pipefy

The Definitive Guide to Procure-to-Pay (P2P) Process Optimization

Procurement teams need P2P processes that build strong relationships with suppliers and customers

Businesses leverage their supplier relationships in order to create value for their customers. That's what procurement is all about. It's also a complex array of people, processes, and technology.

To make their efforts more efficient and effective, many procurement teams rely on a procure-to-pay (P2P) process model that connects the purchasing and accounts payable functions of the business.

The integration of purchasing with accounts payable is an important development, but how do teams make the most of their P2P process?

As with any other process or workflow — P2P must be optimized in order to avoid errors, reduce manual tasks, and deliver consistent results. Above all, P2P must be able to help the business meet the needs and expectations of its customers.

That's exactly what this guide is all about: building better, more trustable P2P processes through optimization.

What's inside

This guide delivers information and insights for procurement directors, managers, or anyone who wants to build a better procure-to-pay process. Inside, you'll find practical and relevant information related to procurement in general, as well as tips and strategies for optimizing your P2P processes and workflows.

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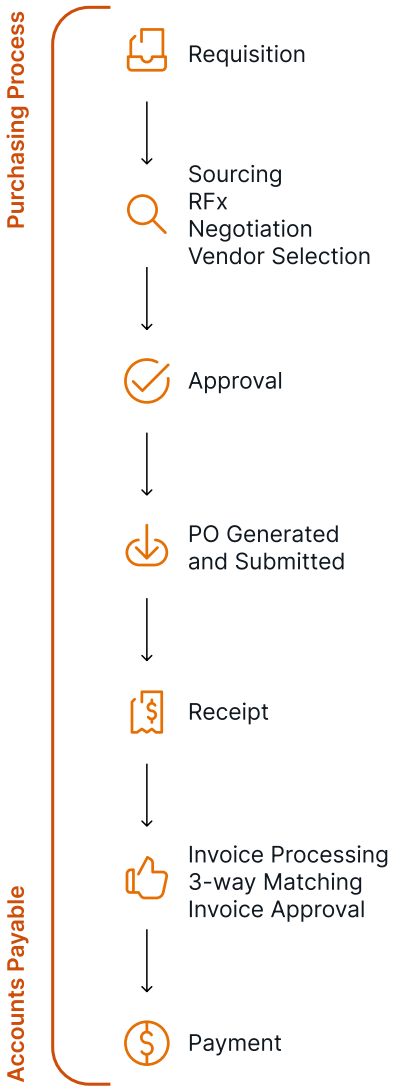
An introduction to procure-to-pay (P2P)

What is procure-to-pay?

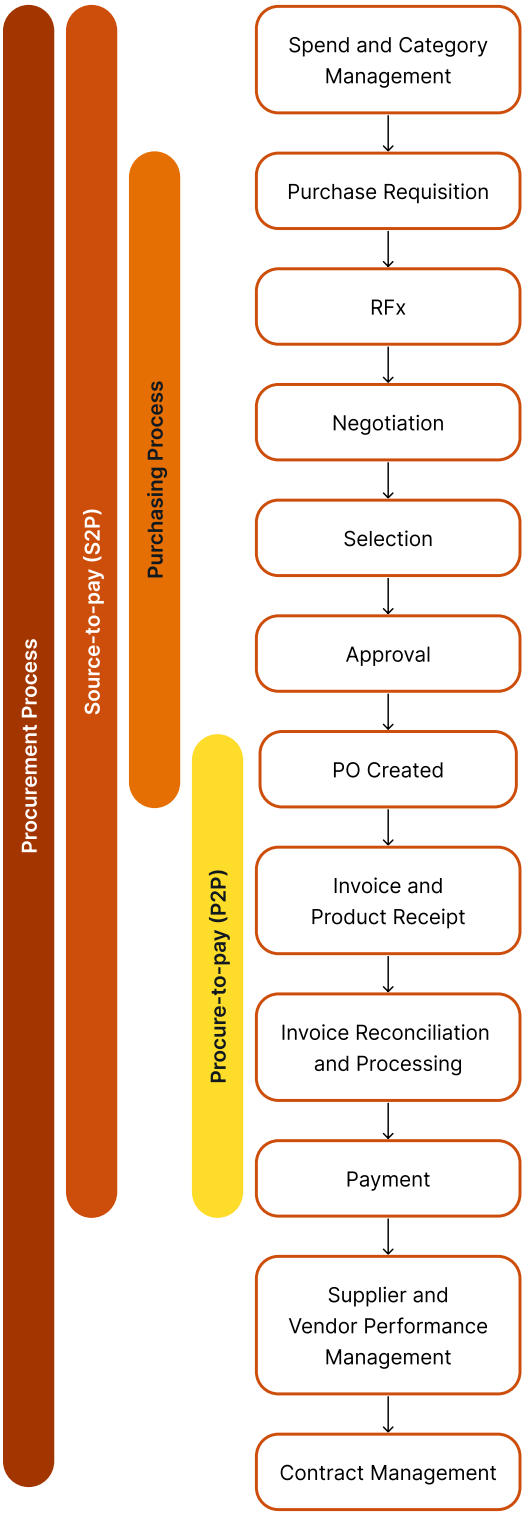
Procure-to-pay (P2P) is a process that connects the purchasing and accounts payable elements of procurement. The term “P2P” refers to the sequence of activities that begins with the purchase of goods and services, and concludes with their payment. The P2P process originates from the need to bring more cohesion and visibility into the end-to-end purchasing process.

