

# Redefining Procure-To-Pay with Agentic Automation

Unlock greater  
speed, accuracy  
and efficiency

by infusing your  
workflows with  
next-gen  
automation

PROCURE  
TO-PAY  
AGENTIC  
AUTOMATION  
IN ACTION!

# Contents

<b>3</b>	<b>The evolving landscape of procure-to-pay</b>
<b>5</b>	<b>The role of automation in procurement processes</b>
<b>6</b>	<b>The role of automation in S2P</b>
<b>6</b>	<b>Robotic process automation (RPA) in S2P</b>
<b>8</b>	<b>Agentic processes: The next frontier</b>
<b>9</b>	<b>The game-changing nature of agentic automation</b>
<b>11</b>	<b>Source-to-pay agentic process</b>
<b>12</b>	<b>Key automation opportunities in S2P</b>
<b>15</b>	<b>Capturing opportunities: How AI agents and robots work together</b>
<b>16</b>	<b>Implementing automation in S2P</b>
<b>18</b>	<b>The future: People, agents and robots</b>
<b>19</b>	<b>Next steps for organizations</b>

# The evolving landscape of procure-to-pay

In today's rapidly evolving business landscape, innovation is the cornerstone of competitive advantage, particularly in finance and accounting. The procure-to-pay (P2P) process, which covers the entire cycle from identifying needs to making payments, serves as a critical nexus for operational innovation and strategic differentiation. As organizations across diverse sectors strive to stay ahead, the transformation of P2P processes has emerged as a pivotal opportunity for driving efficiency and fostering digital transformation.

Outdated systems and processes, rising costs, talent shortages, and technological complexity pose significant challenges. Finance and accounting functions need innovative solutions to overcome these hurdles and enhance business agility in the P2P landscape.

Advanced automation technologies, particularly robotic process automation (RPA) and agentic automation, offer powerful solutions to reimagine P2P processes. These innovations represent significant advancements in P2P intelligence, promising to substantially improve finance and accounting operations.

## Key definitions:

**Procure -to-pay (P2P):** The process that covers requisitioning, purchasing, receiving, paying for, and accounting for goods and services.

**Source-to-pay (S2P):** An extended version of P2P that includes sourcing and contract management.

# Challenges in procure-to-pay processes

The procure-to-pay (P2P) process is the backbone that keeps operations running smoothly in today's fast-paced business environment. This essential cycle, which extends from identifying needs through final payments, touches every aspect of an organization—so it's important to optimize it. However, the contemporary P2P landscape presents a perfect storm of challenges in doing so:

- **Lack of visibility and transparency:** Many organizations struggle with fragmented processes and tools across different business functions, leading to a lack of enterprise-wide visibility in spending and procurement activities.
- **Talent shortage:** With 86% of procurement teams understaffed, competition for top talent is fierce. Rising salaries and widespread talent shortages mean procurement competes not only with other procurement teams but also with internal departments for talent and compensation budgets. (CPO Strategy, 2024)
- **Rising costs:** The complexity of global supply chains has led to a significant rise in procurement costs in recent years. This surge outpaces the overall inflation rate, putting immense pressure on companies' bottom lines. The cost increase is driven by factors such as supply chain disruptions, raw material shortages, and increased transportation expenses. This trend threatens organizations' profitability and their ability to maintain competitive pricing, potentially leading to delayed investments in innovation and hindering their capacity to adapt to evolving market demands.

These challenges are compelling organizations to seek innovative solutions that can streamline their P2P processes, reduce costs, and improve efficiency. Robotic process automation (RPA) and agentic automation are emerging as powerful tools to overcome these obstacles and transform finance and accounting operations, offering a path to enhanced productivity and strategic advantage in the digital age.



# The role of automation in procurement processes

As organizations strive for greater efficiency and strategic value, we see a natural evolution from focusing on solving independent problems, like invoice processing and sourcing, to tackling the end-to-end process.

