

# WORLDWIDE PROVIDER OF ELECTRONICS MANUFACTURING SERVICES

## Achieves New Accounts Payable Efficiencies and Lowers Operating Costs

### TACKLING INVOICE PROCESSING INEFFICIENCIES

A Fortune 500 multinational provider of electronic manufacturing services sought an automated solution to simplify the complexity of processing invoices at its shared financial center in Europe. The company receives over 300,000 invoices each year and processes thousands of invoices daily. Every invoice is typically three or four pages in length and includes intricate line item detail.

Through an evaluation of its business processes, the company found its accounts payable process was an inefficient and expensive liability, and could not scale to meet future expansion. Because the process required manual sorting, data entry, lookup, and validation, it was also error prone. Rather than continue to add staff to its financial services center, a decision was made to invest in technology and avoid additional labor and operating costs.

The company enlisted the assistance of a business analyst and integration consultant to help ensure that the right solution was implemented. Specifically, while most data capture solutions can handle structured documents in which data fields can be easily discerned, invoices, by contrast, are highly unstructured. To fully realize the business benefit, the solution needed to efficiently handle a virtually unlimited number of invoice formats. Finally, the solution would have to handle multi-lingual documents, given the company's geographically dispersed business operations.

### THE A/P-DISTILLER DIFFERENCE

Brainware's intelligent data capture solution, A/P-distiller™, was selected for its ability to reduce Accounts Payable inefficiencies, manpower requirements, and overall operating costs. Unlike competing solutions that rely upon templates and rules to extract information from documents, A/P-distiller excelled during the evaluation with its ability to automatically analyze, recognize, classify, and extract information based upon the actual content of the document. A/P-distiller leverages proprietary neural network technology called Brainware™, which learns by example and enables the software to accurately classify invoices and extract data field items regardless of form or layout.

This capability helped the company eliminate countless hours of human labor required to set up, define, and tweak template parameters for each type of invoice layout. Instead, a simple training procedure that utilized a small number of data samples was all the preparation that was required.

## RESULTS

- Reduced manpower requirements for processing invoices by 86%.
- Increased ability to process invoices company-wide by over 40% in the first year of implementation.
- On average, currently processing over 50% of invoices without human intervention.

During training, A/P-distiller acquired implicit business knowledge to understand, for example, what a purchase order (PO) number looked like on an invoice. In this manner, A/P-distiller could differentiate between fields such as PO numbers, product numbers, quantities, totals, and dates regardless of where they appeared on a page.

Using a phased rollout, invoices were re-routed to the central shared service center for settlement where A/P-distiller received scanned images of invoices, extracted data, validated the extracted information, checked regulatory and VAT information, applied business workflow rules to route exceptions, and archived the images for future access and retrieval.

The company's consultant also integrated A/P-distiller with its enterprise resource planning (ERP) system and document management system so that it seamlessly forwarded the captured data for processing and storage.

Because A/P-distiller supports a variety of best-of-breed OCR engines, the company was able to achieve a high rate of success in recognizing both type-written and handwritten characters. The company also appreciated that A/P-distiller flagged all results it was unsure of for exception handling. To optimize data extraction results, fields were verified against external databases and systems. A customizable key from image (KFI) interface enabled data entry operators to quickly correct and key unrecognized characters.

### RAPID ROI

Upon implementing A/P-distiller, the company saw immediate benefits in reduced staffing requirements and increased productivity. Previously, 25 staff across five different sites processed a maximum of 1,400 invoices a week. Shortly after the implementation of A/P-distiller, three full-time and one part-time staff at the company's services center began processing 2,400 invoices a week - a 42% increase in productivity. The company expects that with no additional headcount, it can process over 446,000 invoices a year.

The Brainware accounts payable solution extracts data from the received invoice and, with minimal human intervention, posts the data directly to the company's ERP system. On average, over 50% of invoices are now processed without human intervention.

The company and its business consultant recognize that A/P-distiller's benefits extend beyond its Accounts Payable application and plan to broaden its use to include purchase orders, travel and entertainment forms, and shipping manifests.

### About Brainware, Inc.

Brainware, Inc. provides cutting-edge software solutions that enable enterprise organizations to significantly improve document-intensive processes and measurably increase workplace productivity. Its patented intelligent software engine, Brainware, forms the foundation of its powerful intelligent data capture, electronic document management, and desktop and enterprise search and retrieval solutions. The company's U.S. headquarters is located in Dulles, Virginia with operations in North America and Europe.



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