All of the tasks, documents, and activities involved in the P2P process generate a lot of data. To manage it, most businesses rely on P2P software. These tools help the business centralize information, coordinate activities, and consolidate data for better visibility and control. As a result, efficiency increases, silos are dissolved, and the frequency of errors and delays is reduced.



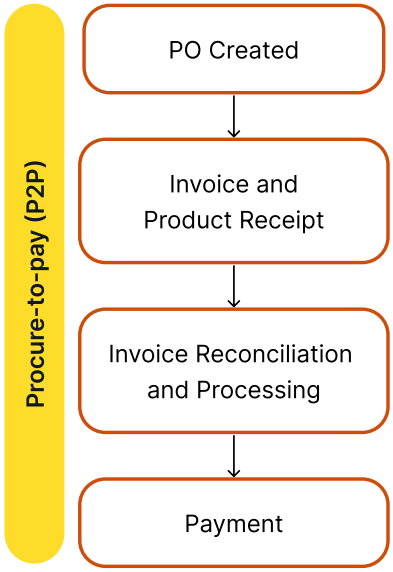
Elements of a P2P process

The P2P process is one part of a business' overall procurement structure, and it links the activities that occur between purchasing and paying for goods or services.



The way a P2P process is structured will vary from team to team. However, activities typically managed in P2P include:

- Purchase orders
- PO approvals
- Receiving invoices
- 3-way matching
- Payment reconciliation



The illustration above provides an overview of the P2P process. In the table below, we see more details about the tasks and workflows that occur within P2P, as well as the person or team who typically handles them.

Step	Owner
Needs identified	Procurement and/or requester
Request submitted to procurement team	Procurement and/or requester
Request approved	Purchasing
Purchase order created and issued	Purchasing
Goods received from supplier	Procurement and/or requester
Invoice received from supplier	Procurement and/or Accounts Payable
Invoice matched, approved, and processed	Accounts Payable
Payment issued for approved invoice	Accounts Payable

Types of procurement

At first glance, the idea of procurement seems straightforward: You need something → You find a supplier or source → You obtain the material or service → You pay for it.

While this summary is technically accurate, it doesn't illustrate just how complex procurement can be. Nor does it tell us much about the impact procurement can have on the business as a whole. For a better understanding of the importance of procurement, let's look at a few different variations on this process, and the roles they play in the broader business framework.

Direct procurement

Direct procurement deals with the purchasing of products or services that are essential to the business core. In other words, it is a means to produce value for customers and generate revenue for the company. For example, direct procurement involves sourcing and obtaining the materials and services used to manufacture a product.

Indirect procurement

Indirect procurement involves the purchase of services or products essential for day-to-day business operations that don't necessarily provide a direct value to customers or generate revenue. For example, supplies for the HR department or IT equipment for facilities management are obtained through indirect procurement.

Services procurement

This type of procurement focuses on identifying and obtaining the services a business requires in order to operate. Examples include outsourcing labor or hiring third parties to assist with or advise on specific projects.

Comparison of the different types of procurement

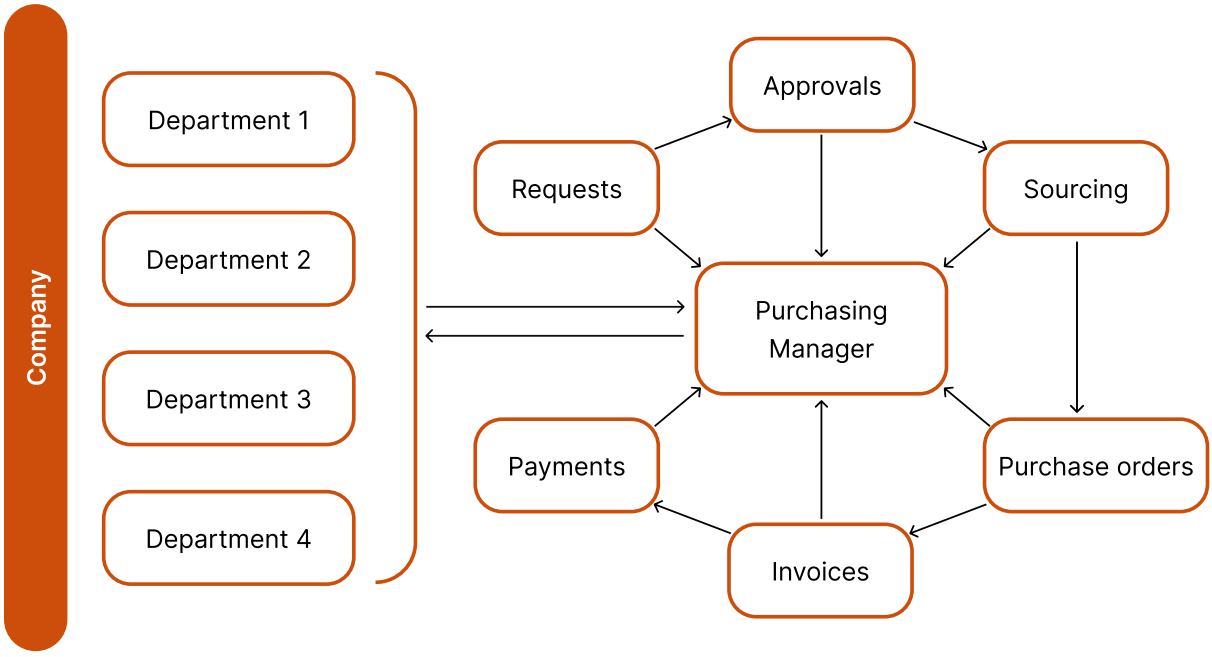
Type	Direct Procurement	Indirect Procurement	Services Procurement
Purpose	Obtaining essential items and services that allow the business to create value for the customer and drive revenue	Obtaining products or services that support day-to-day business functions	Obtaining project-based or specialized people-based services for individuals, departments, or the entire organization
Purchase model	Planned spending based on customer needs and demand	Flexible, spending based on business operations	Flexible, spending based on business operations
Criteria for success	Establishing and nurturing supplier relationships	Containing costs	Deep understanding of specific business or project needs
Examples	Raw materials, labor, mechanical components	Office supplies, software, product licenses, facilities management	Marketing, IT, accounting, insurance, legal representation

Types of purchasing models

Beyond the different types of procurement, it's also important to understand the different types of purchasing models that businesses use. These are centralized, decentralized, and hybrid purchasing.