## Procure-to-pay (P2P): The foundation

P2P focuses on the transactional aspects of procurement, covering the process from the point of requisition through to payment. It includes:

1. Requisition
2. Purchase order creation
3. Goods receipt
4. Invoice processing
5. Payment

Automation in P2P has traditionally centered on enhancing these transactional processes, reducing errors, and improving efficiency in day-to-day operations.

## The transition to source-to-pay (S2P): A strategic shift

As organizations mature in their procurement practices, they recognize the need to influence spend and value creation earlier in the process. This realization has driven the expansion from procure-to-pay to source-to-pay (S2P). S2P encompasses all of P2P, and adds on four new areas:

1. Spend Analysis
2. Sourcing
3. Contract Management
4. Supplier Management

This transition to S2P allows organizations to:

- Gain better visibility into overall spend
- Identify strategic sourcing opportunities
- Manage supplier relationships more effectively
- Align procurement activities with broader business objectives

# The role of automation in S2P

As the focus expands from P2P to S2P, the automation benefits—particularly RPA and agentic automation—expand as well. These technologies can now be applied across the entire S2P spectrum to support:

- Advanced spend analytics for better decision making
- Automated supplier discovery and evaluation
- Intelligent contract management and compliance monitoring
- Predictive analytics for demand forecasting and strategic sourcing

By embracing this holistic S2P approach, organizations can leverage automation to not only improve transactional efficiency but also to drive strategic value throughout the entire procurement lifecycle.

# Robotic process automation (RPA) in S2P

RPA serves as the foundation for efficiency in S2P processes. It excels at handling repetitive, rule-based tasks with high precision and consistency.

Key RPA applications in S2P include:

- Automating form-filling with structured data
- Performing basic checks (e.g., tax ID validation)
- Creating purchase requisitions
- Checking against predefined budgets and rules
- Routing for approvals based on set thresholds
- Updating ERP systems when items are received
- Automating data collection from predefined sources
- Sending automated RFQs based on templates

Limitations of RPA:

- Operates based on predefined rules and workflows
- Limited ability to handle exceptions or make decisions
- Requires structured data inputs
- Struggles with complex, dynamic processes

# Source-to-pay robotic process



# Agentic processes: The next frontier

While RPA can significantly increase efficiency and speed across the P2P and S2P spectrum, it has limitations, struggling with complex and dynamic processes, unstructured data inputs, and tasks and activities requiring exceptions and on-the-fly decisions. Therefore, it's proved difficult to achieve full end-to-end automation using RPA alone. But the emergence of agentic automation is changing all that.

Agentic automation represents the next quantum leap in P2P optimization. With this new technology, AI agents bring new levels of sophistication and autonomy that are particularly well-suited to handle the complex, dynamic nature of modern P2P. These include:

- Intelligent decision-making based on context and data
- Handling of unstructured data and non-deterministic workflows
- Continuous learning and adaptation to changing conditions
- Seamless integration across multiple systems
- Advanced reasoning for complex scenarios

From intelligent supplier selection to strategic payment timing, agentic automation infuses every step of the S2P process with AI. This advanced approach enables organizations to not only react to market changes but to proactively optimize their S2P strategies in real-time.

**“ UiPath has a strong legacy in leveraging automation in S2P processes, with a majority of our customers relying on our solutions for invoice processing alone. Now, with our end-to-end AI orchestration, we’re taking a significant leap forward. Our agents enable incremental and value-added improvements across the entire S2P process. From seamlessly integrating with materials requirement planning processes to provide real-time, AI-driven insights, to deploying agents that monitor, respond to, and communicate with suppliers, our platform is a game-change for digital transformation leaders across sourcing to treasury. ”**

**Caleb Jones**  
**Strategic Engagement Executive at UiPath**

Offers a compelling insight into how UiPath is revolutionizing the S2P landscape



# The game-changing nature of agentic automation

This technology goes beyond traditional automation by introducing intelligent decision-making capabilities that can significantly reduce manual intervention and improve process efficiency.

