

Alltel Wireless Gets A/P Back on Track with Brainware Distiller

Exceeds discount goals and eliminates dependency on temporary staff

Alltel Wireless, a Fortune 500 company with more than 12 million customers and over \$8 billion in revenues, faced a unique set of challenges. The 5th largest U.S. telecommunications provider completed a spinoff of its land-line business that split its accounts payable team of 45 employees in half. At the same time, Alltel received an unanticipated inheritance - a procurement division that was receiving an additional 5,000 invoices per month.

"On Friday July 14, 2006 we were one company, and on Monday the 17th - we were two," says Lynn Smith, Staff Manager-Finance with Alltel Wireless. "At the same time, the wireline company decided they were not going to process any network invoices, so we inherited 5,000 invoices per month we were not prepared for."

RESULTS

- ▣ 17 times the amount of discounts from prior year.
- ▣ 1.5 employees processing 500 invoices per day.
- ▣ Backlog of 2,000 invoices per day is down to nearly none.
- ▣ Duplicate payments are negligible.

What made the situation even more difficult was that Alltel received its invoices two ways: through the mail and via an electronic mailbox that was "electronic" only to vendors. "We had to print, prep and stamp all the invoices that came to us electronically so that we could scan and route them for approvals," says Lynn. "We experienced issues of not all pages being printed, mixing pages of one invoice with another document, or just not printing any invoices in which case they were not entered into our system."

Lynn's group hired seven temporary employees to help with the invoice processing, but immediately ran into staffing issues. "It took two to three weeks to update the new hires on what to do, and then another two to three weeks to realize they were not working out, in which case we had to start all over again," explains Lynn. "Meanwhile, our invoice backlog kept stacking up. We were missing sixty percent of our early payment discounts due to the fact that we could not process our invoices within the allocated time. Furthermore, we couldn't tell whether new invoices were for \$5 or \$5 million until they were entered into the system. We were always guessing about the potential impact on cash flow and working capital."

The fundamental issue was that data entry is a monotonous and, at times, mind-numbing job. "Few of the people we hired were ready or motivated to handle it. They were not reliable, did not show up for work every day, and had no vested interest in getting it right," explains Lynn.

"Our invoice backlog on any given day was up to 2,000 invoices. It was extremely frustrating for our data entry clerks to work all day and still go home with more work in the pipeline than they had when they started their day."

In addition, the A/P division was experiencing multiple keying errors. "Even if we had standard rules for indexing invoices, we could not get the temporary employees to consistently follow them," says Lynn. This led to a host of problems.

Alltel has thousands of different vendors, and in some cases there were multiple vendor numbers for the same vendor as a result of Alltel's many acquisitions. The temporary data entry clerks could not always figure out which vendor number related to which vendor and ended up creating duplicate payments. Unfortunately, the ERP system could not determine if it was paying the same invoice twice.

Solution

In October of 2006 Alltel's VP of Procurement had had enough. He created a team to look at the accounts payable department to figure out how to put the A/P process back on track. Alltel's management realized it needed to deploy a solution that would automate the process and reduce the company's dependency on temporary workers.

After a rigorous selection process, Alltel decided to adopt the Brainware Distiller solution that allowed for high-volume, template-free document processing.

"We decided to go with the template-free, fuzzy logic capabilities that Brainware was offering, since we processed many different formats of invoices," says Lynn. "We felt this solution would give us the most flexibility. At the same time, we decided to keep our current workflow system and integrate it with Brainware."

Alltel provided Brainware with a set of 100 invoices and using these samples, Brainware's implementation team created a unique one-to-many learn set to get the system up and running. This sample set would be used to automatically process 160,000 invoices from 5,500 different vendors annually. The initial results were so encouraging that Alltel decided to go straight into production with the system rather than deploying it gradually.

The Brainware implementation changed Alltel's entire front-end process. There is no further need to print and prep the electronic invoices. Brainware Distiller retrieves and classifies them along with the scanned paper documents every ten minutes, seven days a week. Instead of keying 13,000 invoices a month from 5,500 unique vendors, Alltel's 1.5 data entry FTEs deal only with exceptions (such as incorrect totals, missing vendor or shipping information, etc.).

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Results

Before the implementation, Alltel was missing 60% of available early payment discounts because it just took too long to process the invoices. In 2007, following the implementation of Brainware Distiller, the company was able to **take 17 times the amount of discounts it did in 2006.**

"We had employees working 6 days a week, 10 hour days. We were able to process most of the invoices, but it took a heavy toll on my group. This year the only calls or emails I received were to say that invoices were processed on time and what a better year-end it was! My group was able to enjoy the holidays and spend time with their families rather than processing invoices."

Lynn Smith
Staff Manager - Finance
Alltel Wireless

"We exceeded our 2007 discount goal by 45%," says Lynn. "Once we went live with Brainware Distiller, we were able to release all of our temporary employees. We currently utilize the equivalent of 1.5 employees to process all of our invoices and have little to no backlog at the end of the day. Our processing time for invoices went from several days or weeks to hours."

Also, the deployment brought welcome psychological relief. "In 2006, the entire month of December was an endless stream of emails, phone calls and conference calls to see how we were going to get the backlog of invoices processed for year-end," explains Lynn. "We had employees working 6 days a week, 10 hour days. We were able to process most of the invoices, but it took a heavy toll on my group. This year the only calls or emails I received were to say that invoices were processed on time and what a better year-end it was! My group was able to enjoy the holidays and spend time with their families rather than processing invoices."

About Brainware, Inc.

Brainware, Inc. is an innovative provider of intelligent data capture and enterprise search solutions that help Global 2000 companies eliminate costly manual data entry, rapidly process large volumes of documents and retrieve data from across the enterprise. Its solutions were built from the ground up to manage unstructured data without templates, exact definitions, taxonomies or indexing. Headquartered in Ashburn, Virginia, Brainware maintains global sales and support operations through its North American, U.K. and European offices. Brainware customers include Airbus, Alcon, Alltel, Amgen, Anadarko, BB&T, British American Tobacco, ConocoPhillips, Halliburton, Her Majesty's Prison Service, JohnsonDiversey, Kimberly-Clark, KPMG, Mellon Bank/SourceNet, NHS/Xansa, Nestle, Reynolds & Reynolds, Shell, Southern Company, and many others. For more information, please visit www.brainware.com.



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