



**Image
Integration
Systems**

How work flows.

Adventures in AP Automation

SCUG Meeting



June 8, 2011



Workflow

Document Management

ERP Integration



Intro and Agenda

- Introductions
 - Ron Kelley – VP Business Development
- Objectives
 - Understand AP Automation drivers, benefits and how it can be justified.
 - Present Case Studies and Lessons Learned from the JD Edwards community

Topics

- Topics Covered
 - Who we are
 - AP Business Drivers and Statistics
 - Technology – is that all there is?
 - DocuSphere® AP Automation case studies
 - Tips, techniques, and lessons learned
 - Getting started
 - Q&A



Who is Image Integration Systems?

- ❑ Founded in 1993 – focus from day one on business process management (BPM), electronic content management (ECM) and JD Edwards (JDE) integration
- ❑ Applicable experience and developed expertise
 - ❑ Workflow, ECM, JDE business processes and integration
 - ❑ Comprehensive services: from invoice capture to ready-to-voucher
 - ❑ Consulting, installation, implementation, training, support
 - ❑ IIS is an Oracle Partner Network member and Gold Partner
 - ❑ Industry certifications: CDIA, BPM, PMI, etc.
- ❑ **DocuSphere** integrated software suite
 - ❑ Workflow, ECM, JDE integration, graphical process modeler
 - ❑ DocuSphere is Oracle “validated” for all JDE versions and releases
- ❑ Specialty hardware and software
 - ❑ Scanners, document and data capture, archiving solutions

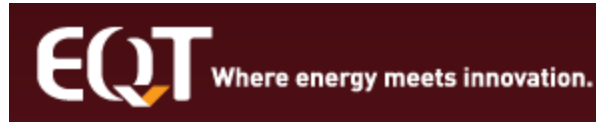
Workflow

Document Management

ERP Integration



A Few of our Clients...



