The future of purchase to pay: trends report
Western Europe | August 2016
Executive summary

Surprisingly, Europe is distinctly immature when it comes to the implementation of P2P technologies. Most businesses report that they have yet to fully control spend using Purchase Orders (PO) and half say they have less than 50% of their spend under control. However, this immaturity is not due to lack of ambition. There is almost universal agreement that the P2P process will be automated in the future, and over half of the European companies have already begun that journey.

Streamlining P2P is a top priority, alongside the need to strengthen collaboration between finance, procurement and buyers with suppliers. This determination to improve is shared across both procurement and finance decision makers. These business leaders name process improvements and cost reduction as their top P2P priorities. The key drivers behind these goals are being better able to control spending and cash flow, reducing risks and errors and creating efficiencies by improving productivity.

One of the more startling findings of this research is the lack of P2P analytics tools in use. Despite the weight put behind the importance of P2P, most organisations are pulling information together manually, from many disparate data sources. Considering the plethora of P2P analytics tools available today, this vacuum could be filled in the coming years.

Organisational change seems to be a major factor in the further maturity of P2P. Whereas the accounts payable function in a business was traditionally managed from within finance, within nearly a third of organisations we spoke to, this team reports in through procurement. This is significant and it reflects the importance of developing an end-to-end view of P2P. However, what is now emerging as best practice is by no means universal. Only a third of organisations believe that their procurement and finance functions are closely aligned, although most agree that better collaboration between finance and procurement is a good thing. Within the next two years, 39% of businesses think the two departments will achieve closer alignment.

Technology will play an important role in this transition; and 76% of businesses believe that closer collaboration can be achieved by leveraging end-to-end P2P technology.
However, it seems that finance needs procurement more than procurement needs finance. Finance departments are twice as likely (32%) to want to collaborate more with procurement than vice versa. This could be because procurement objectives are nearly always related to commercial savings and management of supply chain risk, whereas finance are more process and control driven - for which they rely on procurement to cooperate.

The technology landscape across Europe is fascinating and there are distinct geographic trends. The growth in the adoption of electronic invoicing remains static, despite the recent hype. Typically, less than a third of organisations have automated e-invoicing. Only in the Nordics and Italy does automated e-invoicing exceed paper invoices and, interestingly, e-invoicing is one of the strongest technologies (second only to document management) when looking at those companies who have already or intend to fully implement these technologies.

The research has shown that European businesses have a very clear view on how they want to work with solution vendors. There is a remarkably strong sentiment towards outsourcing P2P, as there is to working with a single vendor across the entire P2P spectrum, rather than cherry picking point solutions. This is especially true in the Nordics, Italy and Spain.

The market for P2P solutions providers will become less fragmented. The ability to work with a single partner will provide end-to-end P2P solutions and services under several delivery models and be crucial to the successful transformation into a P2P excellence organisation.

Methodology and sample size

ICM Unlimited carried out 706 15-minute online interviews with business influencers and decision makers across 12 European markets including the United Kingdom, Germany, Sweden, the Netherlands, France, Spain and Italy, among others.

The respondents were sourced from board level directors within the corporate finance and procurement functions. The research involved businesses of varying sizes from 100-249 employees up to over 5,000 employees. The interviews took place between the 17th February and the 21st March 2016.

Market sample size total illustrated on the below map
In the 1990s there were stalwart businesses that refused to adopt, what was then, new internet technologies even to the point of not having a corporate website. But today, just twenty years on, that would be unthinkable. The business world is continuing to evolve along the path toward the fully digital economy. We can already see that the proportion of stalwarts who continue to use paper processes is shrinking fast and the day is within sight when this too will be unthinkable.

P2P refers to the business processes that encompass the activity of requisitioning, purchasing, receiving, paying for and accounting for goods and services. This journey of ordering through to payment is also known as Procure to Pay.

Technology led solutions are becoming increasingly important in this cycle. End-to-end P2P solutions enable businesses to control and automate financial and procurement processes under a single platform - from identifying a need, all the way through to procurement and payment. Technology can deliver an interwoven business workflow, which has the capability to link procurement and financial operations together. When these two functions collaborate more closely, it can unlock significant cost savings and business efficiencies and enable greater visibility and control over ordering, buying and paying for goods.

