



Accounts Payable Automation Trends 2025



INSTITUTE OF FINANCIAL
OPERATIONS & LEADERSHIP

Sponsored by

Restore
Information Management

Restore Information Management

are proud to sponsor this year's research.

We are the largest UK provider of secure information management solutions, supporting organizations across the public and private sectors to manage, digitize and transform their physical and digital data. We like to refer to it as 'phygital' – the best of both worlds.

We chose to support this research because the findings are both timely and telling. Despite increasing awareness, 73% of finance teams are still not fully automated, and 27% have no automation in place at all. Manual data entry and data errors continue to dominate as the top challenges - issues that impact not just operations, but broader business performance.

This topic is important to us because accounts payable can be a strategic enabler, not just a transactional function. We offer a phygital approach, a unique blend of physical and digital services helping organizations transition at their own pace while building long-term process resilience.

We work with finance teams to build a compelling business case for change. That means demonstrating not only cost savings and hours saved, but also how improved AP efficiency enhances supplier satisfaction – not to mention making a smoother and speedier month-end.

Our advice: start with a single process, like invoice entry - to gain early wins, build momentum and secure leadership buy-in. With the right tools and insights, automation becomes more than a system upgrade; it becomes a strategic shift.

We're proud to contribute to this conversation and support the future of finance transformation.

Executive Summary

Accounts Payable Automation Trends 2025

This report presents the findings of an independent global research study conducted by the Institute of Financial Operations & Leadership (IFOL), supported by our research sponsor **Restore Information Management**. Over a six-week period in Q2 2025, we surveyed AP and finance professionals across a wide range of industries to uncover the current state of accounts payable automation - and what the future holds.

Respondent Snapshot

Before exploring the trends, it's important to understand the operational scale and systems in use across respondent organizations:



62% of respondents are supervisors or managers.



78% work in accounts payable and purchase to pay.



36% of participants process more than **5,000 invoices per month** - including **14%** who handle over **10,000 invoices monthly**.



66% still manually key invoices into their ERP or finance system.



Just **6%** use **purchase orders (POs)** for **all invoices**, reflecting a limited adoption of end-to-end control processes.

These figures frame the context for the following key findings.

Key Findings

1. Efficiency Challenges Are Growing, Not Shrinking

Headline Insight: AP teams are spending more time on processing tasks than last year, indicating a reversal in efficiency gains.

While small-step automation tools have delivered some incremental improvements, the overall picture shows rising inefficiency:

63%

63% of respondents spend more than 10 hours a week on invoice processing - up from **52%** in 2024.

66%

66% continue to manually enter invoice data into their ERP - a 6% increase from last year.

The top two process challenges are:

- 1. manual data entry**
- 2. data errors/discrepancies**

78% cited stress caused by poor AP processes - a **14% rise** from 2024, indicating growing pressure on teams.

These metrics suggest that many AP functions are burdened with outdated or fragmented workflows.



IFOL
Advice

Improving Efficiency

→ **Start with the biggest bottleneck:** If manual data entry is your top challenge, invest in OCR or AI-driven data capture as a first step.

→ **Review upstream inputs:** Poor invoice quality or lack of POs can drastically increase time spent on approvals and matching.



2. Automation Progress Has Plateaued

Headline Insight: Momentum toward full AP automation is slowing, and for many teams, implementation has stalled altogether.

This year's data shows only a minor shift toward greater automation:

- 73%** of teams are still not fully automated - barely improved from **74%** in 2024.
- 27%** have no automation in place at all.
- 44%** While **44%** plan to fully automate within the next year, **21%** state that automation is currently not a priority.

The top reasons organizations are pursuing automation remain consistent:

1. **To speed up invoice processing**
2. **To increase control and reduce risk**
3. **To gain greater visibility across the invoice lifecycle**

The automation plateau suggests a need for clearer business cases and stronger leadership engagement to move initiatives forward.



**IFOL
Advice**

Restarting Automation Progress

- **Quantify the cost of inaction:** Show how inefficiencies translate into hours, errors, and lost opportunities.
- **Prioritize quick wins:** Automate one process (e.g., invoice approvals) to build confidence before scaling.



3. AI in AP: From Curiosity to Commitment

Headline Insight: AI adoption in AP has grown significantly, with practical benefits beginning to emerge.

