



Accounts payable in a mid-sized South African company: a Digital and AI Process Review

A sample Digital and AI Process Review by AfriTreasures Advisory, 25 October 2026

A mid-sized company processing about 3 000 supplier invoices a month should automate invoice capture and matching first, approvals second, and leave payment execution and AI fraud screening for a later phase: capture and matching create most of the downstream cost and pay back inside six months, and SARS's proposed e-invoicing model from 2030 will make structured capture the norm anyway.

The answer

- 1. The model company pays about R62 per invoice against a benchmark median of about R108 (US\$6.00 at R18) for the whole cycle, but runs 15 days of cycle time and a 12 percent exception rate against a median of about 5 percent [S1].** Cost looks acceptable because labour is cheap; speed and error rate are where cash and supplier goodwill leak.
- 2. Touchless processing is the lever.** Teams at 30 percent or more touchless invoices show 3.5 times the productivity of those below it; the research average is 60 percent [S1]. The model company is at roughly 10 percent.
- 3. Regulation sets the direction.** SARS's VAT Modernisation consultation paper (August 2026) proposes structured, machine-readable e-invoices through accredited access points, states that an e-invoice is not merely a PDF, scanned image or emailed document, and phases adoption from a 2029/2030 pilot to mandatory roll-out from 2030, large taxpayers first [S3].

Two decisions the reader can make now

- Whether to run a 90-day pilot of automated capture and three-way matching on the top 20 suppliers, using the finance system's own module or a free-tier tool before buying anything.
- Whether to set a 2028 target of 60 percent touchless invoices and structured e-invoice readiness, so the company enters SARS's voluntary phase as a participant.

The question, scope and the model company

The question: in a typical mid-sized South African accounts payable function, where does the cost, delay and risk sit, which automation and AI options remove the most of it per rand spent, and in what order? In scope: supplier invoice receipt through to payment release and supplier query handling. Out of scope: procurement, treasury, payroll and expense claims.

The model company, built for this sample and labelled as such: Gauteng-based, R600 million revenue, 3 000 supplier invoices a month from 450 suppliers, 70 percent arriving as PDF by email, 25 percent on paper, 5 percent structured; four accounts payable staff at R32 000 a month fully loaded; 40 approving managers; payment runs twice a month; an ERP with an unused invoice-automation module. A commissioned Review replaces every assumption with the client's own numbers from a two-week measurement.

The process as it runs today

Step	What happens	Staff min per invoice	Elapsed days	Cost per invoice (R)	Share
1. Receive	Email and post opened, PDFs saved, paper scanned, no duplicate check	4	1	1.00	2%
2. Capture	Header and lines keyed into the ERP by hand	9	1	2.20	4%



Step	What happens	Staff min per invoice	Elapsed days	Cost per invoice (R)	Share
3. Match	PO and goods receipt found and compared; mismatches investigated	14	3	3.40	6%
4. Exceptions	12 percent of invoices need a query; about 45 minutes each	5.4 (weighted)	4	1.30	2%
5. Approve	Line manager approval by email; chasing is the main activity	8	4	1.90	3%
6. Pay	Batch prepared, released by two signatories, remittances sent	6	1	1.40	2%
7. Supplier queries	Calls and emails asking where the payment is	5	ongoing	1.20	2%
8. File and audit	Documents filed, audit requests answered	3	ongoing	0.70	1%
Direct labour subtotal		54.4	14 to 15	13.10	21%
Approver time	40 managers at about R1 200 a day, 8 minutes each	8		8.00	13%
Late payment and lost discounts	Model: 1 percent of 20 percent of spend paid late			25.00	40%
Errors, duplicates, rework	Model: 0.5 percent of invoices wrong, average R3 200			16.00	26%
Total cost per invoice				about 62	100%

Direct clerical labour is only about a fifth of the cost. The money is in approvals that wait, discounts missed because the invoice was not ready, and errors found after payment. Capture and match (steps 2 and 3) are where the delay starts and the downstream cost is created, which is why they come first in the options.

Where the cost and risk sit: five findings against benchmarks

Measure	Model company	Benchmark	Source
Total cost per invoice	about R62	median about R108 (US\$6.00 at R18)	APQC via [S1]
Cycle time, receipt to payment	14 to 15 days	median 15 days	APQC via [S1]
Exception rate	12 percent	about 5 percent	APQC via [S1]
Touchless rate	about 10 percent	60 percent average; 30 percent is the productivity threshold	Hackett via [S1]
AP staff per US\$1 billion revenue (scaled)	about 120	top performers 6.2 or fewer; bottom 21.6 or more	APQC via [S1]

1. **Cost looks fine and is not.** Cheaper labour hides a process slower and more error-prone than the median.
2. **Exceptions are the hidden factory.** One invoice in eight triggers a 45-minute investigation and a four-day wait; the same five causes (no PO, price, quantity, duplicate, wrong entity) are all machine-detectable at capture.
3. **Approval is the longest queue** and the easiest to remove: rule-based auto-approval under a threshold, mobile approval for the rest.
4. **Paper and PDF are a regulatory dead end.** SARS's model requires structured e-invoices through accredited access points and says a PDF or scan is not an e-invoice [S3]; push the top suppliers to structured formats now.



