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2016 Data Capture and Mailrooms Technology Insight Report

Strategies and Solutions for Eliminating the Paper Problem in Invoice Receipt Management

Q1 2016 | Featuring insights on...

- » Current Market Trends in Invoice Receipt Management
- » Use of Data Capture Technology for Eliminating Paper Invoices
- » Features and Functionalities of Data Capture Technology and Mailroom Services
- » A Leading Data Capture Software Provider

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Introduction

Accounts Payable departments often face multiple sources of inefficient processes and high costs, but the prevailing problem among most organizations is a heavy reliance on paper. PayStream has found that while the leading cause of AP pains is heavy paper volume, the majority of organizations still use manual, paper-based processing for most of their B2B activity.

Some organizations have attempted to improve processes by implementing simple, bolt-on AP solutions to stem the flow of paper, such as an eInvoicing network or an approval workflow system. However, eInvoices make up a very small percentage of supplier invoices for most organizations, and workflow systems are only as efficient as the accuracy of the invoice data. As the majority of organizations manually key in data from thousands of paper invoices each year, the process involves a lot of time, touches, and verification, leaving room for human error.

Achieving AP efficiency must begin with the automation of the beginning of the AP process: the receipt of paper invoices. This goes beyond simply training AP clerks to enter invoice data more quickly and accurately, and it does not mean that organizations should attempt to force their suppliers to send only electronic invoices. Instead, innovative organizations rely on the flexibility, speed, and transformative power of data capture technology. By implementing a data capture solution for invoice receipt processes, organizations can receive and manage all paper documents in the most timely, accurate, and affordable way possible. Setting up these data capture solutions and/or implementing mailroom services for financial documents saves a great deal of money and time, and helps successfully prepare organizations for the next step in strategic financial automation.

This report explores the value of data capture software for streamlining invoice receipt. It profiles today's leading solutions, as well as the leading ways that companies can leverage the technology. This report also provides organizations with suggestions for properly identifying which solution provider and document-processing scenario is right for them.

Trends in Invoice Receipt Management

Paper invoices and manual processes lead to many challenges. Today's organizations' leading concerns revolve around invoice volume, tax and legal compliance, and security of invoice data.

» **Invoice volume:** Efficient manual AP processing is prevented by high invoice volume, which can be almost impossible to manage and difficult to reduce once a department is backlogged. No matter how skilled or productive an AP team is, manual methods cannot guarantee careful and accurate processing while confronted with factors like seasonal fluctuations, frequent invoice errors, and special invoices, such as those from international vendors. In addition, many AP teams must also handle suppliers' payment inquiries and disputes, which can cause setbacks in the department's invoice processing speed.

» **Tax and legal compliance:** Without a controlled invoice receipt system in place, AP teams must keep up with an enormous amount of information as they process invoices, and must maintain knowledge of the tax and business requirements for a variety of invoice types. This grows even more difficult with high invoice volumes, and without a system to monitor invoice data and regulate processing, invoices can be sent, routed, and input into the ERP erroneously, possibly creating legal trouble in the future.

» **Security:** Manually entering, processing, and storing information leaves invoice data open to security infiltration, as does having a high volume of paper invoices in one department in general. Paper invoices also tend to sit on AP clerks' desks for long periods of time while being processed, where they are open anyone's eyes. In addition, when invoice data sits in AP clerks' unprotected personal desktop programs, cybercriminals have a relatively easy job of hacking and extracting valuable files.

In order to explore the causes and effects of these invoice receipt challenges among North American organizations, PayStream surveyed over 150 individuals in companies of many different industries and sizes. In the survey, P2P professionals were asked to allocate by percentage the amount of invoices they received in various formats, see Figure 1. The results show that paper was the most received format among organizations, followed by email.
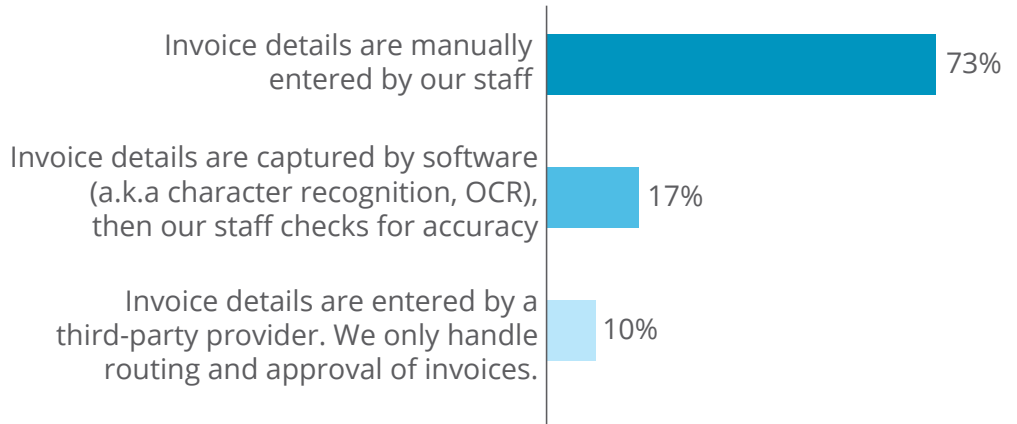
Figure 1

Most Organizations Receive the Majority of their Invoices in Paper Format

"How much of each invoice format does your organization receive?"

