



RESEARCH REPORT

AP Under Pressure: The UK Finance Operations Benchmark Report 2026

Findings from an independent survey of UK finance professionals on AP maturity, the challenges preventing growth and the practical steps to scalable control.

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FOREWORD

The cost of standing still

Finance operations have always been the quiet engine of organisational growth.



Paul Kearns
CEO, Kefron

When finance processes work well, they are largely invisible. When they do not, the consequences ripple outward; into cash flow, into supplier relationships, into the boardroom, and ultimately into a company's ability to scale.

Yet for many organisations, accounts payable remains one of the last functions to receive serious strategic attention. The assumption that manual processes are good enough for now and can be addressed later is one that this whitepaper dismantles with clarity and evidence.

We commissioned this research because we see the same patterns play out, time and again, across organisations at every stage of growth. The problems identified in these pages are not hypothetical. They are the lived reality of finance professionals navigating invoice backlogs, audit pressures, and the creeping anxiety of month-end close all while being asked to contribute more strategically to the business they serve.

The data is striking. Just 15% of organisations have fully automated accounts payable processes. That leaves the vast majority operating with some degree of manual intervention a structural vulnerability that becomes harder to manage, not easier, as organisations grow.

There is a particular challenge for organisations in the middle of their growth journey. Partial automation, implemented reactively rather than strategically, can create new bottlenecks even as it resolves old ones. For CFOs in these businesses, the gap between the control they need and the control they have is stark. The research bears this out: seven in ten UK CFOs acknowledge that their current systems do not give them the oversight required to manage known AP inefficiencies.

This is not a technology problem waiting for a solution. The solutions exist. The challenge is recognising the right moment to act, and understanding the cost of delay.

Artificial intelligence is reshaping what is possible in AP automation. The ability to eliminate manual data entry, accelerate approvals, and extract actionable intelligence from invoice data is no longer the preserve of enterprise organisations with large technology budgets. It is increasingly accessible, increasingly practical, and increasingly necessary.

What follows is a rigorous analysis of where UK organisations stand today: the challenges they face, the moments that typically catalyse change, and the capabilities that define AP processes built to scale. Whether you are a CFO seeking greater control, a head of finance managing a growing team, or a business leader evaluating your operational infrastructure, this report offers a clear-eyed view of the landscape and a practical framework for what comes next.

The organisations that address this now will be better placed to grow with confidence. Those that defer the decision will find the cost of inaction rising with every invoice.

Executive summary

Organisations of all sizes require effective accounts payable (AP) operations, but just 15% of companies have fully automated systems, according to the findings of a recent survey of finance departments across the UK.

A reliance on manual processes causes a myriad of problems. At a practical level, it means delays in approving and paying invoices, and internal inefficiencies. But it also causes a lack of visibility, with the potential to make duplicate or erroneous payments, and difficulties when it comes to complying with audit or compliance requirements.

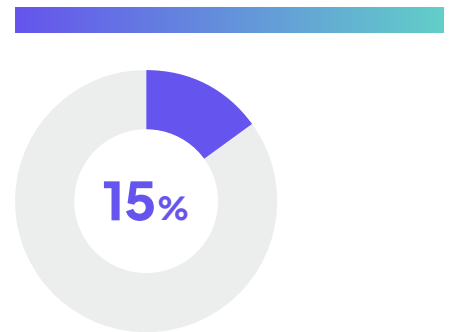
Inefficient AP processes are a particular problem for organisations looking to grow. The research identifies firms in the “messy middle”, where 36% of organisations with 100 to 249 staff report a lack of visibility and 40% delays in approving invoices. Significantly, 69% of the finance professionals surveyed – and 80% of CFOs – believe manual AP processes make it harder to scale their finance operations effectively.

Larger organisations also face difficulties, with 44% saying they experience month-end close pressure and 42% delays in approval and rising processing costs, suggesting failing to resolve AP inefficiencies continues to cause problems beyond a period of growth.

