



SOURCE-TO-PAY

Making Supplier Management Safer with AI-Powered Automation

How AI tools help reduce risk & prevent fraud during supplier onboarding

ESKER[®]

What's inside

**Managing suppliers
is risky business**

But AI-powered automation
can protect you from all sorts of
potential problems during the
supplier onboarding process.
Let's find out how.

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Introduction

What's with all the fraud?

What is supplier fraud?

Generally speaking, supplier fraud occurs when a supplier deceives a company into sending them money by using tactics such as:

- **Overbilling/price manipulation:** charging more than agreed or inflating invoice amounts for goods or services
- **Fictitious billing:** sending invoices for goods or services that were never provided
- **Fake vendors:** creating shell companies or fake accounts to get paid
- **Kickbacks/bribery:** offering employees incentives for preferential treatment or approving fraudulent payments
- **Goods/services subversion:** delivering lower-quality items than specified while billing for premium ones
- **Invoice fraud:** impersonating a real vendor via email to prompt employees into wiring money to a fraudster's account

The rising risk of supplier fraud

Unfortunately, supplier fraud isn't going away anytime soon. In fact, current conditions make it easier than ever for scammers to succeed.

- **Supply chain disruptions** like tariffs and shortages mean companies must quickly onboard new suppliers, often resulting in skipped due diligence.
- **Advanced tools like GenAI** help fraudsters impersonate vendors and alter invoices, while social engineering can fool employees.
- **Weak internal controls**, such as manual processes, no segregation of duties, insufficient vendor vetting and poor monitoring create significant vulnerabilities.
- **Legacy systems** are often no match for modern fraud techniques.
- **Siloed Finance teams** can unknowingly enable fraud due to poor cross-departmental visibility and lax oversight.



The need for risk mitigation

No one wants to subject their organization to the financial and reputational damages that payment fraud can result in. And as fraud schemes become more sophisticated, protecting your business is more important than ever.

The costs of fraud

Supplier fraud is expensive stuff. Without strong safeguards in place during your supplier onboarding process, you're opening your business up to:

Fraud losses

- Funds stolen from accounts
- Stolen goods and services
- Chargeback costs

Partner impact

- Suppliers who do business elsewhere
- Suppliers impacted by strict controls
- False positives in account verification

Administrative expenses

- Legal fees
- Insurance
- Lost staff time

79%

of organizations were victims of payment fraud in 2024¹

\$362 billion

the predicted amount of losses due to payment fraud by 2028²

7.7%

the average annual revenue lost due to fraud in 2025 worldwide³





How AI-powered automation prevents fraud in supplier onboarding

Hoping your company can dodge increasingly effective supplier fraud attempts using traditional supplier management tools is like fighting a dragon with a cardboard shield. If you're facing a serious enemy, you need serious defenses. AI-powered automation software designed for supplier onboarding and ongoing supplier management act as strong walls protecting your castle from attacks.

A centralized platform for your all of your supplier management data and workflows empowers your team to better assess and monitor potential fraud risks as well as ensure compliance with internal and external controls — all while protecting and nurturing valuable supplier relationships.

But how exactly does it do that? Let's examine six ways Esker's AI-powered automation platform protects you from fraud at every step in the supplier onboarding process thanks to:

- AI-generated onboarding questionnaires
- Supplier self-service portal
- Built-in OFAC screening
- Automatic bank account verification
- Centralized supplier inquiry management
- Esker Synergy Agent

AI-generated onboarding questionnaires

The onboarding questionnaire is an essential tool for collecting data from would-be vendors to help you assess their legitimacy, capabilities, compliance (security, legal, financial) and risk profile before they become an approved supplier.

Building these questionnaires requires expertise and effort to ensure you're including all the correct questions for the regions and industries you and your supplier are operating in. But manually creating a brand-new questionnaire every time you onboard a new supplier can quickly become a bottleneck.

That's where AI comes in. Using a generative pre-trained transformer (GPT) — a type of large language model (LLM) — you can generate onboarding questions tailored to the industry, region and supplier type you need in mere seconds.