Legend:
- Paper
- Email
- Fax
- EDI/XML
- Web Upload/ Supplier Portal
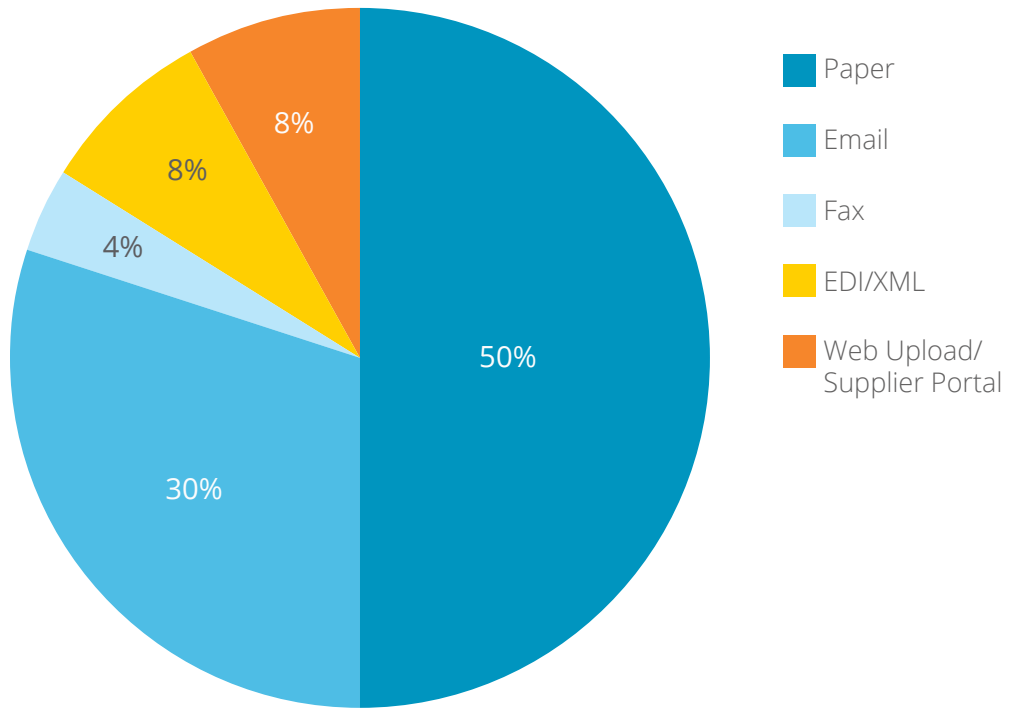
Research also shows that the majority of organizations manually enter invoice data into their ERP system, see Figure 2. PayStream has found that manual procedures lead to much higher processing costs in terms of both time and labor, and it also causes data accuracy and security risks.

Invoice details are manually entered by our staff — 73%

Invoice details are captured by software (a.k.a character recognition, OCR), then our staff checks for accuracy — 17%

Invoice details are entered by a third-party provider. We only handle routing and approval of invoices. — 10%

Typically, organizations with high levels of paper that use manual processes also experience much higher invoice processing times. Survey results show that the majority of organizations process invoices in 5-10 days, while another fifth spend 10-20 days on each invoice, see Figure 3. This represents the time spent after the invoice was officially received and opened, and does not take into account the mail time or the time lost if the invoice was misplaced upon receipt.

5-10 days	10-20 days	1-5 days	20-30 days	30-45 days	45-60 days	60+ days
30%	24%	20%	13%	9%	4%	1%

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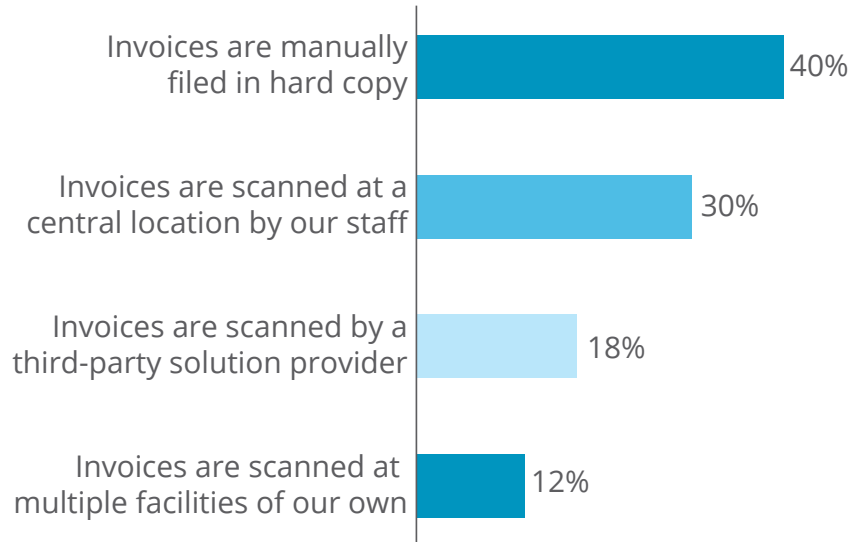
Another strategy that impacts the risks on security and data accuracy in invoice management relates to how documents are retained after they are received. Most organizations keep their invoices filed in hard copy after they have entered the data into the ERP, see Figure 4.

Invoices are manually filed in hard copy	40%
Invoices are scanned at a central location by our staff	30%
Invoices are scanned by a third-party solution provider	18%
Invoices are scanned at multiple facilities of our own	12%

This method is not only unsecure, it is also time-consuming for search and retrieval, invoice data checks and updates, and for auditing purposes. The likelihood that invoices will be lost or misplaced are much higher, and which can have unfortunate consequences in the event of an audit or a payment error.

