

# AP Metrics That Matter: Your Performance Dashboard

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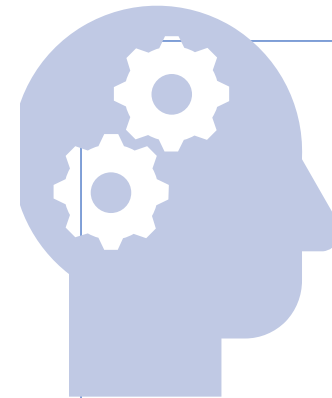
# Why Metrics Matter

*Metrics are a tool for decisions, not decoration*

# Overview



Understand which AP metrics matter – and why



Learn how to move from reporting to insight



See how metrics can drive action, not just dashboards

# The Metric Overload Trap

*Why dashboards fail*

# Hurting or Helping?

## When Metrics Stop Being Helpful

### COMMON ISSUES



Too Many Metrics,  
Not Enough Meaning



Lagging Indicators,  
No Action Attached



Metrics Tracked  
"Because We Always Have"

Data Without *Insight* is Just Noise.

## Metrics That Drive Improvement

### KEY PRINCIPLES



Focused & Relevant  
Metrics



From Data to  
Actionable Insights



Metrics Tied to  
Business Goals

Turning Numbers Into *Meaningful* Results.

# Data vs. Insight

## DATA

What happened



VS.

## INSIGHT

Why it happened  
+ What to do next



Data = What happened

Insight = Why it happened + what to do next.

# Core AP Metrics That Matter

*Context matters more than comparison*

# Days Payable Outstanding (DPO)

FORMULA:

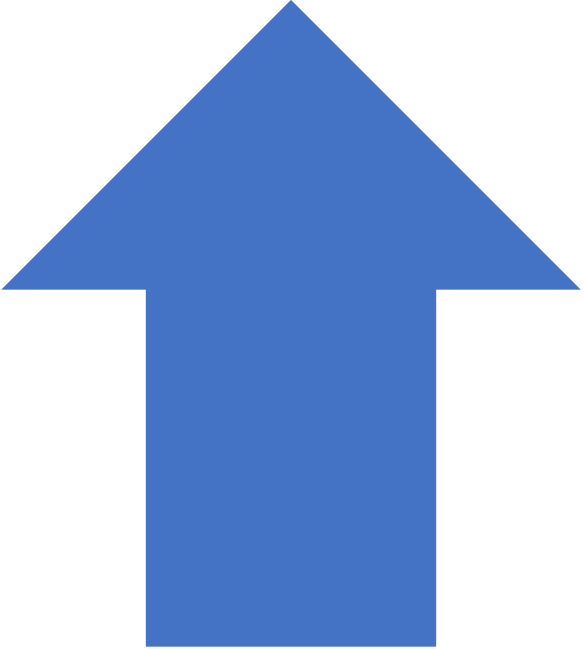
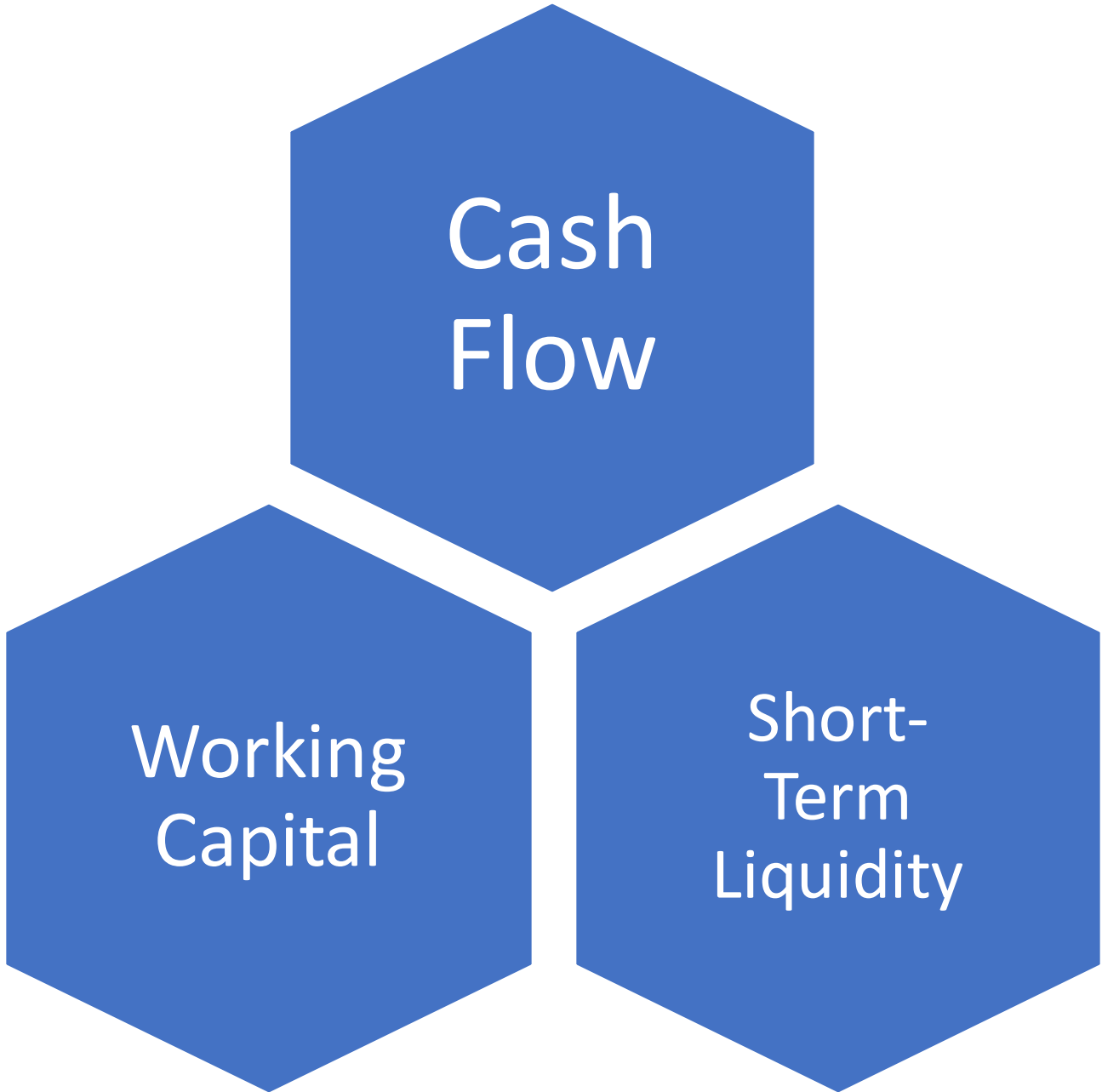