23% per cent of European decision makers are saying that their businesses will achieve full digital transformation for P2P in the next two years. Business leaders in Italy and Spain are the most optimistic about achieving full digital transformation, with 40% and 33% respectively feeling that will happen in the next two years.

While many European businesses are moving towards full digitisation of their P2P operation, manual processes are still commonplace in certain markets. In the UK/Ireland, 14% of businesses still manually manage P2P and 13% of companies in France. Moreover, it seems that this method will continue for a little while, in certain countries, as 8% of UK/Irish decision makers believe that they will continue to manage P2P this way. However, overall just 3% of European business leaders saying that manual P2P processing will continue.

This is a shifting market and while businesses are at different stages of the digital transformation journey - it is only just beginning in Europe. A fraction of businesses conduct their P2P process entirely digitally, some a mixture of digital and paper invoicing and a shrinking group entirely on paper. This market situation means that end-to-end P2P technology must be flexible to the needs of businesses at varying stages of the transformation and offer seamless and full integration with current, back end, P2P systems.
Of the European businesses included in the survey, 60% say their finance and procurement departments are currently moderately aligned, 36% say they are closely aligned and 4% say they feel these two business functions are not aligned at all. Nordic businesses have the most closely aligned procurement and finance departments, with 50% claiming they are closely integrated.
With the majority of European businesses admitting that procurement and finance are only moderately aligned, there is clearly a considerable way to go before full integration of these business functions is considered standard practice.

However, the research makes it very apparent that European businesses are very positive about the closer integration of procurement and finance. Well over half (66%) agree that businesses can achieve more success if their procurement and finance teams are more closely integrated. There is stronger positive sentiment towards this from businesses in Spain (79%), Italy (78%) and France (73%). However, positive feeling towards the alignment of procurement and finance drops among business leaders in the Nordics (49%), the Netherlands (50%) and the UK/Ireland (62%).

Overall, 90% of Chief Procurement Officers (CPO) and Chief Finance Officers (CFO) think closer alignment of their departments will take place over the next two years. The significant drive towards this closer alignment across Europe is being driven from the top down. In fact, only 1% of businesses say that their procurement and finance functions are not aligned and that it will remain that way.

Greater integration between procurement and finance at European companies is going to happen. It will be a key task for businesses to consider what they can put in place to ease closer integration between these two core operational disciplines.

There is no doubt that close collaboration between procurement and finance is a prerequisite for the success of P2P initiatives. But it is important that executives understand that this is much more than a box-ticking requirement. Close collaboration means actually breaking down silos and working in different ways to build synergy between these two functions.

Pete Loughlin, Purchasing Insight

However, it seems that finance needs procurement as opposed to the other way around. Finance departments are twice as likely (32%) to want to collaborate more with procurement. This could be due to procurement objectives being related to commercial savings and management of supply chain risk, whereas finance is more process and control driven – for which they rely on the collaboration of procurement.

The opinion on the integration of finance and procurement is being positively influenced by digital transformation. Of the European businesses that have achieved full digital transformation of P2P, 79% say that integrated finance and procurement can contribute to business success. Of the companies manually processing P2P, a much lower 39% feel interworking between finance and procurement can boost success.
The research has uncovered that only 34% of finance and 36% of procurement decision makers believe that their teams are performing above average. Almost a quarter (22%) of those working in procurement state that their teams are performing under average, which suggests that opportunities for the use of technology and automation are still very strong.

When considering Europe overall, Nordic businesses view productivity in both finance (30%) and procurement (65%) as below average. Moreover, 56% of Nordic companies feel that their teams’ collaborative efforts are below average.

This lack of confidence around productivity held by European businesses could be one of the main factors behind the push for closer integration between procurement and finance departments.
However, very few companies in Europe control their entire spend via POs, with just 11% saying 90% of spending is PO-based. The UK/Ireland and France have the highest percentage of PO-based spend within their businesses across Europe.

Despite PO-based spend being very well adopted in several European countries, with a slight mean majority overall, there is still room for the use of POs to grow. The implementation of a PO-based strategy with the support of the right technology is a key milestone in the move towards fully automating P2P - which can very quickly deliver a major return on investment.

