

# THE STATE OF P2P FRICTION

## RESULTS FROM TUNGSTEN NETWORK'S GLOBAL STUDY

What are the forces holding back procure-to-pay professionals? What are the consequences for business? Who is most affected, and why? We surveyed 422 P2P professionals around the world to get answers to these and other questions. As part of this study, we now have a new benchmark—The Tungsten Network Friction Index, which will measure changes in P2P friction over the coming year.

### WHY FRICTION MATTERS

**£88,725** | **\$171,340**  
per year in UK\* | per year in US\*

**FRICTION IS EXPENSIVE**

**FRICTION WASTES TIME**

\*Average cost per business, per year in dealing with P2P issues, based on 422 businesses surveyed

**125 HOURS**

wasted on P2P issues per week, per business



## THE TOP 5 CAUSES OF FRICTION

Manual, paper-based processes are responsible

# respondents affected

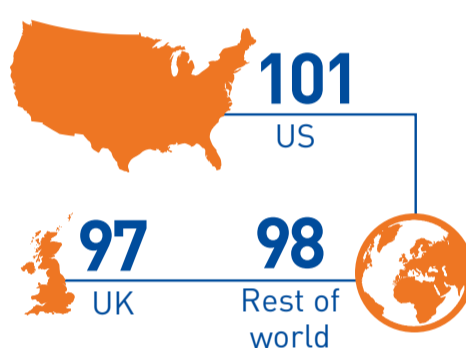
- 1 High proportion of paper invoices received 208
- 2 Too many non-PO based invoices 202
- 3 High volume of supplier enquiries regarding invoice or payment status 200
- 4 Lack of automated exceptions 181
- 5 Lack of automated approval 181

**69%**

**NOT MOVING IN THE RIGHT DIRECTION**

Only 31% of respondents feel their company is in a better place today relative to 6 months ago in dealing with potential causes of friction in the procure-to-pay process.

### FRICTION INDEX BY REGION



### A GLOBAL PROBLEM

Companies around the world experience P2P friction at almost the same rate, with US businesses reporting slightly more friction than the UK and the rest of the world.

## A TOP PRIORITY

Removing P2P friction is the most important issue for over a third of businesses surveyed.

**36%**

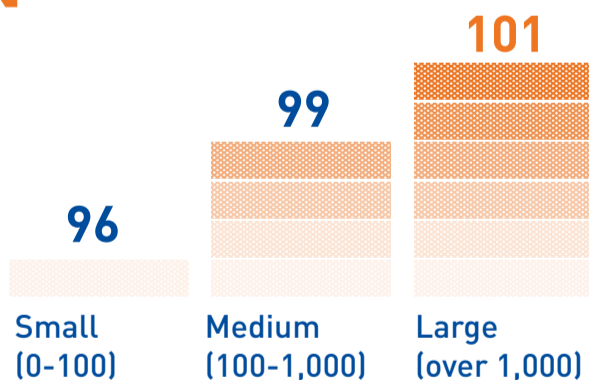
say that removing friction from the P2P process is a top priority for 2017

**71%**

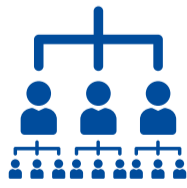
Of those who identified it as a top priority, 71% were large companies of over 1,000 employees.

## BIGGER BUSINESSES FEEL MORE FRICTION

Based on survey results, P2P friction appears to be correlated with the size of a company, with more friction reported at larger businesses than medium or small ones.



### FRICTION INDEX BY SIZE OF COMPANY



One reason may be that larger businesses are more likely to work with international suppliers. Working with more foreign suppliers may mean dealing with additional tariff and compliance issues. In the absence of automation, such demands add to the burden on AP departments.

## GETTING TO A FRICTIONLESS FUTURE

The research continues at [FrictionFinder.com](http://FrictionFinder.com), where you can assess your P2P friction and receive specific guidance to help you work frictionlessly.



### ABOUT THE FRICTION INDEX

The baseline for **The Friction Index** was established in 2017 after surveying 422 procure-to-pay professionals (both online and in person). Each respondent was asked 7 multiple-choice questions assessing areas like process, costs, visibility, exceptions, cycle times and the overall priority of removing friction from the P2P process. Each answer was assigned a point value (the higher the removing friction, the higher the score) and these were totaled and averaged. The average score became the baseline against which individual companies, segments and any subsequent respondent can be indexed.

Brought to you by Tungsten Network

[www.tungsten-network.com](http://www.tungsten-network.com)

