

PROCURE-TO-PAY

Procure-to-Pay Invoice Matching Improvement

Cutting manual invoice-matching effort and late payments in a procure-to-pay process. Anonymized — real figures, no client names.

8 months

Time to ROI

63%

Pilot-category improvement in 3 months

\$1.5M/yr

Estimated value at target run rate

THE PROBLEM

A significant share of incoming invoices in this procure-to-pay process required manual three-way matching against purchase orders and goods receipts. Exceptions were resolved case by case, with no standard routing or tolerance rules. Approvals stacked up in email and shared inboxes, pushing payments past due dates and past early-payment discount windows.

1

Map the Value

Industry best-in-class sits around \$2.36–\$2.78 per invoice. Bottom performers sit at \$12.88–\$19.83+ per invoice.

2

Find the Gap

Cost per invoice had never been tracked. Once benchmarked, the KPI was set at \$7.12 per invoice.

3

Define the Initiative

Cut the cost per invoice in half. At the organization's volume, that initiative could return roughly \$3 × 500,000 invoices/year.

4

Build the Plan

Two initiatives carried the most value: (1) revise the SOPs for procurement and invoice matching — invoices and POs had been treated the same regardless of value — and (2) introduce AI to support invoice matching and exception routing.

5

Test the Solution

A pilot ran in one procurement category for three months. Results improved 63% for that category alone.

6

Launch the Change

The solution was rolled out to all procurement categories, with suppliers and internal teams involved and informed.

7

Measure and Stabilize

The \$7.12 KPI is tracked live using the same method established at baseline. The organization now sits just under \$3 per invoice.

KEY TO SUCCESS

A clearly identified KPI, tied directly to the organization's cost structure and SOPs, made it possible to pinpoint the initiatives with the biggest return.

The people, process, and technology needed were already in the organization — which is why the initiative reached ROI in just 8 months.

BENCHMARKED AGAINST P2P — Procure to Pay value tree, Process Value Benchmark Library, coregateconsulting.com