> "Kofax ReadSoft Invoice Portal is an amazing tool; it really is a one-stop-shop for invoice processing"

Spokesperson, Leading North American Food Manufacturer

$76,000
SAVED IN ONE YEAR

2X
NUMBER OF INVOICES PROCESSED

BOOSTS
TRANSPARENCY

Business growth was stretching paper-based accounts payable processes to the limit. By moving to a digitized and automated approach, this North American food manufacturer slashed the purchase-to-pay cycle from weeks to days, and has doubled invoice volumes while increasing headcount by just 1.5 full time employees.

Work Like Tomorrow.™

KOFAX

MEET THE COMPANY

This multinational food products corporation manufactures dairy goods and infant nutrition. The company's North American branch is one of the group's fastest-growing divisions.

PRODUCTS

Kofax ReadSoft Invoice Portal™

Kofax ReadSoft Process Director™

FOCUS

Invoice Processing

Accounts Payable Administration

"We estimate that we have saved around USD 76,000 in just one year now that we are no longer sending invoices off-site for scanning and archiving."

Spokesperson, Leading North American Food Manufacturer

CHALLENGE

This North American food production company has big expansion plans—recent acquisitions have put the company on track to double the size of its business and become a top-20 food and beverage company.

Growth will bring lucrative opportunities for the company to increase its presence on supermarket shelves and strengthen competitiveness. However, it is also creating fresh challenges for the teams who work to keep operations running smoothly behind the scenes, such as accounts payable (AP).

A spokesperson at the company's AP department explained: "We work with around 2,500 different suppliers, who provide everything from the ingredients that go into our products to office supplies for thousands of employees. These vendors form a key link in our supply chain—without them, we'd struggle to keep shelves stocked with our products—so it's vital that we pay them correctly and on time for the goods and services they provide.

"In the past, we relied on a mostly manual, paper-driven approach to processing supplier invoices. We were handling around 6,000 to 7,000 invoices a month—a number that was growing fast—and we recognized that our old approach was quickly becoming unsustainable."

Previously, when the company received paper invoices, the AP team would ship the documents in batches to a third-party provider for scanning. Once it had scanned and classified the original documents, the provider would return electronic copies. The AP team would then review the invoice and complete processing in the company's core SAP ERP system.

"Because so much of the process was manual and reliant on paper, it took considerable time and effort to handle invoicing—sometimes it could take up to a month for us to process and pay a single paper invoice," said the spokesperson. "And without a consistent way of storing and managing invoices, there was a risk of losing individual documents in the shuffle; if this happened, we'd have to start the process all over from scratch and incur further delays."

Archiving posed a similar challenge for this food manufacturer. The company is required to retain most invoicing documents for at least seven years, and regulators perform regular audits to ensure that the company is doing its due diligence.

The spokesperson continued: "We relied on the same provider to manage archiving of our invoices; once they scanned the invoices, they saved the digital versions on CDs and shipped them back to us. If we were asked to provide a copy of an invoice during an audit, we would have to find the right CD, pull the relevant file from it, and print out a separate copy to send to our auditor.

"Not only did this take a great deal of time and effort, there was also a risk that we might be unable to retrieve the required documents because we were depending on an outside source to handle the archiving. If they overlooked a certain document or if there was an error during the scanning, we likely would not know until we came to retrieve a file from the CD, and by then, it could be too late to correct the issue. While we have always been able to successfully fulfill our audit requirements, the risk posed by our old approach was simply too high. We set out to find a solution that would enable us to process and archive our growing volumes of invoices in a more efficient and reliable way."

KOFAX

"With Kofax solutions we can process invoices faster and with fewer resources than before. We've effectively doubled our volumes while increasing headcount by one and a half FTEs: an exceptional outcome."

Spokesperson, Leading North American Food Manufacturer

SOLUTION

This food manufacturer decided to digitize and automate the end-to-end invoicing process and chose Kofax ReadSoft Invoice Portal as the key enabler for this new approach. An advanced optical character recognition (OCR) and data capture platform, Kofax ReadSoft Invoice Portal automates the scanning, classification and filing of invoice data.

The company has done away with pushing paper; whether invoices are delivered by post, fax or email, AP teams take advantage of the Kofax solution to extract and validate key data from invoice documents automatically and transfer it to SAP ERP for processing.

"Kofax ReadSoft Invoice Portal is an amazing tool; it really is a one-stop-shop for invoice processing," remarked the spokesperson. "Our staff no longer have to deal with piles of paper and electronic files scattered across different file systems and email inboxes—all the information they need is instantly available in one central location.

"We've been very impressed by the solution's search capabilities—we can search for invoices by purchase order [PO] number, vendor code or vendor name, and even browse for invoices received within a specific timeframe. Thanks to Kofax ReadSoft Invoice Portal, it couldn't be easier to find information."

For invoices sent by email, the company has set up a single, dedicated inbox and leverages Kofax ReadSoft Collector to sort incoming messages into different folders upon delivery for easier search and management. For example, all invoices sent by suppliers of marketing services are sent to a 'Marketing' folder. The Kofax solution also detects email attachments and instantly transfers them to the core Kofax ReadSoft Invoice Portal system for data capture and validation.

