

TRANSACTION AUTOMATION

a guide to reducing costly manual data entry errors



Automating non-EDI Vendor Invoices

- ▶ Why automating Vendor Invoices is an important investment
- ▶ Why EDI is only part of the answer
- ▶ How to achieve great outcomes quickly
- ▶ And. . . how to avoid the most common pitfalls. A guide to reducing costly manual data entry errors

Rapidly Changing Industry

Industry is changing rapidly. The modern marketplace is more dynamic than ever before and businesses are constantly challenged to evolve, adapt, disrupt, build success, protect margins and lead change. The rate of change is unlikely to slow down, so the pressure to find innovative solutions that reduce costs and carbon footprints, whilst simultaneously enabling exceptional customer service, will only intensify. The pressure is on to constantly stay ahead of the game, and choose pathways that lead to tangible, long term gains.

For supply chains, there is now a range of impressive technologies available to meet today's challenges. Artificial Intelligence, Robotics, Augmented Reality and the Internet of Things are just some of the fast emerging technologies changing the way we pick, pack and ship sales orders more quickly. Yet ironically, possibly the most important stage of the supply chain has remained relatively unchanged for decades.

Fast and accurate processing of invoices by Accounts Payable has far reaching benefits.

- Timely payments with vendors creates good relations and supply chain stability.
- Instant two-way matching with PO's means invoice errors can be resolved immediately rather than through long drawn out reconciliation disputes.
- Faster invoice processing results in more up-to-the-minute BI reporting for management.
- And freeing up your AP resources means that your team can focus on more important tasks than data entry



For most businesses, most vendor invoices are still processed manually – resulting in a poor use of expensive resources and a high risk of errors which create costly downstream repercussions.



EDI has automated transactions for more than forty years, but only the big organizations can leverage their larger trading partners to make significant investments in their EDI networks, which leaves millions of smaller independent companies that continue to transact in the 'paper wasteland'.

Respected independent research estimates the cost of not automating transactions to be, on average, \$78 per order, making it considerably more costly and disruptive to service the smaller independents.

Interestingly, many organizations have given up searching beyond EDI or B2B websites for effective ways to eliminate manual data processing of sales orders and invoices. They have simply accepted this massively unproductive and inefficient abyss as a fait accompli. The truth is, all company executives should be demanding quick, accurate and seamless processing of transactions as one of their highest priorities, rather than believing automation of all customer order and vendor invoice transactions is an unachievable dream.

New systems are available that can convert documents to electronic data, however the broad spectrum of methods and capabilities can have a huge impact on the degree of success that can be achieved.

So how can companies gain a competitive edge by eliminating manual data entry of sales orders and invoices and all the associated errors, and ultimately, how can they improve their customer service scorecard?

SELECTING THE RIGHT SOLUTION PROVIDER.

For those few companies who are seeking a solution, the pressure to select the right technology can be daunting.

A wrong solution that does not achieve the desired outcomes and makes mistakes, could be catastrophic and will not reflect well.



IMPLEMENTING AN AUTOMATION SOLUTION

The implementation of any automation solution needs to be carefully managed to mitigate risk and optimize outcomes with the least possible disruption to the business and in the shortest time frames.

Buy-in from key stakeholders is considerably easier when they feel empowered rather than threatened. Intuitive system interfaces that are easy to learn and provide a good experience to users can make a huge difference to success or failure of a transaction automation project. Access to useful real-time business intelligence (BI) can provide managers with unprecedented performance information which goes a long way to gaining C-level support.

In this information paper, we examine the key factors that will help you make better, smarter, faster decisions to minimize the risk and optimize the benefits of Transaction Automation. We encourage you to grasp this opportunity to automate the B2B transactions that EDI cannot, and in-so-doing you could be responsible for one of the most important projects undertaken by your organization.

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Working with reliable, trusted solution providers who have a proven track record of delivering on their promises is an important part of the decision process when selecting a transaction automation partner.
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The compelling business case for Transaction Automation

Having read this far, we will assume you acknowledge the importance of 'escaping the paper wasteland', even if you're not yet quite sure how best to do it.

The good news is, you no longer need to be asking yourself the question, "can we further automate our order and invoice entry processes?" Very effective solutions are available. The important question now is "what is the best way to achieve our desired business outcomes?"

The evidence for automation is beyond compelling. Properly optimizing and automating your transactions leads to tangible gains in almost every area of your business. Reducing costs is always attractive to any business, but the benefits extend far beyond that. And if you need to present a solid business case, it's good to be aware of the full range of benefits an investment in the right solution will deliver.

