appzen

Manage your AP inbox with generative AI

Real data and expert guidance

58%
MANAGE AN
AP INBOX

60%
SPEND 8 HOURS A
WEEK ON EMAIL
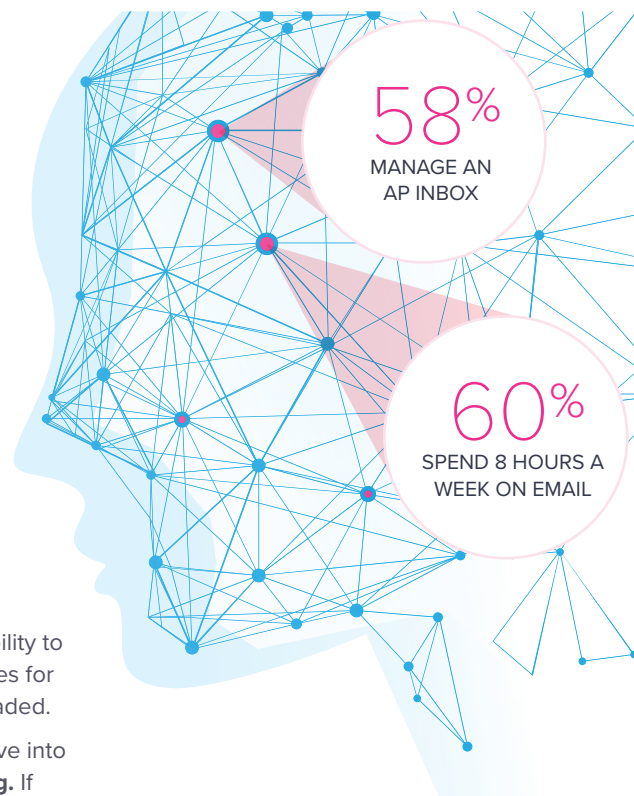
Communication is one of the most critical components in a company's ability to create value for its customers. Most finance teams set up AP email inboxes for managing invoices and communications that can quickly become overloaded.

Our customers shared their pain points and feedback in a survey that dove into their AP inbox challenges. **The insights we uncovered were eye-opening.** If you're still debating AI adoption in your finance department, the following data and recommendations are valuable for evaluating the latest AI-enabled query management solutions.

Why is inbox management so challenging?
Effective communication with suppliers is difficult when you're manually slogging through messages and downloading documents all day. Suppliers use **multiple inboxes** to communicate and sometimes important emails get lost in the shuffle. They may send invoices in **multiple formats**—email, supplier portals, EDI, fax, postal mail—and follow up with **repetitive reminders**, leading to duplicate payments. Inquiries cover everything from payment and PO status to W9 requests and reconciliations, requiring **research and replies**. And then there are the **junk emails**. There are so many challenges to getting the work done.

What our survey found

The 90 accounts payable and expense audit customers who fully completed our survey offered thoughtful feedback about their struggles with manual tasks, especially those related to email. Our goal was to learn whether they were interested in the transformative potential of generative AI for finance.

AI security is a top priority
In AP, the cost of a security mishap can be enormous, both financially and reputationally. Roughly half of our survey respondents identified security as their chief concern when considering AI tools. One VP of Finance Operations at a national telecom company shared with us that any time her team considers adopting a new technology internally, there is pushback from IT and legal concerning security. Throughout her company's digital transformation journey, she often had to demonstrate the undeniable value any new tool brought to the table, ensure it checked all the security boxes, and confirm everyone on her team understood the strategic need for the tool.

The hesitancy is understandable. Fears of the unknown, heightened security concerns around data breaches and hacking, and the need to avoid critical mistakes often lead to a general reluctance to adapt until it becomes an absolute necessity. But staying stagnant is not an option when you're committed to delivering value and remaining competitive.

> *"AI helps individuals stop working on low value activities, and focus on high-value activities to help the company grow in an extremely competitive market."*

AppZen customer
Richard Masci, Head of Financial System Services for Airbus Americas

AP inbox management and communication overload

For nearly two-thirds of our customers, the day-to-day manual work of expense report management, invoice processing, and internal audits takes up most of their time. Nearly two-thirds of AP teams interact with suppliers through email, sometimes as part of a mix of communication channels. They would love to use AI to automate replies to all related inquiries.

What's eye-opening isn't the time spent on manual work but the lack of awareness about it. Nearly 20% of respondents had no clue how much time their teams dedicated to these tasks. Another 9% were unaware of how long it was taking them to respond to supplier emails. When service agreements require AP teams to respond quickly, the inefficiencies of query management can become an overwhelming task.

Query management

The way our customers' AP inboxes are set up and how they handle emails varies. Roughly half (56%) use a single inbox. The rest use multiple AP inboxes, often in a query management structure, segregated and tailored to specific functions, such as posting invoices, answering supplier questions, or handling change requests. They may also deploy ticketing systems to control how emails are answered.