The formula is presented with several icons: a blue box with 'DPO =', a stack of papers with a dollar sign, a pie chart, a clipboard with a checklist, and a stack of books.

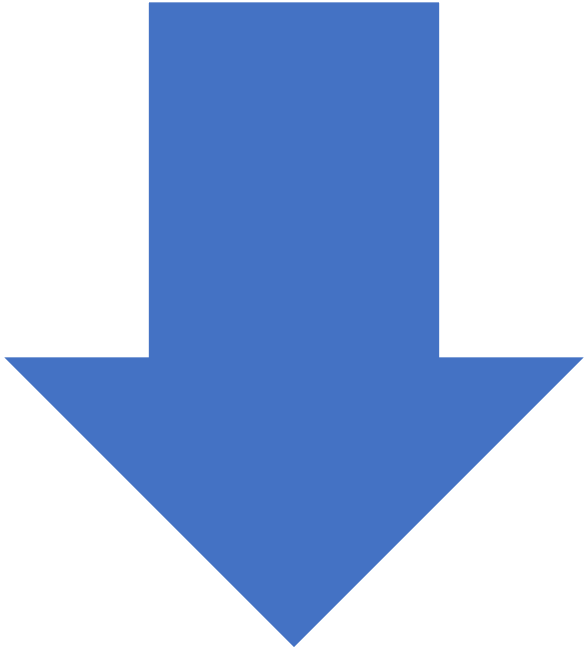
$$\text{DPO} = \frac{\text{Accounts Payable} \times 365 \text{ Days}}{\text{Cost of Goods Sold (COGS)}}$$

$$\text{DPO} = \text{Accounts Payable} \times 365 \text{ Days} / \text{Cost of Goods Sold (COGS)}$$