UNIVERSAL MUSIC GROUP



Workflow

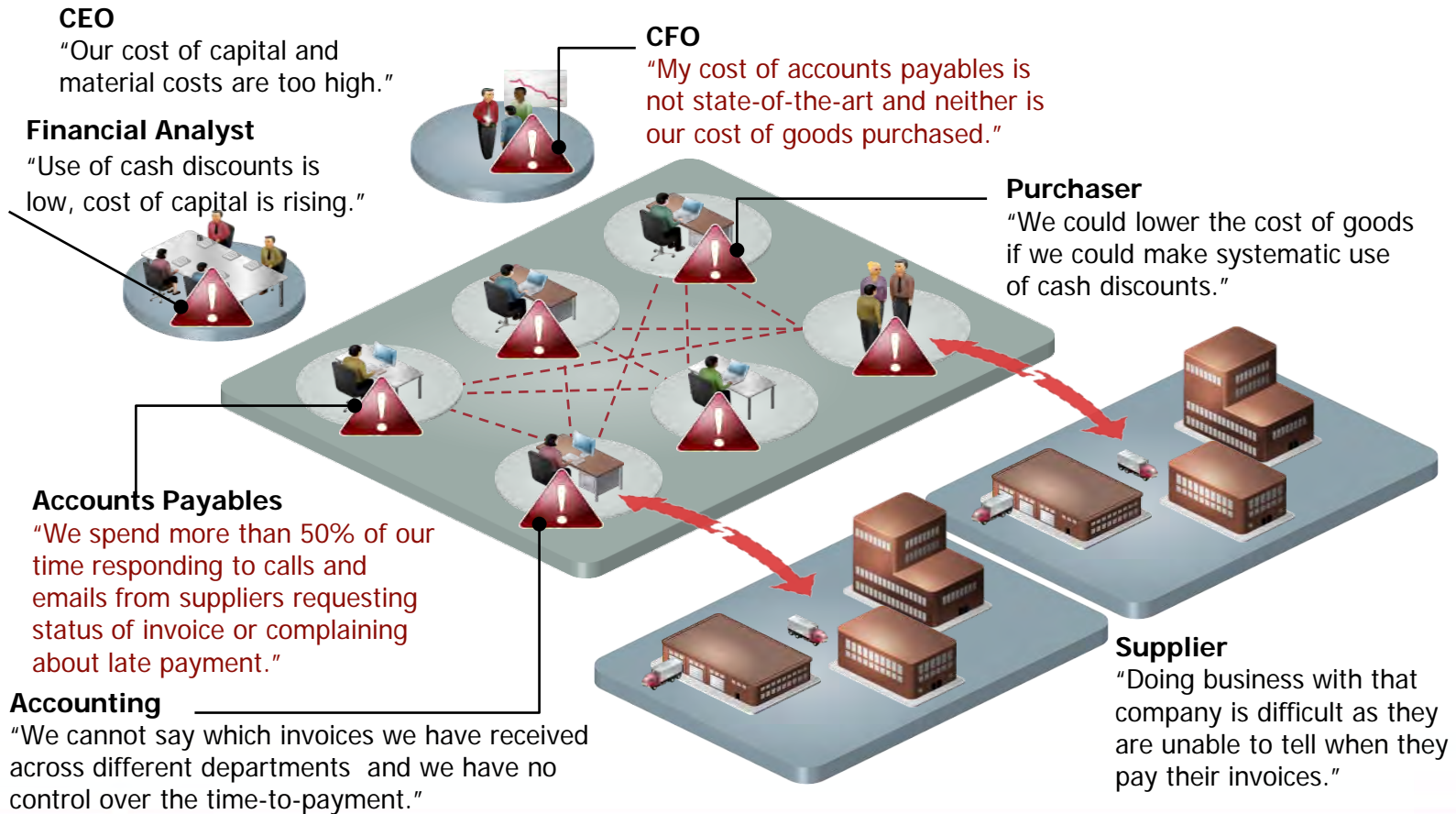
Document Management

ERP Integration

What is AP Automation?

- Extending and enhancing your ERP systems existing AP functionality with technology *and* business process change applied to the vendor payment cycle.
- Generally, moving away from a traditionally manual processing model for data entry and document management by incorporating optical character recognition data capture (OCR), imaging and workflow to transform the AP process.

Does this scenario look familiar?



Why must AP Change?

Observations

Continued downward pressure on costs

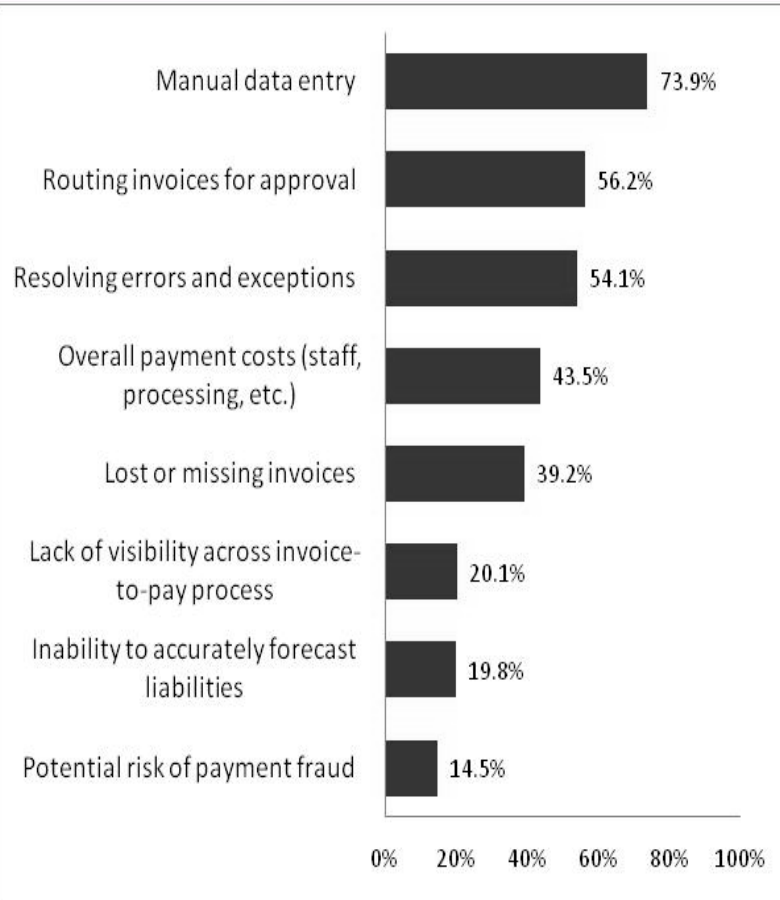
Greater attention on improving working capital

AP being asked to be a proactive 'Business Partner'

Implications for AP

- Relentless focus on cash, efficiency & productivity
- AP must develop actionable strategies for improved performance

Challenges to AP Efficiency



Three main challenges identified by AP departments are:

- **Manual Data Entry**
- **Routing for Approval**
- **Resolving Errors/Exceptions**

