

# TRANSACTION AUTOMATION

a guide to reducing costly manual data entry errors



## **Automating non-EDI Customer Purchase Orders**

- ▶ Why automating Customer Purchase Orders 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 market place 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.

The rapidly emerging plethora of brilliant robotic technologies and warehouse automation systems are of little value, when the originating order is wrongly entered and incorrect stock items are picked, packed and shipped to a customer. Electronic Data Interchange (EDI) has now been in existence for more than 40 years, and yet it still only goes part of the way to automating transactions. Only the big organizations (usually big-box retailers) can leverage their 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



**For most businesses, 80% of sales orders, the starting point for any supply chain process, are still processed manually – resulting in a poor use of expensive resources and a high risk of errors which create costly downstream repercussions.**



independents. Companies make massive investments into B2B websites, where order quality can be controlled, but buyers are all too often reluctant to place their orders online. The simple reason is that after logging in and out of potentially dozens of supplier websites, buyers have to double their workload and re-enter the same orders into their own systems. For this reason, ordering online on B2B websites systems is fundamentally flawed, because only the website owner benefits while all the trading partners are disadvantaged.

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. Why? Because Purchase Orders are the life-blood of every organization. They impact nearly every part of an organization with widespread stakeholder ownership, including customers, sales reps, CSR's, managers, operations, finance and distribution.

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. And automating communications and providing dynamic access to order status can quickly win the hearts of customers and sales reps.

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 outbound customer service activities and grow sales revenues by utilizing the CSR time gained more effectively. A flow-on benefit is greater job satisfaction.
- ▶ Reduce order entry errors by more than 90%. The flow-on benefits include a corresponding reduction in customer disputes and increased customer satisfaction.
- ▶ Accelerate order-to-shipment cycles and improve stock turns.
- ▶ Improve order related communication with all stakeholders, most significantly, customers and sales reps.
- ▶ 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 both through multiple savings points and increased revenue opportunities 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 exceptional customer service, 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.

5

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.

## 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.

## 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.

## 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.



**Make sure you compare 'apples with apples', don't be fooled by seemingly 'too good to be true' solutions.**







# 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. Non-EDI orders are already prone to considerable errors from the buyer's systems that are notorious for being out of sync with their trading partners. 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 purchase orders and is designed to capture and highlight discrepancies before they are passed electronically to the end database, i.e. the back-end ERP, WMS 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. A product may come in packs or cartons, but the buyer sells in units, so that's how they'll order. Shipping 12 packs instead of one pack of 12 is not going to make anyone happy. In the buyer's system, product codes may be bastardized with prefixes or suffixes to make it easier to filter searches. Such instances can be great time wasters for CSR's and elevate risk. Non-EDI buyer systems rarely have barcodes which makes it harder to ensure the right products are being linked from the sender's system to the receiver's. Buyers may not have updated recent price increases or they may continue to order discontinued items. EDI orders 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 orders (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.



**Next generation automation technologies can fully automate the process of retrieving orders from web portals and returning ASN's and Invoices from end-to-end, eliminating the manual steps.**



## 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, more than 70% of non-EDI orders are now exchanged via email as attached PDF, Excel or CSV files, about 20% are sent by fax, and the remainder by other means such as phone calls. Consequently, if you have invested in EDI and you are still manually processing a large volume of orders, 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. In the best-case scenarios, the only time trading partners become aware that anything has changed is when they start receiving better communications and more timely error-free deliveries.

## Excel Order Forms? For some industries, old habits die hard

Some industries have been unable to eliminate the good old Excel Order Form. In fairness, there is some justification for this, particularly in seasonal industries such as fashion which require indent orders many months ahead of delivery. The time pressure to raise indent orders to meet cut-off dates makes it difficult for buyers to load all new product data into their Point-of-Sale or ERP systems before the cut-off deadlines, so Excel Order forms is a way for suppliers to make it easier for customers and reps to place orders without losing control of the quality of the order data.

Most companies who remain dependent on Excel invest heavily in creating new order forms with complicated macros formulas every season. Equally, they find it almost impossible to manage multiple pricing matrices for their different customers and still have to manually enter each order into their database upon receipt – often under enormous pressure because invariably most orders will be received last minute and suppliers are also working against the clock to finalize their orders with their manufacturers.

## EDI Web Portals create pain for the receiving party

A common trend for large companies using EDI is to parse orders to a web portal for non-EDI trading partners to collect. This should not be confused with being EDI compliant. For the receiving organizations, EDI Web portals often create more manual work with CSR's having to login to the web portal numerous times per day to download PDF orders and upload information.

Next generation automation technologies can fully automate the process of retrieving and processing web-portal orders from end-to-end, eliminating manual processes.

## How important are B2B websites and online orders?

B2B websites are important but, in isolation, they will not solve the problem of inefficient non-EDI 'paper' transactions.

In this day and age, companies should make their products digitally available to their customers in the form of e-Catalogue Virtual Showrooms. This is a great way for customers to discover more about the full range of product options available and see stock availability, pricing options, special offers, track their order status etc. It makes sense to include an online ordering capability for those few buyers who are willing to place their orders that way.

More importantly, sales reps are often the greatest beneficiaries of good e-Catalogues and online B2B ordering systems.

When considering the implementation of a B2B web portal, common mistakes that many companies make include:

1. severely over-estimating how many orders their B2B platform will generate;
2. applying a B2C style shopping cart to their e-Catalogue and;
3. having to manually enter their online orders into their back-end (ERP) system.

“ B2B websites underperform as an order automation tool because they double the amount of work for customers. ”

### **Why do B2B Websites rarely make up more than 10% of all orders received?**

B2B websites that are linked to the main (ERP) database are good for the seller because order data is controlled and manual data entry is not required. Unfortunately, the same does not apply to the buyer.

The buyer may have to log in and out of many supplier websites, each with its own peculiarities. But the biggest deterrent is that the orders a buyer places on a B2B website usually have to be re-entered into the buyer's own (ERP) system, literally doubling the amount of work for your customers.

The best automation systems have the flexibility to complement existing digital capabilities OR include an integrated web portal with dynamic e-Catalogues and online ordering capabilities along with a suite of other appropriate order automation methods.

# 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](#)**



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