## Cost reduction through agentic automation

One of the primary benefits of agentic automation is its potential to bring down operating costs. By implementing agentic solutions, organizations can:

- Reduce the need for human intervention in complex processes
- Minimize errors and rework, leading to cost savings
- Scale automation efforts more efficiently across different regions and departments

## Scalability across markets

Agentic automation facilitates scalability, particularly in large multinational corporations, by:

- Allowing for rapid deployment of solutions across different markets
- Adapting to local requirements and regulations automatically
- Enabling the sharing of best practices and successful automations between regions

This scalability potential can lead to significant productivity gains across global operations.

## Regional customization

Historically, larger organizations with global operations have struggled to scale S2P automation because of the tremendous variability between regions in terms of compliance, product catalogs, and payment. But agentic automation excels in addressing regional variations. For example:

- **International invoicing compliance:** Agentic automation addresses the challenge of diverse global invoicing standards. AI agents dynamically adjust invoice formats, content, and submission methods to comply with local regulations. This ensures accurate field population, precise tax calculations, and adherence to ever-changing governmental standards, streamlining the procure-to-pay process and mitigating non-compliance risks.
- **Product catalogue diversity:** Agents revolutionize the management of region-specific product offerings. They dynamically curate and present appropriate catalogues based on user location, local regulations, and business rules. This approach ensures compliance with local standards, optimizes the purchasing experience, and instantly adapts to changes in inventory, pricing, or regional requirements, enhancing accuracy and efficiency in international catalogue management.
- **Payments:** Agentic automation tackles the complexity of diverse payment methods across markets. Agents adapt to country-specific requirements, managing various payment methods and automatically selecting the most appropriate option. They handle currency conversions, tax calculations, and compliance checks in real-time, streamlining the payment process while enhancing security and efficiency in international financial transactions.

# Specific use cases

Two specific use cases that demonstrate the power of agentic automation in P2P processes include:

1. **Agentic AP inbox:** The solution addresses the challenge of managing high-volume supplier communications in accounts payable departments. Despite the existence of dedicated supplier portals, 50% of communications still occur via email. Many mid-sized to large organizations may receive as many as 1,000 to 5,000 supplier emails daily across multiple regional inboxes. Against this onslaught of emails, an agentic AP inbox can act as the first line of defense, efficiently managing these communications by:
  - **Triaging supplier inboxes:** AI agents can swiftly analyze incoming emails, determining their urgency and nature. They can directly respond to routine inquiries such as payment status updates or payment term clarifications without human intervention. For more complex issues or when human input is necessary, AI agents can escalate the matter to the appropriate personnel, ensuring that critical communications are never overlooked.
  - **Streamlining communication channels:** By intelligently managing supplier emails, an agentic AP inbox reduces the burden on AP teams, allowing them to focus on more strategic tasks. This approach not only improves efficiency but also enhances supplier relationships by ensuring prompt and accurate responses to inquiries.
2. **Supplier collaboration:** Agentic automation revolutionizes S2P processes by enabling real-time sharing of digital purchase orders, demand forecasts, and inventory levels across a unified platform. This approach streamlines procurement transactions and optimizes inventory management while fostering a culture of transparency and trust. Enterprises gain a more resilient, agile, and efficient supply chain that can quickly adapt to changing market conditions and customer demands.