Despite the tangible benefits to productivity that could be offered by P2P automation, only 25% of current European invoicing operations are completely automated. The majority of invoicing is conducted via paper invoices (37%) and through e-mail (38%). In the UK/Ireland 46% of invoices are still received via e-mail, while in France 54% of invoices are paper, pushing the reliance on e-mail down to 27% and automation to 19% - one of the lowest figures in Europe. The situation is similar in Spain, with 41% of invoices on paper, 38% through e-mail and just 22% automated.

Only in the Nordics and Italy did the electronic processing of invoices overtake the use of paper. In the Nordics 33% of invoices are automated, 39% via e-mail and just 27% on paper. In Italy, almost half (44%) of invoices are dealt with over e-mail, 29% are automated and just 26% on paper.

Format of incoming invoices
On average just one quarter of incoming invoices are electronically automated.

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Top finance and procurement priorities

While there is clearly a common goal amongst European businesses for closer finance and procurement, it is not their top priority. The greatest focus for businesses in both procurement and finance is the overall improvement of P2P processing (55%). Reducing purchasing costs is also a key goal for 51% of businesses in their procurement functions. Similarly, cutting accounts payable costs is important for 38% of businesses in their finance activities.

After this point, business priorities begin to differ slightly, as 39% of companies say a goal for procurement is better management of indirect spend. However, for finance, the reduction of risk is a priority for 35% of businesses.

The concerns may differ a little, but there is a consensus that P2P process improvement, better cost management and risk reduction are key targets for both finance and procurement. The key drivers behind these goals are being better able to control spending and cash flow, reducing risks and errors and creating efficiencies through improved productivity. These goals require businesses to investigate solutions and workflows that can increase visibility and exercise more control of the P2P process. It is this improved picture and handle on the cycle that could be delivered by end-to-end P2P technology. These solutions are able to pinpoint what money is being spent on, in order to help improve cost control, reduce expenditure and support better management of risk in P2P.
Procurement and finance decision makers in Europe believe that their spend on goods and services that is not core to the business is fairly well managed, with 51% saying it is either completely or mostly under control and 42% saying that it is partially under control. However, 7% of businesses admit that they do not have their indirect spend under control. Nordic companies were much more tentative, with the majority (67%) claiming they have their indirect spend only partially under control. It is interesting to note that just 12% of European businesses believe their indirect spend is completely under control. When it comes to managing costs, there is always room for improvement. In the case of indirect spend there is still an opportunity for businesses in Europe to look at ways to further control this.

Controlling indirect spend

The extent to which indirect spend is under control

<table>
<thead>
<tr>
<th>Control Level</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Not at all or very little (less than 25%)</td>
<td>7%</td>
</tr>
<tr>
<td>Partially (25%-50%)</td>
<td>42%</td>
</tr>
<tr>
<td>Mostly (50%-90%)</td>
<td>39%</td>
</tr>
<tr>
<td>Completely (90% or more)</td>
<td>12%</td>
</tr>
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</table>

67% of Nordic businesses claim they have their indirect spend only partially under control.

12% of European businesses believe their indirect spend is completely under control.
European businesses express low levels of positive sentiment around their ability to successfully manage their relationships with suppliers. Just 34% of companies judge their management of the supplier relationship as above average. Almost half (44%) feel their ability to manage suppliers is average and 21% admit that this is a potential problem area, with vast improvement needed. Nordic businesses are least confident in managing supplier relationships, with almost three times as many (56%) rating their relationship with suppliers as below average compared to the European average (21%).

The research underlines that European businesses need to allocate more time to building supplier relationships, introduce more collaborative initiatives and investigate what tools are available to support improvement. The introduction of end-to-end P2P solutions, with their inherent enhanced visibility and process collaboration, could enable businesses to spend less time managing P2P procedures and more time strengthening ties with suppliers.

While many European businesses feel their supplier relationships are below par, over half (55%) rate their spend with suppliers as under control, 40% feel that they have only partial control over supplier spend and 5% very little control at all. This figure increased to 16% among Nordic businesses, as businesses feel that very little was under control when it came to supplier spending.