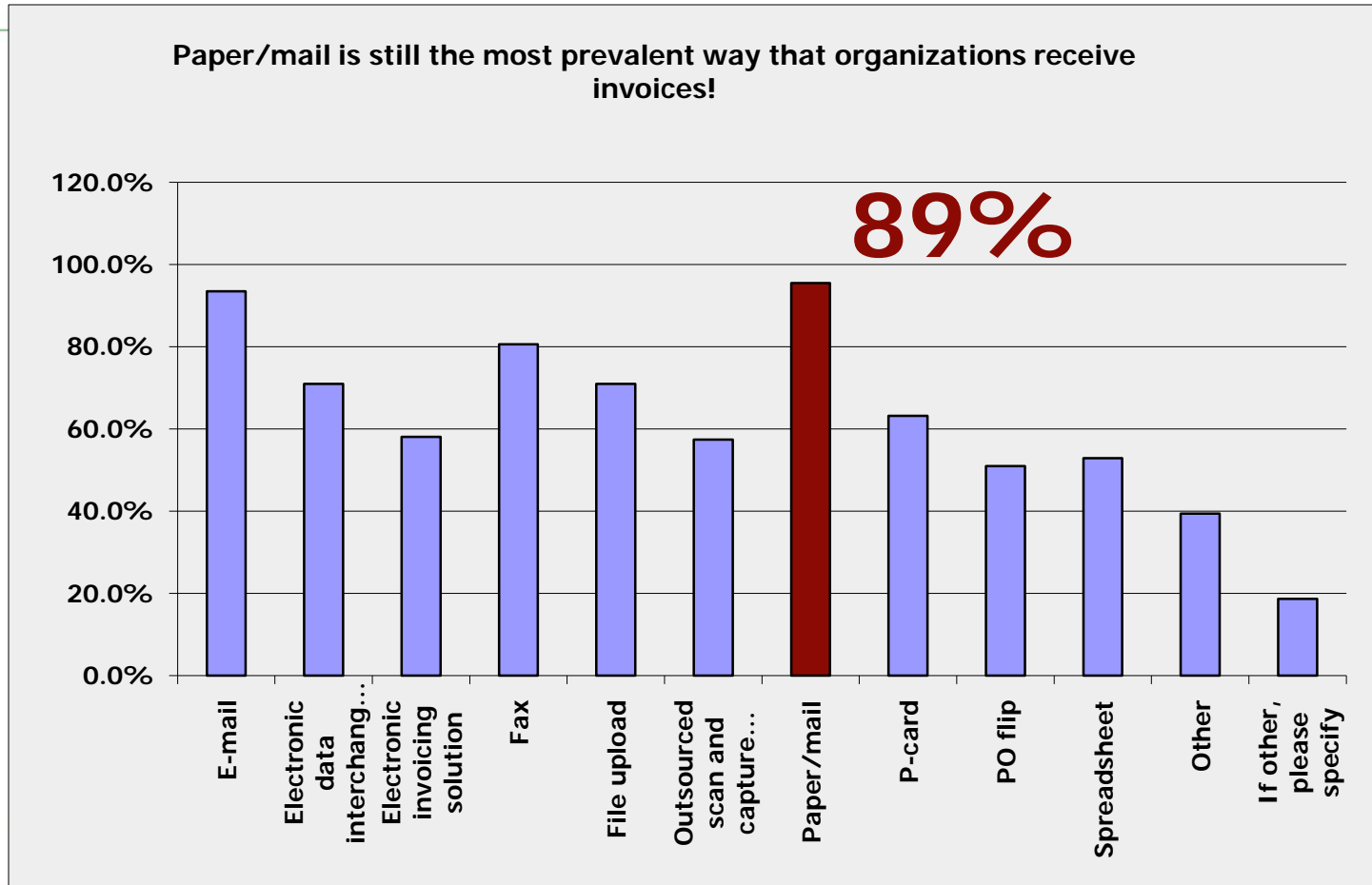
Source: IAPP-TAWPI 2010

Workflow

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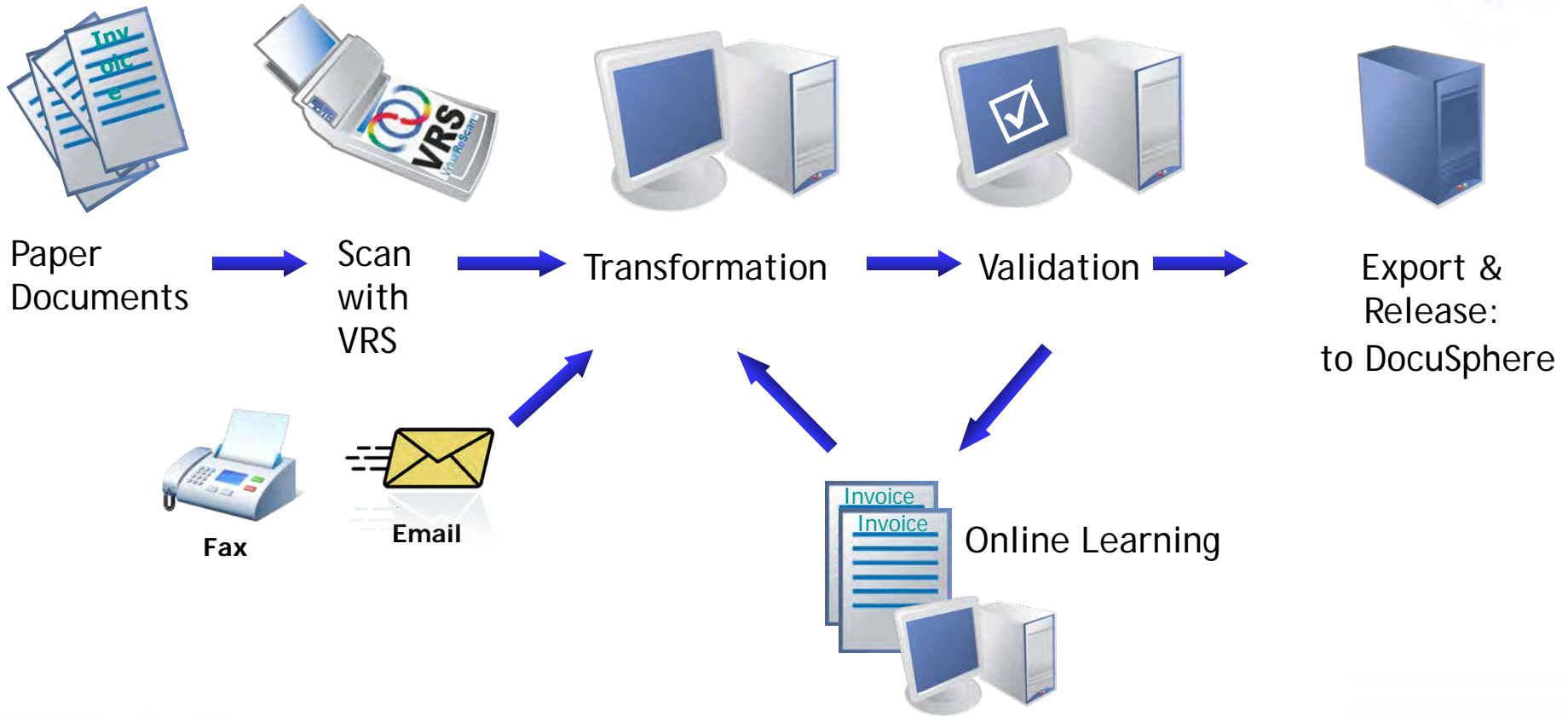
ERP Integration