How it works

Similar to using ChatGPT, you can simply prompt the GPT with the necessary requirements, such as compliance, certifications, risk factors, how many questions it should include, if you'd prefer yes/no or open-ended questions, etc. In moments, the GPT generates a comprehensive, due diligence questionnaire that covers all the aspects you provided in the prompt and can be easily edited.

AI can customize onboarding questionnaires for each supplier based on their geography, industry and risk signals, so only relevant information is requested. This not only improves the quality of the data your questionnaires collect, but also saves your suppliers from having to submit unnecessary details.

In short, AI helps your team conduct better information gathering and review at this key initial stage of supplier onboarding.

The benefits of AI-generated onboarding questionnaires



Saves time and resources: Less manual effort spent on questionnaire development means more time for your team to focus on higher-value tasks like risk assessment and relationship management.



Ensures consistency: AI creates standardized questionnaires that cover essential due diligence criteria across all suppliers, reducing variability and maintaining uniformity in supplier data collection.



Enhances compliance: Ensures you avoid missing critical compliance-related questions and keeps you aligned with regional and industry-specific regulatory requirements.



Scales: AI creates generic questionnaires that can be used across multiple suppliers, simplifying onboarding for suppliers of different sizes and industries.



Is user friendly: Anyone on the team can build a questionnaire, even if they don't have much expertise, because AI helps guide the process while ensuring quality.



Better supplier experience: Faster questionnaire creation speeds up the onboarding process while ensuring each supplier is vetted based on their specific risk profile.

Supplier self-service portal

A self-service portal streamlines the supplier onboarding process by providing a secure and intuitive interface for suppliers to submit their information, documentation, certifications and more. Submitting information through a portal eliminates the need for manual paperwork and accelerates the supplier approval process.

Portals enhance efficiency, transparency and collaboration during supplier onboarding and beyond with benefits including:

Effortless supplier profile management

Suppliers can update their profile information, including contact details, banking information and certifications. By giving suppliers a way to manage their own profile, you enjoy access to up-to-date and accurate supplier data even after initial onboarding.

Easier document management

A portal collects and manages relevant supplier documents, such as contracts, insurance certificates and compliance documentation. Electronically gathering documents through a supplier portal facilitates document sharing and retrieval, ensuring that information is easily accessible and no risky errors fall through the cracks.

Enhanced invoice management

Portals aren't just for onboarding. Suppliers can submit electronic invoices, view and track invoices, and even monitor payment status. Digitally submitting invoices through a portal promotes transparency, reduces manual handling of documents and improves efficiency in the notoriously time-consuming source-to-pay (S2P) process.

Better communication

Portals establish an efficient and transparent communication channel between trading parties, allowing you and your suppliers to exchange messages, submit inquiries, receive updates and digitally collaborate to resolve issues in a secure environment.



32%
of organizations
currently use a
supplier portal

43%
of organizations say
they plan to implement
a self-service supplier
portal in the next 1-2
years⁴

Built-in OFAC screenings

Screening suppliers against lists of sanctioned businesses, individuals and entities is a critical part of the supplier management process. Sanctions are typically imposed by governments and international bodies, such as the United Nations (UN), to achieve foreign policy objectives, combat terrorism, prevent money laundering or address human rights concerns.

The Office of Foreign Assets Control (OFAC), a division of the U.S. Department of the Treasury, plays a big role globally in enforcing economic and trade sanctions. But there are dozens of lists that a business must check for sanctioned entities. Unwittingly engaging in transactions with sanctioned entities could result in compliance violations, crippling reputational damage, and a loss of trust with valued partners and customers.

