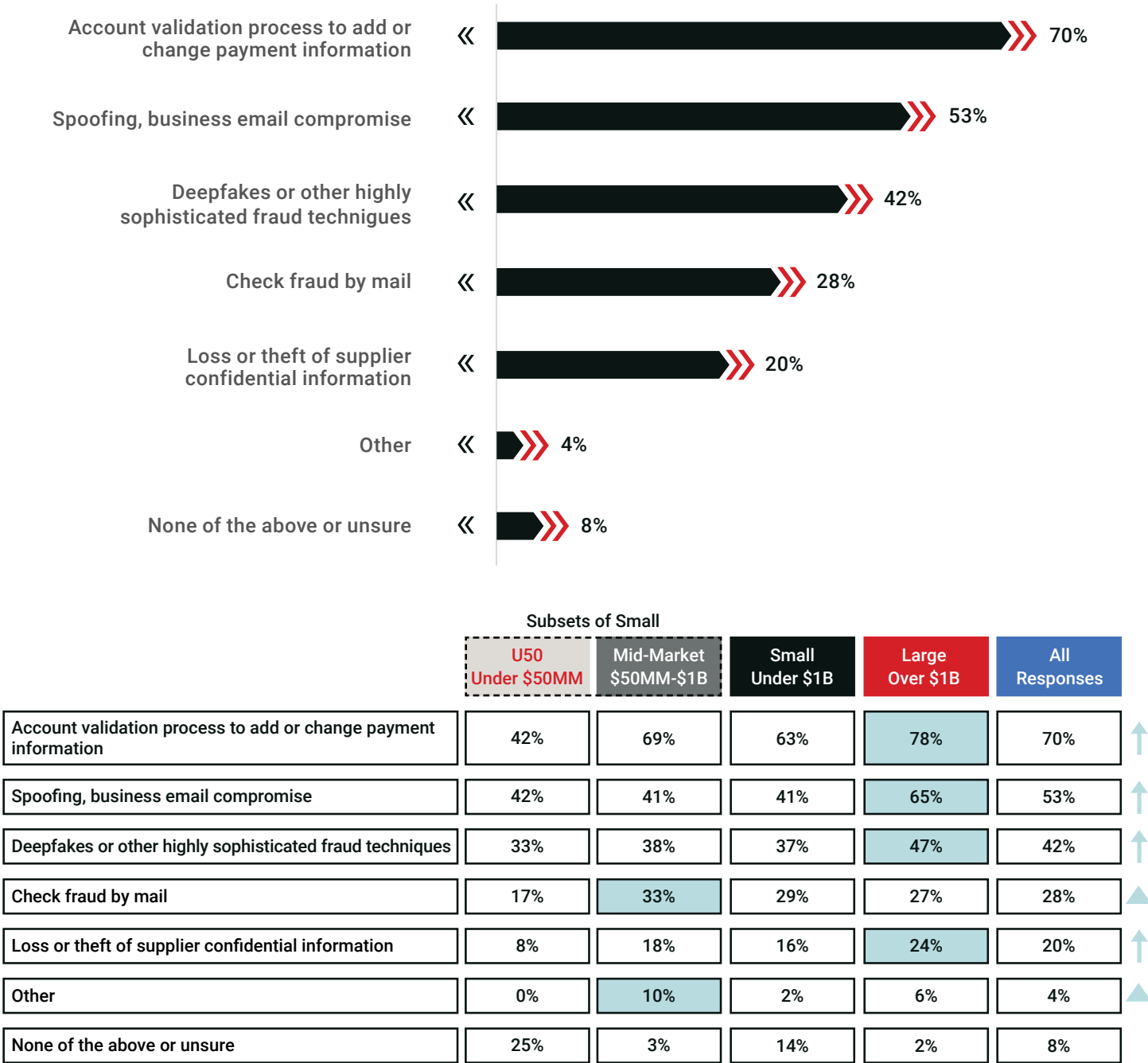




## 4. Account Validation Is the Top Security Concern for All Firms

Respondents' top security concern or issue for supplier payments is account validation (70%), followed by BEC/spoofing (53%) and deepfakes (42%). The order is the same between large and small firms for all options. However, there are some notable spreads. Each of the top three concerns had a spread of 10 points or higher between company sizes, with larger firms having a higher level of concern in each case. The gap between large and small firms is greatest for BEC/spoofing, at 24 points.