Centralized purchasing

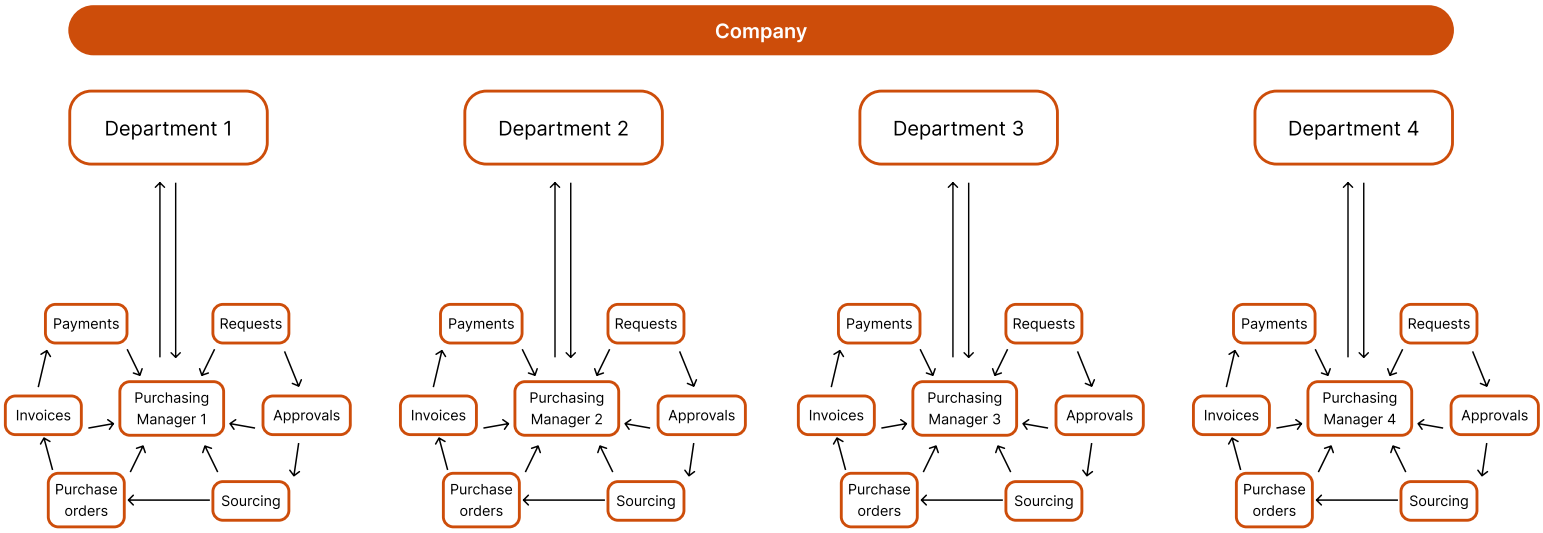
In a centralized purchasing model, all purchases for the business are managed by a single department or team. This means that every purchase — regardless of who requests it — must be submitted, reviewed, and approved through a single purchasing or P2P process. This model centralizes data and provides maximum control, but can be prone to delays if/when bottlenecks occur.



Decentralized purchasing

In contrast, a decentralized purchasing model allows purchases to be managed by different teams or departments, depending on the source or type of purchase request. The advantage of a decentralized purchasing model is that purchases can be managed by teams who specialize in a particular purchase type.

The decentralized model brings more expertise (and speed) to purchasing, but it also makes it more difficult to coordinate and monitor overall purchasing activity. Decentralized purchasing may also lead to unstandardized processes if each team handles purchases in its own unique way.

