

# LEADING GLOBAL SUBSIDIARY AUTOMATES ACCOUNTS PAYABLE PROCESSES

## Achieves Improved Workflow and Efficiencies

### DRIVEN TO CONSOLIDATE ACCOUNTING FUNCTIONS

A Fortune Global 500 conglomerate had successfully leveraged its investment in technology to help secure a subsidiary into a leadership position in a highly competitive global market. To strengthen its hold within the marketplace, the company sought to extend its use of technology to streamline business processes to reveal new efficiencies and lower operational costs. After an internal audit, the company's finance and accounting function emerged as a key area where such an investment in technology could yield significant results.

With 66 staff members at over 30 accounting locations worldwide to support its numerous factories and head office, the cost and time to process invoices from thousands of vendors was extremely costly and inefficient. Additionally, because of the distribution of offices and accounting personnel, the application of internal controls was inconsistent.

To improve the internal controls of the purchasing function as well as the quality of the information flowing to management while decreasing costs, the company's professional services consultant recommended consolidating the accounts payable function into a shared services center. The key would be to automate the financial accounting process to improve workflow and achieve greater efficiencies and operational cost savings.

### AUTOMATING ACCOUNTING PROCESSES IN A SHARED SERVICES CENTER

Specifically, the company required a flexible solution that would be compatible with its established financial and ERP systems. The system needed to be able to capture over 250,000 documents per year and scale to handle over 1 million per year. Plus, it had to support document processing for multiple countries and perform 3-way validation against delivery notes and purchase orders, and extract and reconcile the value-added tax (VAT). Equally important, the solution had to minimize the amount of manual tasks and the requisite personnel to perform them.

A/P-distiller™ was chosen for its ability to scale to meet the size requirements of the company while seamlessly integrating with its front-end document management system as well as its back-end ERP. In fact, A/P-distiller's ability to be rapidly implemented accelerated the company's cost savings and payback on the system. From start to finish, the company implemented A/P-distiller in the first rollout phase within 90 days.

A/P-distiller provided the company a single solution to address its document capture needs. In its evaluation, the company found that while traditional imaging solutions convert paper to electronic formats, they fail to successfully capture content. In contrast, A/P-distiller sorts, extracts, and posts data based upon content requirements, regardless of document format.

## RESULTS

- Implemented first phase within 90 days; completed rollout in 12 months
- Reduced accounts payable staff by 80% while increasing overall productivity
- Increased document flow by 300% without a hardware or software upgrade
- On average, processes more than 65% of invoices without human intervention

## RECORD RESULTS

This ability extends A/P-distiller's use to virtually any data capture application within the company. A/Pdistiller utilizes the proprietary Brainware™ engine, to learn by example to minimize the costs and time of human intervention. A/P-distiller analyzes incoming information, and recognizes and classifies the information based upon the actual content of the document. On average, the company processes over 65% of its documents without human intervention.

The consultant and Brainware's Professional Services team worked together to implement A/P-distiller on behalf of the customer. The data capture solution receives the documents in batches at its runtime server. Batches include invoices and other accounting documents such as purchase orders, statements, and memos.

A/P-distiller OCRs the company's scanned documents and classifies them based upon their content—no presorting is required. Next, the system automatically verifies the document's classification by comparing extracted purchase order, invoice, and vendor information against its ERP database. The verified information is then automatically posted into the company's ERP system.

As a result, the company's associates now spend their time working on business issues and processing exceptions rather than keypunching routine documents. In fact, within three months of implementation, the A/P staff was reduced from 66 to 12—a change of over 80%.

The system was architected to enable the company to roll it out in phases while scaling to accommodate an increase in the volume of documents. Within 12 months, the company transitioned nine countries in which it had accounting operations to its shared services center. In addition, the company increased the number of documents it processed to more than 1 million per year.

Through its implementation of A/P-distiller, the company has successfully reduced its accounts payable inefficiencies, manpower requirements, and operational costs by minimizing sorting, keying, and exception handling activities. It has also received hard-cost benefits by reducing overpayments and late payment fees, and increased early payment discounts.

The company plans to extend A/P-distiller to automate additional inefficient business processes. When integrated with the company's business systems, A/P-distiller will automate the capture, classification, and distribution of incoming correspondence including e-mail, faxes, and traditional mail. Ultimately, A/P-distiller will facilitate the delivery of these disparate forms of correspondence to the appropriate person via e-mail within seconds.

### 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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