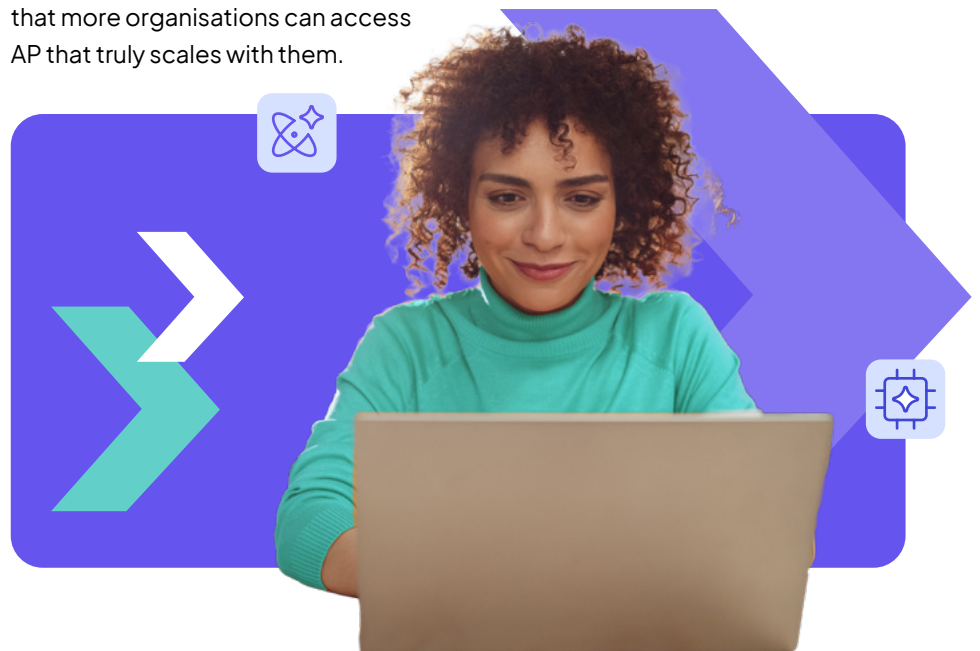
A lack of control is particularly concerning for CFOs, with implications for both financial reporting and relationships with suppliers. It’s alarming, then, that 70% openly admit their current systems or processes do not give them the control they need.

Artificial intelligence (AI) can play its part in overcoming this, allowing organisations to eliminate manual processes, automate approvals and extract information that will help shape wider business decisions.

With 80% of CFOs agreeing AI will free up finance teams to focus on more strategic activities, the hope is that more organisations can access AP that truly scales with them.



of organisations have fully automated AP processes



Top challenges ranked by finance teams

Drawing on exclusive research from Kefron into UK organisations, this report examines the AP challenges that constrain growing businesses – and what it takes to move beyond them.

Any business looking to grow will experience challenges, and must put in place processes and structures that weren't necessary when they were in their formative stages. But one of the biggest issues, which is often overlooked, is that of accounts payable (AP).

With invoice volumes rising and increased expectations around both governance and approvals, many growing organisations find

themselves constrained by manual processes that have built up over time.

Not only does this result in inefficient processes and time-consuming tasks for AP teams, it also constrains the business in its quest for growth, and means chief financial officers (CFOs) or heads of finance do not have the information they need to help them make the decisions that will propel the business on its expansion journey.

Many growing organisations find themselves constrained by manual processes that have built up over time