Even with expensive query management tools, much of our customers' valuable time is being wasted. Inconsistent communication and turnaround delays translate into additional work and stress, both internally and for suppliers. Integrating multiple tools and systems can also increase security risks by inadvertently introducing vulnerabilities.

How those replies are managed varies widely. It may be managed by the date received, delegated to specific team members based on the type of request, or handed out to whoever is on call. Other responses indicated there was no process in place. The lack of standardized processes leads to errors, stress, and staff and supplier turnover, adding another layer of disruption and cost.

"Technology adoption levels do not satisfy modern needs, and people are maxed out working long hours, making the profession unattractive."

Mark D. Mcdonald,
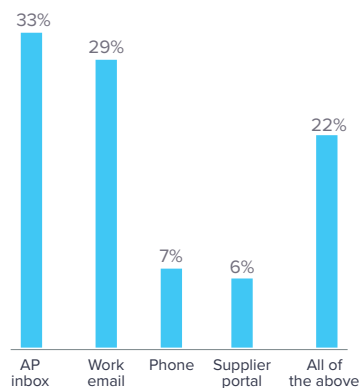Senior Director Analyst, Gartner
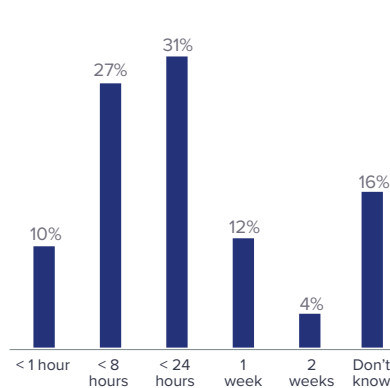
48%
SAY AI SECURITY
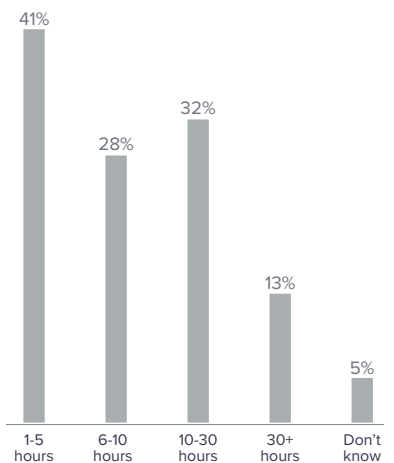IS PARAMOUNT

65%
NEED IT APPROVAL
FOR WEB PLUGINS

What is the primary way suppliers interact with you?

- AP inbox: 33%
- Work email: 29%
- Phone: 7%
- Supplier portal: 6%
- All of the above: 22%

How quickly does your team respond to AP inbox emails?

- < 1 hour: 10%
- < 8 hours: 27%
- < 24 hours: 31%
- 1 week: 12%
- 2 weeks: 4%
- Don't know: 16%

Hours spent per week replying to supplier emails

- 1-5 hours: 41%
- 6-10 hours: 28%
- 10-30 hours: 32%
- 30+ hours: 13%
- Don't know: 5%

The problem with AP email and multi-tasking

While some level of multi-tasking is inevitable in finance, it can take a cognitive toll. This involves frequent context switching, moving between answering emails, and searching an Enterprise Management System (EMS) for relevant data. Research suggests that interrupting one task for another requires several minutes to fully transition your thought process to the new task. This transition time accumulates throughout the day, leading to significant time loss. The lack of continuous focus can also lead to a higher likelihood of errors.

The challenges of AP inbox management are multifaceted. It's not just about juggling multiple emails; it's the entire ecosystem of tasks and types of communication that contribute to the time drain. Current tools fail to address the root causes of the problem: the need for a fully integrated solution. These findings are a wake-up call. Inefficiency is not an isolated problem but a systematic issue requiring attention and innovative solutions.
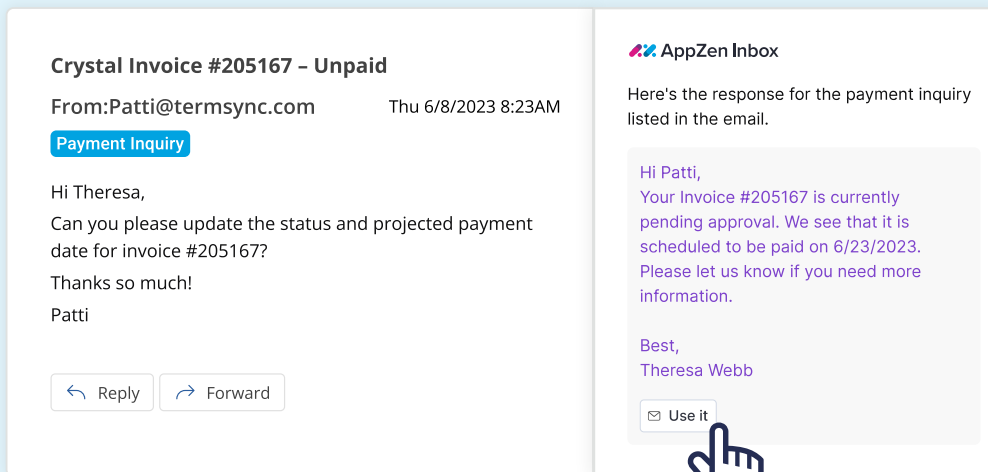
The promise of generative AI for finance