# Source-to-pay agentic process



**“ We have a lot of complex processes like accounts payable, where we’ve only been able to automate parts of it. Those automations do well, but they don’t span the process from one end to the other. Now with agentic automation and UiPath Maestro, we can automate the entire process, end to end. ”**

**Chris Engel**  
Automation Center of Excellence – Global Discovery Lead at Johnson Controls Inc.,

Highlights the transformative potential of agentic automation

**“ We’re using agentic automation to route invoices for utilities, which are quite complicated. Utilities change all the time, and they don’t necessarily have a purchase order, so traditional robotic processes, which follow a strict script, struggle. Agentic automation helps direct those invoices to the right development or construction site with far greater accuracy. ”**

**William Payne**  
Chief Digital Officer at Mirvac

Also recognizes the advanced capabilities of agentic automation

# Key automation opportunities in S2P

Agentic automation is unlocking a new wave of transformative opportunities in S2P—going beyond task-level automation to deliver intelligent, context-aware actions that significantly enhance process efficiency, compliance, and business agility. From supplier onboarding to payment optimization, AI agents are now capable of interpreting data, making informed decisions, and working with robots to execute actions with minimal human intervention. The following section highlights some of the most impactful applications of agentic automation across the S2P lifecycle, illustrating how organizations can achieve dramatic improvements in speed, accuracy, and strategic outcomes.

## Supplier onboarding and management

**Before:** Manual data entry, time-consuming verification processes, and fragmented risk analysis

**After:** AI-driven comprehensive risk analysis and automated system updates

- Financial risk: Automated assessment of supplier's financial stability and potential risks
- Legal risk: AI-powered evaluation of legal compliance and potential legal issues
- Sentiment risk: Automated analysis of supplier's reputation, including cybersecurity history and public relations

### Benefit:

**60-70% reduction in onboarding time, with significantly enhanced risk assessment quality**

### Benefits:

**70-80% reduction in requisition time**

**Significant increase in user satisfaction and adoption**

**Enhanced spend visibility and control through centralized AI management**

## Purchase order management

**Before:** Manual creation and routing of POs, complex catalog navigation, multiple system logins, and time-consuming requisition processes.

**After:** AI-driven general intake system for streamlined requisitioning and PO creation.

- Email-based or chat-based requisition process
- AI agent interprets requests, navigates internal processes, and manages approvals
- Automated PO creation and intelligent routing without user interface interactions

## Benefits:

**80% reduction in processing time**

**95% touchless processing**

## Invoice processing and approval

**Before:** Manual data entry, lengthy approval cycles

**After:** Automated data extraction, agentic approval routing

## Contract management

**Before:** Manual contract creation and tracking

**After:** AI-driven contract creation, automated compliance monitoring

## Benefit:

**20-30% reduction in contract leakage**

## Benefit:

**2-5 days reduction in Days Payable Outstanding (DPO)**

## Payment processing and reporting

**Before:** Manual payment execution, time-consuming reporting

**After:** Automated payment scheduling, real-time cash flow reporting

## End-to-end process optimization

**Before:** Manual management of numerous sourcing events, limited capacity for handling multiple RFPs

**After:** Agents autonomously managing sourcing events at scale

- Automated creation and management of RFPs (Request for Proposals)
- AI-driven analysis and comparison of vendor responses
- Intelligent decision-making for optimal supplier selection

### Benefits:

**Dramatic increase in sourcing capacity (from dozens to thousands of events)**

**Significant time and resource savings in procurement processes**

**Enhanced ability to optimize software purchases across the organization**

**Improved cost management through more frequent and comprehensive sourcing events**

## Payment optimization

**Before:** Manual decision-making for payment methods, limited consideration of working capital implication

**After:** Agents analyzing and optimizing payment strategies for each transaction

- Automated assessment of supplier profiles and payment history
- Real-time evaluation of available payment methods (e.g., credit card, bank transfer, supply chain finance)
- Intelligent selection of payment method to maximize working capital benefits