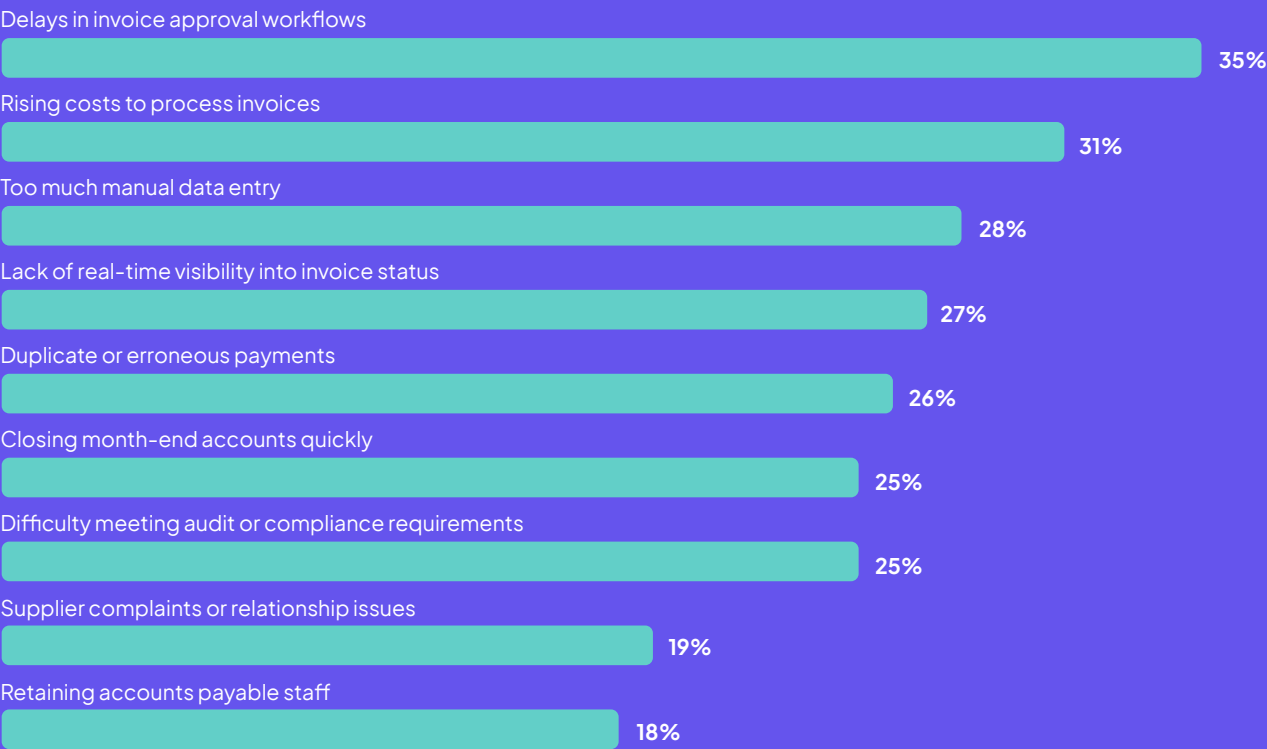


Figure 1 provides a snapshot into the challenges organisations face from manual AP processes, and the breadth is telling. Delays, rising costs, poor visibility, duplicate payments, compliance risk: these are not isolated frustrations. They are symptoms of the same underlying problem. When AP is built on manual foundations, every stage of the process carries the potential for error – and for growing businesses facing three or more of these challenges, the cumulative effect is significant

enough to make accounts payable a barrier to growth, not just an operational issue.

Addressing this requires technology built for the demands of a growing business. The right solution will allow them to improve efficiency, create audit trails, view real-time information and analytics, integrate with wider ERP systems, and comply with reporting requirements – providing a firm foundation for the next stage of growth.

FIGURE 1
What challenges, if any, do your accounts payable team still face?



Source: Kefron / Censuswide research, 2025. Survey of 200 UK finance professionals.

Growth changes everything

Most finance teams don't notice the moment their AP processes stop being fit for purpose.

It rarely announces itself. Instead, it arrives gradually – an approval chain that has quietly acquired five new names, an invoice sitting unprocessed in an inbox because no one is certain whose responsibility it is, a month-end close that takes a day longer than it did six months ago.

By the time the problem is visible, it is already embedded.

THE AUTOMATION GAP

While many organisations have some level of automation, very few have entirely automated AP processes, covering invoice processing, approvals and payments, as well as integrating with broader ERP systems.

As Figure 2 shows, only 15% of organisations have a fully automated process, meaning 85% are reliant on at least some manual elements. More than one in 10 (12%) admit their processes are mainly manual, and 4% say this is entirely the case. Overall, 28% agree there is too much manual data entry involved.

For growing companies, this becomes a particular issue. At small scale, manually processing invoices is manageable – inefficient, but workable. As a business grows,

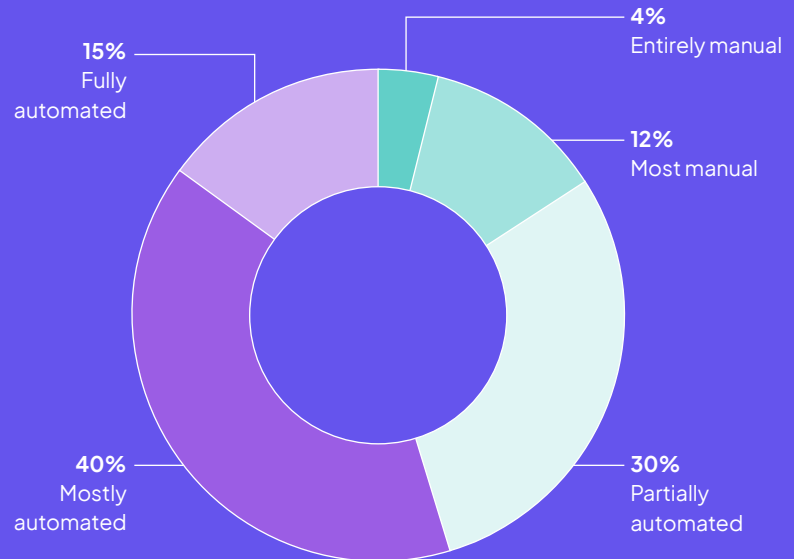
that changes. AP must move beyond transaction processing to become a function built around control: ensuring compliance with governance and reporting requirements, providing confidence in cash flow predictions, reducing the risk of human errors that can distort forecasting, and freeing AP teams to focus on higher-value work.