# What Does DPO Measure and Why Leadership Cares



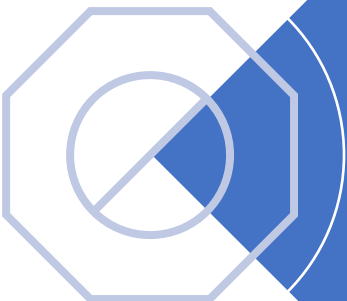
High DPO =  
Cash Retained  
Longer



Low DPO =  
Cash Out  
Faster

# Common Pitfall: DPO Improving for the Wrong Reasons

*DPO can improve even when your AP process is getting worse*



Invoices stuck in approval queues



Exceptions are backlogged



Disputes aren't being resolved

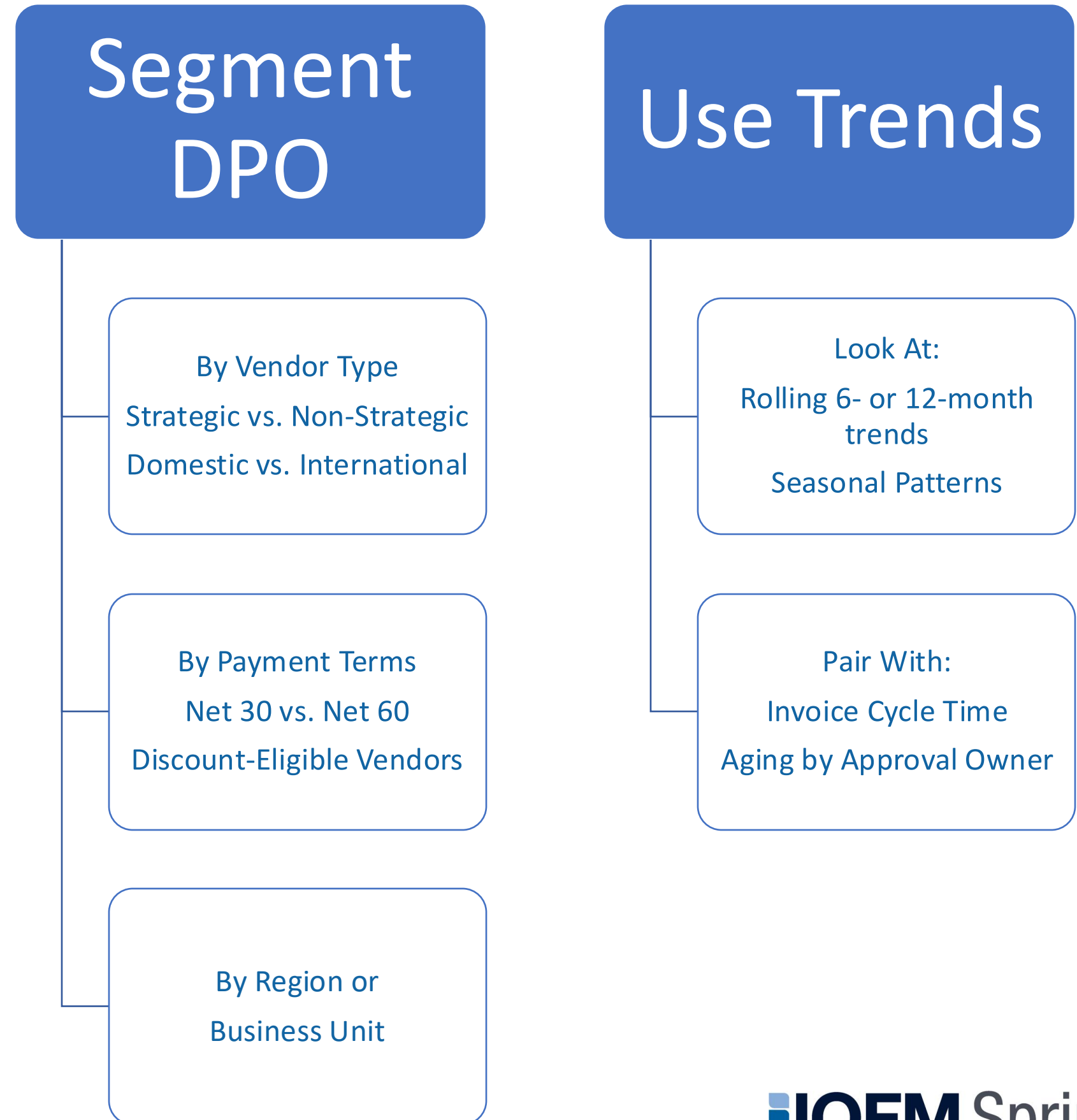
Vendors unpaid without visibility

Late fees, supply risk  
Strained vendor relationships

Assumed improvement where none exists

# How To Make DPO Actionable

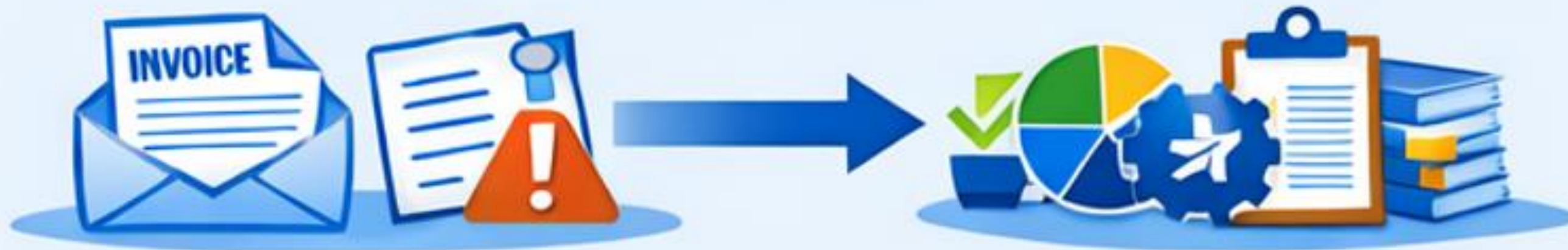
- Month-to-month DPO swings can be misleading
- What matters is direction, consistency and cause
- Trends tell a story. Single data points cause arguments



# Invoice Processing Time (Cycle Time)

FORMULA:

