



Simplify Operations, Spend Smarter.

PURCHASE TO PAY PERFORMANCE

Finance and Procurement professionals are looking to take more strategic approaches to managing spend and cash flow, and increasing net profit and cost savings. Choosing the right Key Performance Indicators (KPIs) to track success of these efforts is vital. With 30 years' experience as a trusted advisor to finance and procurement teams, Basware has defined the metrics that help our customers increase the value of Purchase to Pay (P2P) at their organization.

PERFORMANCE AREA	METRIC	THE EFFICIENT COMPANY	THE ALIGNED COMPANY	THE AGILE COMPANY
CONNECTIVITY/ COLLABORATION	% of TRUE electronic Invoices	<10%	50-60%	>80%
	% of electronic payments	<5%	25-40%	>50%
	% of catalog enablement	None	25-50% of spend	>50% of spend
	% of suppliers enabled	0-20%	40-60%	60-80%
REDUCED COSTS	Cost per PO	\$63	\$18	<\$10
	Cost per Invoice	circa \$20	\$5-\$10	< \$4
	AP cost as % of revenue	0.08%	0.053%	0.032%
	Procurement cost as a % of revenue	1%	0.70%	0.60%
IMPROVED EFFICIENCY	Invoice Processing Cycle Time	~ 15 days	5 days	<3 days
	Requisition-to-Order Cycle Time	35+ days	~5 days	<3 days
INCREASED CONTROL & COMPLIANCE	Spend Under Management %	no visibility	50-70%	>90%
	Payment Performance - % on-time	<50%	95%	>99%
	Contract Compliance Performance %	10-30%	60-80%	95%
	Maverick Spend Performance %	60%	<20%	<10%
WORKING CAPITAL GAINS	Exception Management Performance %	~5%	2%	1.8%
	Days Payable Outstanding (DPO)	<25	42	51
	Cash Conversion Efficiency (CCE)	~50 days	~20 days	<0 days
PRODUCTIVITY BOOSTS	Discount Capture Ratio %	<5%	15%	20%
	Productivity - invoices per FTE	6,000	50,000	90,000
	Productivity - AP FTEs per Billion \$ Revenue	16	10	7

THE THREE STEPS TO WORLD CLASS PERFORMANCE

The Efficient Company.
Establish a solid AP process to introduce control and visibility, and eliminate paper with AP automation and e-Invoicing.

The Aligned Company.
Break down silos between financial functions with collaborative P2P management.

The Agile Company.
Drive operational excellence with fully integrated source-to-pay processes and use 'best-fit' payment programs to optimize working capital in the financial supply chain.