THE SCALING PROBLEM

It's no surprise, then, that a large majority (69%) of the finance professionals surveyed agree that manual AP processes – and 84% of those in firms with 100–249 employees – make it harder to scale their finance operations effectively. For businesses with growth on the agenda, that is not a position they can afford to hold.

FIGURE 2

Which of the following best describes the current level of automation in your organisation's accounts payable process?



Figures might not add up to 100% due to rounding

Source: Kefron / Censuswide research, 2025. Survey of 200 UK finance professionals.

Mid-market firms struggle with visibility and control

There is a particular trap that catches organisations in the middle stages of growth. Having invested in early automation, there is a natural assumption that the hard work is done.

It isn't. Partial automation, implemented reactively rather than strategically, can resolve one set of problems while quietly generating another – new bottlenecks, new blind spots, new gaps between what the business needs to know and what the finance function can actually see. This is the messy middle. And for many organisations, it is precisely where growth stalls.

SMALL BUT STRETCHED

As organisations expand, not having the right AP systems on which to allow the business to scale becomes more of a headache.

For the smallest organisations, with between one and nine employees, the biggest issue tends to be the inefficiencies around manual processes. More than half (53%) say there is too much manual data entry, while 33% highlight rising costs of processing invoices as an issue, and 20% point to delays in approval workflows. For these organisations, there is an urgent need to engage in early-stage automation, which can lead to quick wins from an efficiency perspective.

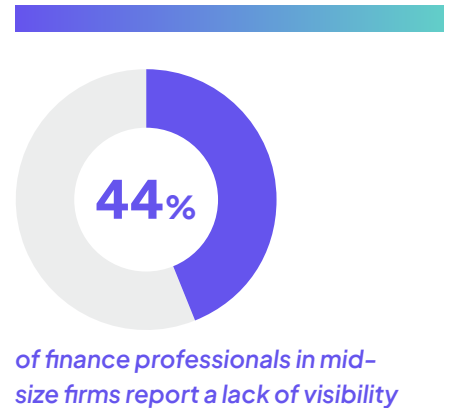
THE MESSY MIDDLE

Mid-sized organisations, with between 50 and 249 employees, also suffer from operational inefficiencies, but on top of this struggle with a lack of visibility and control. This can be seen in the numbers reporting a lack of visibility, which rises from 22% for those with 50–99 employees to 36% for those with 100–249 staff. Four in 10 also report delays in approving invoices.

Manual data entry, conversely, is less of a concern for these larger mid-size firms, with just 24% highlighting this compared to 27% for the 50–99 group.

Not having sufficient visibility into what the business is spending and why makes it hard to plan ahead, identify the potential for savings or even to meet compliance and regulatory requirements.

This group sits in the “messy middle”; where partial automation has helped to solve some inefficiencies but also created bottlenecks in process and where investment has not kept up with organisational growth.



This is more than an AP issue but a concern for CFOs, who rely on such information to help plan strategy and future growth.

BEYOND THE MIDDLE: THE ENTERPRISE CHALLENGE

For larger organisations with 250–500 employees, the struggle is with control, cost and compliance. More than 44% report concerns around month-end close pressure, and 42% see approval delays and rising processing costs as a challenge. In this group, the sheer complexity of payroll is a bigger issue than efficiency, and CFOs find themselves balancing governance requirements with the need for scale and speed. Such businesses require end-to-end, enterprise-grade AP automation.

Speed, scale and cost are all challenges for the largest organisations, too. More than a third (38%) of businesses with more than 500 employees cite duplicate or erroneous payments as a challenge, while 28% point to both approval delays and rising processing costs. It's significant that even in organisations with automation in place these challenges remain, suggesting larger enterprises still have some way to go in optimising processes.