## Invoice Processing Time (Cycle Time)



**Cycle Time = Date Invoice Received to Date Invoice Paid**

# Invoice Processing Time – What It Measures, and What It Doesn't

## What it Measures

Process friction

Bottlenecks across the invoice lifecycle

Responsiveness of upstream partners

## What it Doesn't

Individual productivity

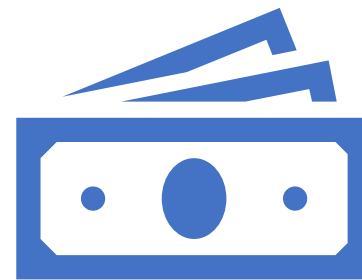
Invoice complexity

Accuracy by itself

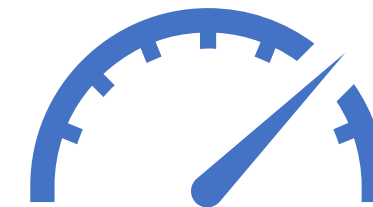
# Why Leadership Cares



Vendor Relationships



Discount Capture

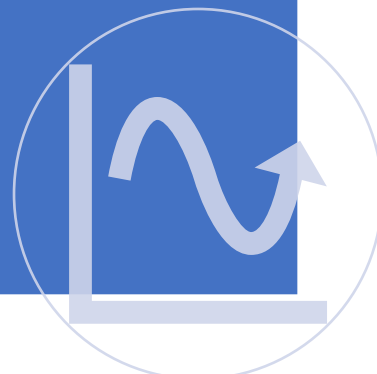


AP's Scalability

# Common Pitfalls

- Averages hide variability
- A few late invoices can distort the picture

Only Reporting  
the Average



- Misses approval delays
- Misses intake and exception delays
- Shifts blame instead of solving problems

Measuring  
Only AP Time



*If you only measure AP's portion, you'll optimize AP – while the total process stays broken*

# Practical Insights That Drive Action

## Break

### Break Processing Time Into Stages

- Invoice receipt → Entered
- Entered → Approved
- Approved → Paid
- Exception time separately

## Focus

### Focus on Where Invoices Sit

- Queue time matters more than work time
- Long sit times signal policy or ownership issues

## Trend

### Trend Over Time

- Look for sustained increases or decreases
- Pair trends with:

# Error Rate & Exception Rate

## FORMULAS:

$$\text{Error Rate} = \frac{\text{Number of Incorrect Invoices}}{\text{Total Invoices}} \times 100$$

$$\text{Exception Rate} = \frac{\text{Number of Exception Invoices}}{\text{Total Invoices}} \times 100$$



$$\text{Error Rate} = \text{Number of Incorrect Invoices} \div \text{Total Invoices} \times 100$$