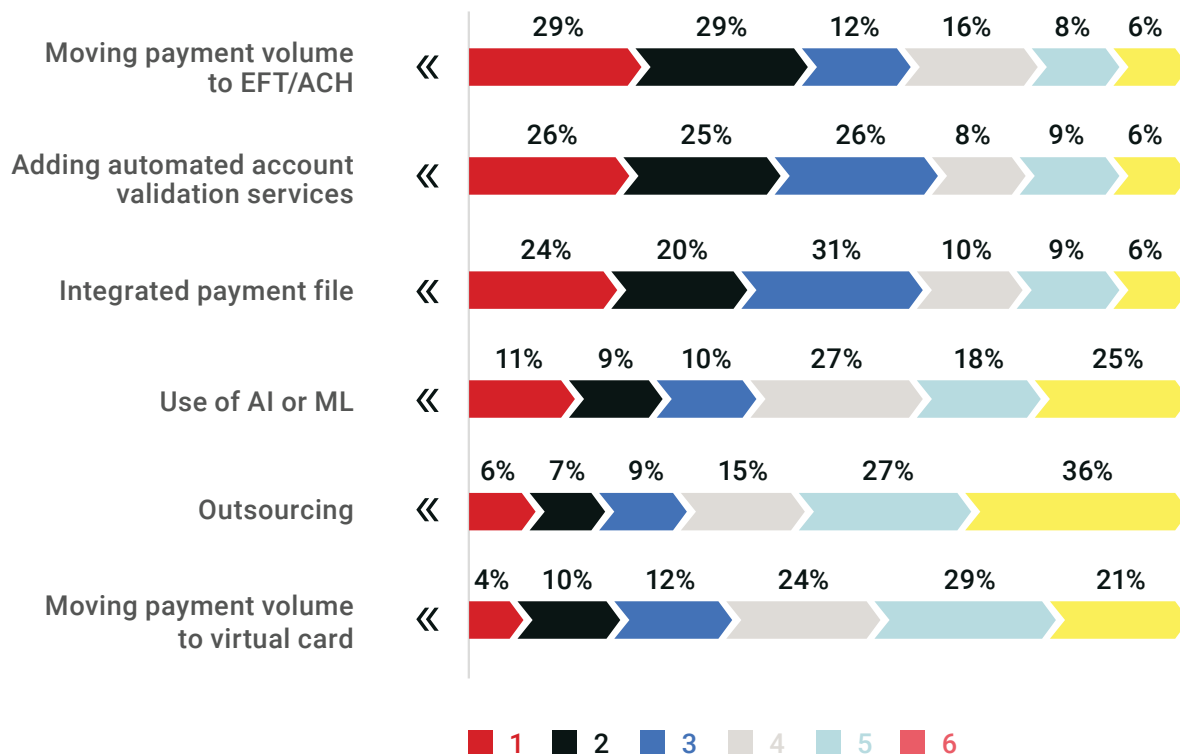
What are the largest security concerns and issues faced with supplier payments? (Select all that apply)



## 5. Efficiency in Payments Driven by Validation Services, Integrated Payment File, and Move to EFT

The top three items impacting AP efficiency are 1) moving volume to EFT/ACH, 2) adding automated account validation services, and 3) using an integrated payment file. These three are the leaders for all companies, as well as for large and small firm breakouts. The biggest difference is 15 points for moving to EFT/ACH, with large companies at 37% and small firms at 22%.

Please rank the following items in terms of their impact on efficiency in your AP process, with 1 being the most impactful to 6 being the least impactful.



	Subsets of Small				
	U50 Under \$50MM	Mid-Market \$50MM-\$1B	Small Under \$1B	Large Over \$1B	All Responses
Moving payment volume to EFT/ACH	17%	23%	22%	37%	29%
Adding automated account validation services	33%	28%	29%	22%	26%
Integrated payment file	8%	23%	20%	29%	24%
Use of AI or ML	25%	13%	16%	6%	11%
Outsourcing	17%	8%	10%	2%	6%
Moving payment volume to virtual card	0%	5%	4%	4%	4%

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# Survey Methodology

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Strategic Treasurer is committed to meeting or exceeding industry standards for survey management and providing honest representation of high-quality, thorough research data. With experience researching the treasury and finance industries since 2004, we have developed a strict methodology to ensure that our readers and partners can rely on the data we offer.

This methodology includes using professional survey tools, requiring significant sample sizes before publishing or stratifying data, and cautious wording of the reports we write to ensure that correlation is stated only as correlation and that data is represented with accuracy and clarity, never twisted to support a specific agenda. For longitudinal data, we require that the questions used remain unchanged from year to year to ensure that the comparison is reasonable. We cull bot (robotic or programmed) responses by analyzing factors such as email address, completion speed, IP address repetition, and normal response ranges. Only real responses are counted for determining whether a significant sample size has been reached.

