

Finexio

# The CFOs Guide to Leveraging AI in Accounts Payable Payments



# Table of Contents

---

3	Introduction
4	<b>Chapter 1: AI in Invoice Capture &amp; Automation</b>
5	<b>Chapter 2: AI in Payment Fraud Prevention</b>
7	<b>Chapter 3: Predicting Supplier Acceptance of Electronic Payments</b>
8	<b>Chapter 4: Other Use Cases of AI in Accounts Payable</b>
9	<b>Chapter 5: AI Creates More Rewarding, Strategic Jobs</b>
10	<b>Chapter 6: Implementing AI in Your Accounts Payable Payments Process</b>
11	Conclusion
12	About Finexio

---

A hand in a dark suit jacket is pointing upwards towards a glowing digital interface. The interface features a prominent padlock icon with a keyhole, surrounded by various data visualization elements like circular gauges, lines, and binary code (0s and 1s) floating in the air. The background is a deep blue with a grid pattern and light trails, suggesting a high-tech, futuristic environment.

# Introduction

In this white paper, we explore the transformative role of Artificial Intelligence (AI) in revolutionizing the accounts payable (AP) processes within the financial sector. The rise of AI technologies has been a game-changer, enhancing efficiency, accuracy, and security across financial operations. The adoption of AI in accounts payable is rapidly growing, underpinned by its ability to automate mundane tasks, provide insightful analytics, and improve decision-making processes.

AI's significance in the financial landscape is increasingly acknowledged by finance leaders. In 2024, AI is not just an option but a necessity, with 90% of CFOs surveyed by Gartner<sup>(1)</sup> projecting higher AI budgets, highlighting the technology's pivotal role in future financial strategies. This investment surge is a response to the overwhelming majority of workers (94%)<sup>(2)</sup> engaged in repetitive, manual tasks, signifying a massive potential for AI-driven automation and efficiency improvements.

The financial industry is on the brink of a major shift, with AI expected to burgeon into a \$309 billion industry by 2026<sup>(3)</sup>. Despite the promising advancements, a 2024 poll from the Institute of Financial Leadership (IFOL) reveals a concerning gap in knowledge. Only 60% of finance teams possess a basic understanding of leveraging AI to combat payment fraud, leaving 40% in the dark<sup>(4)</sup>. This white paper aims to bridge this knowledge gap, offering comprehensive insights into utilizing AI in accounts payable to safeguard against fraud, enhance operational efficiency, and drive financial success.

1. <https://www.gartner.com/en/newsroom/press-releases/2024-02-07-gartner-cfo-survey-shows-nine-out-of-ten-cfos-project-higher-ai-budgets-in-2024>
2. <https://zapier.com/blog/state-of-business-automation-2021/>
3. <https://www.marketsandmarkets.com/Market-Reports/artificial-intelligence-market-74851580.html>
4. <https://acarp-edu.org/how-automation-revolutionizes-accounts-payable-fraud-detection/>

# AI in Invoice Capture & Automation

The adoption of Artificial Intelligence (AI) in invoice capture technology marks a pivotal shift in how accounts payable departments process financial transactions. AI significantly enhances the efficiency, accuracy, and speed of invoice processing by automating tasks that were traditionally manual and time-consuming.



## Examples of AI Technologies in Invoice Data Extraction and Processing:

- Optical Character Recognition (OCR):** AI-driven OCR technology goes beyond basic text recognition, enabling the extraction of detailed information from invoices, even when dealing with low-quality scans or varied formats.
- Machine Learning Algorithms:** These algorithms learn from processing countless invoices, improving over time to recognize patterns, validate data against historical records, and predict the correct classification and allocation of expenses.



## Improvements in Accuracy and Processing Times Through AI:

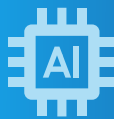
The integration of AI into invoice processing dramatically reduces human error, ensuring data accuracy. Moreover, AI significantly accelerates invoice processing times, from days to mere minutes in some cases, by automating data entry and validation processes. According to the International Association of Contracts and Commercial Management, a company can lose up to 4% <sup>(5)</sup> of the amounts on invoices due to number of different errors including duplicate invoices, fraud, missing out on early payment discounts and not catching price errors or increases.



## Impact of AI on Invoice Processing:

- Digitizing Documents:** AI technologies digitize paper invoices, transforming them into editable, searchable formats without manual data entry.
- Extracting Data:** Through advanced data extraction capabilities, AI identifies and captures critical information such as dates, totals, and vendor details.
- Filling in Data:** AI not only extracts data but also intelligently fills it into the appropriate fields in the AP system, ensuring that all entries are accurate and complete.

