



CM, BPM, AP, PBT

Alphabet soup – food for the bottom line!

Three of the top five goals in a recent Accounts Payable Operations Survey were to implement content management (CM), deploy business process management (BPM), and integrate both technologies with the AP system of record. Two PBT customers, a large publishing firm and an international lens manufacturer, set out to do just that and agreed to share their results.

Although AP integration was a common objective, organizational demands resulted in very different but equally successful implementations. The publisher's goal was a CM/BPM-enabled centralized AP. The manufacturer centralized operations to address invoice volume following an acquisition. As an early adopter, the infrastructure was in place, and AP presented an additional opportunity to gain economies of scale.

Both deployments, CM/AP and CM/BPM/AP, were an unmitigated success; as the publishing company's Director of Finance & HR Systems said: "It's been a smash hit!"

The publishing business environment

The company has seven affiliated publishing and information management companies to which it provides consulting and operations support. As a cost cutting move, management decided to centralize, image and workflow-enable the AP function. The Finance & HR Systems group was charged with developing and executing the plan. The team realized the cultural and procedural changes necessary to for decentralized scanning and workflow compromised the success of the project. They had to determine how to reach their goals with minimal disruption to people and procedures. Their plan was as simple as it was successful.

Keep it simple

Historically, vendors sent invoices to the company and the person with whom they did business. The recipient coded and approved the invoice for payment, routed invoices over a certain amount for approval and sent them to onsite AP for processing where vouchered paper invoices were stored in boxes by date.

The revised project plan required one change to the established procedures: batch and mail approved invoices to central AP.

Keep it smart

After AP data entry clerks update the system of record, a barcoded cover sheet is automatically printed and placed on top of the processed invoice. Barcoded index information is used to retrieve attributes applied to the invoice workpacket. A clerk batches and scans completed invoices, verifying readability. Once indexed, workflow routes the vouchered invoice to the library. The publisher indexes 31,000 invoices a month without human intervention.

Keep it reliable

To AP's knowledge, no document submitted to the scan process has been lost or incorrectly indexed. When workflow cannot read a barcode, it routes the invoice to an exception worklist with an error message identifying the problem and the corrective action. The scan clerk periodically checks the worklist, corrects the problem and rescans the invoice. The scan and index process has proven 100% reliable.

Keep it accessible

Archived invoices are immediately available to employees with secured access to the company's website. From the AP home page, an employee can search the database using any combination of index attributes and receive a list of the invoices that meet their criteria. Selecting a *View* button displays the invoice.

Keep it fast

An invoice request in decentralized AP meant searching through dated boxes, copying, and routing via interoffice mail. In the best of times, retrieval took over an hour and absorbed enormous resources. Invoices are now available on the company website within 24 hours of receipt in AP.

Keep it coming!

Approximately 1,000 employees use the system. About 300 access invoices from the Global 360 library on a daily basis. Key aspects of the company's CM/BPM/AP project are summarized below.

Project Goals	Project Outcomes
Reduce AP clerical costs	Net reduction of 10 redeployed clerical positions
Reduce invoice filing costs	Invoice filing eliminated
Improve invoice access	Invoices available online within 24 hours of receipt
Eliminate lost invoices	100% reliability rate for scanned invoices
Eliminate request backlogs	24/7 self-service web access to invoices

The manufacturing business environment

The lens manufacturer’s centralized AP supports operations in Georgia and Illinois, the latter is a new acquisition. Invoices were taking a minimum of five to ten days to begin the voucher process, resulting in lost discounts and sometimes lost invoices. Preparing accounting accruals from received but unprocessed invoices was a manual, time intensive process.

Vendors were unhappy with delayed payment, cost centers were dissatisfied with response times and AP did not have satisfactory tools to do their job. Having successfully deployed CM/BPM in other areas, they knew it could address procedural issues and mitigate the increased acquisition workload.

The workflow solution

An AP mail coordinator scans invoices into workflow which automatically route to the appropriate AP Administrator's worklist where they are worked from a split screen: the invoice image on one side and the PO transaction on the other. A button click screen scrapes attributes from the system of record to workflow. If the invoice is consistent with the PO and does not require additional approval, the Forward button routes the vouchered invoice to archive.

If the invoice cannot be vouchered, the AP Administrator selects the appropriate entry from a reason list and the Hold action. Workflow automatically generates an e-mail with the selected reason in a text message, attaches a copy of the image, sends the e-mail to the recipient and routes the original invoice to the Hold worklist to await reply. The recipient reads the e-mail, views the invoice copy, and documents approval in a *Reply* to the AP Administrator.

A nightly workflow task matches completed invoices in the Hold Worklist to the system of record voucher and forwards the invoices to the library. A second task searches the Hold Worklist for invoices more than five days old, automatically returning them to the AP Administrator's worklist for follow-up.

AP deployment benefits

AP processes 8,000 vouchers per month from the two sites, 300 self-service users access the library.

Project Goals	Project Outcomes
Leverage existing infrastructure, exploit improvements to minimize headcount	Increased volume by 37%, added one position
Improve invoice processing cycle times	Improved overall cycle times in Georgia and Illinois
Reduce invoice filing costs	Invoice filing eliminated, paper shredded after 90 days
Improve access to processed invoices	Invoices available online within 24 hours of vouchering
Eliminate lost invoices	100% reliability rate for scanned invoices; documents tracked through each business process
Eliminate request backlogs	Self-service AP inquiry research

In conclusion

Although business realities curbed the publishing company's original workflow plans, the implementation resulted in substantial productivity and efficiency gains that promoted self-service access and changed the business culture.

The manufacturer's workflow deployment abolished manual processes giving AP better control over invoice processing than they had thought possible. Now, work volumes are compared to staffing levels and resources redirected as necessary to meet business objectives.

The PBT-enabled CM/BPM/AP deployments benefited vendors, customers, the brand and the bottom line.

About PBT

PBT can help you meet your productivity goals, improve your competitive position, and provide better customer service by automating time-consuming tasks and providing you with BPM-enabled solutions second to none.

Our experienced business professionals deliver skilled project management, award winning process redesign, creative workflow solutions and ergonomically satisfying user applications.

Our customer commitment:

- Your anticipated return on investment is always achieved and frequently exceeded.
- Your business goals are reflected in our solution templates.
- Your self-sufficiency is our deployment goal.

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