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The level of automation an organization uses has a great impact on the efficiency of their processes. For example, organizations that rely the most on manual data entry report the slowest average approval times, while organizations that are using an in-house solution or a third-party mailroom services provider experience much faster approvals, see Figure 5.
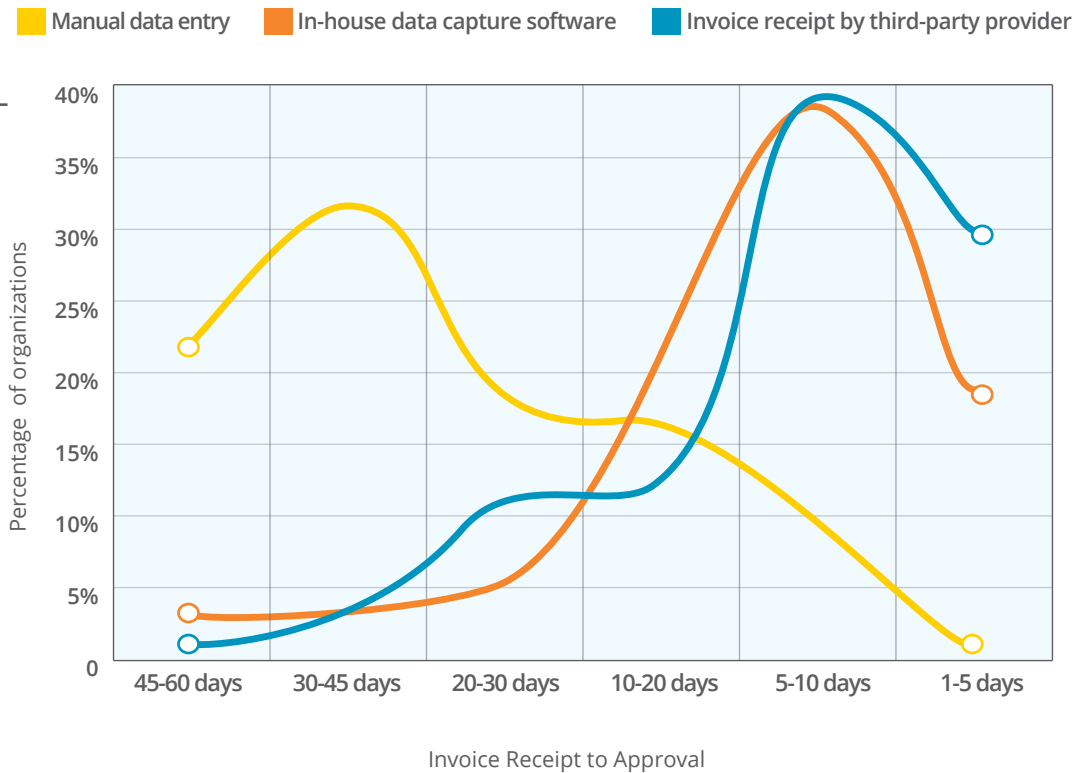
Figure 5

Manual Data Entry Correlates with the Longest Invoice Approval Times

"How is invoice information entered into your ERP, accounting software, or accounts payable software?"

&

"On average, how long does it take your organization to approve an invoice from the time it is received?"

Legend: Manual data entry | In-house data capture software | Invoice receipt by third-party provider

Y-axis: Percentage of organizations (0 to 40%)

X-axis (Invoice Receipt to Approval): 45-60 days, 30-45 days, 20-30 days, 10-20 days, 5-10 days, 1-5 days
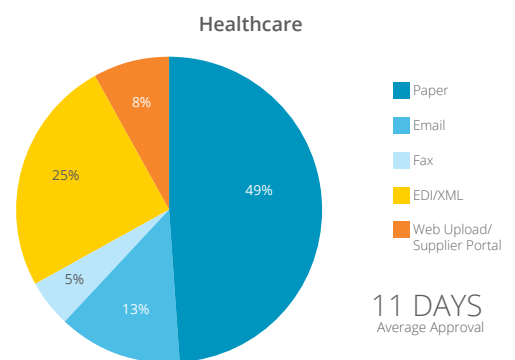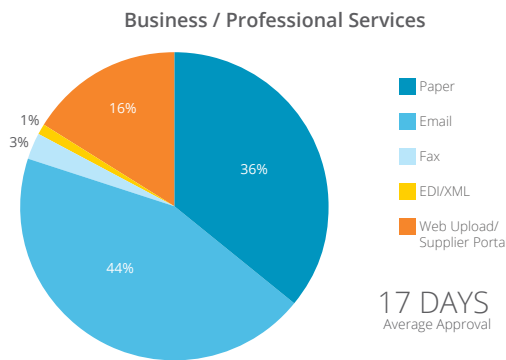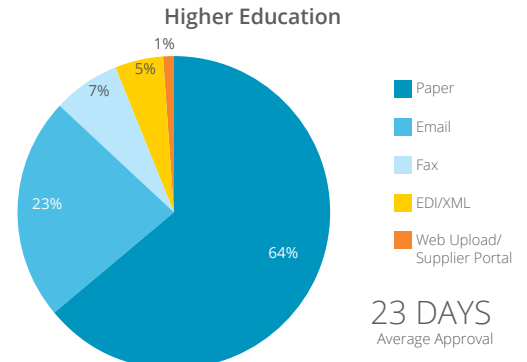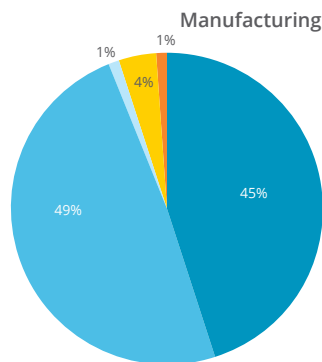
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In many cases, an organization's industry and the industry's typical business structure affect the state of its invoice management process and the types of invoices it most often receives. For example, the majority of organizations surveyed in Figures 6-10 do not process their invoices with a data capture software or 3rd-party mailroom service. However, organizations in the manufacturing industry approve their invoices much faster than those in higher education—13 days versus 23 days. PayStream attributes this to manufacturing's tendency to work with many more suppliers than an average company; manufacturers' vendor master lists may be much larger than in other industries, and it is most likely in their best interest to email suppliers in order to save on paper costs. Higher education on the other hand receives a high percentage of paper invoices, and a higher than normal amount of invoices through fax. This industry has historically been more much slower to adopt advanced technology in the back office, partly because of their tendency to use local suppliers (who also use high amounts of

