

Stem the Tide of Inquiries and Disputes in AP: Your 5-Point Plan



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If your Accounts Payable (AP) team feels overwhelmed by the rising workload of supplier inquiries and disputes, you are not alone. A growing trend of increased invoice inquiries and disputes is creating significant challenges for AP, finance, and shared services teams.

One major factor is the rise in automated disputes from suppliers. This not only adds to the normal flow of queries, but often results in a backlog that strains resources and results in unnecessary repayments.

Fortunately, strategies exist that allow companies to easily manage this backlog, and to get back in control of their workload. By implementing good systems, solid governance, and automation, handling queries and disputes will indeed become manageable again.

This report outlines a **5-point action plan** shared by **Patrick Kelly, Chief Data Intelligence Officer of PRGX**, during a recent webinar, aimed at helping AP teams regain control.



[Listen to the webinar for more insights](#)

An Increase in Automated Disputes:

Many large enterprises have thresholds for automatically repaying disputes of a certain size. Although not ideal, this is sometimes more time- and cost-effective than manually addressing each dispute individually. However, some

suppliers exploit these thresholds by automating disputes, without valid reasons or evidence. There are now dedicated software tools designed to help companies reclaim as much in disputes as possible by automating the process. This surge in automated disputes can overwhelm AP teams and create significant backlogs.

What Happens When AP is Overwhelmed?

Some of the common pain points from not dealing efficiently with the volume of disputes, inquiries and unnecessary repayments are:

- A continuous backlog of queries.
- High staffing costs and high resource usage for tactical, non-strategic queries, which contributes to low morale.
- Loss of data and information in email inboxes, making query resolution more time-consuming and difficult.
- Automatic repayment of disputes under a certain threshold, triggering unnecessary payments.
- Slow or poor response rate to supplier/user queries, straining supplier relationships.

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There is a real increase in invoice inquiries and disputes, and it's becoming a pain point and a challenge. One of the reasons for that is suppliers are increasing their investments in technology and automation. We're seeing a pretty drastic spike in bots.

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Patrick Kelly,
Chief Data Intelligence
Officer, **PRGX**



How to Take Back Control in Accounts Payable: A 5 Point Plan

Your traditional ways of working may not be enough in the face of rising automated disputes. Patrick Kelly, Chief Data Intelligence Officer of PRGX outlines a 5-point plan to stem the tide.

When all elements of the plan are implemented, he said he has seen companies achieve a:

- 25 to 40% reduction in erroneous repayments
- 50% decrease in supplier inquiries
- 10x – 30x return on investment

(PRGX 2024 data)

“Without governance to be able to manage workflows, inefficiency spikes and gets out of hand.”

Patrick Kelly,
Chief Data Intelligence
Officer, PRGX

Point No. 1

Embed Built-in Governance:

Whether you choose to invest in technology or automation or not, built-in governance is the essential foundation to ensure your AP department doesn't feel like it's drowning in disputes and constant back-and-forth communication with suppliers.

Best practices for good governance include:

- a) A central portal with comprehensive workflows and rules. Your rules and protocols dictating workflow and guidelines for disputes need to be in one location and accessible to all in relevant departments. Without this, disputes will be tackled in a “rogue” manner, leaving you exposed.
- b) Structured business requirements to prevent unnecessary inquiries. Ensure you have a process for the required descriptions and evidence that the supplier must provide to raise a dispute. This will help block unfounded/fake disputes being automatically issued and then repaid.
- c) Sophisticated work logic to manage the flow of information efficiently. Ensure your workflow is designed to route questions to the right people before a decision to pay can be made.

Point No.2

Drive Vendor Self-Service

A second foundational element to having a functional process for inquiries and disputes is a vendor self-service portal. This is a portal that gives you and your suppliers full visibility into paid/unpaid invoices, payment status, and payment or deduction details.

A vendor self-service portal is different from an invoice submission platform. A self-service portal is a dedicated tool that is designed to reduce the number of inbound inquiries by providing a single source of truth accessible to both users and suppliers.

A portal should provide your suppliers easily accessible information concerning items like payment-due date on a particular invoice. Having this visibility can stop repetitive questions landing in your inbox and adding to the backlog.

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This should be a 'single pane of glass' between your users as well as your suppliers. This is often one of the biggest reductions or strategies that you can put in place to reduce unnecessary inquiries.