## Common Measures

- First-pass yield
- Exception rate by invoice type
- Re-work frequency

## What it Measures

Data Quality

Process Clarity

Upstream Readiness

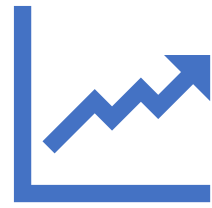
## What it Doesn't

Individual Performance

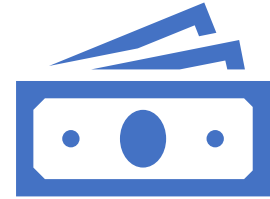
Effort or Workload

System Capability Alone

# Why Leadership Cares



Increased Touches per Invoice



Increased Cost per Invoice



Increased Cycle Time Variability



Reduced Scalability

# Common Pitfalls

- Price mismatch ≠ Missing PO
- Vendor Error ≠ Internal Error

Treating All Exceptions the Same



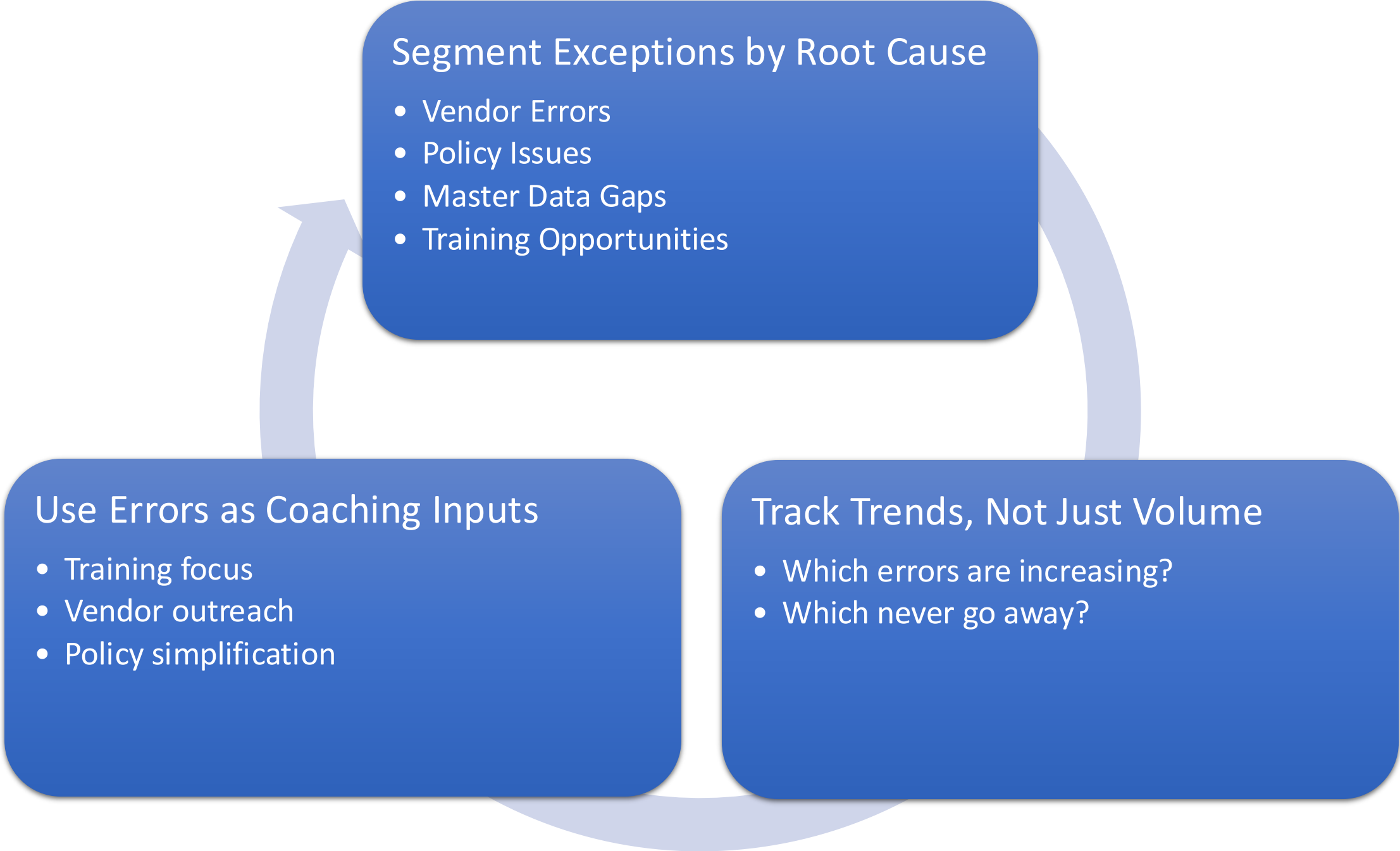
- Drives bad behavior
- Hides root causes
- Reduces transparency

Using Errors as a Blame Metric



*If people feel punished for errors, errors stop being visible – problems don't stop happening*

# Practical Insights That Drive Action



# Discount Capture Rate

FORMULA:



$$\text{Discount} = \frac{\text{Discounts Captured}}{\text{Discounts Available}} \times 100$$



$$\text{Discount Capture Rate} = (\text{Discounts Captured} \div \text{Discounts Available}) \times 100$$