29%

29% of respondents now use AI in their processes - up from just **7%** in 2024.

51%

51% are actively considering AI adoption in the next 12 months.

35%

35% remain unsure, suggesting an opportunity for more education and guidance.

The top three AI use cases respondents are focused on are:

1. **Invoice data extraction and entry**
2. **Automated matching and approvals**
3. **Detection of duplicate or fraudulent invoices**

These align with the core areas where AP teams face delays and risks, indicating AI is being explored to target high-impact inefficiencies.



IFOL
Advice

Getting Started with AI in AP

- **Begin with structured pilot projects** in areas like invoice capture or fraud detection, where ROI is easier to measure.
- **Evaluate vendors on transparency:** Choose solutions that clearly explain how AI models work and integrate with your systems.

4. Audit Readiness and Compliance Still Lagging

Headline Insight: Digital maturity in audit readiness is uneven, leaving many AP teams vulnerable.

39%

Only **39%** of respondents have complete digital storage for AP documentation.

51%

51% operate with a hybrid of print and digital records.

10%

Alarmingly, **10%** still rely entirely on paper.

49%

Only **49%** feel confident that their current systems meet audit and data retention standards.

When asked about the most valuable capabilities over the next 1-3 years, respondents identified:

1. **End-to-end visibility of the invoice lifecycle**
2. **Easier access to audit trails and documentation**
3. **Automated compliance tracking and reporting**

The findings suggest that while compliance remains critical, it is often deprioritized in transformation programs.



**IFOL
Advice**

Strengthening Audit Readiness

→ **Digitize documentation as a foundation:** Centralized digital records reduce audit risk and increase operational flexibility.

→ **Audit-proof your AP process** by ensuring timestamps, user logs, and document history are automatically recorded.



5. Unlocking AP's Strategic Potential

Headline Insight: Despite recognition of its potential, AP remains operationally bogged down and underleveraged.

92%

92% believe that automating invoice and supplier payment processes would allow their finance teams to focus on strategic priorities.

67%

67% still spend five or more days per month processing invoices - leaving little time for higher-value tasks.

26%

26% say their current AP process is **not scalable** if invoice volumes were to suddenly increase.

78%

78% report process-related stress within their AP team - highlighting the human impact of inefficiency.

There's broad awareness that transformation could unlock strategic value, but execution is lacking due to competing priorities and resourcing gaps.



**IFOL
Advice**

Elevating AP's Role

→ **Make the business case strategic, not just operational:** Show how AP efficiency links to supplier satisfaction, working capital, and ESG goals.

→ **Free up capacity first:** Automation can create space for AP teams to contribute to data-driven decision-making and finance strategy.

