



THE AP CONTROL PANEL

How Much Does AP Know About Working Capital?

AP handles most of the organization's cash, yet how much insight does it have into issues relating to working capital? The recent IOFM / Hyland Accounts Payable Control Panel investigated how well over 350 AP professions could report on:

- >> Early payment discounts available
- >> Early payment discounts captured
- >> Accruals and predicted payments
- >> Real-time enterprise spend
- >> Real-time supplier spend
- >> Days Payable Outstanding (DPO)



Working Capital Information Tracking

Is AP able to report on available early pay discounts?



Can AP report on enterprise spend in real time?



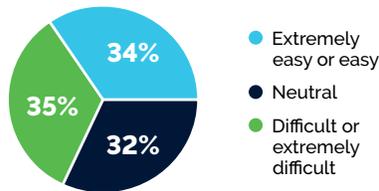
Can AP report on the percentage of early pay discounts captured?



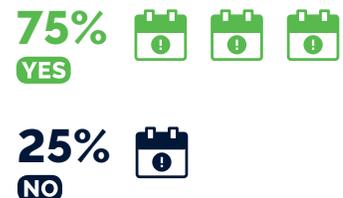
Can AP report on spend by supplier in real time?



How easy is it for AP to track and report accruals and predict payments?



Can AP track the Days Payable Outstanding metric?



The bottom line

- Fewer than half of respondents can report on early pay discounts available.
- Likewise, fewer than half know how many discounts they actually captured.
- Respondents' accrual reporting was evenly split as easy, neutral or difficult.
- Overall enterprise spend was reportable by about half of respondents.
- Per-supplier spend was reportable by two respondents out of three.
- DPO was reportable by three out of four survey respondents.

Takeaway

Reporting on key issues related to working capital is fundamental to an organization's ability to control its cash flow. While most accounts payable organizations can track DPO and research per-supplier spend, there's still a lot of opportunity to improve reporting of discounts, accruals and total enterprise spend.

And while more than six in ten respondents said they had significant or moderate levels of automation, clearly their solutions aren't providing them with the expected transparency into working capital.

Download



the complete whitepaper to find out more about AP's insight into working capital metrics here.