

# The Big Easy

August 25, 2008

by [Karen M. Kroll](#)



When telecommunications carrier Alltel split in two in 2006, Lynn Smith, staff manager of finance and head of the accounts payable function with the new Alltel Wireless, knew that she would have about 10 employees to handle the approximately 100,000 invoices the new company would receive each year. In a last-minute change, executives with the other half of the spin-off decided to transfer responsibility for processing another 60,000 invoices per year to Alltel Wireless. “We inherited 5,000 invoices per month,” Smith says. “We didn’t anticipate that.”

Within a matter of days, Smith needed to let the vendors know of the shift and revise processes and hire temporary workers to handle the invoices. Even so, with a largely manual process and learning curve of several weeks, the department fell behind. Most invoices arrived via the U.S. Postal Service, and those that did come electronically still had to be printed out and scanned to enter into the workflow system.

Soon, the daily backlog of invoices was hitting 2,000 for each accounts payable employee. The company was giving up millions of dollars in early pay discounts each year because employees simply couldn’t enter the documents into the system speedily enough. And, they had no easy way of identifying the largest invoices, with the most significant discounts, in order to enter those into the system first.

In January 2007, Smith and her team members began evaluating different accounts payable systems, deciding a few months later on the A/P Distiller application from Brainware, Inc. Its intelligence engine “reads” the invoices, which come from more than 5,000 vendors in about as many formats, to extract such information as the vendor number and invoice total. It then compares this to the purchase order and transmits it to the ERP system for payment.

After several months of testing, training, and customizing, the program went live in September. About three-quarters of Alltel’s invoices now are processed electronically, with no human intervention required, Smith says. The upshot? The backlog of invoices is almost eliminated, and Smith no longer needs temporary employees. More important, the company captures about \$16 million in early pay discounts each year.