Paying a sanctioned business or individual can create huge problems for a business and lead to:

Legal issues • Financial losses • Reputational damage • Business process disruption • Loss of business • Regulatory scrutiny

The challenges of manual sanctions screening

Many accounts payable (AP) departments manually screen entities against watchlists. While manual screening can be effective, it's not foolproof, and it can create significant problems, such as:

- Slow, time-consuming processes
- Potential for error
- Limited coverage
- False positives/false negatives
- Lack of scalability
- No tracking





The benefits of built-in sanctions screenings



Real-time screening

Esker's supplier portal enables real-time screening of businesses and individuals against dozens of watchlists. As suppliers enter their information into the portal, Esker compares their details against the latest and most comprehensive lists, including those maintained by authorities such as OFAC, the European Union (EU) and the UN. Buyers are immediately notified of any potential matches with sanctioned entities.



Comprehensive coverage

The sanctions screening built into Esker's supplier portal provides wide coverage of watchlists to ensure that all relevant lists are reviewed during screening.



Increased efficiency & scalability

Automated sanctions screening can rapidly process and analyze large volumes of supplier information against watchlists. Fast-growing businesses or those with a lot of suppliers won't have to add staff to keep up with the task.



Enhanced compliance

The sanctions screening built into Esker's supplier portal documents the screening process and its results and provides complete audit trails. You can also instantly access reports on screening outcomes, flagged entities and actions taken.



Seamless integration with legacy systems

Esker's supplier portal seamlessly integrates with your existing systems, such as enterprise resource planning (ERP) platforms, enabling a streamlined and automated process throughout the supplier management lifecycle.

Automatic bank account verification

Bank account verification (BAV) is an essential control to protect organizations from unauthorized access to their funds, avoid costly payment mistakes and fraud, and enhance business relationships and overall financial security. Manually verifying bank accounts makes it more likely for errors and bad actors to slip through the cracks.

- A bank account number may be invalid
- A bank account may not belong to a supplier
- A bank account may be owned by a bad actor
- A bank account may be closed

53% of organizations rely on verbal validation of bank account details.⁵

BAV is crucial for minimizing the risk of making improper payments, and an automated supplier management solution like Esker can eliminate the challenges of manual verification and help ensure your safety through:

Fraud prevention

Verifying bank account ownership helps organizations avoid fraudulent activities like identity theft and unauthorized access to funds. By confirming the account ownership and details' authenticity, businesses can reduce the risk of financial losses and protect their assets.

Payment security

When businesses engage in financial transactions, such as making payments to suppliers (or receiving funds from customers), verifying bank accounts ensures funds are transferred to the correct recipients, which helps prevent payment errors, misdirected payments and potential financial disputes.

Compliance with regulations

Many jurisdictions have stringent regulations to combat money laundering and terrorist financing. Businesses must verify bank account ownership to comply with these regulations and avoid any payments to government-sanctioned organizations or individuals. Failure to do so can result in legal consequences and reputational damage.

Trust with partners and suppliers

An organization enhances its credibility and trustworthiness as a business through a verification program. Having automated BAV demonstrates that your organization takes appropriate measures to ensure the security of financial transactions and protect the interests of all parties involved.



Centralized supplier inquiry management

Even if you have one dedicated email inbox for all supplier communication, sorting through it to determine which emails are questions, invoices, status update requests, payment reminders or updates to supplier profiles can feel like a full-time job by itself. Plus, all that information remains scattered throughout individual emails, making it tough to get a complete picture of your communication history with any one supplier.

Esker's AI-powered Supplier Inquiry Management solution consolidates all those supplier requests (including important updates to banking details, contact information or certifications) into a single, intuitive dashboard.

It automatically identifies and categorizes all incoming inquiries by type so they can be seamlessly directed to the appropriate workflow for response or processing. For inquiries that require a response, Esker helps there as well. The AI reads the email to determine what's being asked. Then, if necessary, it searches your company's internal data for the answers and drafts a response, which can be reviewed to ensure accuracy and relevance and provide any additional personalization.