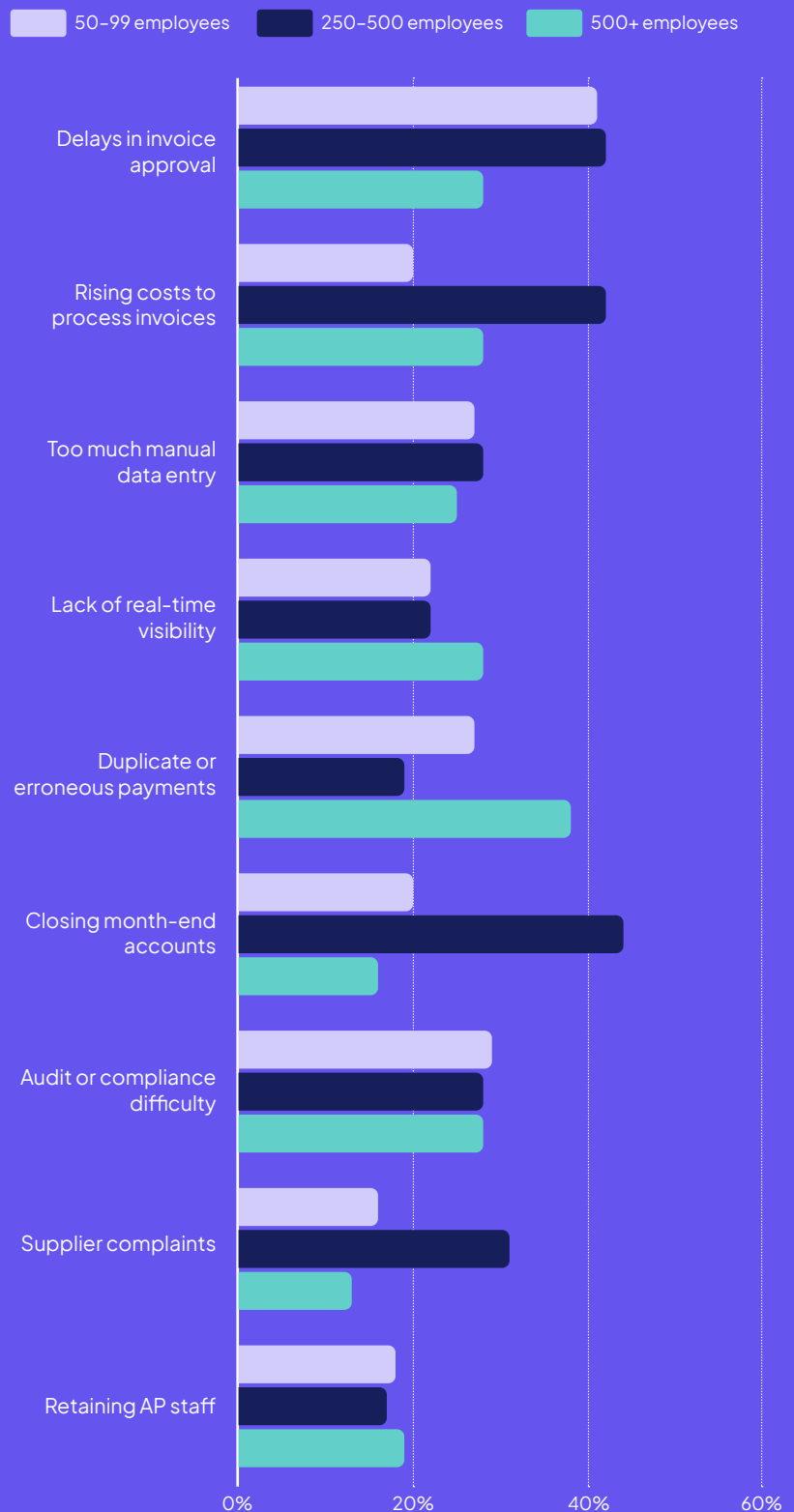
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CFOs believe it's most likely that an investment or funding round would be the trigger for change

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FIGURE 3

AP challenges by organisation size



Source: Kefron research, n=200 UK organisations

The weight of uncertainty

For CFOs, what really matters is control. This means having confidence that month-end reporting will be completed on time and with a high level of accuracy, and faith that the numbers generated on which they can base future forecasts and strategy decisions are accurate.

When the numbers feeding into month-end reports cannot be fully trusted, every forecast carries a margin of doubt. When that doubt surfaces in a board presentation or an investor conversation, it is not the system that takes the credibility hit – it is the person standing behind the figures.

The pressure is rarely dramatic. It accumulates quietly, in the form of caveats added to reports, questions that take too long to answer, and a growing unease about whether the function is truly in command of the information it is responsible for producing.

The research sought the views of CFOs specifically, given their unique position at the intersection of operational finance and strategic leadership.