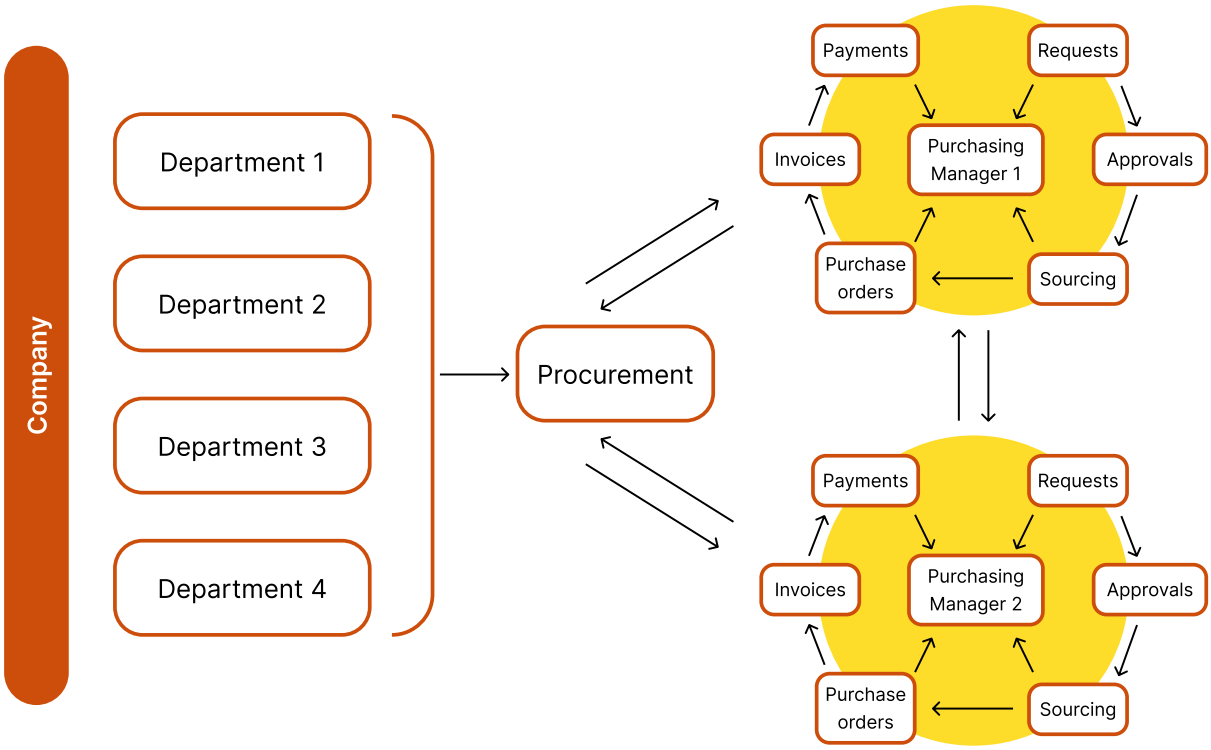


Center-led or hybrid purchasing

Some businesses reap the benefits of both centralized and decentralized purchasing models by opting for a hybrid approach. This model is also known as a center-led or coordinated model. This more coordinated and customized alternative can be used to maximize the benefits of purchase process standardization, data centralization, supplier diversity, increased supplier knowledge, higher purchasing autonomy, risk mitigation, and faster delivery times.

This center-led or coordinated procurement model is made up of cross-functional teams. A centralized team operating as a center of excellence is responsible for strategy, knowledge sharing, and supply chain optimization, which in turn empowers those in charge of more tactical and transactional front-line purchasing roles. Some larger enterprises prefer this model because it allows both strategic and tactical procurement teams to be agile and makes for more flexible and customizable processes and spending strategies.

With this model, it's also easier for procurement managers to better align the purchasing process and procure-to-pay processes with overarching business priorities. This model combines the autonomy of decentralized purchasing and the control of centralized purchasing.



Types of purchase orders

Now that we've considered the different types of procurement, it's worth some time to review the starting point for the P2P process: the purchase order.

Purchase orders are requests for goods or services that the purchasing organization provides to the vendor or supplier. The purchase order acts as a record that defines the goods or services being bought. Critically, the purchase order must also contain specific details to ensure that the goods or services being sent meet the actual business need.

This includes requirements such as quantity, quality, packaging, sizing, or other details depending on the type of purchase order.

The purchase order (PO) is also one of the documents involved in three-way matching, a process that occurs before payments are issued. Three-way matching provides a layer of control by comparing the original purchase order with the goods receipt and the incoming invoice.

There are four distinct types of purchase orders: standard, planned, blanket, and contract.

Standard

A standard purchase order is a unique PO issued at the point when the need for goods or services is identified. Standard purchase orders include specific details such as the item description, quantity, date needed, and payment terms. This is the most common type of purchase order.

Planned

A planned purchase order is similar to a standard purchase order with one important difference: planned purchase orders are issued in anticipation of a future need. This type of purchase order includes the kinds of details provided in a standard PO — such as the need, payment terms, and cost — but the timeline for delivery of the goods or services is flexible.

Blanket

A blanket purchase order is a standing order for future purchases, usually for goods ordered in bulk and needed on a recurring basis. Blanket purchase orders are helpful for securing stable prices from a single vendor, over a long period of time, typically a year.

Contract

A contract purchase order is a signed contract that outlines the terms and conditions agreed upon by the buyer and supplier. No other details are included besides the intent to buy from the specified supplier. The purpose of a contract purchase order is to establish a strong buyer-supplier relationship and to provide a reference point for terms on future orders.

Why P2P process optimization is essential

If procurement is about matching customer demand with supplier capability, P2P is about connecting the purchasing aspect of procurement to the accounts payable workflow.

The procure-to-pay process helps teams manage the critical activities of obtaining goods and services, paying for goods and services received, and confirming the accuracy and precision of everything that happens between those two points to avoid errors, delays, and penalties.

Businesses have a lot at stake in the P2P process. P2P ensures that the business has what it needs — when it needs it — and that it only pays the right price for the goods and services it receives. That's why it's important for the P2P process to be optimized.

Here's a summary of the advantages of optimizing the P2P process:

More control	It's easier to enforce spending and compliance policies and keep an eye on the terms and conditions of contracts.
Better visibility	Optimization improves oversight of spend and makesit easier to identify bottlenecks or other process problems. Better visibility improves alignment between purchasers and A/P.
Reduced risk	Less manual data entry and automated workflows mean fewer errors, broken handoffs, and delays. Optimization can also help prevent late payment penalties or missed discount opportunities.

6 common procure-to-pay risks and pains

One reason why P2P optimization is so important is that it reduces risk. Procurement risks occur wherever visibility and control are limited. Risk is also introduced when processes lack standardization, or when elements of the process are unreliable.