The Obstacle is PAPER



Source: IAPP-TAWPI 2010

A New Approach to Paper





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How work flows.

Extract Data

- Invoice number and date
- Master data of supplier
- Name and complete address of buyer
- VAT number of supplier and buyer (the latter depending on country and gross amount)
- Delivery date of goods/services
- PO number
- Line items: description of goods, quantity, VAT rate, unit and total price
- Currency, subtotal, VAT rate, VAT amount, total
- Bank details, terms of payment

Office Supply

RECEIVED
20 JAN 2003
INVOICE

Customer Service: 0800 2782698
Credit Control: 0800 2788186

PO Box 2262
Croft Road
LEICESTER LE4 2YE

BY:

Reg. Office: Office Supply International (UK) Ltd
Tollard Road, Lillington LE4 2BE
Registered in England No: 376616
VAT Reg. No: 85744460

Customer Account No:	Invoice No:	Invoice Date:	Date Despatched:	Terms of Payment:	Payment Due Date:
6878887	5384620	16/01/03	16/01/03	NET 30 DAYS	15/02/03

MISS JANE RYAN DICON TECHNOLOGIES LTD RECHWOOD CHINEMAN RUSHES PARK BASINGSTOKE RG24 8WA	Shipped to: MISS JANE RYAN DICON TECHNOLOGIES LTD RECHWOOD CHINEMAN RUSHES PARK BASINGSTOKE RG24 8WA
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Dept:	F.O.	Rel. #	Desk Top			
	JNR046					
Description	Office Depot No.	Unit Price	Quantity Dispatched	BackOrd. Quantity	VAT Code	Total Net Price
SYS BOX 5 CLOSE DRAWER RE	0477499	15.99	1	EA	0 S	15.99
BOOK/DIRECTORY RACK BLUE	0746639	14.99	1	EA	0 S	14.99
BK PRINT ON WHITE LABELS	0776871	8.99	2	EA	0 S	17.98
VISITOR SYSTEM REFL/100	0767370	11.99	1	PK	0 S	11.99
10 FT MULTI-COL HBLA OVR	7142601	0.39	10	ST	0 S	3.90

Shortage or Damage must be reported within 5 days of delivery.

Please Call Customer Service: 0800 1691698

Carriage	V.A.T Rate	VAT Amount	Total Amount	Amount Due
£	17.50%	11.35	64.85	PLEASE PAY THIS AMOUNT £ 76.20

All Goods Remain the property of Office Depot until invoice is settled in full

Please write your account number on the back of your cheque and return it with this counterfoil. Please do not staple together.

Customer Name	Your Office Depot Account	Invoice Number	Invoice Date	Invoice Amount	Amount Enclosed
DICON TECHNOLOGIES LTD	6878887	5384620	16/01/03	76.20	

Payments by Credit Card welcomed. We Accept VISA, MASTER CARD, AMERICAN EXPRESS & SWITCH

Please [Office Supply International (UK) Ltd]
PO Box 378
LEICESTER
LE4 2YE
Clause 10

For BACS Payments, quote the following to your bank:
OFFICE DEPOT ACCOUNT: 6878887
BANK SORT CODE: 201322
BANK ACCOUNT: 23186248
CREDIT DEPT & PAYMENT ENQUIRIES: 0800 2788186