HERE IS AN EXAMPLE OF HOW YOUR LIST OF DESIRED OUTCOMES MIGHT LOOK:

Reduce the workload for non-productive manual data entry tasks by more than 70% within three months.

- ▶ Improve productivity of your Accounts Payable team by using the time gained more effectively. A flow-on benefit is greater job satisfaction.
- ▶ Reduce invoice entry errors by more than 90%. The flow-on benefits include a corresponding reduction in vendor disputes and increased vendor satisfaction.
- ▶ Accelerate invoice-to-payment cycles (e.g. to increase settlement discounts) and improve relationships with vendors
- ▶ Improve invoice related communication with all stakeholders, most significantly, vendors and AP team.
- ▶ Improve quality and timeliness of Business Intelligence reporting.
- ▶ Improve access to order data for key stakeholders with real-time data and dynamic filters.
- ▶ Reduce disruptive office movement between workstations, printers and filing cabinets.
- ▶ Reduce carbon footprint.

AND HERE ARE SOME EQUALLY IMPORTANT PROJECT DELIVERABLES TO CONSIDER:

- ▶ System must meet our data security requirements.
- ▶ System must complement our existing business processes and should be user friendly, intuitive and easy to install.
- ▶ System provider must be able to provide training and high levels of ongoing support.



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The potential for increased profitability through multiple savings points is high, and when you factor in these multi-faceted benefits, the right solution can provide a fast and considerable ROI.

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5 Big Picture Trends to Consider

The rate of change is not going to slow down with respect to supply chains. Companies are looking for solutions which reduce costs and carbon footprints, as well as enable increased productivity, all at the same time.

Here are some of the emerging trends in supply chain management, which you need to be across:

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ADAPTABLE, SCALABLE TECHNOLOGY

- ▶ Being able to blend complementary systems and work tools on a scalable basis is what sets the technology of the future apart from inflexible enterprise software packages of the past.
- ▶ Developments in consumer technology make it easier for multi-use communication devices to be linked to existing company systems, reducing the need for additional expense and decreasing waiting times for custom mobile devices.

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SEAMLESS INTERACTIONS

- ▶ Demand is growing for technology that can successfully translate electronic messages into any format required by existing systems, allowing for electronic data communication between client and supplier bases.
- ▶ Seamless system integration, secure data exchange, visibility and traceability across multiple supply chains are essential.
- ▶ The ability to access third-party transaction portals to assist with automation of inter-business interaction is critical.

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BIG DATA CAPABILITY

- ▶ Ageing technologies are being replaced by smarter solutions that incorporate trends like big data and coordination of multiple sources of data.
- ▶ Solutions which are able to manage complex business rules and disparate systems will be able to produce rich data intelligence, which can be used to support instant, highly valued communication between trading partners.

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The future will be dominated by supply chains that have figured out how to balance flexible work practice with reducing environmental impact and stakeholder demands for complete transparency.

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FAST, INEXPENSIVE
IMPLEMENTATION

- ▶ Advances in technologies available to optimize supply chains have made faster implementation times a reality. It is now feasible for both big and small businesses to go live with a new system within a few weeks of signing up.

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IMMEDIATE BENEFITS
REALIZATION

- ▶ Current economic challenges do not allow for big expenditure on trial-and-error technology. Service providers need to keep the bigger picture of sustained success in mind and be able to provide trusted advice on a plan that is affordable and will deliver quick ROI.

What to look for and what to avoid

If we accept an automated transaction solution is now no longer a luxury but rather a necessity, the question quickly becomes, what factors need to be on the consideration set for choosing the best possible solution for your business? While some of these will vary slightly from business to business, most are common for all business sizes and industries.

KEEP IT SIMPLE

First, you'll want something that complements your existing system. Looking across industries, 'ease of implementation' is by far one of the biggest concerns for most businesses. Finding a solution that works with your existing IT infrastructure and business processes will make the transition much simpler and easier for everyone.

PROOF OF CONCEPT

Talk is cheap, so prior to committing to a full implementation, look for a solution that offers true, risk-free testing, ideally in a live parallel environment. It's the only way to be confident a solution will work for you, and if a service provider can't offer you a test phase, making a final decision will be unnecessarily risky.

AGILE IMPLEMENTATION

You want to be up and running with full deployment as quickly as possible without experiencing unnecessary impediments to your day to day business activities. The sooner your solution is fully operational, the sooner you can start realizing the benefits.