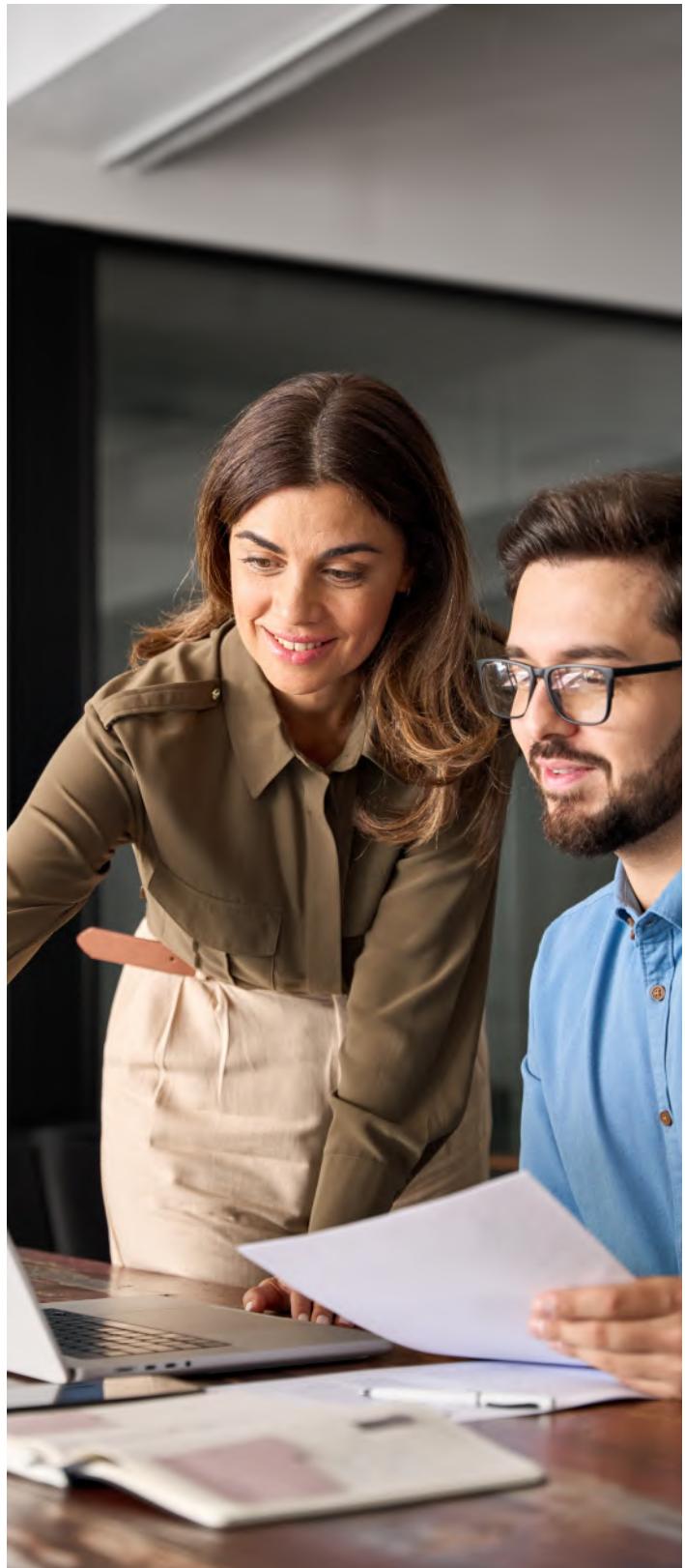
→ **Invest in team development:** Formal training and professional certification - such as IFOL's [Certified Accounts Payable Professional \(CAPP\) program](#) - helps AP professionals expand their capabilities, gain recognition, and increase their strategic contribution.

Conclusion

The 2025 landscape for AP automation reveals a tension between ambition and execution. While interest in digital transformation remains high - particularly with AI adoption accelerating - most teams are still battling manual processes and stalled automation initiatives. Compliance and audit capabilities continue to lag, and operational inefficiencies are placing growing strain on AP professionals.

Yet the potential is clear.

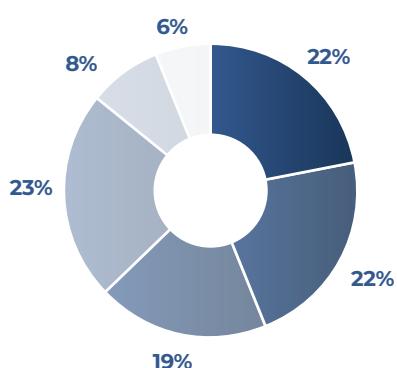
With renewed focus, strategic investment, and a phased approach to digital transformation, AP functions can evolve from transactional bottlenecks into agile, strategic contributors to business success.



Research Responses

Current Invoice Process

What volume of invoices does your accounts payable team process on a monthly basis?



Volume Range	Percentage
1-500	22%
501-1000	22%
1001-5000	19%
5001-10,000	23%
10,001 - 25,000	8%
25,001 - 50,000	0%
50,001+	6%

How many hours a week does your finance team spend processing invoices and administering supplier payments?

Less than 1 hour



8%

1-5 hours



6%

6-10 hours



23%

Over 10 hours



63%

How much time do you spend on a monthly basis processing invoices?