It is interesting to note that the research has also identified that one in twenty businesses feel that supplier spend within their company is either ‘not at all’ or ‘very little’ under control. There appears to be vast room for improvement in terms of European companies improving the amount of money they spend on suppliers. However, it could also be possible that average, and below average, relationships with suppliers are contributing towards a perception that cost control is in a poor state.

Whatever the cause, there is definite role that P2P technology solutions can play in supporting businesses in optimising the supplier relationship and managing spend via outsourcing and automating certain parts of the procedure.

Spend with suppliers that is under control

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>12%</td>
<td>Completely (90% or more)</td>
</tr>
<tr>
<td>43%</td>
<td>Mostly (50-90%)</td>
</tr>
<tr>
<td>40%</td>
<td>Not at all/very little (less than 25%)</td>
</tr>
<tr>
<td>5%</td>
<td>Partially (25%-50%)</td>
</tr>
</tbody>
</table>

44% say their ability to manage suppliers is average and 21% admit this is a problem area.
The approaches taken by European businesses to gather finance and procurement KPI information are largely fragmented, with over half (51%) collating data from multiple systems and 11% gathering this information manually. Just 30% of European businesses leverage a single system that can harvest KPIs and only 7% rely on a third party P2P analytics tool.

The process of amassing KPI data is complicated and can be time consuming. Especially if the necessary data is being sourced from multiple areas within the business. Given this, it is surprising that the use of third party P2P analytics tools among European businesses remains very low. Transactional data can be analysed by these tools and they are able to automate a huge swathe of the KPI analysis process. Data can be extracted from all areas of the P2P process, as well as other existing systems, and be specific information can be drilled into.

Performance measures are critical in both finance and procurement to understand how well their respective functions are performing. There is no shortage of tools and technologies to support the collation and interpretation of finance and procurement data. But P2P KPIs remain incredibly difficult to support for many organisations. There is a vacuum in this space for a comprehensive P2P KPI platform - that would find an eager market.

This use of P2P analytics tools could inject some uniformity and efficiency to the currently disjointed KPI measurement practices leveraged by European businesses. Ultimately, P2P analytics tools have the ability to deliver rapid and detailed analysis with which to leverage in business planning and strategy. However, these tools work best when data from the entire P2P process is easily captured by a single automated P2P platform.

Quite a large majority (62%) admit they do not grasp the correct use of this measure, but 33% of businesses plan to track this KPI in the next two years. The least likely to currently measure as a KPI was ‘straight through processing rate’, with just 33% tracking the measure. However, more than a third (38%) intend to introduce this over the next two years.

The vast majority of KPIs that are traditionally used to measure the performance of finance and procurement processes, have already been introduced by European businesses, or will be over the course of the next two years. The most widely utilised KPI is tracking the number of invoices per month, with 49% of businesses recording this metric. Also popular as a current measurement tool are days payable outstanding (48%), cost drivers (44%) and elapsed time payment ready (the time that it takes an invoice to be ready for payment) (43%). However, just 39% of European businesses measure compliance rate as a KPI.
In terms of other KPIs that businesses plan to track over the next two years, businesses are keen to introduce supplier management (35%). Which would be logical considering concerns that European companies harbour around poor supplier relationships and ineffective cost management.

A large portion of businesses are also keen on adopting KPIs around improved invoice management, such as number of invoices managed per employee (34%) or e-invoice adoption (39%). Spend under management was also a focus to be employed as a KPI over the next two years by 37% of companies. The research underlines the fact that spending is a huge concern for European businesses. It appears that companies are seeking to leverage certain KPIs in order to unlock data that can help them manage that spend.