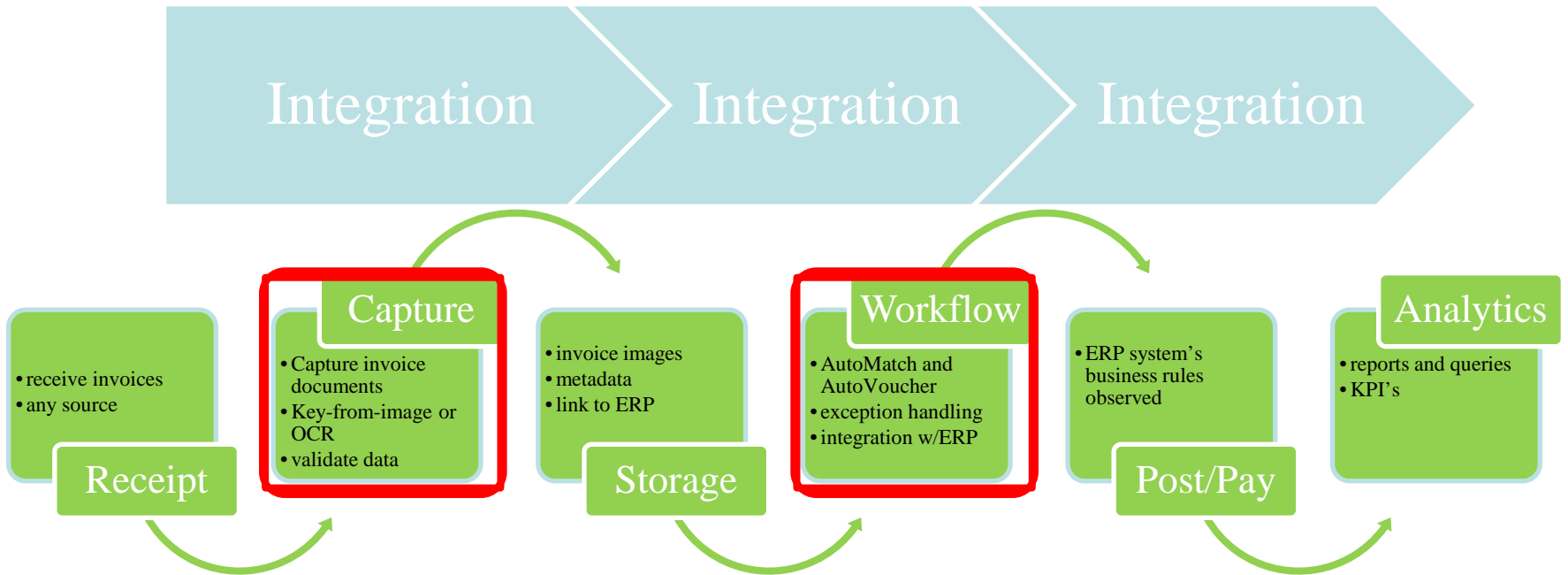
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Workflow