Figures 6-10

Invoice Receipt Type By Industry

"How much of each invoice format does your organization receive?"

Manufacturing

- Paper — 45%
- Email — 49%
- Fax — 1%
- EDI/XML — 4%
- Web Upload/ Supplier Portal — 1%

13 DAYS Average Approval

Higher Education

- Paper — 64%
- Email — 23%
- Fax — 7%
- EDI/XML — 5%
- Web Upload/ Supplier Portal — 1%

23 DAYS Average Approval

Business / Professional Services

- Paper — 36%
- Email — 44%
- Fax — 3%
- EDI/XML — 1%
- Web Upload/ Supplier Portal — 16%

17 DAYS Average Approval

Healthcare

- Paper — 49%
- Email — 13%
- Fax — 5%
- EDI/XML — 25%
- Web Upload/ Supplier Portal — 8%

11 DAYS Average Approval

paper) more often than other large institutions. They are also constrained by their tight cost structures due to billing schedules and if they are public, not-for-profit institutions.

Sometimes invoice receipt automation can benefit some organizations more than others. For example, industries in business and professional services receive more email and less paper invoices than organizations in healthcare, but experience longer approval times. This is because healthcare also receives a large percentage of EDI/XML invoices, which can greatly offset paper-based invoices. The healthcare industry has been one of the earliest adopters of financial processing automation, largely due to the pressure they are under to comply with government and health regulations. For companies in business and professional services, many of their invoices are tied to project- or client-related expenses, creating a more diverse atmosphere and one that is less dependent on compliance beyond tax regulations.

For any industry, the best way to eliminate the pains of manual processing is to take advantage of a front-end data capture solution. The following section outlines the functionality and features of advanced data capture software.

Data Capture Technology Functionality

Data capture software is a tool that receives invoices from scanners, or electronic formats like email or EDI, and automatically extracts the content using Optical Character Recognition (OCR) technology. The content is placed in a verification and validation system for review, after which it is sent to an approval workflow system for final approval, processing, and payment. By using a data capture solution, AP professionals go from manually keying data from the invoices into the system to simply verifying the accuracy of the data that is captured automatically.

A major advantage of this automated process is that the OCR technology captures content with a high degree of accuracy, making manual corrections a rare event. In addition, some data capture providers offer different guaranteed data capture accuracy levels depending on the service level agreement (SLA). For example, if a small or mid-level business wants to use a front-end imaging solution to relieve some of the data entry burden on their AP clerks, but cannot afford the top-tier products, they can pay for a less advanced version of a provider's offerings. It may only capture certain fields of the invoice, such as the header, while leaving other fields, like line items, out. This would reduce the price of the solution, while still giving the company considerably more automation and control.

After invoices are verified, they are matched against a PO or a contract or routed to the original requester for validation. When the invoice has been cleared for accuracy, it is sent to an invoice approval workflow system for final processing and payment. Some providers package their own workflow systems in their product offerings or offer one through a partner, but all leading data capture solutions are able to integrate with clients' existing systems.