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Patrick Kelly,
Chief Data Intelligence
Officer, **PRGX**

Point No.3

Leverage AI and Machine Learning:

A more advanced way to help improve the process of inquiries and disputes is leveraging advanced technologies. Here are 3 key ways AI and Machine Learning can help you manage supplier communications:

1. AI and large language models can answer simple questions from suppliers. AI works well with structured data and can take on the burden of answering straightforward questions like, “When is the invoice going to be paid?”
2. For questions that are not easily answered by AI, AI can triage questions and bring them to the team for review. AI will draft responses for your team to review and update before sending.
3. Machine Learning can predict the validity of disputes. AI can identify disputes that are likely to require repayment, as well as flag suppliers that routinely dispute transactions with no evidence and flag disputes with low probability of validity.

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Capabilities around AI and machine learning are really well-suited for focused workflows, especially when they're backed by real data. This is what today's versions of AI and machine learning deal with best. You might as well supercharge the intelligence of your team and ensure that they're assisted by the intelligence within the platform.

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Patrick Kelly,
Chief Data Intelligence
Officer, **PRGX**

Point No.4

Monitoring and Reporting:

Beyond looking at the individual disputes, monitoring and reporting is about looking at the health of your entire system: taking in a macro view of your processes to monitor health and performance, from inquiry volume to supplier activity.

Effective monitoring and reporting is difficult – almost impossible – if you are dealing with everything over email. But when your systems provide visibility of data, you'll easily identify the root causes of systemic errors.

For example: A large retailer used reporting tools to identify that a certain deduction type was consistently being disputed. The AP team brought this to the attention of the team involved in pricing agreements, and they were able to solve the problem causing this dispute from happening in the first place.

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The most critical return on investment with monitoring or reporting in a system is actually being able to identify root cause.”

Patrick Kelly,
Chief Data Intelligence
Officer, **PRGX**

Fixing issues upstream drastically reduces unnecessary conflict with suppliers.

Point No.5

Enhancing the Supplier Experience:

Conflict should not be the natural state between buyers and sellers. Although it can feel like a battle when your inbox is overflowing with disputes, the move should be towards a more collaborative relationship with suppliers.

When you focus on what it takes to ensure a seamless process for suppliers, you'll start reducing the conflict and help the business foster more strategic relationships.

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Businesses and their suppliers, ultimately throughout this entire workflow, have the same objective, and that is timely and correct payments. In providing a great experience, [automation] provides outcomes best for both.”

Patrick Kelly,
Chief Data Intelligence
Officer, **PRGX**

Case Study: Top 15 US Retailer

The Problem: Complex dispute systems, providing limited visibility

- Employed a fully dedicated team managing dispute workflow, plus extensive non-core staff involved in the process
- Processed tens of thousands of vendor inquiries annually
- Paid millions (USD) in deductions and disputed deductions

The Results on Implementing the 5 Point Plan

- Onboarded more than 5,000 suppliers and 10,000 portal users, providing a single source of truth
- Improved visibility, process efficiency, and governance
- Business-specific requirements blocked millions of dollars (USD) of fake disputes and unnecessary repayments
- **Deductions reduced by 75%**
- **Dispute resolution cycles improved by 80%**
- Reduction of operational costs and reallocation to other high impact work
- The client was able to scale without increasing headcount

Conclusion

While it can feel overwhelming, there is a clear path and a winning strategy to transform the invoice inquiry and dispute process from a source of conflict to one of collaboration. As a recap the keys to success are:

1. **Embed Built-in Governance.** Define rules for disputes within a central location.
2. **Drive Vendor Self-Service.** A single source of truth for payment and transactional data will reduce the number of inquiries landing in AP.
3. **Leverage AI and Machine Learning.** Advanced technologies will identify patterns and compose or draft responses.
4. **Use Systems for Monitoring and Reporting** – two needs that are impossible to meet if you're operating from your inboxes.
5. **Enhance the Supplier Experience** – shifting from trading conflict and agitation to collaboration.

Implementing these strategies will lead to timely and correct payments, enhanced supplier relationships and overall better business health.



[Watch the webinar for more insights](#)

“
When the data exists, there is no reason why we shouldn't be having the more intelligent conversations, not back and forth around simple payment details or dates.”

Patrick Kelly,
Chief Data Intelligence
Officer, PRGX

About **Supplier Connect**

Less Conflict. More Collaboration.

What if you could solve disputes faster and build better supplier relationships, all while spending a lot less on repayments? Supplier Connect makes it easy. It's a powerful platform that streamlines payment disputes and resolutions, bringing speed, transparency and accuracy to a process that usually costs more time and money than it's worth. And by avoiding unnecessary repayments, you only pay what you should - up to 40% less than you're paying now!

Request a demo

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