### Benefits:

**Maximized cash flow through strategic payment timing**

**Increased returns on idle cash through extended payment terms (e.g., credit card usage)**

**Reduced transaction costs by selecting the most cost-effective payment methods**

**Enhanced supplier relationships through prompt and optimized payments**



# Capturing opportunities: How AI agents and robots work together

Automating S2P processes requires a synergistic integration of both AI agents and robotic process automation (RPA) to achieve end-to-end efficiency and intelligence. AI agents play a critical role in interpreting unstructured data, such as invoices, emails, and contracts, applying natural language processing and machine learning to extract context, detect anomalies, and make informed decisions. Robots, on the other hand, are designed to execute structured, rule-based tasks at scale with precision—such as data entry, system integration, and workflow orchestration across enterprise platforms. Working in tandem, AI agents provide the cognitive capabilities needed to handle complexity and variability, while robots ensure speed, accuracy, and compliance in execution. This collaboration enables a truly automated S2P cycle that is not only faster and more cost-effective, but also more resilient and adaptive to change.

## Here's how the agent-robot collaboration works together in specific S2P processes:

### 1. Invoice Processing:

- Robot: Extracts data from standardized invoices and performs basic matching.
- AI agent: Handles complex invoices, resolves discrepancies, and makes intelligent approval decisions. Escalates to humans if necessary.

### 2. Supplier Selection:

- Robot: Filters suppliers based on predefined criteria.
- AI agent: Analyzes multiple factors, including past performance and market conditions, to recommend optimal suppliers.

### 3. Contract Management:

- Robot: Extracts key terms from standard contracts.
- AI agent: Analyzes contract language, identifies potential risks, and suggests optimizations.

# Implementing automation in S2P

Successfully implementing S2P automation is a complex but highly rewarding endeavor that can drive significant efficiency, cost savings, and compliance across procurement and finance functions. However, to realize these benefits, organizations must follow a structured approach grounded in proven best practices. From establishing a clear strategy and securing cross-functional collaboration, to managing change effectively and scaling automation efforts thoughtfully, each step is essential to ensuring long-term success. The following best practices provide a practical framework for organizations looking to optimize their S2P automation journey.

## Best practices for automation adoption:

1. Start with a clear strategy and roadmap
2. Prioritize processes based on potential impact and complexity
3. Ensure strong collaboration between IT and business units
4. Invest in change management and employee training
5. Implement robust governance and security measures
6. Start with pilot projects and scale gradually
7. Continuously monitor and optimize automated processes

# Overcoming common challenges

While the rewards are significant, the path to successful S2P implementation is not without its challenges. Addressing these obstacles requires a thoughtful, solutions-oriented approach that blends technology with strong change management and governance. Below, we present some of the most critical issues—along with real-world approaches for addressing them.

## Data quality

Data quality issues in S2P processes often arise from fragmented systems, manual data entry, and inconsistent supplier information. Inaccurate or outdated data—such as duplicate records, missing fields, or misclassified suppliers—can disrupt automation and increase operational risk. These problems are compounded by a lack of standardization, infrequent data maintenance, and inconsistent validation rules.

### **Solution:**

Implement data cleansing and standardization initiatives before automation.

## Resistance to change

Adopting new processes and procedures can be difficult for employees and suppliers alike—even if the “new normal” ultimately works better than its predecessor. This is often where transformation efforts stall.

### **Solution:**

Communicate benefits clearly and involve employees and suppliers in the transformation process. Make sure everyone understands the new processes, and the roles of AI agents, robots, and people.

## Integration complexities

Integration issues in S2P automation stem from the need to connect diverse systems—such as ERP platforms, procurement tools, supplier portals, and financial applications—that often have incompatible data structures and interfaces. These challenges are especially acute in organizations with legacy systems or multiple business units using different technologies.

### **Solution:**

Solving integration issues requires scalable middleware, robust APIs, and a clear integration strategy that supports end-to-end process orchestration.

## Scalability concerns

Scalability concerns in S2P automation often arise when initial solutions are designed for limited use cases and cannot easily expand to handle increased transaction volumes, additional suppliers, or new business units. As organizations grow or their processes evolve, rigid automation frameworks may struggle to adapt, leading to performance bottlenecks and increased maintenance costs.

### **Solution:**

Choose flexible automation platforms that can grow with your needs.