IN SEARCH OF CONTROL

The vast majority of UK CFOs (84%) agree that improving invoice accuracy makes financial reporting more reliable – a higher figure than AP managers (78%) – and 90% agree that a more efficient AP process leads to stronger, more collaborative relationships with suppliers. This is higher than both AP managers and

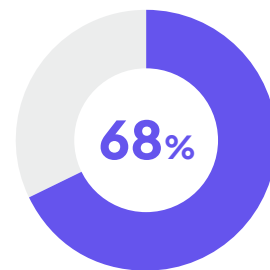
heads of finance (82%), and finance managers (76%).

Then there's internal efficiency; 68% of CFOs believe their organisation wastes skilled people's time on manual finance tasks, which could be spent undertaking more strategic activities.

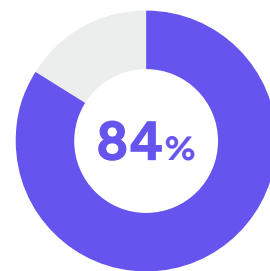
The problem for CFOs, though, is that they don't feel they have the control they need. Seven in 10 UK CFOs (70%) agree that their current systems or processes don't give them control to fix known AP delays, while 80% think manual AP processes make it harder to scale their finance operations effectively.

THE STRATEGIC COST

The message from CFOs is clear: effective AP offers more control over cash flow and compliance, as well as providing the function with the information it needs to drive business strategy. A substandard system has a negative impact on the CFO's ability to lead, reducing the capacity to grow and respond to external circumstances. Ultimately, this could undermine investor and other stakeholders' confidence in the leadership and the organisation more generally.



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The breaking point

Organisations rarely choose to overhaul their AP infrastructure from a position of comfort. The decision is almost always forced – by a system that can no longer keep pace, a compliance challenge that exposes a gap, or a period of growth that makes the cost of inaction impossible to ignore.

Understanding what those moments look like is the first step towards being ready for them.

CATALYSTS FOR CHANGE

While growth can creep up on a business, often there are particular moments that make it clear change is needed. An increase in invoice volume is likely to be a reason for change for 79% of finance professionals.

Figure 4 illustrates the range of catalysts, though the pattern is consistent: change tends to follow disruption. The question for most

finance leaders is not whether a trigger will arrive, but whether their AP infrastructure will be ready when it does.

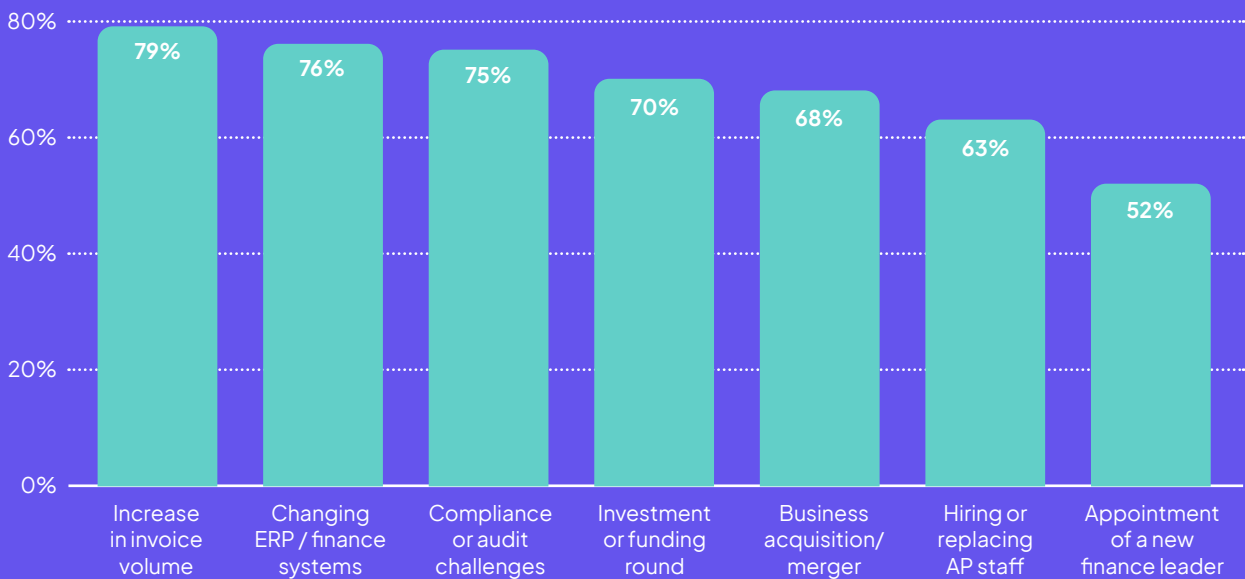
HOW CFOS SEE IT

CFOs believe it's most likely that an investment or funding round would be the trigger for change, with 86% saying this would be the case. The same number think an increase in invoice volume would be a driver, while 82% point to a business acquisition or merger. All these are above average, perhaps suggesting a greater awareness of what

materialises after a significant change event in an organisation.