One of the main benefits of implementing data capture technology is the substantial level of control it gives to the front end of the process. Because invoices are scanned into the system immediately, they are not getting lost in the shuffle. Another benefit of the increased control is stronger accuracy, security, and compliance. Invoices are input into the system faster and more securely, and employees can keep much better track of important and sensitive information. Some providers also offer record retention services, which are useful for auditing
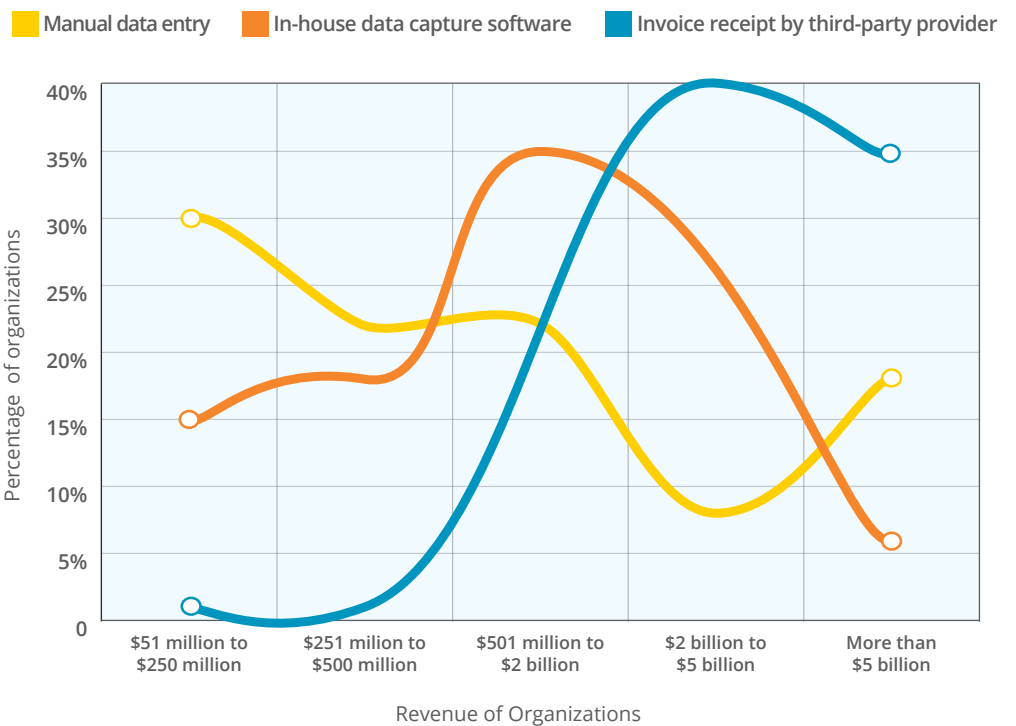
purposes as well as any inquiry made by an internal or external party in the future. Some providers store documents in the cloud, while other large-scale mailroom service providers also offer physical storage for paper invoices. When documents are stored online, the software allows for simple search and retrieval by keyword. Organizations can also store associated tax or legal documents with invoices, further aiding in compliance and security.

In all, today's leading front-end data capture solutions are adaptable to almost any environment, business structure, or business requirement. They are simple and quick to implement, easy to learn, and moderately priced. Organizations can purchase high-quality services with advanced capture and customization features, or they can choose a simpler version that is effective for smaller businesses and budgets. They can purchase a cloud-based solution that enables data capture centralization for many different departments, or they can buy a few hosted modules that are installed on AP clerks' desktops. However the company wishes to implement the software, solution providers offer flexible pricing agreements and can configure the solution to fit with any special document types and routing structures. In addition, these solutions integrate with any existing system, making the transition from paper-burdened to paperless invoice processing streamlined and painless.

Diverse Applications of Data Capture Technology

While the only true solution to the problems of manual-based invoice processing is eliminating paper, there are a few different ways that companies can go about this. The method they choose greatly depends on their size, industry, and business structure. For example, Figure 11 shows that while in-house data capture software use is highest among the mid-market, large corporations are more likely to outsource invoice receipt to a third-party document management provider.

Figure 11

In-House Data Capture Software is Used Primarily in the Mid Market

"How is invoice information entered into your ERP, accounting software, or accounts payable software?"

&

"What is your organization's annual revenue in the most recent 12-month reporting period?"

Legend: ■ Manual data entry   ■ In-house data capture software   ■ Invoice receipt by third-party provider

Y-axis: Percentage of organizations (0, 5%, 10%, 15%, 20%, 25%, 30%, 35%, 40%)

X-axis: Revenue of Organizations ($51 million to $250 million, $251 million to $500 million, $501 million to $2 billion, $2 billion to $5 billion, More than $5 billion)

This trend is due in large part to the business structure in large organizations—centralization is often easier to outsource than manage internally for these companies. Mid-sized organizations with smaller AP departments can implement in-house data capture solutions much more easily, and there are many options within their budget on the market today. It also important to note that manual data entry rises slightly as revenue grows, partly because larger organizations are slower to move on automation initiatives. Therefore, if a $5 billion organization doesn't outsource invoice receipt, it is more likely to conduct manual data entry than use in-house data capture software. However, PayStream predicts that automation will continue to grow among larger organizations in the years to come.

At the end of the day, each of the following methods' main goal is to streamline the intake of invoices and input all invoice data into the system in a timely, secure, and accurate manner.

Method 1: Implement a Front-End Imaging System in the AP Department

This method usually works for smaller or mid-market businesses with too many invoices and too few employees, as well as a budget and infrastructure that cannot support a full mailroom invoice receipt operation. There are several advanced front-end imaging systems on the market that are specifically tailored for small AP departments, in which invoices are scanned, uploaded into the data-capture and validation system, and routed for approval. This allows AP clerks that have been spending countless hours manually entering data, matching documents, checking for errors, and chasing down approvers to simply upload the document, verify that the OCR-scanned data is correct, and submit it for validation and approval workflow. This often cuts the processing time by more than 50 percent, transforming it from an action-based task to a simple review-based task. This method also allows AP professionals to spend more time on value-added activities and less time on tedious error correction.

Method 2: Implement an Existing or New Internal Mailroom Service

This method is more suitable for upper mid-market and large organizations, many of which already have a mailroom. Organizations can purchase a front-end imaging system that will integrate with existing scanners in the mailroom. Mailroom employees simply separate invoices they receive in the mail and upload them into the invoice receipt management system for automatic data capture and routing. The software is often very simple to learn, requiring little training for employees. It reduces delayed and lost invoices, and cuts back on the chance of duplicate invoices.

It is important to note that many of today's data capture and invoice management solutions are also well-equipped to handle other business documents, including those for legal and HR, as well as for contracts and medical documents. The use of the solution in this way is especially suitable for organizations that strongly rely on an Enterprise Content Management (ECM) system or a shared services center.