Up to half a day

8%

Up to 2 days

6%

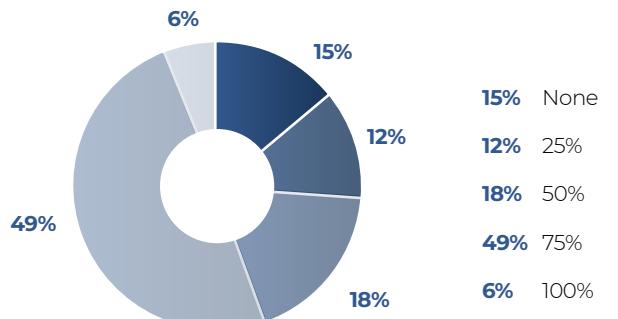
Up to 3 days

18%

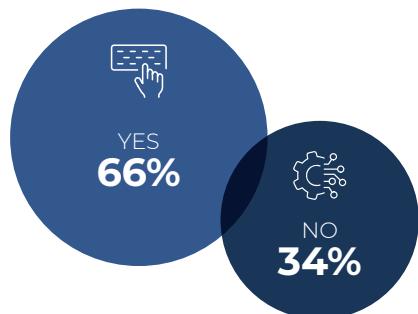
More than 5 days

68%

What percentage of your monthly invoices go through a purchase order process?



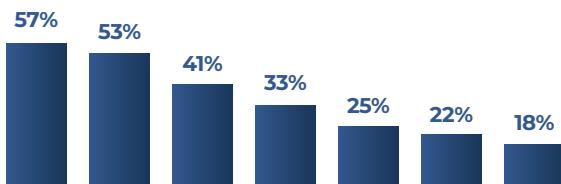
Do you (or a member of your team) manually key invoices into your ERP/accounting software?



According to our results, automation makes a clear impact on efficiency. Teams processing 5,001-10,000 invoices each month spend over 5 days on the task without automation - while mostly automated teams complete it in just 2. The more you automate, the more time you save.

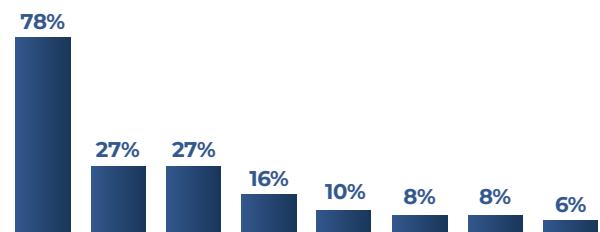
Current Process Challenges

What are the top accounts payable process challenges in your company?



- 57%** Too much manual data entry
- 53%** Data errors and discrepancies causing process delays approvers / stakeholders
- 41%** Invoice exceptions causing process delays take too long
- 33%** Automation solution is not user-friendly
- 25%** Too many paper documents and files
- 22%** It is difficult to modify our processes when needed
- 18%** Lack of visibility

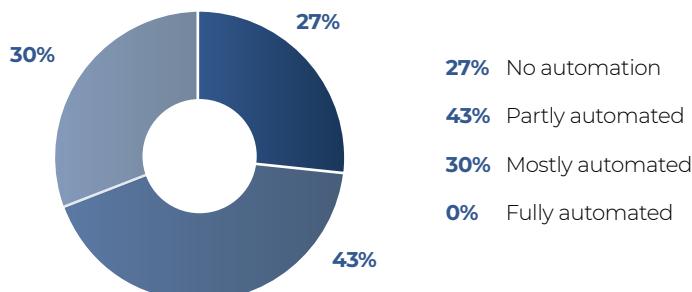
What are the core issues faced within your team as a result of delayed processes?



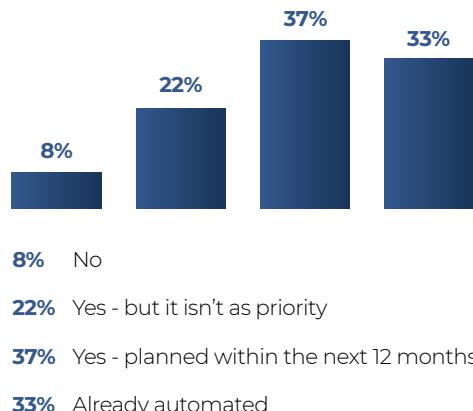
- 78%** Stress on AP team
- 27%** Damaged vendor/supplier relationship
- 27%** Delayed delivery of goods or services from vendor/supplier
- 16%** Penalties or fines
- 10%** None of the above. Our payments and processes are rarely delayed
- 8%** Negative credit rating
- 8%** Contract cancellations
- 6%** I'm not sure