# Discount Capture Rate– What It Measures, and What It Doesn't

## What it Measures

Speed

Prioritization

Visibility

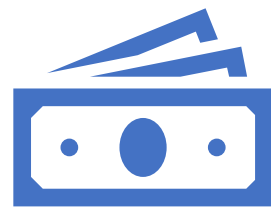
## What it Doesn't

AP Effort

Invoice receipt timing

Approval willingness

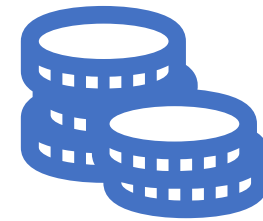
# Why Leadership Cares



Converts AP performance  
into actual dollars



It is immediately  
understandable



Discounts = risk-free  
return



Missed discounts =  
opportunity lost

# Common Pitfalls

- Percentages hide dollar impact
- A small change can mean large dollars

Reporting Only  
Percentage

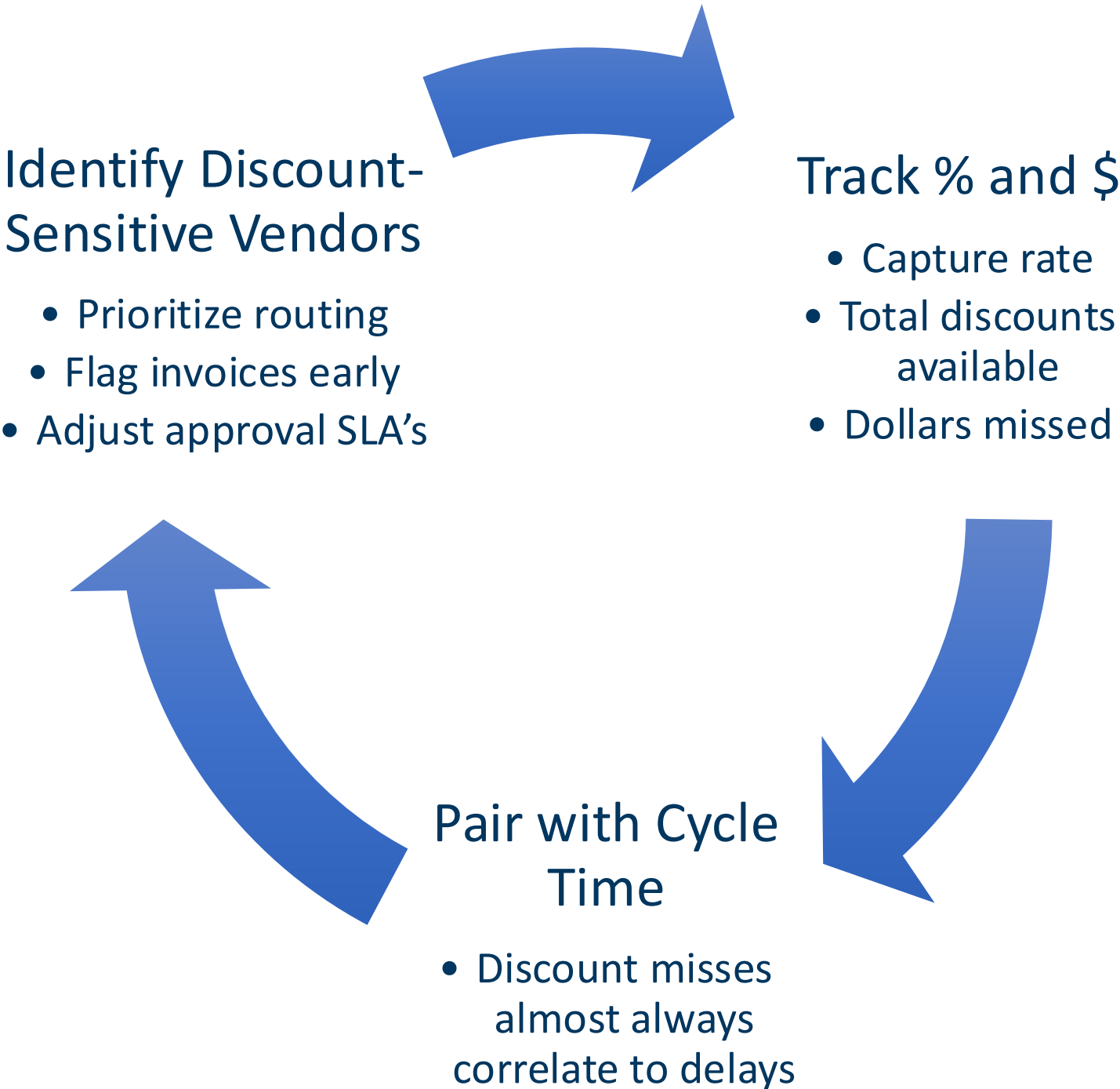


- Many misses are preventable
- Often caused by:
  - Approval delays
  - Intake lags
  - Poor prioritization

Assume  
Inevitability



# Practical Insights That Drive Action



*The most powerful AP metrics  
don't just explain the past; they  
guide tomorrow's decisions.*

# AP Dashboards

*Most AP dashboards don't fail because of bad data; they fail because of bad decisions.*

# Why Dashboards Fail

## COMMON REASONS



**Too Many Metrics**

Information Overload



**No Clear Focus**

No Prioritization



**Shows Only Outcomes**

No Root Cause Analysis



**No Actionable Insights**

No Decisions Made

If It Doesn't ***Inspire Action***, It's Just a Report.