Method 3: Outsource Invoice Receipt to a Third-Party Document Management Service
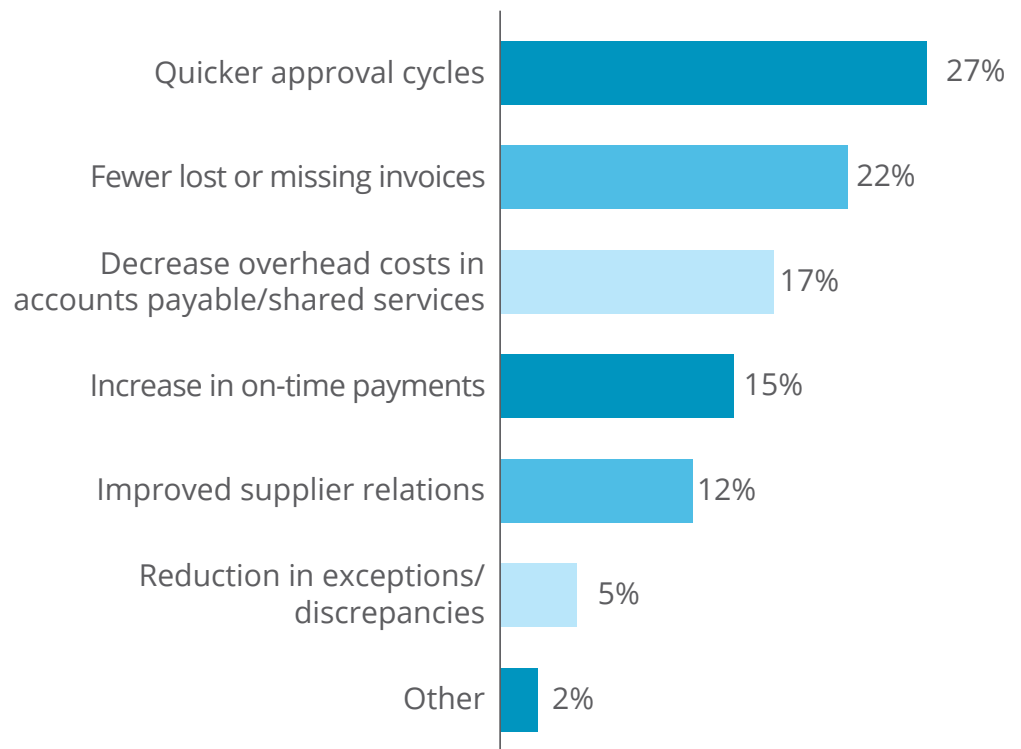
This method is used by organizations that either do not have a mailroom service already, or those who wish to eliminate their internal mailrooms. Their reasons for this choice may vary, but they do not always depend on cost. In many cases, the services of a third-party document processing service will cost roughly the same as maintaining the process in-house. However, when it comes to the time and responsibility required for maintaining internal invoice receipt, the benefits of shifting the burdens can be great.

Organizations no longer have to manage mailroom employees, and they can rely on their service level agreement with the provider to maintain output and productivity. Mail is sent to a centralized location and processed with leading advanced data capture technology. These providers often use the same accuracy level guarantees as a plug-in data capture tool, and in some cases, human intervention through double-blind keying to ensure greater accuracy. When asked what main benefits were achieved from using a third-party provider, most survey respondents cited improvements in processing times, control, and on-time payments, as well as more efficient spend in internal departments, see Figure 12.

Figure 12

Mailroom Services Bring the Benefits of Quicker Approval Times, Fewer Lost Invoices, and Lower Overhead Expenditure

"What benefits has your organization seen since utilizing a third-party provider to open mail and scan paper invoices?"

Benefit	Percentage
Quicker approval cycles	27%
Fewer lost or missing invoices	22%
Decrease overhead costs in accounts payable/shared services	17%
Increase in on-time payments	15%
Improved supplier relations	12%
Reduction in exceptions/discrepancies	5%
Other	2%

Whether an organization decides to use data capture in an internal or external mailroom or to use a series of front-end imaging tools in their AP departments largely depends on the size and business structure of the company. The following section illustrates a few steps organizations can take to evaluate their potential strategies.

Change Management Strategies

In order to enable organizations to successfully select and implement a paperless invoice process in their AP department and beyond, the following steps are recommended for companies to manage change before and during the transition:

1. **Outline the most suitable invoice management process.** This entails examining the current internal invoice processing structure. Organizations should take into account the number of ERPs they are using, the number of invoices they receive on a monthly basis, the type and complexity of invoices they receive, the number and type of locations to which these invoices are sent, and the current amount of touches (or people involved) these invoices require to process. The organization must apply these metrics to several different scenarios to measure their potential success.

   For example, a large organization that processes thousands of invoices a month in many different locations may not benefit from implementing internal mailrooms in each location. It will likely be better served by centralizing all invoice receipt processes in one location for mailroom processing. The main question this organization must answer is whether the implementation of an internal mailroom operation is more or less cost-effective than outsourcing all invoice management to a third-party document management provider.

   If the organization is smaller and its plan involves using front-end imaging systems in each AP department, it is important to evaluate the cost and labor benefits or drawbacks of having the staff process their own invoices. It also important to make sure that the software will be accessible to the end users, that is intuitive and easy to learn, and that the provider offers training where necessary.