Current and future measurement of KPIs

<table>
<thead>
<tr>
<th>KPI</th>
<th>Measures this as a KPI</th>
<th>Does not measure KPI, but will in next 2 years</th>
<th>Doesn’t measure KPI and does not plan to</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of invoices per month</td>
<td>49%</td>
<td>28%</td>
<td>17%</td>
<td>6%</td>
</tr>
<tr>
<td>Days payable outstanding</td>
<td>48%</td>
<td>27%</td>
<td>14%</td>
<td>1%</td>
</tr>
<tr>
<td>Cost drivers</td>
<td>44%</td>
<td>32%</td>
<td>16%</td>
<td>8%</td>
</tr>
<tr>
<td>Elapsed time…payment ready</td>
<td>43%</td>
<td>30%</td>
<td>20%</td>
<td>3%</td>
</tr>
<tr>
<td>Purchase order</td>
<td>40%</td>
<td>35%</td>
<td>17%</td>
<td>8%</td>
</tr>
<tr>
<td>Supplier management</td>
<td>39%</td>
<td>35%</td>
<td>17%</td>
<td>9%</td>
</tr>
<tr>
<td>Compliance rate</td>
<td>39%</td>
<td>33%</td>
<td>20%</td>
<td>8%</td>
</tr>
<tr>
<td>E-invoice adoption</td>
<td>38%</td>
<td>39%</td>
<td>17%</td>
<td>6%</td>
</tr>
<tr>
<td>Spend under management</td>
<td>38%</td>
<td>37%</td>
<td>18%</td>
<td>7%</td>
</tr>
<tr>
<td>Strategic purchasing</td>
<td>37%</td>
<td>34%</td>
<td>21%</td>
<td>8%</td>
</tr>
<tr>
<td>Number of finance staff</td>
<td>55%</td>
<td>32%</td>
<td>22%</td>
<td>10%</td>
</tr>
<tr>
<td>Invoices managed via finance/FTE</td>
<td>51%</td>
<td>34%</td>
<td>22%</td>
<td>9%</td>
</tr>
<tr>
<td>Straight through processing rate</td>
<td>51%</td>
<td>38%</td>
<td>20%</td>
<td>9%</td>
</tr>
</tbody>
</table>

39% of businesses plan to adopt e-invoicing as a KPI in the next two years.
The transition from manual to automation

Many (36%) European businesses are today leveraging the capabilities of existing finance systems, while 23% have either finance automation or procurement technology in place, but not both. The same amount of companies (23%) have both procurement and finance automation technology in place, but they are not integrated.

Remarkably, 8% of European businesses still manually process everything P2P related. Only 10% of businesses have managed to install full digital transformation in P2P and rely on an end-to-end, fully integrated, solution in place.

The research shows a clear move by businesses away from manual P2P processing towards automation technology. This underlines the accepted fact that digital transformation is a driving force in business development. However, in terms of P2P, this journey is just beginning for the majority of European businesses.

It seems that investment could be holding some companies back from leveraging automation in P2P. However, there is clear willingness to explore efficient and cost effective options for P2P. Automation requires upfront investment, but it will save a lot more money over time.
Between 20-40% of European businesses have implemented P2P technologies such as document management, P2P analytics and e-invoicing. Around 50-60% of companies have achieved limited installation of P2P technology and roughly between 9-22% have not implemented these technologies at all. The least likely P2P technology to be employed is dynamic discounting with just 23% of businesses at full implementation. Supplier web portal and e-sourcing are also unpopular with European businesses.

The P2P technology businesses intend to adopt over the next two years is telling and certainly underlines the corporate focus on efficiency, cost and spend management and P2P analytics. Document management is currently employed by 39% of businesses and 58% plan to adopt it over the next two years, the most popular technology for adoption in the P2P process in Europe. Businesses are also seeking to adopt technology to optimise invoicing in P2P over the next two years:

- E-invoicing (56%)
- Invoice capture (55%)
- Invoice processing (54%)

Expense management also proved popular with European businesses, with 35% currently adopting the technology and 55% planning to install within the next two years. The support for P2P analytics clearly comes through in the research. Of the businesses surveyed, 39% use spend analytics and 51% intend to, while 27% of businesses leverage P2P analytics and reporting tools and 49% plan to do so in the next two years.