# Reframing the Purpose of a Dashboard



Report:  
What  
happened



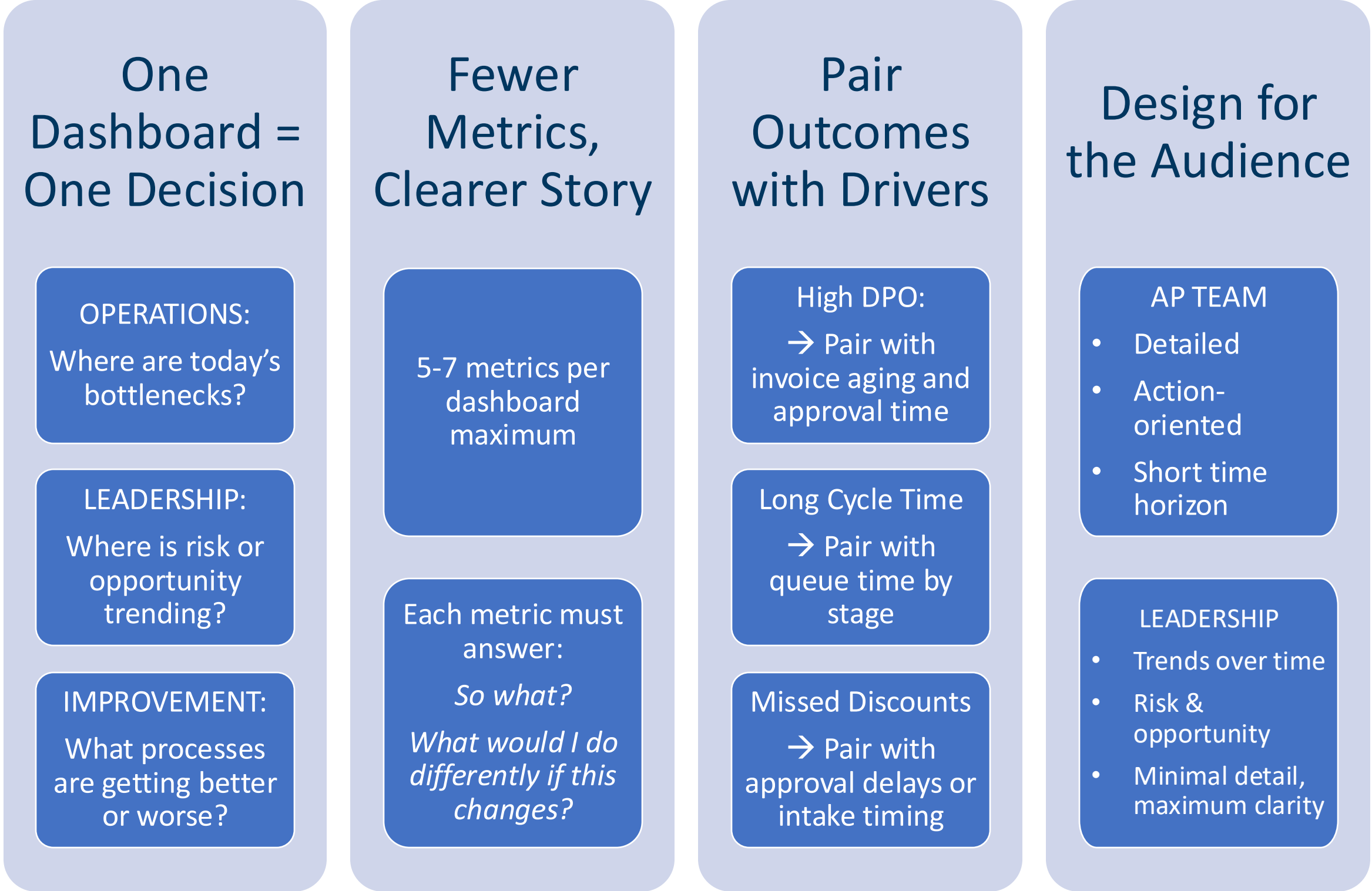
Dashboard:  
What  
needs  
attention

Where are  
we stuck?

What  
requires  
action NOW?

What is  
getting  
worse?

# Design Principles



# High-Impact Dashboard Views for AP

## Invoice Aging by Approval Owner

- Not vendor or spend
- Ownership creates clarity and accountability
- Reveals where work is waiting and where policies or capacity may be breaking down

## Exceptions by Root Cause

- Vendor error, PO mismatch, pricing discrepancy, missing data
- Helps target training, vendor outreach and process fixes

## Volume vs Staffing Trends

- Invoice counts over time, headcount or FTE overlay
- Separates workload growth from efficiency problems
- Supports headcount or automation conversations

## Cycle Time Trend with Stage Breakdown

- Intake, approval, exception handling, payment
- Most delays are visible only when time is broken into stages

## What a “Good” Dashboard Feels Like



Answers –  
“Where do we  
focus next?”  
Creates –  
conversations,  
decisions, change

Answers – “What  
did we track?”  
Creates – More  
questions and no  
action

*Once your  
dashboards are  
clear, the next  
step is using  
them to tell a  
story leadership  
cares about.*