TRANSPARENT FEE STRUCTURE

Regardless of the benefits you'll realize, no one enjoys getting hit with unexpected hidden costs and project creep. Make sure you compare 'apples with apples', don't be fooled by seemingly 'too good to be true' solutions that usually are, and always look for a transparent and all-inclusive fee structure.

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TRANSFORMING TRANSACTIONS

AND THESE TWO POINTS ARE MISSION CRITICAL

DATA ACCURACY IS CRITICAL

Most systems rely solely on 'OCR' (Optical Character Recognition) to scan documents and create electronic data. OCR systems can make errors that can be detrimental when processing complex purchase orders with many lines of product data. You may prefer to automatically reconcile vendor invoices with your purchase orders before the data is imported to ensure the data is always correct. The best solution is one that will never convert a 3 into an 8 or a decimal into a comma, and that is not OCR.

The good news is that alternative methodologies to OCR have now been developed that can capture text with 100% accuracy from the majority of native documents received by email.

Before evaluating any purchase order automation system, be sure it uses the best possible data capture methodologies for the vast array of document types. OCR should only be used where absolutely necessary.

Almost as important is a solution that can accommodate the imperfect world of non-EDI vendor invoices and is designed to capture and highlight discrepancies before they are passed electronically to the end database, i.e. the back-end ERP or accounting software systems. Many companies have made huge investments into the wrong transaction automation systems, only to fail and ultimately abandon the project after finding that they create more problems than they solve by pushing bad data into their database with low traceability.

THE WORLD WE LIVE IN IS NOT PERFECT

Unlike the EDI world which demands perfect orders and invoice data for the pre-established business rules to work from end-to-end, the non-EDI world has no rules or disciplines.

A customer's database is setup to suit their own business, not that of their trading partners. EDI invoices will be automatically rejected if the sender's data is out of sync with the receiver's data, but that rule cannot apply in the non-regulated non-EDI world.

The best outcomes are achieved when your non-EDI invoices (i.e. those that are normally sent to you by email) can automatically identify and fix all of the discrepancies and variations before they reach the end-point database.

Supercharging your EDI

Investing in an EDI solution is often regarded as best practice, and an essential part of any business wanting to deal with major trading partners and compete in today's increasingly competitive market. But EDI is only part of the story. The output and any resulting efficiencies, are only as good as the number of trading partners where it makes financial sense to invest in an integrated EDI network.

Which is why EDI is only a partial solution. Not everyone can afford the investment in EDI or have sufficient volumes to leverage all their trading partners to do likewise. This is particularly relevant for small to mid-sized trading partners, who will continue to submit purchase orders in formats that do not integrate with your EDI network.

For most companies, most non-EDI invoices are now exchanged via email as attached PDF, Excel or CSV files. Consequently, if you have invested in EDI and you are still manually processing a large volume of invoices, there's a strong chance that your EDI infrastructure is under-utilized.

So how can you get this asset working harder for you? The solution you need to seek out is one that can optimize your EDI infrastructure to import those 'paper' transactions from non-EDI trading partners. The best operators view this as an opportunity to take their EDI efficiencies to the next level by finding solutions that 'supercharge' their existing system. If your organization is not already EDI compliant, chances are you have

some big customers who have been persuading you to invest in their EDI infrastructure which you may be resisting based on economic rationale. A solution that can expand your EDI network to process orders from nearly ALL of your customers rather than just one or two should provide the tipping point to make this a viable investment.

The best solutions are turn-key, allowing you to start automating those 'paper' orders without your trading partners having to buy-in to your solution or make any investment in software or hardware.



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Next generation automation technologies allow you to convert ‘paper’ transactions from non-EDI trading partners and parse them electronically to your database, in the same EDI file format that you already use, whether that be EDIFACT, AS2, XML, CSV or whatever.

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Take the next step towards **Transaction Automation**

By reading this White Paper, you have already taken the first step towards transaction automation. Hopefully this has provided you with a clearer understanding of how your company needs to move forward.

We encourage you to now take the next important step to start putting your plan into action by requesting a free consultation.

Within 30 minutes, our consultants will:

1. Answer any remaining uncertainties you may have regarding transaction automation
2. Help you find the right solution options to best fit your business needs
3. Help you complete an ROI evaluation which will tell you how quickly the solution will pay for itself and whether or not transaction automation can be achieved cost effectively

So, take the next step and apply for a free 30 minute consultation by [clicking here](#)