The evolution of AI in invoice capture and automation signifies a revolutionary step forward, enabling businesses to optimize their accounts payable processes, improve operational efficiency, and reduce costs.

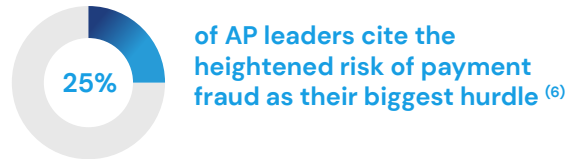


Many of Finexio's accounts payable automation and procurement partners that embed Finexio's payment solutions leverage AI-driven technologies for invoice processing prior to payment. [Contact Finexio](#) and we can connect you with the ideal invoice processing partner that fits your need.

5. <https://www.cumanagement.com/articles/2020/10/cfo-focus-8-ways-your-accounts-payable-process-leaks-and>

# AI in Payment Fraud Prevention

In today's increasingly digital and remote work environment, payment fraud has emerged as a formidable challenge for accounts payable (AP) departments.



A concern underscored by the alarming statistic from the Global Economic Crime and Fraud Survey which found that:



The Association for Certified Fraud Examiners (ACFE) warns that the longer payment fraud remains undetected, the greater the financial damage to a business.

Compounding this challenge is the revelation from a 2024 poll by the Institute of Financial Leadership (IFOL) showing that:

**83%**  
of finance teams still rely on phone calls to verify changes to vendor details

**9%**  
use bank account ownership validation tools <sup>(8)</sup>



## Enter Artificial Intelligence (AI) – a beacon of hope in this scenario.

AI's capability to analyze historical data and identify patterns indicative of fraud is pivotal. It assesses transactional behavior, flagging irregularities and anomalies that may suggest fraudulent activities. The power of AI to process large datasets in real-time equips businesses with a proactive stance on fraud prevention.

AI's role in identifying and preventing payment fraud is multifaceted, offering a sophisticated layer of defense that was previously unattainable. By implementing AI technologies, businesses can automate the verification of vendor details, significantly reduce the reliance on manual checks, and enhance the accuracy of fraud detection.

6. <https://www.iofm.com/ap/whitepapers/5-ways-artificial-intelligence-is-revolutionizing-accounts-payable>

7. <https://www.pwc.com/gx/en/services/forensics/economic-crime-survey.html>

8. <https://acarp-edu.org/how-automation-revolutionizes-accounts-payable-fraud-detection/>



## Strategies for Implementing AI to Safeguard Payments:

- ✓ **Enhance Supplier Verification Processes:** Utilize AI to automate the verification of vendor information and bank account details, reducing the need for manual intervention and minimizing the risk of human error. These systems can identify anomalies that human auditors might miss.
- ✓ **Integrate Real-time Transaction Monitoring:** Implement AI tools that continuously monitor transactions for signs of fraudulent activity and analyze transaction data in real-time to identify and flag suspicious activities instantly. AI monitoring detects irregularities more efficiently than traditional manual, human-based methods, offering a proactive approach to fraud prevention.

By embracing AI, AP departments can significantly mitigate the risk of payment fraud, ensuring the security and integrity of their payment processes in the digital age.



Finexio ensures that businesses can safeguard their financial operations against the ever-evolving threat of fraud, by including AI fraud prevention to all customers using its Payments as a Service solution.

[Learn more about the Payment Fraud Prevention services included by default with Finexio.](#)

# Predicting Supplier Acceptance of Electronic Payments

In the evolving landscape of accounts payable, the ability to predict supplier behavior regarding electronic payment acceptance is revolutionizing the way businesses manage their financial transactions.

It is possible to harness the power of Artificial Intelligence to navigate this complex terrain. By leveraging large datasets, including proprietary data from thousands of suppliers and comprehensive information from major card networks, AI-driven models can accurately predict which suppliers are most likely to accept electronic, and more specifically, virtual card payments.

The utilization of predictive analytics in determining supplier payment preferences has a significant impact on expanding electronic payment adoption and maximizes the monetization of AP payments. This approach not only streamlines payment processes and generates revenue off of existing AP spend, but but also reduces costs, and improves security for both businesses and their suppliers.

Finexio is committed to innovation in this space and leverages proprietary AI models for predicting supplier payment preferences.

Finexio has achieved remarkable results, boasting a:



Even more impressive is our success rate in correctly identifying:



By leveraging advancements in AI and doubling down on expert payment services, Finexio is leading the way in enabling industry-leading virtual card and electronic payment adoption rates. This not only demonstrates our prowess in predictive analytics but also underscores our dedication to providing solutions that meet the evolving needs of the accounts payable process.