Current State of Automation

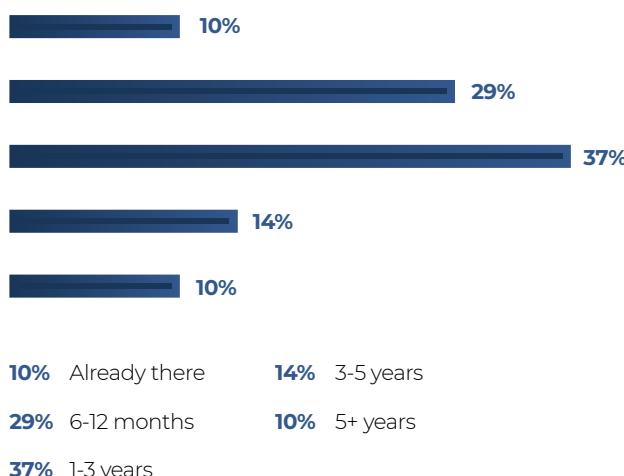
How would you best describe the current state of automation in your accounts payable department?



Are you planning on automating your AP process?



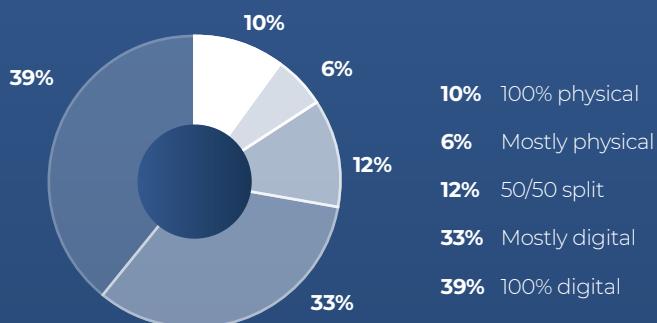
When do you anticipate your AP department reaching a fully automated state?



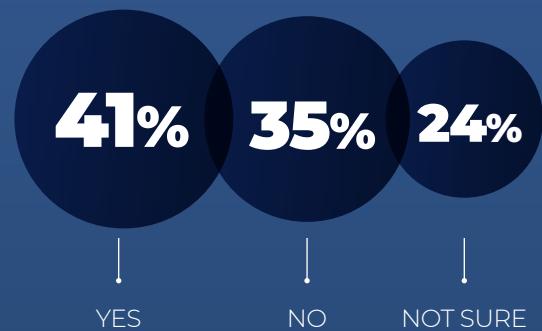
Which of the following financial processes have you already automated?



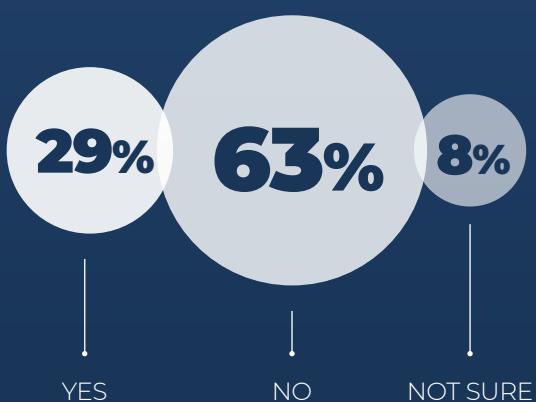
To what extent is your accounts payable documentation (e.g., invoices, purchase orders, remittance advice, etc.) currently stored physically vs. digitally?



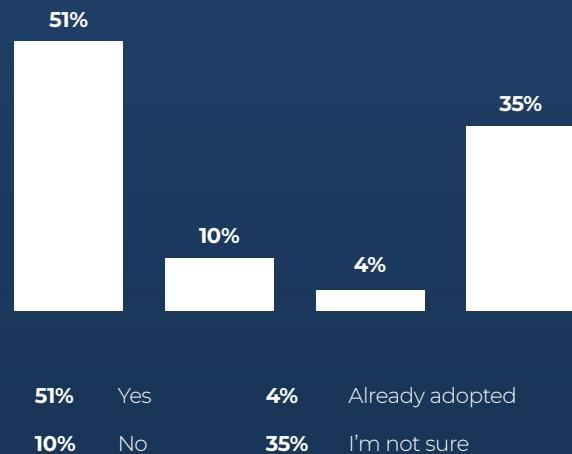
Are there any plans to transition more of your AP documentation to digital storage in the next 12 months?