Unoptimized P2P processes pose risks not only for procurement and accounts payable teams, but also for the business as a whole. In addition to the time and resources wasted through inefficiency, an unoptimized P2P process can cost the business in terms of late payment penalties, missed discount opportunities, and its reputation as a reliable buyer.

1. Invoice and payment errors or delays

Unstandardized and decentralized workflows can open the door to costly mistakes and delays in the P2P process. The data silos and faltering handoffs typical of a broken P2P process may lead to:

- Overpayments
- Exceeding spend
- Penalties incurred from late payments
- Missed discount opportunities
- Poor inventory management
- Tarnished supplier relationships

2. Non-compliance

A company's purchase policy ensures that only approved purchase requests can be created and submitted to the procurement team. This layer of compliance prevents something known as maverick spending (purchases outside the scope of the purchase policy) and invisible spending (purchases made without the approval of the procurement or purchasing team). Purchases that evade compliance policies occur when visibility is limited by data or collaboration silos.

3. Fraud

Procurement fraud varies from unapproved purchases, intentional accounting mischarges, conflicts of interest, false invoicing, invoices that don't match purchase orders, unregulated post-contract changes, and single-source supplier schemes. Companies that are growing or evolving rapidly are especially vulnerable to fraud. That happens because process structure and visibility don't evolve fast enough to match the scale of procurement.

4. Poor contract management

It's reported that poor contract management can cost companies as much as 9% of their annual revenue.[1] Without a gateway to manage and centralize contracts, it can become nearly impossible to:

- Ensure that products or services were sold to buyers at an agreed-upon price.
- Confirm whether products or services meet company quality standards.
- Guarantee that products or services are delivered to meet the 5 Rs of procurement: right quantity, right quality, sold at the right price, delivered at the right time, and delivered to the right place.
- Assess whether existing supplier relationships are cost-effective and the right fit for current or future needs.

5. Email and spreadsheet sprawl

Relying on spreadsheets or email threads to manage payments or invoices is a common practice, but it's also one that requires ***a lot*** of repetitive, manual work. Distributing information across spreadsheets and email threads also makes it difficult to track or verify information across processes.

Managing decentralized purchase requests can be a nightmare for P2P teams. When data and information are scattered, and when processes require users to constantly toggle back and forth between the ERP and other apps, opportunities for errors and redundancy proliferate.

6. Employee burnout and limited IT resources

The most important element of any P2P process is the people who manage it. Businesses rely on their procurement team members to strategize, solve problems, and build relationships with their suppliers. But accomplishing these goals isn't easy if teams are burned out or resources are stretched too thin.

Too much manual work and broken processes can lead to fatigue and frustration for the procurement team, which can impact performance and drag down productivity. The reality of limited resources can also impact procurement teams if IT teams are overburdened. One tool that can mitigate bottlenecks with IT is the use of no-code process automation, which allows the P2P team to make some changes to their processes and workflows using a visual user interface, rather than throwing every change request over the wall to IT.

Symptoms of an inefficient procure-to-pay process

Some risks are easy to catch, but others can remain hidden from view. Fortunately, there are some tell-tale signs that often give away a broken P2P process. These include:

Symptom	Underlying cause(s)
Late penalties and/or errors are common	• The P2P process lacks standardization: each individual or team has their own way of doing things • Data is scattered and requires effort to track down • Payment approvals take too long
Purchasing process is difficult for requesters and buyers to adhere to	• Documents or requests arrive with missing or incomplete information • Requests and information are submitted through multiple channels, even informal ones • The majority of items in the workflow require hands-on intervention for even small problems
Reviewing purchase orders and evaluating suppliers is a lengthy process	• Status updates for items requiring attention aren't delivered consistently • Approval workflows are disorganized or unclear • Stakeholders report difficulty in locating policies, documents, or forms
Purchasing and P2P processes are disconnected, siloed, or bureaucratic	• Data does not flow easily between systems and apps, requiring manual entry • Difficulty obtaining information from stakeholders in other teams or departments • Visibility into request status is limited
Gathering information to create accurate purchase orders is difficult	• Records are not complete, key information is missing • It's difficult for internal or external stakeholders to determine the correct point of contact • Information is scattered across spreadsheets and email threads

Optimization can treat these and other symptoms of a broken procure-to-pay process. By organizing, integrating, and automating P2P, teams will see:

- Faster processing times for purchase requests, invoices, and payments
- Cost savings that result from maximizing efficiency and avoiding penalties
- More control and visibility for all P2P workflows
- Better finance, risk, and compliance management
- Standardized P2P processes that deliver consistent results

Optimizing P2P processes through automation

Automation is a cornerstone of digital transformation. Automation takes resources that were previously consumed by manual work and redirects them toward activities that create value for the business. That means less time spent on tasks like duplicate data entry, status updates, and spreadsheet management, and more time for customers, process improvement, and problem-solving.

When it comes to the P2P process, automation means streamlining the workflows that connect procurement and accounts payable workflows to eliminate redundancies, avoid errors, and improve visibility and collaboration.

What is procure-to-pay process automation?

P2P automation is the use of software to manage previously manual tasks, activities, and workflows. Automating the procure-to-pay process improves financial efficiency by reducing transaction costs and speeding up processing times.

Procure-to-pay software solutions automate a variety of P2P tasks including purchase request management, approvals, data entry, signature capture, emails, status updates, and invoice routing.

Examples of P2P automation opportunities

Practically any task or activity that is repetitive, frequent, or scheduled can (and should) be automated. In addition to improving the speed of these tasks, automation also reduces instances of error and the resulting rework those errors require.

Below are some common examples of P2P tasks and workflows that can be automated.