We asked our customers about their experiences with ChatGPT, the most widely-known and popular generative AI tool. As many as 55% of them understand the value of AI and have actively enabled it to help them do their jobs.

Approximately how many people have access to and help manage your AP Inbox?

- 12% — 10-20 People
- 15% — 1 Person
- 19% — 5-10 People
- 54% — 2-5 People
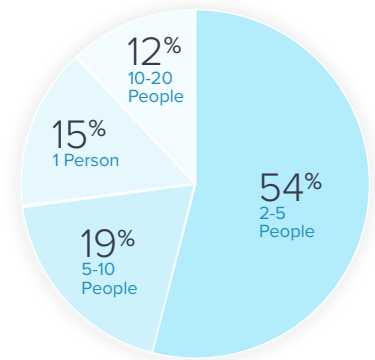
Over 60% of finance teams lose one whole day a week to manually reviewing, researching, and replying to AP emails.

Crystal Invoice #205167 – Unpaid

From:Patti@termsync.com   Thu 6/8/2023 8:23AM

Payment Inquiry

Hi Theresa,

Can you please update the status and projected payment date for invoice #205167?

Thanks so much!

Patti

↩ Reply   ↪ Forward

AppZen Inbox

Here's the response for the payment inquiry listed in the email.

Hi Patti,
Your Invoice #205167 is currently pending approval. We see that it is scheduled to be paid on 6/23/2023. Please let us know if you need more information.

Best,
Theresa Webb

✉ Use it

AppZen Inbox and Autonomous AP can organize your accounts payable inbox, process emailed invoices, and even use generative AI to draft responses to questions from your suppliers.

How AppZen Inbox can help

AppZen is unique in offering an AI platform that meets these key criteria, providing comprehensive, secure, and efficient solutions for back-office finance operations. AppZen Inbox uses generative AI to help finance teams label and organize AP emails and write accurate, data-driven responses, saving you hours of work. Connected to AppZen Autonomous AP, it can process emailed invoices from your inbox all the way to 'OK to pay.'

Best practices: Evaluating AI-enabled query management solutions

When we surveyed our customers about their experiences with ChatGPT, 45% said they had never used it, while 55% admitted they were actively using it to help them do their jobs. The survey data clearly shows there's an appetite for sophisticated solutions that can shift AP from a function mired in tedious tasks to a value-added operation. Generative AI promises to be that game-changer. So what should you be looking for when considering AI-enabled solutions to your daily frustration with emailed invoices and other documents?

Compatibility Any tool you use should meet you where you spend a third of your workday: in your email inbox. It must be specialized in managing supplier queries, and able to read and understand finance language and various document formats.

Change Management The best AI-driven tools can be tailored to your needs. They should allow for simplistic organizational change management, continuously adapt and adjust to your needs and feedback, and should be easy for your staff and your vendors to adopt.

Communication Opt for a tool that can draft emails, which you can then review and send. The tool should also fetch relevant data for you from your EMS, eliminating the multi-screen overload found in many workplaces.

Speed and Accuracy Solutions that enable autonomous finance starting at your AP inbox offer faster operations and enhanced accuracy. The AI should excel at catching duplicates and identifying risks and errors, becoming more knowledgeable with each transaction.

Security Secure AI helps IT teams do their jobs to enable business technologies and digital transformation. Any AI should guarantee personally identifiable information (PII) is never stored and ensure all data is anonymized during processing. Robust security measures should be compliant with standards like ISO 27001, SOC2, and regional requirements and use the most secure API protocols.

Bias and Ethics Finance AI tools should be designed to eliminate biases, particularly when drafting emails. They should also be built using ethically sourced components. Including an AI governance committee in the conversation is also helpful if you have one.

> *"Corporate finance teams have painted themselves into a corner: demand for finance work has grown beyond the function's ability to meet it."*
>
> Mark D. Mcdonald,
> Senior Director Analyst, Gartner

Did our customer data resonate with you? Do you have questions about customizing your AP environment? Our AI experts are ready to enable the very best AP query management solution for your organization's needs. Contact us today or visit www.appzen.com to learn more.

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About AppZen
AppZen's finance AI solutions simplify travel & expense, card, and accounts payable processing tasks by automating complex workflows, policy checks, and approvals that legacy systems can't.