## Before: Ineffective Dashboard



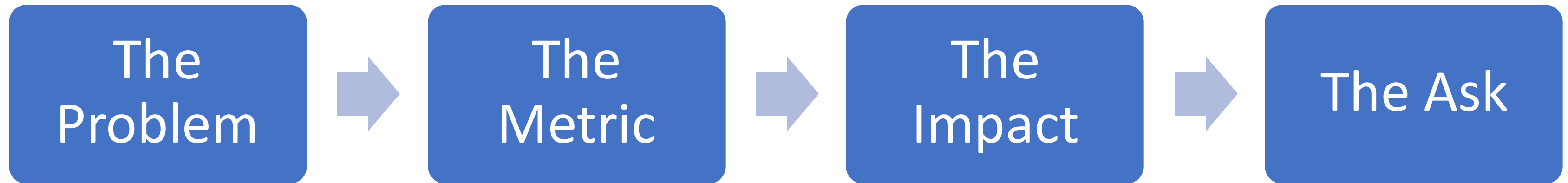
*Cluttered & Unfocused*

## After: Effective Dashboard

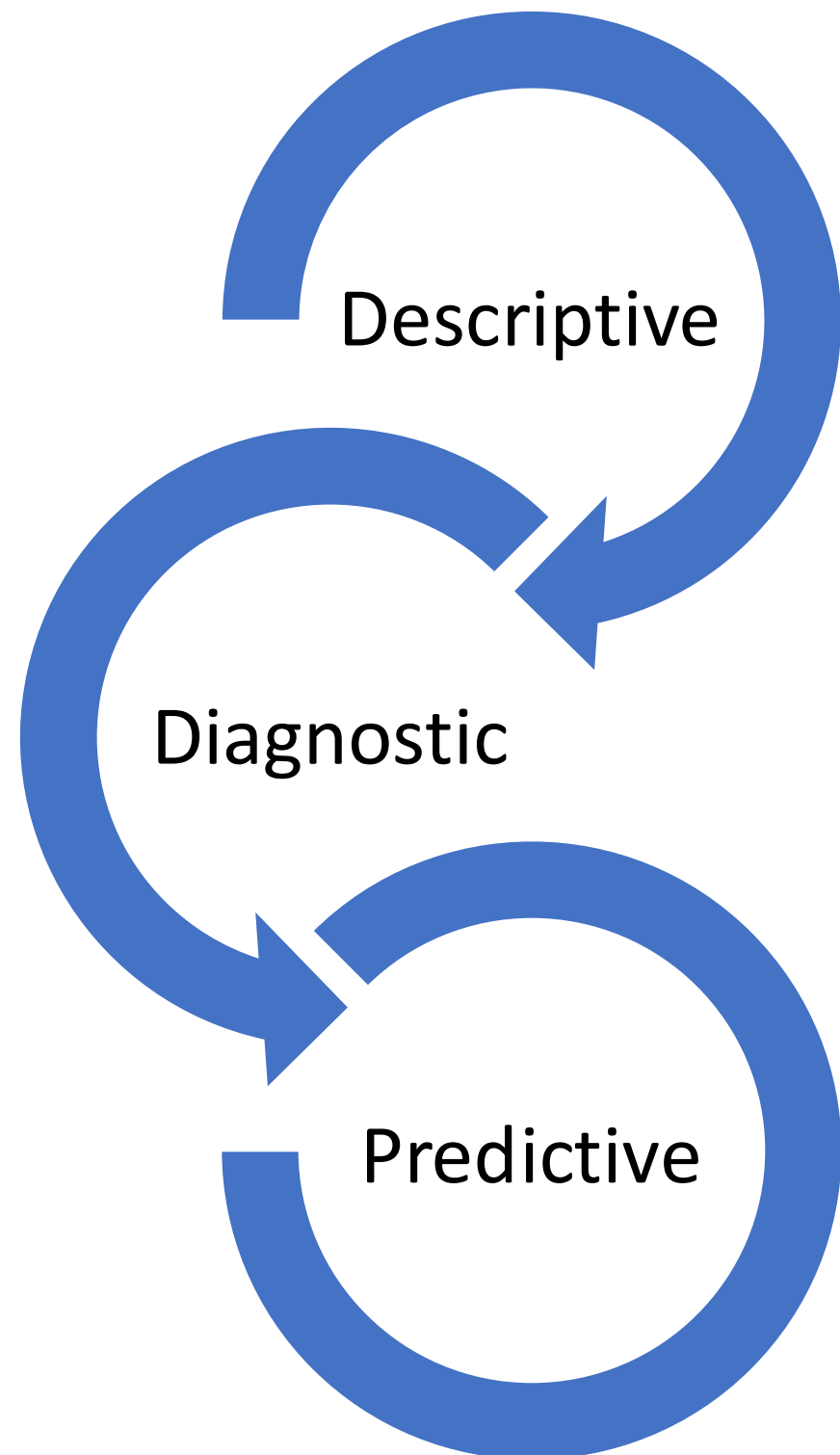


*Clear & Actionable*

# Tell the Story



# Continuous Improvement & Maturity Journey



How often should you reassess?

When to retire a metric?

Iteration > Perfection

# Actionable Takeaways

1. Fewer metrics = better decisions
  - Keep only metrics that trigger a clear action
  - If no decision follows, the metric doesn't belong
2. Move from data to insight
  - Pair outcome metrics (what happened) with driver metrics (why)
  - Insight requires a next step, not just numbers
3. Segment to find real bottlenecks
  - Break metrics by vendor type, payment terms, invoice type or approver
  - Averages hide problems, segmentation reveals them
4. Design dashboards for decisions
  - One dashboard = one question
  - Highlight what needs attention *now*, not everything at once
5. Translate metrics into business impact
  - Connect AP performance to cash flow, risk and value
  - Explain the problem, the impact, and the recommendation

# Please tell us what you think!

- Please scan this QR code using your mobile to access a short feedback survey →
- Also accessible via the mobile app



# QUESTIONS?

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