Fraudsters commonly attempt to manipulate supplier data — especially bank account changes or contact detail updates. By centralizing all supplier inquiries into a single, AI-powered hub, Esker helps organizations:



Detect suspicious change requests, because every inquiry is logged, tracked and visible to the AP and Procurement teams in one place



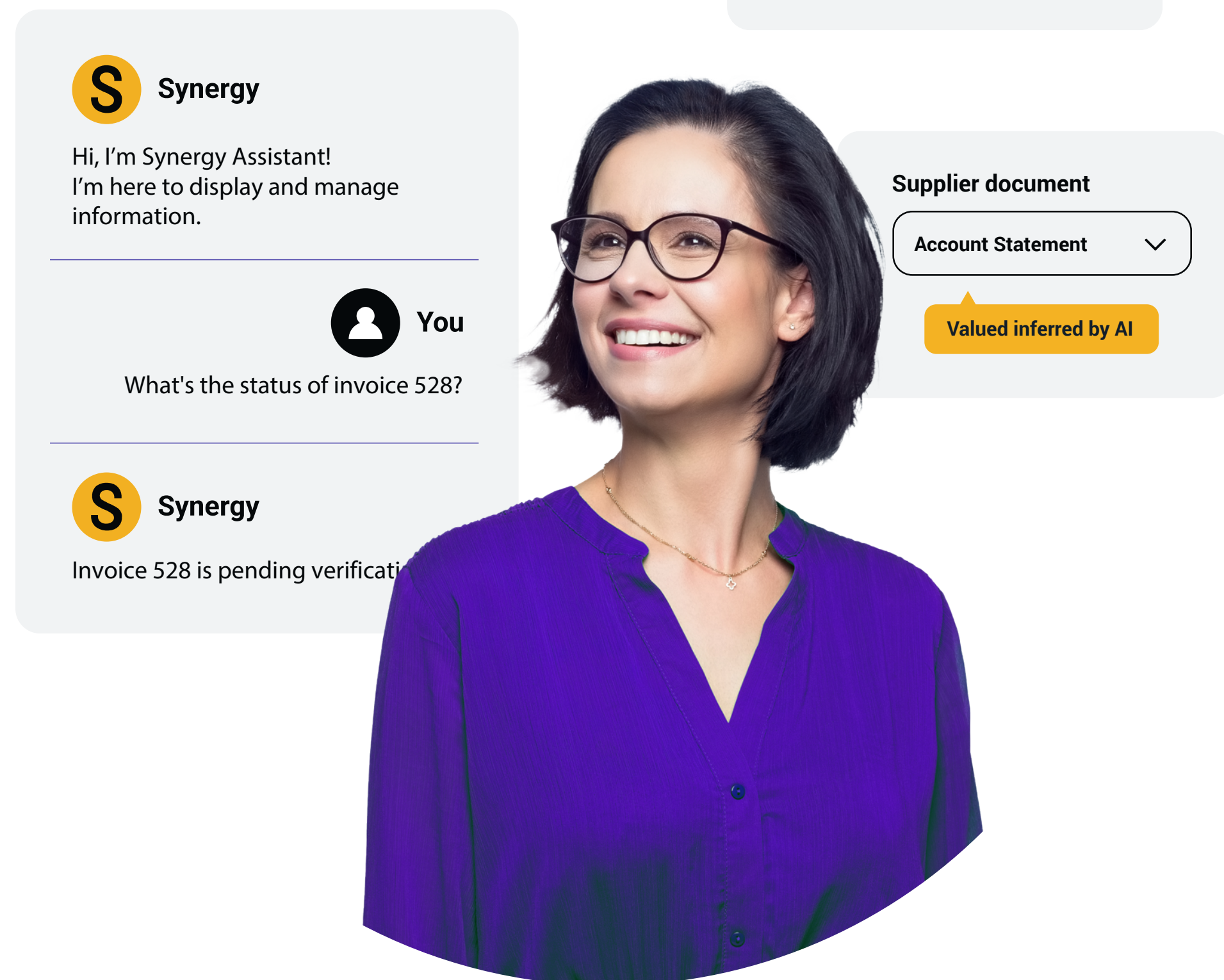
Reduce the risk of phishing or social engineering, as the platform avoids scattered email workflows where fraudulent requests often slip through unnoticed



Ensure consistent multi-step validation, since AI categorizes requests and can prompt teams to apply the proper verification steps (e.g., secondary supplier confirmation)



Spot anomalies and patterns, such as unusual timing or repeated attempts to update banking details



Esker Synergy Agent

Even if all of your sourcing, procurement and AP information is digitized, locating the exact information you need in a pinch can still feel overwhelming — or even worse, like finding a needle in a haystack.