[Learn more about Finexio's Supplier Management Services powered by AI.](#)

## Other Use Cases of AI in Accounts Payable

Accounts Payable (AP) is identified as the most time-consuming, labor-intensive, and paper-intensive function in finance and administration, according to controllers surveyed by the Institute of Finance & Management (IOFM).



This is further emphasized by the fact that **84% of an AP practitioner's day is consumed by manual tasks** <sup>(9)</sup>

The advent of Artificial Intelligence (AI) in AP processes is not just a trend; it's a necessary evolution to enhance efficiency, accuracy, and strategic financial management.

- / **Cash Flow Forecasting with AI:** AI can analyze historical payment data, seasonal trends, and current liabilities to predict future cash flow needs with a high degree of accuracy. This allows for better liquidity management, investment planning, and minimizes the risk of underfunding critical operations.
- / **Supplier Risk Assessment and Management:** AI algorithms can scrutinize supplier data, market trends, and news to identify potential risks, such as financial instability or supply chain disruptions. This proactive approach enables AP teams to mitigate risks through diversifying suppliers or renegotiating terms before issues escalate.
- / **Enhancing Supplier Relationships:** AI-driven analytics can provide deeper insights into supplier performance, compliance, and reliability, facilitating more strategic partnerships and collaboration. Enhanced data-driven negotiations can lead to better pricing, terms, and service levels, benefiting both parties.

- / **Automated Reconciliation:** AI can match invoices with purchase orders and receipts, flagging discrepancies for review, thereby reducing the workload and improving accuracy.
- / **Regulatory Compliance and Audit Preparedness:** AI tools can ensure transactions comply with tax laws and business regulations, while also maintaining detailed logs for audits.

The integration of AI into the AP process transcends traditional automation. It transforms AP from a back-office function into a strategic component of the financial management system, driving cost savings, risk management, and supplier relationship enhancement.

9. <https://www.iofm.com/ap/whitepapers/5-ways-artificial-intelligence-is-revolutionizing-accounts-payable>





# AI Creates More Rewarding, Strategic Jobs

A prevalent misconception surrounding the integration of Artificial Intelligence (AI) in accounting and finance is the fear of human job replacement.



A recent Forbes Advisor survey illuminated this concern, revealing that over 75% of consumers worry about AI-induced job losses <sup>(10)</sup>

However, this perspective overlooks the transformative potential of AI to enhance job quality and strategic importance in the accounts payable (AP) sector.



## Transforming AP Roles Through AI

Leveraging AI in AP does not eliminate jobs; instead, it redefines them. By automating repetitive and time-consuming tasks, AI liberates employees to focus on more rewarding, strategic work. This shift not only enhances job satisfaction but also elevates the role of AP professionals to that of strategic advisors who can make smarter decisions based on insights derived from AI analysis. A survey by OECD AI indicates that the majority of workers experience higher enjoyment in their jobs and improved mental and physical health due to AI. <sup>(11)</sup>



## Increased Job Satisfaction

A survey conducted by Tech.co among 1,047 business leaders found that

**59%** of those who are using AI in their roles said it has improved their job satisfaction <sup>(12)</sup>

Removing the burden of manual tasks allows employees to engage in more meaningful work, leading to higher job satisfaction. For example, AI-driven automation can reduce errors in invoice processing, streamline workflows, and provide predictive analytics for cash flow management, thereby contributing to a more satisfying and impactful work environment.



## The Strategic Advantage

With AI, AP teams can transition from being seen as cost centers to becoming valuable strategic assets. AI's capability to analyze vast datasets and identify trends enables AP professionals to advise on cash management, fraud prevention, and supplier negotiations with a level of precision and foresight previously unattainable.

**AI-enhanced AP automation does not threaten jobs but rather enriches them. By automating mundane tasks, AI empowers AP professionals to focus on strategic decision-making and to contribute more significantly to their organizations' success.**

10. <https://www.nasdaq.com/articles/how-artificial-intelligence-is-transforming-accounts-payable-automation>

11. [https://www.oecd-ilibrary.org/sites/08785bba-en/1/3/4/index.html?itemId=/content/publication/08785bba-en&\\_csp\\_=9f4368ffe3fc59de4786c462d2cdc236&itemGO=oecd&itemContentType=book](https://www.oecd-ilibrary.org/sites/08785bba-en/1/3/4/index.html?itemId=/content/publication/08785bba-en&_csp_=9f4368ffe3fc59de4786c462d2cdc236&itemGO=oecd&itemContentType=book)