Document management

ERP integration

Stages of AP Automation



Illustrates various stages of an automated Accounts Payable process

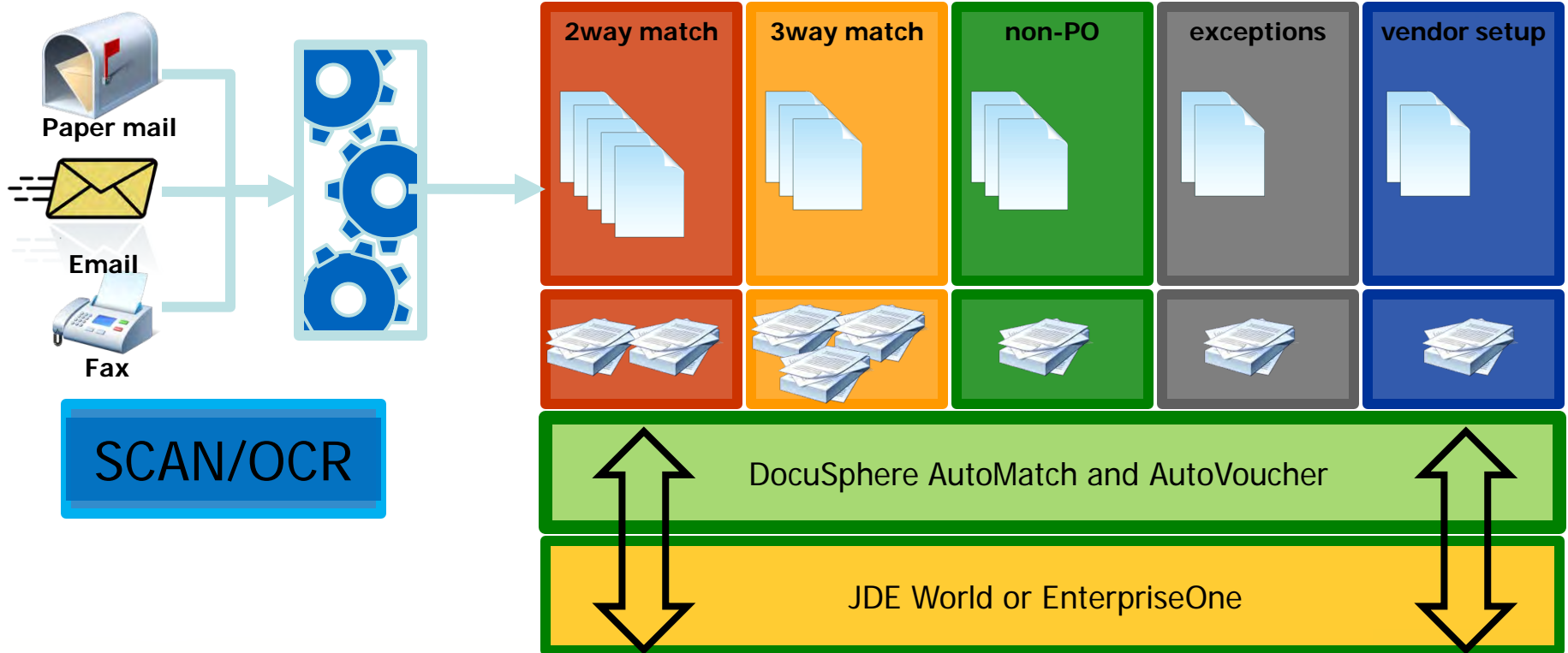
Workflow

Document Management

ERP Integration



DocuSphere AP Automation: "almost hands free"



Workflow

Document Management

ERP Integration

Case Studies – Common Elements

- JD Edwards – World and/or E1
- Paper-bound processes – little automation
- Little visibility or control
- Unable to easily adapt to process change
- High cost per invoice transaction
- Rising processing costs
- Desired payback in 12 months or less



Industry: Construction
Location: Jacksonville, FL
Size: \$500 Million
of Employees: 1,500



- **Challenges**
 - 150,000 invoices per year
 - Long turnaround time for invoice approval – poor access to paper documents from job sites
 - AP bottlenecks and lost invoices in field were affecting vendor payments and billing (pass thru costs)
 - Warehouse full of old project documents in paper files
- **Solution**
 - Kofax Capture, AnyDoc Capture, DocuSphere JDE Integration
- **Results**
 - Reduced approval turnaround time from days/weeks to hours/days
 - No lost invoices in the field which affected billing
 - Electronic project files on line – no more warehouse space required
 - Increased earned revenue recognition by over \$1 million dollars per month
 - Plus many soft benefits – visibility and control improves compliance/Six Sigma

Workflow

Document Management

ERP Integration



Industry: Manufacturing
Location: Multiple
Size: \$2.5 Million
of Employees: 5,700



- **Challenges**
 - 250,000 invoices per year at multiple US and EU locations
 - Manual invoice matching and approval process was slowing payment process
 - Medical Manufacturing Division needed manufacturing records storage/management
 - Rapid growth driving costs higher
- **Solution**
 - Kofax Capture, DocuSphere, JDE EnterpriseOne Integration
- **Results**
 - Invoices now scanned when received and routed for approval and/or matching
 - Reduced cycle time from invoice receipt to ready to by 50%
 - Reduced duplicate payments
 - Volumes have doubled since installation with no increase in staff
 - Visibility from invoice receipt to settlement
 - Records retention for Medical Manufacturing records is secure and robust

Workflow

Document Management

ERP Integration



Industry: Energy/Utilities
Location: Multiple
Size: \$3.9 Billion
of Employees: 7,800



- **Challenges**

- Multiple installations of JDE (on premises and hosted)
- Manual invoice matching and approval process was slowing payment process
- Using Documentum for DocMgt, but not suitable for transactional workflow
- Rapid growth driving costs higher

- **Solution**

- Kofax Capture, DocuSphere, Documentum, 3 ERP instances (JDE World and E1)

- **Results**

- Overall productivity of the Accounts Payable processes has increased by over 30%, with commensurate reductions in manual content and cost per transaction.
- Process cycle time has been significantly reduced, often from weeks to days.
- Total cost of ownership is approximately 20% less than alternatives considered prior to implementation of the DocuSphere solution.
- As measured by document retrieval times, frequency of lost documents, etc., “knowledge worker” productivity in finance, administrative and legal functions has increased approximately 35%.
- AIIM Best Practices Award winner 2005 for this implementation

Workflow

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Industry: Commercial/Residential Gas
Location: UK
Size: \$800 Million
of Employees: 1,500



- **Challenges**
 - Complex invoice matching process for their 65 office locations
 - Manual invoice matching and approval process was slowing payment process
 - Custom built imaging application was outdated and not extensible
 - Rapid growth driving costs higher
- **Solution**
 - AnyDoc Capture, DocuSphere, EnterpriseOne Integration (AutoVoucher)
- **Results**
 - Reduced manual data entry effort by 60%
 - Reduced duplicate payments by nearly 50%
 - Improved payment terms with key suppliers
 - Streamlined receipts matching in days vs. weeks
 - Doubled invoice processing capacity and reduced staff
 - Full visibility to invoice process

Workflow

Document Management

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Industry: Transportation
Location: Cincinnati, OH
Size: \$4.0 Billion
of Employees: 95,000



- **Challenges**

- 150,000 invoices per month from 1,400 offices in N.A.
- High data entry and postage costs
- Expensive outside imaging costs
- Rapid growth driving costs higher