Purchase requests

Every purchase begins with a request. That can mean a lot of paperwork, email, and spreadsheets to manage. Automation can help teams manage and scale high volumes of purchase requests by reducing the hands-on work each new request requires.

For example, digitized forms can capture incoming requests and convert them into records. Automation rules can ensure that incoming requests are routed to the right reviewer and moved along through the workflow. Notifications and emails can also be automated to alert stakeholders when an item needs their attention.

Purchase orders

Creating consistency among purchase orders can be a challenge. But consistency is important so that every purchase order includes all of the details needed to ensure alignment between what the business needs and what it receives.

Another challenge procurement teams face is consolidating and organizing purchase orders so that they can be easily monitored and later located when it comes time to conduct three-way matching. Automation, along with integration, can centralized purchase orders into a single database for better visibility and faster access.

Invoices

Incoming invoices and requests for payment are time-sensitive. When delays occur — usually due to poor handoffs or documents being lost in complex email threads — businesses may miss opportunities for on-time payments or even incur late payment penalties.

Automation prevents delays (and their consequences) by increasing status visibility, preventing broken handoffs, and routing items to the appropriate stakeholder. Automation can send alerts when items approach their due date, display invoices in a calendar view, and integrate with invoice payment systems to keep data in sync.

Approvals

At some point, every request, order, or invoice will require approval. In some cases, these approvals come from individuals in other teams or departments.

Automation can speed up the approval process by preventing problems with handoffs, improving cross-team communication, and routing items to the correct approver. Automation can also notify approvers anytime an item needs their attention.

Contract management

Contract management plays a key role in building vendor relationships. Contract management is also the area where procurement teams negotiate prices and enforce compliance standards. As a result, contract management must be handled with precision and accuracy.

Automation helps procurement teams bring speed and visibility to the contract management process. Automation tools organize and centralize contracts, capture signatures, and update databases to make sure that terms, discounts, and other essential information is easy to find and always up-to-date.

Payments

There is no room for error in the payment process. So much depends on perfectly executed payments. From spend management and accounting, to vendor relationships and the finance team's reputation, problems in the payment process can have far reaching implications for the business.

Fortunately, the integrity of the payment process can be improved through automation. In addition to simplifying the three-way matching and approvals, automation can improve visibility by consolidating data and integrating with existing payment software. Automation can also update internal and external stakeholders anytime a payment is requested or issued.

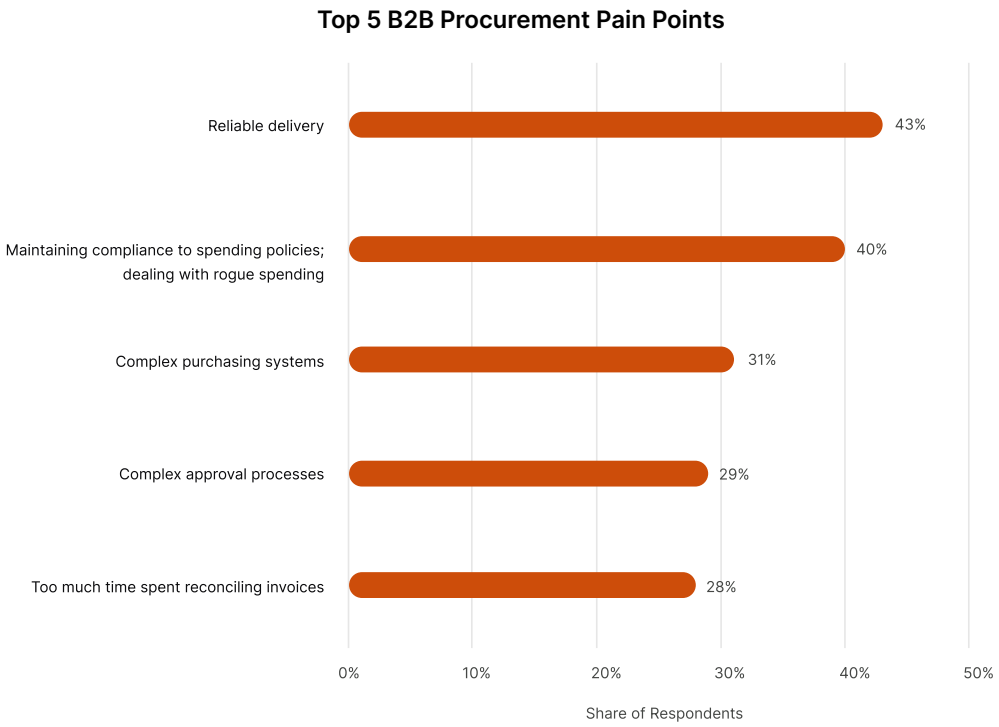
Supplier management

Supplier management is about getting the most from vendor relationships. This includes building the rapport that results in better service and lower prices. It also involves the assessment of each supplier to determine whether or not they are able to meet the standards set by the business.

Supplier management is an excellent example of how automation helps teams make more time for value-adding activities. The tasks, information, and communication required to manage suppliers makes this process inherently complex: time spent on manual work is time not spent building rapport, assessing performance, and negotiating prices and terms.

Why procure-to-pay automation is essential

Procurement ensures that the business has the materials and resources needed to create value for its customers and generate revenue. To make this happen, teams need a procure-to-pay process that's efficient, effective, and accurate. That means managing all P2P workflows — purchase requests, purchase orders, approvals, payments, and others — with an eye to containing costs and avoiding errors. This is where automation comes into play.



Source: State of Business Procurement Report - 2nd Edition. Amazon Business. 2022.