The research shows that P2P technology enjoys solid traction in the European market right now, with 20-40% of companies stating they have achieved some digital transformation of P2P. However, the research also show there is room for growth a huge number of businesses are planning to ramp up their use of P2P technology in the next couple of years.
When it comes to which partners businesses will seek advice from around the incorporation of P2P automation, direct vendors and professional advisors will play a big role. Of the businesses involved in the survey, 39% and 37% say they would speak to P2P technology vendors and advisors respectively. Direct channels are likely to be equally favoured by businesses at both ends of the adoption spectrum. Almost half (49%) of businesses that have already achieved full digital transformation in P2P are more likely to go direct to vendors; while 48% of businesses that currently process manually would take the same approach. Auditors, and other professional advisors, have the chance to play a more significant role where either finance automation or procurement tech is in place, but not both. Nearly half (48%) of European businesses with such a set up would choose advice from auditors.

There is a clear demand from European businesses for a less fragmented P2P vendor space and a partner that can reliably take them through the journey. The ability to work with a single vendor is important (35%), but so is the ability to adopt a mix of solutions with different delivery models (23%) as is the ability to leverage Software as a Service (SaaS) solutions (12%).

The research points to the fact that Western European businesses feel most comfortable when dealing directly with a single vendor. This could be because the P2P process is complicated, so it is more straightforward to deal with a single entity that has the ability to consult on the process, and deliver both the technical solution as well as the services.

As the research found that European businesses are more comfortable dealing with a single vendor, it also discovered that a majority are outsourcing elements of P2P operations - or plan to do so in the coming year. However, there is little differentiation between prioritising the outsourcing of individual P2P elements. Businesses view P2P as a process whereby each element is given equal weight, with no single part being prioritised over another when outsourced.

This is reflected in the research results, with scores registering evenly across those businesses already outsourcing P2P, those planning to and those that are not doing so. For example, 36% of businesses plan to outsource their purchasing and sourcing technology in the next 12 months, 34% plan to outsource supplier help desk in the next 12 months and 32% their analytics. In a similar pattern, 21%, 23% and 25% of businesses already outsource these elements of P2P respectively.

**What is important when adopting end-to-end P2P solutions**

<table>
<thead>
<tr>
<th>Outsourcing P2P elements</th>
<th>Currently outsources</th>
<th>Plans to outsource in the next 12 months</th>
<th>Neither</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchasing and sourcing technology</td>
<td>21%</td>
<td>36%</td>
<td>45%</td>
</tr>
<tr>
<td>Supplier help desk</td>
<td>23%</td>
<td>34%</td>
<td>43%</td>
</tr>
<tr>
<td>Analytics</td>
<td>25%</td>
<td>32%</td>
<td>43%</td>
</tr>
<tr>
<td>Supplier master data management</td>
<td>23%</td>
<td>33%</td>
<td>44%</td>
</tr>
<tr>
<td>Requisition and purchase order (PO) processing activities</td>
<td>22%</td>
<td>36%</td>
<td>43%</td>
</tr>
<tr>
<td>Invoice processing</td>
<td>25%</td>
<td>36%</td>
<td>39%</td>
</tr>
</tbody>
</table>

49% of businesses that have already achieved full digital transformation in P2P are more likely to speak directly to vendors, while 48% of those that process manually would take the same approach.
Priorities for the adoption of P2P technology

European businesses already agree that streamlining the automation of P2P and better collaboration between procurement, finance and suppliers will accelerate the adoption of technology.

Streamlining P2P is the number one priority in Italy (30%) and France (22%), while improving finance and procurement collaboration is ranked as the leading priority in Spain (21%) and the UK (20%).

A closer working relationship with suppliers is seen as key in the Nordics (24%) and DACH (23%). The Nordics also see the implementation of web-based self-service tools as important for fostering greater use of technology (22%). The Netherlands and DACH markets were more likely to want to implement analytics, at 32% and 23% respectively.

**Top priorities for P2P technology adoption**

1. Streamline P2P automation (19%, 20%, 10%)
2. Improve finance & procurement collaboration (17%, 12%, 10%)
3. Improve buyer/supplier collaboration (18%, 15%, 7%)
4. Adopt e-invoicing (8%, 11%, 15%)
5. Adopt P2P automation via SaaS technology (5%, 19%, 10%)
6. Increase the ERP functionalities/Implement Expansion (7%, 14%, 11%)
7. Implement analytics (5%, 8%, 7%)
8. Roll-out web-based self-service tools (3%, 8%, 7%)
9. Implement collaboration technology (2%, 4%, 8%)
10. Invest in mobile technology (1%, 2%, 8%)

Streamlining P2P automation is the biggest priority area for 49% of respondents.
Benefits of implementing end-to-end P2P technology

Businesses perceive that there are a series of benefits to be drawn from implementing end-to-end technology to streamline their P2P process. The advantages are seen to be in enabling better spend and cash control (38%), the reduction of risk and errors (37%) and allowing for better productivity in finance and procurement (36%). Enabling collaboration is also seen as a big benefit of P2P technology by 29% of European businesses.