The Esker Synergy Agent makes it easy to find, organize and analyze your supplier data. Need supplier lists, status updates or KPI reports? Just ask!

Ask questions

like “What suppliers are showing alert indicators in our system?” and get accurate, real-time answers. This ensures you spot potential risks before they escalate.

Use speech-to-text

to quickly retrieve supplier performance data or risk indicators — even on the go — keeping your team proactive and agile.

Create and save custom views

with filters for high-risk suppliers, late deliveries or financial instability.

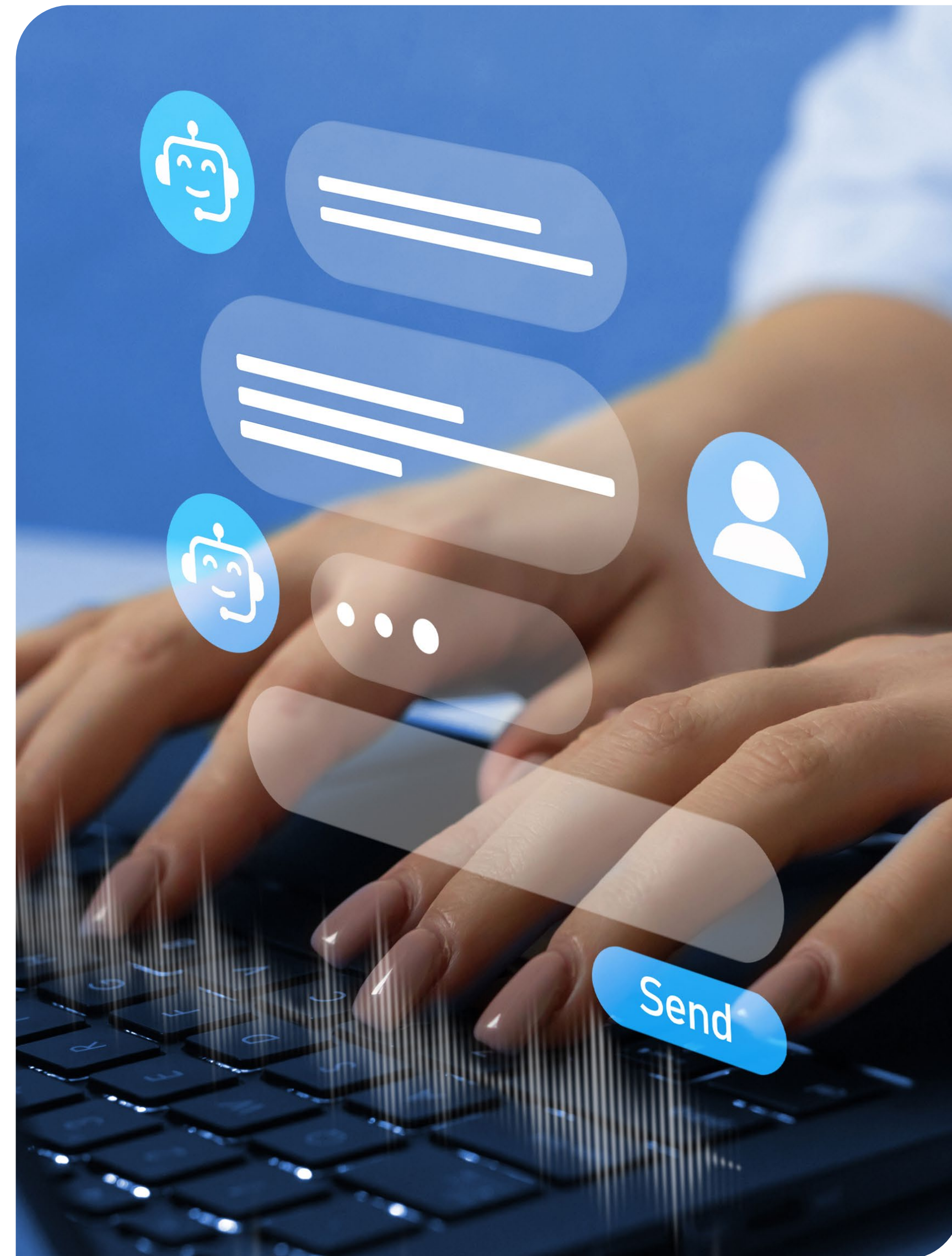
Ask “how-to” questions

and receive direct links to relevant documentation, helping you maintain compliance and mitigate risk without spending hours searching for answers.

Get real-time access to the information you need to streamline decision-making while reducing administrative overhead. Even more importantly, it can help you spot anomalies and potential fraud, such as unusual supplier changes or suspicious activity, enabling faster investigation and stronger controls across the supplier lifecycle.

The Esker Synergy Agent strengthens fraud detection by:

- **Quickly identifying anomalies:** It can show suppliers with recent banking updates, unusual payment terms or overdue verifications so potential fraudulent activity is easier to spot.
- **Improving transparency:** Instant visibility into supplier KPIs, status updates and historical activity helps Procurement and AP teams spot irregular behavior before it escalates.
- **Reducing human error:** By automating data retrieval and reporting, the agent minimizes the risk of oversight — a common factor in supplier fraud cases.
- **Supporting faster investigative actions:** When suspicious activity is flagged, teams can immediately query related data (e.g., changes across multiple suppliers) without sifting through spreadsheets or emails.



Conclusion

Why risk it?

Protect your company from fraud by incorporating AI-driven automation into your supplier management and beyond

With risk on the rise and fraudsters becoming more cunning and deceitful by the day, now is not the time to sit idly by and hope that your business is one of the lucky ones to escape financial or reputational damage.