For most organisations, the journey towards AP automation is gradual, and it's rare to find finance leaders that consider it as "done". Four in five finance leaders (79%) – and 86% of CFOs – believe their organisation is likely to make additional investment in AP for one of the reasons listed above, suggesting a strong demand for more advanced, scalable and intelligent solutions as well as basic digitisation.

FIGURE 4
How likely, if at all, would each of the following be in triggering investment to improve an organisation's AP function?



Source: Kefron / Censuswide, 2025. Survey of 200 UK finance professionals.

AP that scales

Organisations need to ensure they have an AP system that can grow with them, giving them the control they need.

This means the ability to pay invoices accurately and quickly, without any errors, but also to extract information that can ensure compliance with reporting requirements and improve relations with suppliers. Integration with ERP systems is vital, ensuring other departments can access the information they need to perform their roles effectively.

WHAT GOOD LOOKS LIKE

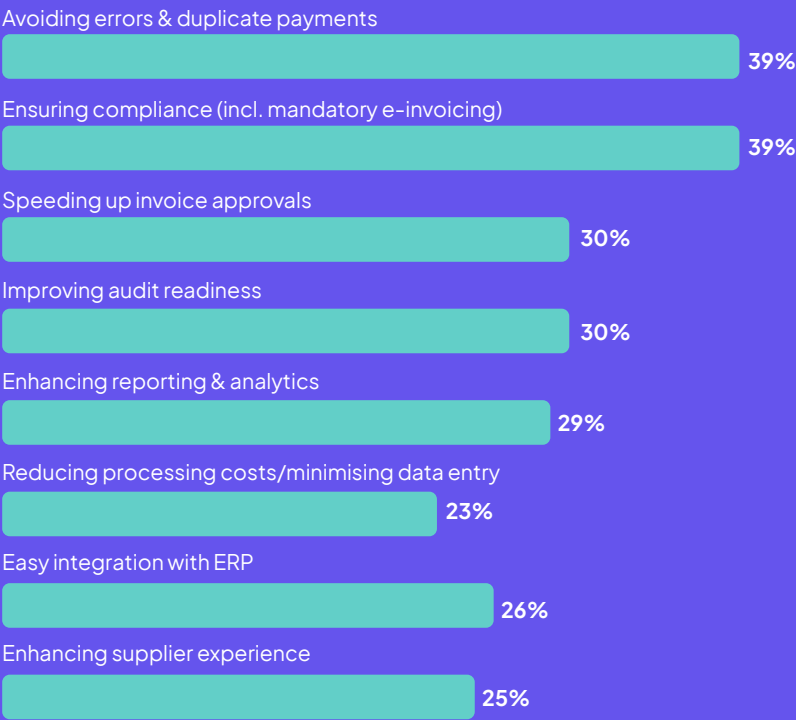
The survey provides some insight into just what finance professionals want when they upgrade their AP systems. Avoiding errors and duplicate payments and ensuring compliance, including with rules around mandatory e-invoicing, are seen as the top priority for 39% of finance professionals.

Other elements ranked as top priorities are speeding up invoice approvals and improving audit readiness (both 30%) while 29% point to enhancing reporting and analytics and 25% to enhancing the supplier experience. (see Figure 5)

Perhaps unsurprisingly, given their more strategic remit, CFOs have slightly different priorities. They tend to place a greater emphasis on enhancing reporting and analytics, improving audit readiness, avoiding errors and duplicate payments, ensuring compliance with invoice and tax regulations, and reducing processing costs.

FIGURE 5

Which of the following would be top priorities for an accounts payable solution?



Source: Kefron / Censuswide, 2025. Survey of 200 UK finance professionals.

BEYOND AUTOMATION

The research findings also suggest organisations understand they need to go beyond automation for its own sake, and to move towards enhancing efficiency, visibility and integration. Four in five (81%) finance professionals agree that invoice accuracy directly impacts financial reporting reliability, and 77% concur that AP automation reduces compliance risk and audit stress.

There's also a willingness to embrace artificial intelligence (AI) in invoicing where it can bring about efficiencies; three-quarters (75%) agree this will free up finance teams so they can focus on more strategic activities.