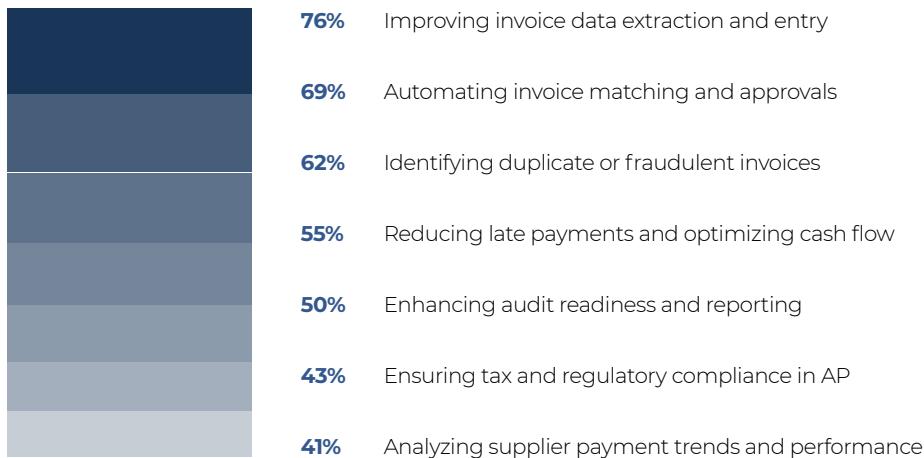
Do you currently use AI technologies in any of your accounts payable processes? (e.g., detecting duplicate invoices or fraud, automating invoice data capture, or analyzing payment trends)



Are you considering adopting AI technologies in your accounts payable processes in the next year?

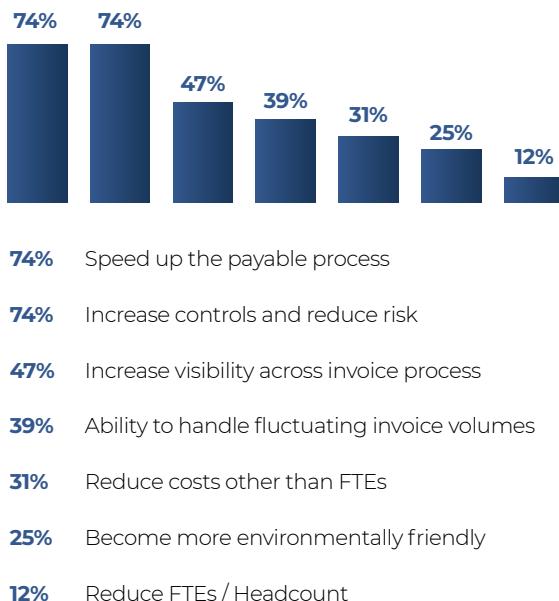


Which accounts payable processes are you looking for AI to improve?