To boost invoicing accuracy, this food manufacturer uses three-way matching capabilities provided by Kofax ReadSoft Process Director to compare information

from each vendor invoice against corresponding PO and master data in SAP. If any issues are found, such as inaccurate quantities, prices that do not match up or damaged goods, the system will automatically notify the appropriate team member, so he or she can resolve the discrepancy before submitting the invoice for payment.

The spokesperson stated: "When we encountered exceptions in the past, it took a lot of manual work to resolve them. Today, we've set up a series of workflows in Kofax ReadSoft Process Director that will instantly route a specific invoice to the relevant controller depending on the nature of the exception. For instance, if the system flags up a pricing discrepancy with a particular invoice, we now have a workflow that routes it to the creator of the corresponding PO. Then, that employee can use a split-screen view to compare the invoice against data held in SAP ERP. There's no need to juggle multiple windows, dig through paper files or a collection of CDs, which makes it much quicker and easier for our teams to check all the data and resolve the issue."

In addition, the company has brought archiving in-house, using OpenText Archive software to provide a single, secure repository for all invoices processed with Kofax ReadSoft solutions.

"We estimate that we have saved around USD 76,000 in just one year now that we are no longer sending invoices off-site for scanning and archiving," noted the spokesperson. "We don't have to go to the added effort of shipping out paper files and storing huge CD collections. Kofax solutions have also been a godsend when it comes to audits. Instead of having to retrieve files from physical disks and print out paper copies, which could take hours, we can search for the requested files with Kofax ReadSoft Invoice Portal and extract them as PDF files, then email them to our auditors in a matter of minutes. Plus, we can be confident that all the required documents will be properly archived and available, minimizing the risk of non-compliance."

"With Kofax ReadSoft Invoice Portal, we can make sure suppliers are paid correctly and on time, increasing their satisfaction and their likelihood of continuing to do business with us."

Spokesperson, Leading North American Food Manufacturer

KOFAX

RESULTS

Kofax solutions have helped this leading food producer bring unprecedented control and transparency to the end-to-end invoicing lifecycle.

"We have gained a whole new level of insight into our AP operations," said the spokesperson. "We now have full traceability of each and every invoice, so we can see when a specific invoice was received, and how long it has spent at every stage in the cycle. We have also set up reminders that notify users when a certain invoice has been pending action with them for more than five days. This ensures items are not overlooked and helps our team keep invoices moving through the system steadily."

The spokesperson adds: "The improved visibility also helps us track and manage enterprise performance much more effectively. Take accruals for example. Instead of having to go through hundreds of invoices one by one and manually add up the expenses, we can simply select the files we require in Kofax ReadSoft Invoice Portal and export one report with all the relevant data. Previously, it took at least four to six hours to complete a single set of accruals; now we get the same work done in about two minutes, which is a tremendous achievement."

The new approach to invoice capture and processing has supercharged the productivity of the AP team at the company—accelerating purchase-to-pay timelines and helping the department take on rising business volumes while keeping resources lean.

"With Kofax solutions we can process invoices faster and with fewer resources than before," explained the spokesperson. "Instead of it taking up to a month to pay invoices like it did in the past, today we can complete the entire process—from invoice receipt to sending out payment to a vendor—in just five to ten days.

"The efficiency gains mean that our team can now process six to seven invoices in the time that it used to take to process a single invoice before. This increase in productivity has allowed us to absorb a huge rise in business volumes. We've gone from handling around 6,000 to 7,000 invoices a month with about six and a half full-time employees (FTEs) to processing some 13,000 invoices a month with eight employees. So, we've effectively doubled our volumes while

increasing headcount by one and a half FTEs, which is an exceptional outcome, and one that surpassed our expectations.

"Between the reduced costs we have seen through higher productivity and the savings we have made by bringing archiving in house, we have been able to achieve a complete return on investment on the Kofax solutions within one year."

In addition, a more automated and streamlined approach to invoice processing has eased the burden of repetitive manual work on the AP team and freed up more time for controllers to focus on higher-value activities.

"Before, there were times when it was a real challenge to stay on top of our work in AP, especially during busy periods," recalled the spokesperson. "Today, invoice processing is a much smoother and controlled process, which creates a far better working environment for our team. People are no longer rushed off their feet and have more time to look for efficiencies, and build relationships with our vendors, which helps strengthen the business as a whole."

For this food manufacturer's suppliers, more efficient AP processes translate into better quality of service.

The spokesperson concluded: "Now that we have improved visibility into each and every invoice, if a vendor calls requesting a status update, our team can give them an answer right away—there's no need to put that vendor on hold, or follow up later in an email, as we can bring up all the information related to their account in seconds.

"With Kofax ReadSoft Invoice Portal helping us power fast, accurate invoicing, we can make sure suppliers are paid correctly and on time, increasing their satisfaction and their likelihood of continuing to do business with us. Ultimately, this helps us keep our supply chain running efficiently, so we can continue to deliver great-tasting food and beverages to customers all across North America."

READ AND WATCH MORE STORIES OF SUCCESS FROM OUR GLOBAL CUSTOMERS AT KOFAX.COM

WORK LIKE TOMORROW.™

KOFAX