CFOs are more likely than other finance professionals to think this, with 80% agreeing, compared to an average of 70% for non-CFO respondents. This is perhaps understandable, given that CFOs are also more likely to recognise the wasted time for skilled people engaging in manual processes, and to identify a lack of control in current systems. They are also more likely to see value in automation for compliance and reporting purposes.

Those in mid-market firms with between 100 and 249 employees are particularly open to the potential of AI as a tool to help them grow. In this group, 93% agree that AI enables finance teams to focus on strategic work, and 84% believe manual AP makes it harder to scale.

It's encouraging to see finance professionals recognise that existing AP processes are no longer fit for purpose and that improvements are needed to help support growth and company transformation. An effective AP system means fewer errors, real-time insight and control, strong audit and compliance capabilities, and the potential to scale up fast.

The organisations that get this right do not simply become more efficient. They become more confident - in their numbers, in their decisions, and in their ability to move quickly when the next opportunity or challenge arrives. AP that scales is not a back-office upgrade. It is the operational foundation on which strategic ambition is built.

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Conclusion

THE CASE FOR ACTION

The evidence presented in this whitepaper points to a single, unavoidable conclusion: for the majority of UK organisations, accounts payable is not performing at the level the business demands. The gap between current capability and strategic need is widening and the consequences are measurable.

Delays in invoice approvals compound cash flow uncertainty. Duplicate payments and data entry errors undermine financial reporting. Stretched month-end close cycles put pressure on teams that are already asked to do more with less. And for CFOs trying to lead with confidence, an AP function that lacks visibility is not merely an operational inconvenience; it is a strategic liability.

For organisations in the middle stages of growth, the stakes are particularly acute. The messy middle described in these pages is not a temporary condition to be endured. It is a fork in the road. Organisations that invest in AP infrastructure now; with the right combination of automation, integration, and intelligence; build the foundations for scalable, resilient finance operations. Those that do not will find that their AP function becomes a constraint on growth rather than an enabler of it.

The compliance dimension adds further urgency. Audit readiness, e-invoicing mandates, and regulatory expectations around financial reporting are tightening across all sectors. Manual processes that may

have been adequate in a lower-scrutiny environment are increasingly exposed. The organisations most at risk are those that have not yet aligned their AP capability with the compliance demands they already face.

Artificial intelligence offers a genuine path forward. Not as a speculative future capability, but as a practical tool that is already enabling finance teams to move faster, with greater accuracy, and with the real-time visibility that sound decision-making requires. The appetite is there: the overwhelming majority of CFOs surveyed recognise the potential of AI to free their teams for higher-value work. The question is no longer whether to act, but when; and how decisively.

The triggers for change vary by organisation; a surge in invoice volumes, a new ERP implementation, a compliance challenge, a funding round. But the readiness to act should not depend on a crisis. The most effective finance leaders are those who anticipate the inflection point before it arrives and ensure their AP infrastructure is already built for the next stage of growth.

The findings in this report are a prompt to act with intention. To audit not just your current AP processes, but the gap between where you are and where your organisation needs to be. To ask, with honesty, whether your finance function is truly positioned to support the ambitions of the business it serves.



AP that scales is not a luxury. It is a prerequisite for growth done right. The organisations that understand this, and act on it, will be the ones that scale with control and competitive advantage.



KEFRON AP

Drawing on AI-driven data capture and smart automation, Kefron AP can transform organisations' finance processes by eliminating manual elements, speeding up approvals and enabling real-time reporting.

Between 70% and 90% of invoice workflow can be entirely touchless, with finance professionals only having to become involved in exceptions. Its 99% accuracy rate for data capture is much higher than human error rates, and the smart approval routing means invoices are automatically sent to the correct person for sign-off. Invoices effectively capture, code, match and route themselves automatically, freeing up additional time for AP teams.

But it's not just invoice capture that Kefron can help with. Its data analysis and reporting capabilities and seamless integration with accounting or ERP systems mean finance teams can access accurate, real-time information to provide vital insight on which to make more strategic decisions.

Businesses gain a solution that will give them the information they need to drive growth, and the platform on which they can achieve this, at scale, as they move into their next phase of growth.





To find out more about how advanced AP automation can elevate your business, visit kefron.com/finance-automation/accounts-payable-automation

DISCLAIMER

This white paper was produced by Kefron in partnership with Censuwide. Research was conducted in 2025 among 200 UK finance professionals across a range of organisation sizes and sectors. All figures are rounded to the nearest whole number; totals may not sum to 100% as a result. The findings and opinions expressed in this report are intended for informational purposes only and do not constitute financial, legal, or professional advice. Kefron accepts no liability for decisions made on the basis of the information contained herein.

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