The reaction from European businesses that have actually implemented P2P technology is also overwhelmingly positive. The majority (70%) say that P2P technology supports an improvement in productivity, while 66% of businesses say that it helps control P2P processes and 65% to introduce departmental cost savings. Stakeholder relationships featured as a big concern for European businesses, and 60% of companies that had installed P2P technology feel it supports them in improving those relationships.

Companies in Europe generally agree where the biggest benefits of this technology are felt. The survey results demonstrate that end-to-end P2P technology is playing an active and impactful role in managing some huge business concerns around productivity, exercising process control, ushering in costs savings and generating enhanced relationships with suppliers and partners.

One of the most gratifying findings of this survey is the confirmation that educated and sophisticated decisions are being made. P2P is not just about cost reduction – it is seen as an important means to control spend of course but it is also seen as a means of managing risk and supporting collaboration.

Pete Loughlin, Purchasing Insight
Overview of current and future procurement and finance solutions

Spend and cash control is seen as a benefit of P2P technology by 38% of businesses.

Impact of using P2P technology in your company:

- It has improved productivity: 70% Agree, 15% Neither/Nor, 12% Disagree
- It has given us increased control over P2P processes: 68% Agree, 20% Neither/Nor, 12% Disagree
- It has brought cost savings to your department: 67% Agree, 20% Neither/Nor, 13% Disagree
- It has increased your level of satisfaction with your P2P processes: 62% Agree, 20% Neither/Nor, 18% Disagree
- It has improved relationships with your key stakeholders: 60% Agree, 26% Neither/Nor, 7% Disagree

Benefits of implementing end-to-end technology to streamline P2P: Ranked top three

- Enabling better spend and cash control: 38%
- Reducing risks and errors: 27%
- Allowing for better productivity of finance and procurement: 26%
- Enabling collaboration between finance and procurement functions: 25%
- Allowing for improved compliance with procurement and finance: 26%
- Allowing for ability to conduct improved analytics: 26%
- Enabling better collaboration with suppliers: 24%
- Being able to manage the risk of fraud: 20%
- Facilitating improved mobile working: 13%

The future of purchase to pay: trends report
Conclusion

European businesses are just beginning their journey in terms of adopting P2P technology. However, there is a clear focus on embracing P2P automation and a huge majority of companies already are doing so. The driving forces behind this are a need to streamline the P2P process, reduce costs, better spend control and cash flow, reduce risks and strengthen collaboration between finance and procurement and buyers and suppliers. Efficiency and productivity are the bywords here.

Considering this, it is surprising that the use of P2P analytics tools remains low. Despite the weight put behind the importance of P2P, most organisations are collecting data manually from many different sources. However, this situation is sure to change as the number of available analytics tools grows.

The research also found that while procurement and finance functions remain less closely aligned, they will become more intertwined over the next two years. Technology is poised to play a big role in this and many believe this collaboration will be supported by leveraging end-to-end P2P technology.

The use of technology differs from region to region, but a constant is that the use of e-invoicing remains very low. Nevertheless, the Nordics and Italy are taking a more progressive approach in this area, with both processing more invoices electronically than on paper. It is clear that this forward-looking activity will also flourish, as 56% of companies in Europe plan to adopt it over the next two years. This makes it the second most targeted P2P technology for adoption, over document management.

Vendors have an important role to play in ensuring the growth of P2P technology, by offering sound advice and suitable solutions to European businesses that are keen to explore how to solve business challenges.

The rise of end-to-end P2P automation technology will see vendors become much less fragmented, providing businesses with a greater chance to collaborate with a single partner to foster end-to-end P2P solutions and services, under varying delivery models, and support business growth.