We prize respondent confidentiality and anonymity and will always protect personal and company information. Personally identifiable information collected may be combined with existing data in our databases for further analysis, but we will never report any personally identifiable information in any way to outside recipients or to underwriters. Additionally, Strategic Treasurer does not use company or respondent specific survey data or responses for any sales purposes. Translation: This further means that the business development/sales team is not given access to this data.

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To learn more about the importance of robust survey methodologies, listen to our founder and managing partner, Craig Jeffery, discuss research and data quality on **episode 149** of the Treasury Update Podcast, or feel free to contact us with any questions by emailing [info@strategictreasurer.com](mailto:info@strategictreasurer.com) or calling **+1 678.466.2222**.



# About the Firms

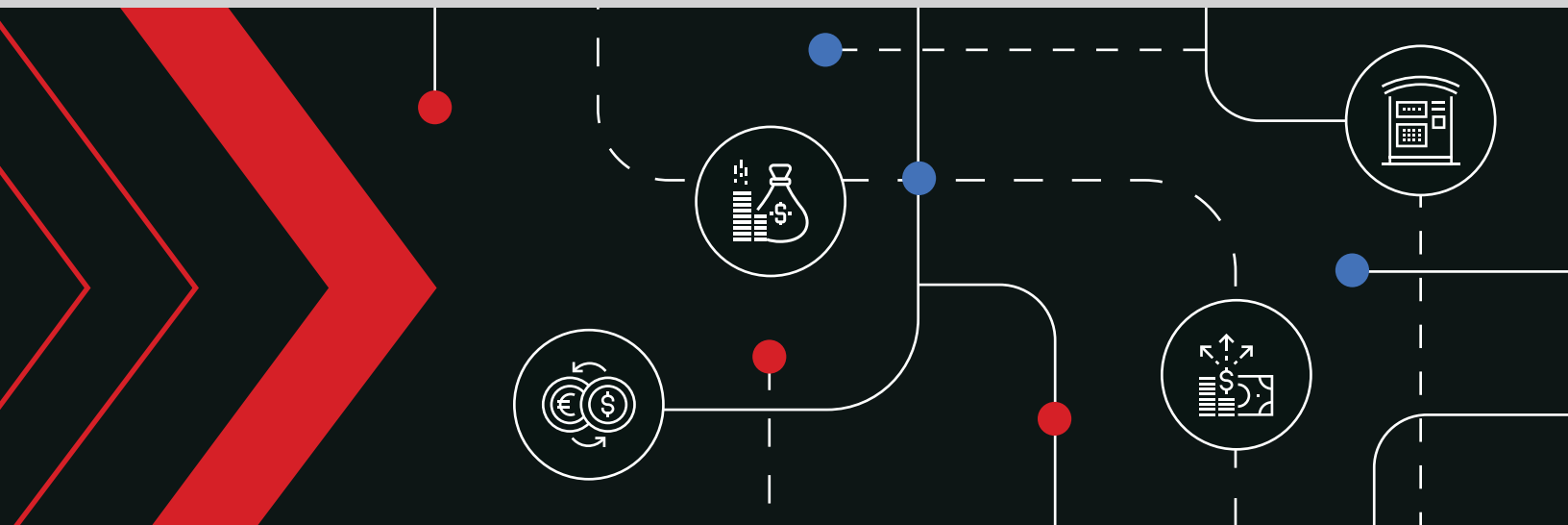
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Deluxe, a trusted Payments and Data Company, champions business so communities thrive. Our solutions help businesses pay, get paid, and grow. For more than 100 years, Deluxe customers have relied on our solutions and platforms at all stages of their lifecycle, from start-up to maturity. Our powerful scale supports millions of small businesses, thousands of vital financial institutions and hundreds of the world's largest consumer brands, while processing approximately \$3 trillion in annual payment volume. Our reach, scale and distribution channels position Deluxe to be our customers' most trusted business partner. To learn how we can help your business, visit us at [www.deluxe.com](http://www.deluxe.com)



Strategic Treasurer was founded in 2004 by Craig Jeffery, a financial expert and trusted advisor to executive treasury teams since the early 1990s. Partners and associates of Strategic Treasurer span North America and Europe.

This team of experienced treasury specialists are widely recognized and respected leaders in treasury. Known for their expertise in treasury technology, risk management, and working capital as well as other cash management and banking operations, they efficiently identify issues, creatively explore ideas and options, and provide effective solutions and implementations for their valued clients.



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