   It is important to recognize that size alone cannot always determine an organization's best plan for invoice receipt management. There are some circumstances for which it does not make sense for large organizations to centralize their invoice receipt. For example, a multi-billion dollar company could have a business model that requires the operations of hundreds of small field offices, each only receiving between 10 and 20 invoices per month. Centralizing

invoice receipt would mean that while all invoices are received and scanned at one location, these must divided and dispersed in numerous small batches to hundreds of different places for further processing. This process entails an excessive amount of routing and coordination for so many invoices, and would likely only add to the organization's invoice management problems. In this case, another option may be more feasible, such as implementing inexpensive front-end capture solutions in each of the field offices.

2. **Whatever the result of the cost and structural analysis, make sure that this plan will be consistently maintained throughout the organization.** This means establishing controls that prevent employees from bypassing certain protocols for a special invoice. For example, if a company receives a large number of invoices that must be processed and paid more quickly than the typical supplier invoice, it should ensure that a method is implemented to support this process flow and that employees will not be tempted to bypass the rules. In this case, it may benefit the company to implement an inexpensive front-end imaging solution for quick processing of certain invoices, while shifting the majority of the regular invoice volume to an internal or external mailroom processing center.

   In another example, a company may have seasonal influxes of invoices. The organization should ensure that the paperless invoice strategy can support the increase in demand. Many times, it is not efficient or realistic to expect internal mailrooms to be able to support the increase of work with the same productivity; in this case, employing a third-party provider will bring the advantages of a variable labor model. Many providers have enough staff to handle increases in volume; by contrast, in an internal mailroom it is costly to temporarily hire labor to handle short-term increases in volume. In addition, many contracts involve a SLA that will ensure that the provider meets their deadlines and process commitments, no matter the volume.

3. **Take a flexible and firm approach to supplier onboarding.** It is rarely viable for an organization to decide to get rid of paper invoices and immediately demand their suppliers comply by sending only EDI or email-based invoices. This is especially difficult for small companies with limited leverage over their larger suppliers, or for any company that procures a diverse range of goods, such as an automotive parts reseller that works frequently with towing companies. In many cases, suppliers will not comply because they do not depend on the buying organization's business, or because the method does not align with their business structure or culture.

It is important that organization properly evaluates its supplier base before finalizing a new paperless invoice process so as to not lose any suppliers. For example, an organization may receive the majority of its invoices through the mail, and only a small percentage through email and/or EDI. The most realistic option would be to give the suppliers a new mail-to address, which would send the invoices to an internal or external centralized mailroom. The organization can migrate those suppliers to email or electronic invoices over time. In another scenario, the company could have progressive suppliers that primarily send invoices through email. Those invoices could simply be routed to a new email which connects them to a data capture system. The remaining paper invoices can be sent to a small mailroom location, or to a few AP departments using inexpensive data capture tools.

There will still be some challenges in this migration process, stemming both from general stubbornness and when suppliers are unclear of new policies. For example, if a supplier is directed to send invoices to a new P.O. box, it may also send unrelated mail to that same address, such as a notification of an organizational change it feels is relevant to the buyer. In this case, the notification will likely get lost in the shuffle, so suppliers must be directed to send this type of mail to a different place. Outsourced providers often help with driving discipline in the supplier community, such as with an automatic rejection policy for invoices that are not completed properly.

PayStream's benchmarking research has found that most suppliers soon realize the benefits of faster payments that come from correct and compliant invoices, and they will adjust their methods accordingly. When companies are flexible, encouraging, and consistent with their new policies, supplier compliance consistently increases, and each year brings organizations closer to a paperless, streamlined invoice process.

Full AP efficiency is never complete until an organization has proactively and consistently worked to get rid of the paper problem in its back-office processes. It can sometimes take years to completely get rid of manual, paper-based methods, but the end result is many more years of cost-efficient and productive financial service departments. The following profile illustrates the offerings of one of the leading data capture software providers on the market today.

ABBYY

ABBYY provides small and mid-sized companies with advanced software for OCR, data capture, and document processing. ABBYY's first product for form capture was released over 20 years ago. Since then, ABBYY has improved its data capture offering, extending its capabilities to support semi-structured documents, as well as creating solutions for particular industries and business processes.

Founded	1989
Headquarters	Milpitas, CA
Other Locations	Western Europe, Eastern Europe, Japan, Australia
Number of Employees	1,250+
Number of Customers	7,500+
Target Verticals	All
Partners / Resellers	Xerox, Scantron, Scanstore, Keymark
Awards / Recognitions	Named among "20 Most Promising Document Management Solution Providers 2015" by CIOReview; one of "100 Companies That Matter in Knowledge Management" by KM World in 2014.

Solution Overview and Services Model

ABBYY's invoice capture solution, ABBYY FlexiCapture for Invoices, is system-agnostic. It delivers data and documents to ERP and AP solutions through tight (via API) or loose (via file exchange) integration. It also integrates with the ERP system's database to perform validation of vendors, purchase orders, and other invoice details. The solution supports invoices for North American, European, and Australian markets, and ABBYY is currently working on extending the solution to support Asian invoices.

ABBYY offers the data capture solution either as a standalone tool or through a distributed client-server package. Companies with smaller AP departments can install the standalone solution on their employees' desktops. The distributed configuration consists of servers that can be

accessed via a web browser, allowing a larger organization to leverage the solution across many locations.

The ABBYY solution connects with a variety of invoice entry points, including scanners and multi-functional devices, email inboxes, and fax machines. Through these connections, the solution automatically imports the invoices for classification and data capture, and prepares them for verification.