## Maintaining human oversight and governance

For compliance, accountability, and risk mitigation, it's critical to establish strong governance and controls. While automation can streamline decision-making and reduce manual effort, certain tasks—such as approvals, exception handling, and compliance reviews—still require human judgment. Without proper oversight, there's a risk of errors going unnoticed or automated actions bypassing established controls.

### **Solution:**

Ensure that the automation technology you adopt enables you to easily build in human-in-the-loop processes—and provides the strong governance capabilities you require to ensure automated systems operate transparently and responsibly.

# The future: People, agents and robots

As we look towards the future of P2P processes, it's clear that the landscape will be shaped by the synergy between human expertise, robotic efficiency, and agentic intelligence. This evolution will redefine roles and responsibilities within finance and procurement teams.

## Evolving roles in automated P2P processes

The integration of agentic automation in P2P processes will lead to a shift in human roles. Finance and procurement professionals will increasingly move away from routine, transactional tasks towards more strategic, value-adding activities. This transition will require new skills and competencies:

1. **Strategic thinking:** Professionals will need to focus more on strategic supplier relationships, risk management, and long-term financial planning.
2. **Data analysis:** With automation handling data processing, humans will need to excel at interpreting data insights and using them to drive decision-making.
3. **Exception handling:** While agents will manage most processes, humans will be crucial in handling complex exceptions that require nuanced judgment.
4. **Process design and optimization:** There will be an increased need for professionals who can design and continuously improve automated P2P processes.
5. **Technology management:** Finance and procurement teams will need to develop skills in managing and collaborating with AI and robotic systems.

## Balancing human expertise with AI capabilities

The key to success in this new paradigm will be finding the right balance between human expertise and AI capabilities. While agentic automation can handle vast amounts of data and make rapid decisions, human insight remains invaluable in areas requiring emotional intelligence, ethical considerations, and complex negotiation.

Organizations will need to create frameworks that allow for seamless collaboration between humans, robots, and agents. This might involve:

1. **Clearly defined** escalation paths for issues that require human intervention.
2. **Regular review** processes where humans can provide feedback to improve agent performance.
3. **Continuous training** programs to keep human workers updated on the capabilities and limitations of their automated counterparts.

By striking the right balance, organizations can create an ecosystem that leverages the strengths of both human and artificial intelligence, leading to unprecedented levels of efficiency, accuracy, and strategic value in procurement processes.

# Next steps for organizations

A clear and structured approach is essential to ensure long-term success. Agentic automation should not be treated as a one-time initiative but rather as a strategic transformation that evolves with the business. The following steps provide a practical framework to guide companies through the process—from assessing their current state to building internal capabilities and fostering a culture of continuous improvement. Following these approaches can help ensure organizations unlock the full potential of S2P automation and drive sustainable value.

1. **Assess current state:** Conduct a thorough analysis of existing S2P processes to identify automation opportunities and potential challenges.
2. **Develop a roadmap:** Create a phased implementation plan, prioritizing high-impact, low-complexity processes for initial automation.
3. **Invest in technology:** Select appropriate automation tools and platforms that align with your organization's needs and can scale with future growth.
4. **Build internal capabilities:** Develop in-house expertise in RPA, AI, and process optimization to support long-term success.
5. **Foster a culture of innovation:** Encourage employees to embrace automation and contribute ideas for process improvement.
6. **Measure and iterate:** Implement key performance indicators (KPIs) to track the impact of automation and continuously refine processes based on results.
7. **Collaborate with partners:** Engage with technology providers, consultants, and industry peers to stay abreast of best practices and emerging trends in S2P automation.

By embracing the power of agentic automation, organizations can transform their procurement processes from a back-office function into a strategic driver of value. The journey towards fully automated and intelligent S2P may be challenging, but the potential rewards in terms of efficiency, cost savings, and competitive advantage make it an essential undertaking for forward-thinking organizations.

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