Finance teams who want to stay secure, compliant and competitive in a shifting world are embracing AI-driven solutions today so they don't have to play catch-up later on.

While many solutions exist that can bring AI and automation to bits and pieces of your supplier management process, Esker provides a single, unified AI-driven automation platform for the entire S2P and order-to-cash (O2C) cycles. So you can bring the advantages of AI to every team within the Office of the CFO.

Implementing a complete solution like Esker means you'll benefit from technological safeguards that ensure payment security while streamlining back-office tasks, enhancing visibility across S2P processes, improving internal and external communication, and fostering stronger supplier relationships.



References

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²[Combatting Online Payment Fraud](#), June 2023, Juniper Research

³[H2 2025 Update to the Top Fraud Trends Report](#), October 2025, TransUnion

⁴[Ardent Partners' Accounts Payable Metrics that Matter in 2023](#), 2023, Ardent Partners

⁵[The Business Payments Coalition: A B2B Invoicing Standard](#), 2023, IOFM

Hi, we're Esker

Esker's AI Automation Suite for the Office of the CFO leverages the latest in Agentic AI and automation technologies to optimize working capital and cashflow, enhance strategic decision-making, and improve human-to-human relationships with customers, suppliers and employees. Esker's Source-to-Pay and Order-to-Cash solutions automate any business process while supporting long-term growth strategies.



40

years of experience with 20+ years focused on cloud solutions



1,200+

employees serving 1.12M+ users and 3,000+ customers worldwide



15

global locations with headquarters in Lyon, France



€205.3

million in revenue in 2024



Business success is best when shared

At Esker, we believe the only way to create real, meaningful change is through positive-sum growth. This means achieving business success that doesn't come at the expense of any individual, department or company — everyone wins!

That's why our AI-driven technology is designed to empower every stakeholder while promoting long-term value creation.