What automation does

Automation frees procurement teams from the manual work, spreadsheet sprawl, and data silos that prevent them from addressing challenges and solving problems. These include managing vendor relationships, controlling spend, negotiating prices, staying in compliance, and ensuring the reliable delivery of goods and services.

Why automation matters

Automating the P2P process frees teams from manual and redundant work so that they can focus on aligning their supply chain with the needs of the business' customers. When procurement teams don't have time to manage all of their tasks, they may take shortcuts that can cost the business.

According to a survey of procurement and supply chain leaders, an alarming 32% of procurement teams admitted to cutting corners with their suppliers and sourcing criteria to secure supply.[2] In other words, they simply weren't able to give the sourcing process the attention it requires. This approach introduces risk and may leave opportunities for cost savings on the table.

If this situation sounds familiar, or the pain points above are relatable, it's time to think about automating your procure-to-pay process. That starts with P2P automation software.

P2P automation software: 10 required capabilities and features

Businesses looking to automate their procure-to-pay process have a lot of options. There are many point solutions designed specifically for P2P, and there are other, more flexible types of software that can be used to automate many different types of processes, including P2P.

The key to determining which software is right for your business is to measure features and capabilities against needs. This includes current needs, as well as anticipating those that may occur in the future, in order to avoid customization or additional software down the road.

For most businesses, a more adaptable type of software is usually the best option. That's because these types of tools are easier to modify and scale as procurement processes evolve. As you start to compare options, look for the following features and capabilities:

1. No-code framework

No-code software means that procurement teams can use the tool without having any coding experience. No-code options provide a visual user interface that allows anyone (with permission) to activate templates, automate tasks, and build or modify elements of the P2P process.

No-code is also easily adaptable to accommodate new workflows or processes and to simplify scaling as the business grows. IT teams also benefit from no-code software because it helps them conserve their resources. Procurement teams won't have to send a ticket to IT each time they need to automate a task or modify a workflow.

2. Built-in security

Another important feature to consider is the software's security features and its ability to support governance and compliance requirements. Look for options that multi-level permission management, 2-factor authentication (2FA), single-sign on (SSO), an uptime of 99.9% or higher, and industry-standard encryption.

3 . Integrations

Tech stacks are composed of hundreds of apps, systems, and databases. They rely on legacy components that have been continually customized, as well as point solutions and workarounds that developers have built from scratch. That makes it essential that any new system have deep integration capabilities, to avoid additional coding work and to prevent silos, either to data or to collaboration. Integration capabilities should include ERPs, email, messaging apps, document management systems, and other types of finance software that may be in use.

4 . Templates

One of the most important considerations for procurement teams looking to automate their workflows and processes is how quickly they start seeing value from it. Templates are an out-of-the-box feature that allows teams to activate a process or workflow from a pre-built structure, and then customize it as needed. Look for solutions with extensive template libraries that teams can access without any coding experience.

5. Stack extensibility

No-code options are especially helpful for teams who want to get more value from their existing tech stacks. This feature is known as “stack extensibility,” and it refers to the ability of software to fill process gaps, adapt to new workflows, and unify processes that involve many different systems and apps. Stack extensibility also means being easily adaptable, to help avoid the cost of continually customizing legacy components.

6. Easy automation

Automating tasks or workflows in the P2P process should not be difficult. Look for software options that allow users to automate elements of the process using visual interfaces and drag-and-drop menus. This prevents wait times while the IT team creates or modifies automations. The faster automations can be set up, the sooner the team can avoid late payments, missed SLAs, and start shrinking PO and PR cycle times.

7. Customizable forms

Forms are an important part of digitizing the P2P process. When information, data, or signatures are captured using forms, the P2P process moves faster and duplicate data entry can be avoided. Forms also give procurement teams more control over P2P by allowing them to require certain types of information before the form can be submitted. Finally, forms are secure and shareable, so vendors or other external stakeholders can provide input or take action without delay. Forms help standardize data and bring consistency to the P2P process.

8. Portals and databases

Portals group and organize different forms in a single place to standardize and centralize important information, such as request forms, policies, and more. This is important because it makes it easier for all stakeholders to find the information and documents they need. Portals also give vendors the ability to self-serve by accessing forms when they need them. All information can be integrated into a database for easier retrieval, deeper visibility, and to simplify updating records.

9. Reports and dashboards

Every procurement team operates against a set of defined metrics and KPIs. Gathering data to measure performance and identify optimization opportunities can be simplified by software with robust reporting capabilities. When this data is readily available, procurement teams are empowered to drive overall strategy and deliver insights to decision-makers.

10. Process orchestration

Procurement teams manage a complex array of processes and workflows, many of which cross department boundaries and impact other processes. No-code automation tools can help coordinate and orchestrate these activities to create a unified process architecture that dissolves silos and supports collaboration. For example, no-code makes it easy to connect processes and workflows that occur in different systems such as Coupa, NetSuite, SAP, or Docusign.

P2P automation software checklist

Based on our experience, many procurement teams are looking for software solutions that can address a common list of concerns. To optimize their P2P process, they need software that meets the following requirements.