- **Solution**

- AnyDoc Capture, DocuSphere, JDE EnterpriseOne Integration (AutoMatch/AutoVoucher)

- **Results**

- Reduced data entry costs by \$1.1 million dollars
- Reduced postage costs by \$500,000
- Reduced outside imaging costs by \$180,000
- Plus many soft benefits
- Developed applications for CapEx and AR without need for additional software

Workflow

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ERP Integration



Common AP automation process improvement outcomes

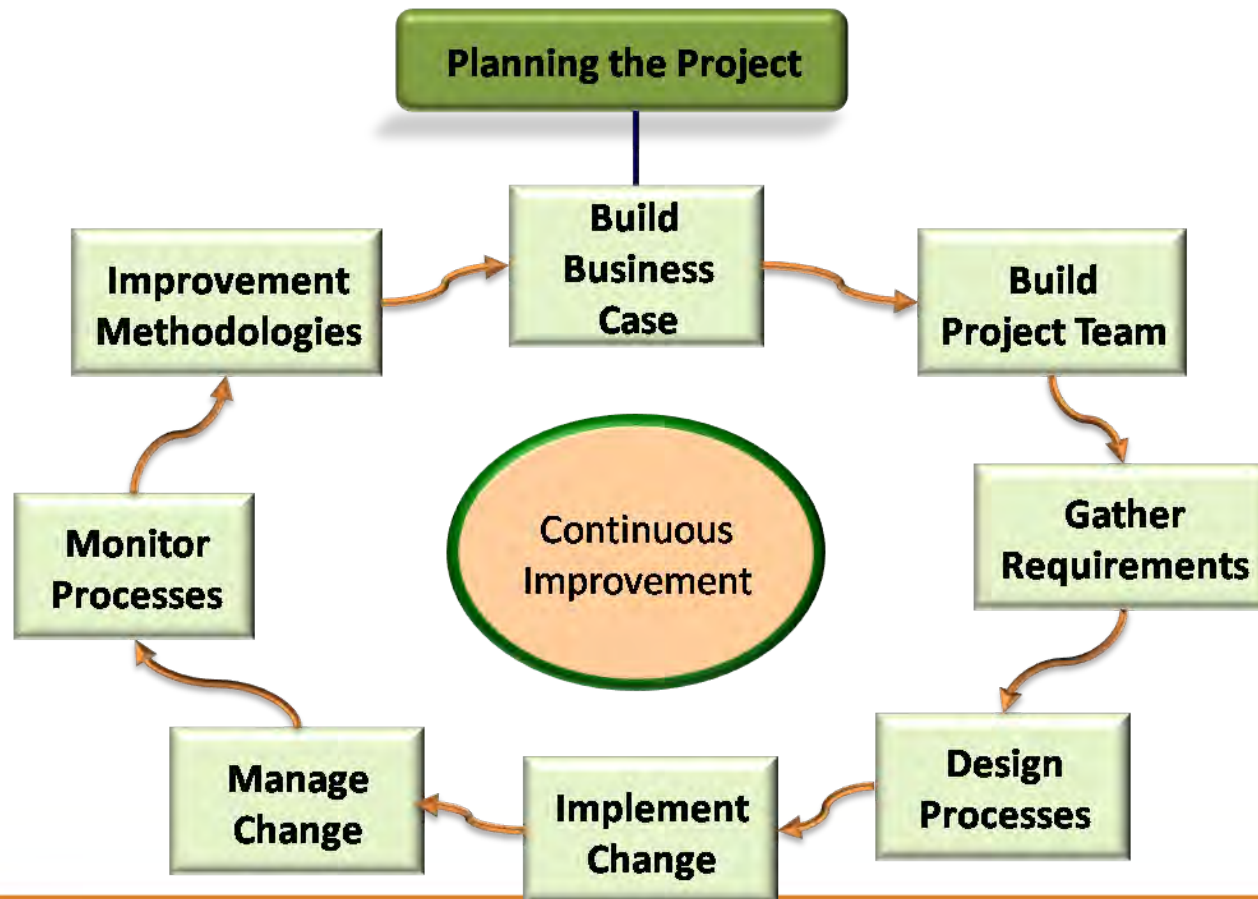
- Avoid duplicate payments
- Better support for segregation of duties
- Improved cash management/working capital/liquidity
- Unrecorded liabilities recognized sooner
- Prompt payment discounts/negotiate favorable terms
- No lost documents
- Improved audit support
- Fraud prevention
- Reduce backlog/smoothier closings
- Better data to manage the business using KPI's
- Headcount reduction in AP is typically redeployed to value-add areas of your business
- AP job satisfaction (from clerical to analytical role)
- Upgrade your work processes to be more agile while upgrading your employees jobs
- Drive out costs
- Drive up predictability
- Improved visibility and control means "no invoice left behind"