The set of fields captured from invoices is configurable, allowing the customer to add extra fields to the default template, such as project numbers or tax details. The solution automatically validates certain invoice data, such as business unit and vendor, against the client's ERP database. If a PO database is available, the solution will automatically match line items in the invoice to the PO; if the customer does not use a PO system, the solution will allow them to conduct GL coding from the verification interface.

FlexiCapture is designed to recognize data regardless of format, enabling it to adapt to different invoice structures from different suppliers. ABBYY offers different data capture accuracy levels depending on the fields and the solution's ability to match the data against existing client systems. Users can train the solution to memorize special items that it does not initially recognize, and the solution will then adapt to these items in the future.

The software offers a capture workflow that allows the client to customize the document flow, adjusting steps for exceptions, scanning, rescanning, recognition, and double or triple verification. After invoices are verified, they are automatically exported to the financial system for payment, or to a configurable workflow system if they require approval. ABBYY offers invoice approval workflow solutions through a variety of partners, or it can integrate with the client's existing workflow solution.

FlexiCapture is built on a universal software platform and can process any document. This allows ABBYY's clients to use the same data capture and verification processes for POs, memos, HR documents, and many other document types. This also makes the solution suitable for use in internal mailrooms, as the software can automatically identify different document types, and will extract the data and apply document flows according to specific rules.

Implementation and Pricing

ABBYY's implementation typically takes between two weeks and one month. Implementation is usually conducted by an ABBYY-certified partner that provides both end-user and developer training on an as-needed basis. The certified partner will also provide support services as needed, which includes consulting services, issue resolution, patches and maintenance releases with bug fixes, as well as software upgrades. ABBYY primarily licenses the software with an annual fee model.

Case Study:
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"Everyone liked the FlexiCapture solution. It saved the end authorizers a lot of time – and their time is very valuable." Trudy Collins, Credit, Billing & AP Manager, PAPCO

Challenge

Backed by a fully integrated network of refiners, pipelines, terminals, and transportation providers, PAPCO is a leading energy solutions provider in the Eastern United States with 40 years of experience in marketing and distributing fuels and lubricants. Serving a broad range of customers, PAPCO delivers petroleum management solutions for everything from commercial fuel and lubricants to commercial propane and home heat, as well as risk and performance management solutions.

PAPCO receives over 600,000 invoices a year from more than 1,000 vendors. Entry of their information into the company's accounting system used to require tedious, expensive, error-prone, and time-consuming manual processes. The resulting drain on resources and efficiency was further compounded by complicated, multi-level AP approval workflows—the company headquarters has twenty departments, each assigned three levels of invoice approvers, while executive approval is required for large-dollar invoices.

As a result of the manual system, PAPCO's AP staff was often forced to work overtime and weekends, straining budgets and employee morale. The AP process flow was inefficient as well. The team would scan invoices to PDF, upload the them to their existing workflow solution, and key in the data from the images into their accounting software. The approval workflow solution was cumbersome and inflexible, and very time-consuming. In addition, staff could not easily search through invoices and had trouble collecting data for budgeting and audits.

Client: PAPCO

Industry: Oil and Gas

Headquarters: Virginia Beach, Virginia, USA

Case Study:
ABBYY®

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Approach and Implementation

PAPCO wanted an automated data capture and entry solution in order to decrease the time and expense of their current processes. However, in attempting to upgrade their workflow solution, the PAPCO AP team had trouble finding a system that was able to support their complex invoice classification and workflow requirements. After reviewing several alternatives, the team chose ABBYY FlexiCapture as the best candidate, and identified ABBYY's partner, ScanStore as the best solution integrator.

Before engaging with ScanStore, the PAPCO team requested a demonstration of FlexiCapture, and was invited to see it handling live data at another customer's site. The company was very impressed with the solution's speed and capture accuracy with the high volume of documents. They decided to move forward with implementation.

ScanStore's began the project with a four-day onsite assessment of PAPCO's business processes, during which a specialist familiarized himself with the company, its goals, the paper workflow, and the requirements of PAPCO's vendors. Then, ScanStore created a multi-level approval workflow that integrated ABBYY's newest solution, FlexiCapture for Invoices, with PAPCO's existing accounting software and document management system. PAPCO reports that implementation was timely, training was easy, and that users enjoyed the solution's benefits quickly.

Results

According to PAPCO, FlexiCapture has increased the efficiency of invoice-related tasks in virtually every area. ABBYY automates data entry and saves end authorizers a lot of valuable time. In addition, supporting budget planning and complying with audits is now more efficient, as research and collecting data for budgeting in the back-end is easier thanks to improved search indexing.

PAPCO's FlexiCapture for Invoices solution has reduced the time needed to process invoices down to six hours, and individual approval times to just minutes. It has also led to a 50 percent reduction in labor, yielding annual savings of $30,000. AP staff are now meeting deadlines and working well within normal hours, which has also improved employee turnaround and morale. PAPCO is so satisfied with the solution, they plan to expand their use of FlexiCapture in the near future, including by automating processing for freight invoices and fuel invoices.

About PayStream Advisors

PayStream Advisors is a technology research and consulting firm that improves the way companies plan, evaluate, and select emerging technologies to achieve their business objectives. PayStream Advisors assists clients in sorting through the growing complexities of IT applications related to business process automation with the goal of making objective, analytical, and actionable recommendations. Wherever business process automation technology is an issue, PayStream Advisors is there to help. For more information, call (704) 523-7357 or visit us on the web at www.paystreamadvisors.com