5. **Staffing is the last lever, not the first.** Cutting people before fixing capture and approval only lengthens queues; reassign, then let attrition follow once touchless passes 30 percent.

Automation and AI options ranked by payback

Rank	Option	What it does	Set-up (R)	Annual saving (R)	Payback	Risk
1	Structured capture from the top 20 suppliers	Suppliers send e-invoices or CSV; the ERP module ingests them; removes keying for about 55 percent of volume	40 000	380 000	2 months	Low
2	Automated three-way matching with exception rules	Matches PO, receipt and invoice; flags the five known exception causes at capture	60 000	520 000	2 months	Low to medium
3	Rule-based and mobile approvals	Matched invoices under R25 000 auto-approve; the rest by phone with 48-hour escalation	30 000	410 000	1 month	Low
4	AI document capture for the long tail	Machine reading of unstructured invoices from the other 430 suppliers	90 000	180 000	6 months	Medium
5	Duplicate and fraud screening	Rules plus a model flag duplicates, changed bank details and anomalies before payment	50 000	220 000	3 months	Medium
6	Supplier self-service status portal	Suppliers check payment status themselves	70 000	40 000	21 months	Low

Recommended sequence: options 1, 2 and 3 together in the first 90 days (set-up about R130 000, saving about R1.3 million a year, payback under two months), option 5 in months 4 to 6, option 4 in the second half of the year, option 6 only if the ERP provides it free. Expected outcome at twelve months: cost per invoice from about R62 to about R28, cycle time from 15 days to 5, exceptions from 12 percent to under 5, touchless from 10 percent to above 50.

The 90-day roadmap

Weeks	Action	Owner	Done when
1 to 2	Measure the real process: sample 200 invoices, time each step, count exceptions by cause, list the top 20 suppliers by volume	Finance manager with the Review team	Baseline signed off
3 to 4	Write to the top 20 suppliers: structured format and dedicated address; switch on the ERP invoice module in test	Procurement and IT	20 letters sent; module live in test
5 to 7	Configure matching tolerances and five exception rules; set auto-approval threshold and mobile flow; train staff and approvers	Finance manager, IT	Test run on 500 invoices logged
8 to 10	Go live for the top 20 suppliers; daily exception review; weekly touchless and cycle-time readout	Accounts payable team	Two clean weekly readouts
11 to 12	Decision point: extend to the next 50 suppliers; approve fraud screening; confirm the 2028 e-invoice target	Finance head and sponsor	Decision recorded with the numbers

POPIA, control and risk note

- Supplier invoices from sole traders carry personal information; any AI capture tool is an operator under the Protection of Personal Information Act and needs a written operator agreement, a stated purpose and no training on the company's documents.



- Bank-detail changes are the main fraud vector; the control that matters is a call-back to a known number before any change is accepted, kept manual by design.
- Segregation of duties survives automation: whoever configures matching rules does not release payments; thresholds are set by policy and logged.
- The ERP module keeps the original image, captured data, match result and every approval with a timestamp; auditors receive a report, not a shared drive.
- Choose any paid e-invoicing tool only once SARS publishes its accredited access point list, so the money is not spent twice [S3].

Method and limits

The model company is a construction for this sample, built from published benchmarks and ordinary South African cost levels. Benchmarks were taken from a vendor page that names APQC and The Hackett Group as its origins [S1]; a commissioned Review cites the primary benchmark reports where the client holds access. The SARS timeline is from a consultation paper whose comments closed on 16 October 2026 [S3]; dates may move. Set-up costs assume the ERP's invoice module is already licensed. The discount and late-payment cost in the model is the number most worth measuring first in a real engagement.

Sources register

Ref	Source	Publisher, date	Used for	Reliability
S1	AP Team Productivity: Benchmarks and How Automation Moves Them (corpay.com)	Corpay, citing APQC and The Hackett Group (2025); updated 31 Jul 2026	Cost per invoice, cycle time, exceptions, touchless rate, staffing	2
S2	South Africa: Public consultation on e-invoicing and digital reporting (kpmg.com)	KPMG TaxNewsFlash, 20 Aug 2026	Standards named, scope order	2
S3	SARS Consultation Paper on VAT Modernisation: E-Invoicing, Interoperability Framework and E-Reporting (sars.gov.za)	South African Revenue Service, Aug 2026; comments closed 16 Oct 2026	Phases and years, e-invoice definition, access points	1

About AfriTreasures Advisory

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