12. <https://www.hcamag.com/ca/news/general/business-leaders-using-ai-report-higher-job-satisfaction-survey/477144>

# Implementing AI in Your Accounts Payable Payments Process

Implementing Artificial Intelligence (AI) in the accounts payable (AP) process can significantly enhance efficiency and decision-making. However, successful AI integration requires careful consideration of several factors:

- ✓ **Data Quality:** The accuracy and reliability of AI-driven insights are directly dependent on the quality of the underlying data. Ensuring clean, accurate, and comprehensive data is a prerequisite for effective AI implementation in AP processes.
- ✓ **Privacy Concerns:** With the increasing use of AI, privacy and data protection have become paramount. Implementing AI requires strict adherence to data protection regulations and ensuring that all AI models are trained and operate in a manner that respects privacy.
- ✓ **Complexity and Integration Steps:** Integrating AI into existing AP systems can be complex, involving multiple steps such as data cleaning, model training, integration with existing workflows, and continuous monitoring for improvement. It's essential to outline these steps carefully and ensure that the AI solution is compatible with the current AP software and systems.
- ✓ **Lean IT Support:** A robust IT infrastructure is crucial for AI integration, but this doesn't necessarily mean having a large IT staff. Instead, focus on lean IT support that can efficiently manage AI algorithms and workflows. This approach is more cost-effective and sustainable for most organizations.
- ✓ **Working with a Payments Partner:** Given the complexities of implementing AI, partnering with a payments solution provider that has already integrated AI into their processes can be a strategic move. This allows your organization to leverage AI benefits without the need to manage the integration and ongoing optimization directly. Finexio, for instance, offers such a solution, enabling businesses to improve their AP efficiency and effectiveness through AI without the overhead of managing the technology in-house.



By considering these key aspects, organizations can navigate the challenges of AI implementation in the AP process, leading to enhanced operational efficiency, reduced errors, and better financial decision-making.

## Conclusion

In the journey through "The CFOs Guide to Leveraging AI in Accounts Payable Payments," we've explored the transformative potential of AI in redefining the accounts payable landscape. AI's role in automating invoice processing, enhancing fraud detection, predicting supplier payment preferences, and even creating more strategic job roles underscores a seismic shift in how businesses manage their finances.

Working with a trusted payments partner that harnesses the power of AI, like Finexio, is not just an option but a necessity for future-proofing your accounts payable process. Such partnerships provide access to advanced AI capabilities without the need for extensive in-house expertise or infrastructure, enabling businesses to stay ahead in a competitive and rapidly evolving environment.

As we look to the future, AI in accounts payable is set to become even more sophisticated, with advancements in machine learning models, natural language processing, and predictive analytics offering deeper insights and efficiencies. These technologies will continue to evolve, making processes more streamlined, secure, and cost-effective.

Embracing AI in accounts payable is no longer a luxury but a critical strategic decision. Companies that fail to adopt AI risk falling behind, missing out on powerful insights, operational efficiencies, and a competitive edge that AI-enabled processes offer.



**As AI continues to revolutionize the way we work, its integration into accounts payable becomes an essential pathway to unlocking greater value, innovation, and resilience in the financial operations of businesses worldwide.**

# About Finexio

Finexio, an innovative leader in the B2B payments industry, leverages artificial intelligence to provide a comprehensive Accounts Payable (AP) Payments as a Service, the only fully-managed AP payments solution that optimizes, monetizes, and secures the entire payment lifecycle. Finexio offers payment delivery and operations, supplier management, fraud prevention, payment monetization strategies, and robust payment reporting and analytics. With differentiated service capabilities, Finexio enhances operational efficiency, payments security, and customer satisfaction for Procure to Pay partners and corporate clients.

Founded in 2015 by Payments Industry veterans, Finexio has grown rapidly by working with hundreds of CFO's across the country, moving billions of dollars securely and efficiently. Finexio alleviates manual work for financial teams AND drives more value from accounts payable.

Finexio powers B2B payments infrastructure for some of the world's largest accounts payable and procurement software platforms. Finexio's investors and partners include some of the largest banks and financial institutions in the United States, including J.P. Morgan, the largest bank in the USA.



Finexio

Learn more about Finexio's Supplier Management Powered by AI and Payment Fraud Prevention & Security:

[www.finexio.com/supplier-mangement](http://www.finexio.com/supplier-mangement)

[www.finexio.com/payment-fraud-prevention](http://www.finexio.com/payment-fraud-prevention)

We invite you to explore the potential of AI in transforming your Accounts Payable processes. [Book a no-commitment payments consultation with Finexio today](#), and step into the future of financial operations.