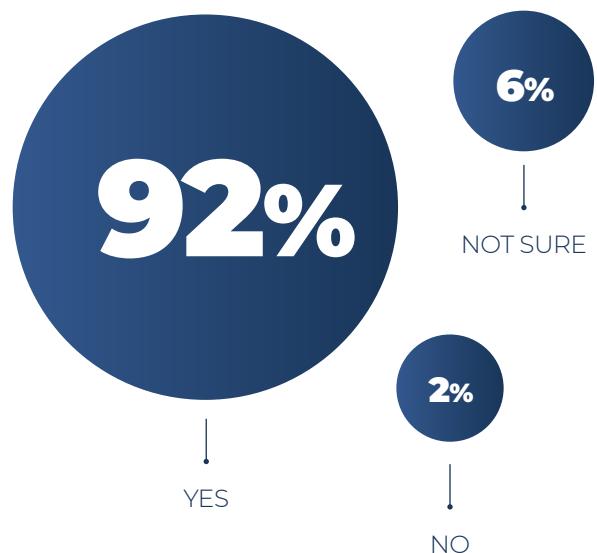


Reasons for Automating

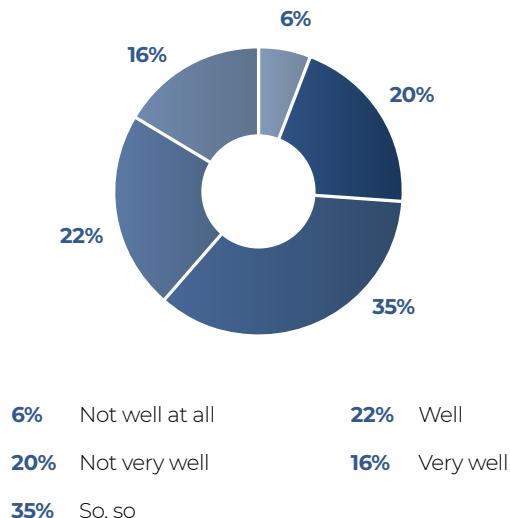
What would be the top two reasons for automating the AP process for your business?



Do you believe that automating invoice management and supplier payments would free up your finance team to focus on more strategic initiatives?



How well equipped would you describe your AP team to handle a sudden increase in invoice volume?

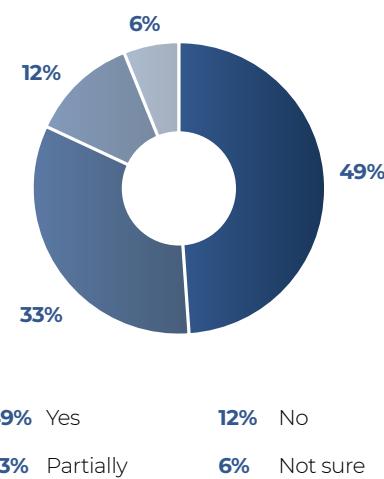


If your business is doing well and your invoice volumes therefore increase, accounts payable needs to be able to manage that. AP processes should be scalable. This is much easier if they are automated rather than manual. It means AP can handle more volume without additional headcount.

What capabilities do you believe would add the most value to your AP process over the next 1-3 years?



Are you confident your current systems meet your industry's data retention and audit requirements?



~~Physical?~~ ~~Digital?~~ **Phygital**

**Rely on us to strike
inefficiency from
your records.**

You won't find the best
information management in a
choice between physical or digital files.

Instead, you'll find it in bespoke solution unique
to you. Which is why we'll use three decades
experience to help you identify what's worth
digitising, store what's not, and create a seamless
phygital library for your organisation.

Demand the best of both worlds for
better access, better security, and
reduced costs. Now that's complete
information management
you can rely on.

*you
can
rely*
**Information
Management**



THE INSTITUTE OF FINANCIAL OPERATIONS AND LEADERSHIP

ABOUT US

Who we are

The Institute of Financial Operations and Leadership (IFOL) is a leading provider of education, support, and research to a global audience of Accounts Payable, Procure to Pay, Accounts Receivable, Order to Cash, and Payroll.

What we do

We provide training, certification and skills development to individuals and teams so they can grow as professionals, improve their performance and advance their careers in finance operations.

Our members

With over 30,000 active members and 7,000 students from over 14 countries who study with us each and every year, we offer over 15 courses and qualifications and help our students achieve a 99.8% first time pass rate.

Our community

Our growing online community of finance professionals are connected by mindset, not job title. Our global community is free and open to anyone. It offers resources, white papers and webinars for CPD, and the chance to network with like minded professionals.

Our events

We run a global conference programme for our community and beyond, with annual events in the UK, US and Canada, designed for Finance Change Makers.

Our promise

"In an ever-changing environment, IFOL helps driven and dynamic finance operations professionals be more effective through industry-leading education, research, and training and development.

THANKS TO OUR SPONSOR



Restore Information Management is the leading UK owned provider of information management services, specializing in secure physical document storage, digital transformation, and data management. Our approach helps businesses protect, transform, and access their information seamlessly and efficiently. With a focus on innovation and customer-focused solutions, Restore Information Management helps businesses streamline and transform their information management processes to stay competitive in today's fast-paced market.

Contact Us

OPERATING IN - UNITED KINGDOM | USA | CANADA | AUSTRALIA | UAE

UK: +44 121 295 1123

USA: +1 813 296 2787

Canada: +1 236 836 6184

Email: info@acarp-edu.org

Website: www.acarp-edu.org

Sponsorship: will.hitchen@acarp-edu.org

IFOL Community: <https://community.acarp-edu.org/home>