Helps teams solve:

- [ ] Late payments
- [ ] Spend management
- [ ] Spreadsheet sprawl
- [ ] Endless email threads
- [ ] Missed SLA deadlines
- [ ] Poor handoffs
- [ ] Managing many different vendors
- [ ] Collaboration silos
- [ ] PO and PR cycle times that take too long

Standardizes:

- [ ] Purchase requests
- [ ] Purchase orders
- [ ] P2P workflows and processes
- [ ] Receipt for goods and services
- [ ] Invoice processing
- [ ] Payments
- [ ] Three-way matching
- [ ] Self-service vendor and request portals

Integrates with:

- [ ] ERPs (SAP, Netsuite)
- [ ] Accounting systems (Quickbooks)
- [ ] E-sourcing/e-procurement (Coupa, SAP Ariba)
- [ ] E-signature software (Docusign)
- [ ] Messaging apps (Slack, MS Teams, Whatsapp)
- [ ] Email (Gmail, Outlook)

Delivers exceptional UX:

- [ ] Easily customize P2P process design and approval flows
- [ ] Easily standardize purchase request forms and RFx request forms
- [ ] Quickly implement and deploy

Automates:

- [ ] Frequent and recurring tasks
- [ ] Emails and notifications
- [ ] Approval requests
- [ ] Task assignments
- [ ] Document generation
- [ ] Status updates for requesters, approvers, and external stakeholders

Jumpstart your P2P optimization

P2P automation helps streamline procurement by creating paperless processes and enhancing the visibility of critical information such as company spend and SLAs. But P2P automation also helps procurement teams save money by eliminating manual tasks, preventing errors, and reducing the dependence on shadow IT or messy workarounds.

To start the P2P automation journey, consider each step of the P2P process to better understand how it can be optimized through automation. Below is a framework outlining possible automation opportunities and what the procure-to-pay process looks like before and after automation.

P2P step	Before automation	After automation
Requests	• Requests process not standardized and processed across various channels of communication • Purchase policy not defined • Intake process and form is not consistent, leading to lengthy reviews • Missing or incomplete information causes delays errors, or additional work	• Standardized intake form collects and centralizes information • Forms are consistent, so no more manual or time-consuming follow-ups • Defined purchase process clearly outlines permitted purchases
Request approval	• Manual process • No deadline updates • Handoffs are messy • No visibility into approval status	• Approvals are requested electronically • Automated notifications alert approvers of request and deadline • Visibility into approval status
Purchase order issued	• Manually creating POs requires duplicate work • Paper POs are faxed, mailed, or called in • Manual process introduces errors that may lead to delays • Changes may be difficult to make once POs are issues • No visibility into PO status	• POs and acknowledgements are issued across a single platform • Changes are easier to request • Visibility into PO status
Invoice received	• Invoices received by mail and manually accounted for by AP department • Risk of payment delays and errors • Procurement team lacks visibility into payment status	• Fully digitalized environment makes it easier to receive, review, and approve invoices • Payment information is updated across all systems • Full visibility into payment status by both AP and procurement departments

P2P step	Before automation	After automation
Invoice matched	• Confirming actual goods received and and negotiated price is tedious and time-consuming • Lack of three-way matching • Supplier over billing or billing errors may occur	• Overpayments are prevented because invoice, PO information, goods receipts, and contracts are centralized and updated in real-time • Matching invoices is streamlined and error-proof
Payment issued	• Paper checks • Manual payment information added to accounting systems • Errors and late fees • Payment process requires many handoffs	• Payments issued digitally • Visibility into payment types to inform supplier performance management • Approved invoices go straight into accounting system

P2P 2.0: Automated, optimized, efficient

In 2020, the global procurement software market size was valued at USD$5.5 billion.[3] Today, It's estimated that the procurement software market size will reach a whopping USD$ 9.5 billion globally by 2028. This is a 7.6% growth from 2021 to 2028.

These numbers only emphasize the rising need for automation and e-procurement technology to streamline purchasing and procure-to-pay processes, especially as international transactions increase and inflation and supply chain disruptions persist.

The need for efficient and error-proof P2P processes has never been more urgent. After three years of unprecedented events and disruptions, it's now clear that procurement optimization is no longer just about cost effectiveness or efficiency — it's also about business survival.

Procurement teams need tools and strategies that give them the resilience they need to withstand future disruptions. They also need P2P processes they can trust.

No-code process automation meets both needs by accelerating digital transformation and bridging the gap between procurement teams and IT. Through P2P process optimization, businesses contain costs, build stronger supplier relationships, and have more control and visibility into all of their procurement activities.

Our vision

A new era has arrived for the global workforce.

Technological innovation allows us to accomplish more, and in less time, than ever before. Connectivity makes it possible for us to work from almost anywhere. The rate of workforce diversity is accelerating at what might be the fastest pace in history.

If there is a single word that captures the essence of human resources work, it is "change."

Change introduces new obstacles as well as new opportunities into our equations, and pandemic-era transformation is a prime example. Our future successes depend on our abilities to adapt to the variables we cannot control, and calibrate those we can to our advantage.

In our view, people are the most important element in every equation.

We believe that people are always priority number one. We make this ideal a reality by solving the problems that people find in their work. That means building and improving processes in order to make work, and life, better for everyone.

With "people first" as our guiding principle, we want to explore the most critical transformations happening in our workplaces and lives today. Our purpose is to better understand what these changes mean for the processes we rely on in the workplace and how these changes resonate in the lives of our employees, customers, and business partners.

The future of work is about far more than how much time we spend in our offices.

If we are going to take control of the opportunities (and obstacles) coming our way, we must look beyond physical structures and conventional ways of doing things in order to see all the possibilities unfolding before us.

Every possibility begins with people.

The future of work is about seeing people for who they are, and then creating the processes, workflows, and tools to help them thrive.

See what's possible with Pipefy.

Pipefy is the no-code process automation platform that increases team productivity and efficiency, centralizes data, and standardizes procurement, purchasing, and procure-to-pay processes. Through our workflow automation and a no-code framework, Pipefy helps businesses achieve operational efficiency and process excellence, everywhere.

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Footnotes

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