Workflow

Document Management

ERP Integration

One Slide Project Plan





Employ a Solid Implementation Methodology

IIS Implementation Methodology			
Initiation	<p>Budget and Planning</p> <p>Evaluation of requirements providing management with budget information</p> <p>Deliverable: Project Budget Info</p>		
Planning	<p>Onsite Study</p> <p>Onsite study defining the current process, project boundaries and requirements, and document the to be process.</p> <p>Deliverable: Statement of Work</p>	<p>Detail Design</p> <p>Onsite development of the Detail Design providing specifications addressing functional requirements.</p> <p>Deliverable: Detail Design</p>	
	<p>Software Installation</p> <p>Onsite installation of IIS Base and 3rd party software in test and production environments</p> <p>Deliverable: DocuSphere Software Installed</p>	<p>Build and Configuration</p> <p>Onsite build and configuration of indexes, workflow, and ERM.</p> <p>Deliverable: Workflow, Index Definition and ERM capture</p>	<p>IIS Custom Development</p> <p>Offsite IIS development activities of custom components.</p> <p>Deliverable: Custom Software</p>
Testing	<p>Integration Testing</p> <p>Offsite end-to-end testing by IIS of custom software and workflow components.</p> <p>Deliverable: Software packaged ready for delivery.</p>	<p>Project Team Testing</p> <p>Onsite testing with customer project team completing end-to-end testing of workflow, customization and integration with ERP.</p> <p>Deliverable: System ready for UAT</p>	<p>User Acceptance Testing</p> <p>Onsite assistance during the User Acceptance Testing process.</p> <p>Deliverable: System ready for implementation</p>
Implementation	<p>Production Cutover</p> <p>Onsite preparation and support for production cutover.</p> <p>Deliverable: System in production</p>	<p>Post Project Follow-Up</p> <p>Confirmation system is fully functional and all post implementation issues are resolved. May include Post Implementation Review with Customer</p> <p>Deliverable: Project Closure</p>	

Workflow

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Failure is not an option, but then...

- Lack of full commitment to change from leadership
- You don't focus on the benefits (outcomes) from the proposed change
- You do not involve all affected people and business groups

Tips, Techniques, Lessons Learned

- No matter how much resistance you get to the process, don't skip steps
 - It's proven...it works
- Ask tough questions – don't assume
- Listen to people on the front line
- Automation is not always the only answer
- Keep all stakeholders informed

What can invoice automation do for your company?

Table 1: Comparative Performance by Size

Definition of Revenue Group	Mean Group Performance
Small Businesses: Up to \$50million in annual revenue	<ul style="list-style-type: none"> ▪ \$16.63 cost to process a single invoice ▪ 17.9-day cycle time to process a single invoice (receipt through payment scheduling)
Mid-size Businesses: Between \$50million and \$1billion in annual revenue	<ul style="list-style-type: none"> ▪ \$16.44 cost to process a single invoice ▪ 15.5-day cycle time to process a single invoice (receipt through payment scheduling)
Large Enterprises: Over \$1billion in annual revenue	<ul style="list-style-type: none"> ▪ \$14.01 cost to process a single invoice ▪ 19.7-day cycle time to process a single invoice (receipt through payment scheduling)
Best-in-Class Companies: The Top 20% of Performers in April's Payables Study	<ul style="list-style-type: none"> ▪ \$4.84 cost to process a single invoice ▪ 3.71-day cycle time to process a single invoice (receipt through payment scheduling)

Source: Aberdeen Group, August 2010

Let's look at the numbers

The spreadsheet we will now review allows us to input some typical measurements and see how they affect the value that can be derived from an AP Automation investment. We will illustrate the benefits by looking at a key AP measurement – Cost Per Invoice



How work flows.

Potential cost savings

DOCUSPHERE® ALL-in-ONE for ACCOUNTS PAYABLE													Cost per Invoice				
													New	\$	Old		
													20				
													19				
													18				
													17				
													16				
													15				
													14				
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													5				
													4				
													3				
													2				
													1				
AP Savings Potential by Major Invoicing Cost Component																	
	"Industry Average"	Input Your Values	DocuSphere Cost Savings Potential														
Cost Components	Cost/Inv		0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%				
M: Data Entry	\$ 7.00	\$ 7.00	X	X	X	X	X	X	X	X	O	O	O				
M: Clerical (paper)	\$ 2.50	\$ 2.50	X	X	X	X	X	X	X	X	X	O	O				
M: Exception Proc'g	\$ 1.00	\$ 1.00	X	X	X	X	X	O	O	O	O	O	O				
Erroneous Payments	\$ 0.50	\$ 0.50	X	X	X	X	O	O	O	O	O	O	O				
IT, storage, post, space..	\$ 4.50	\$ 4.50	X	X	X	X	X	X	O	O	O	O	O				
Total	\$ 15.50	\$ 15.50															
Input Invoices per month		5,000															
Invoices per Year		60,000															
			with DocuSphere														
			AP Costs						Savings								
AP Costs per Invoice	\$ 15.50		\$ 5.80					\$ 9.70									
per Month	\$ 77,500		\$ 29,000					\$ 48,500									
per Year	\$ 930,000		\$ 348,000					\$ 582,000									

Workflow

Document Management

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What Makes IIS Unique in this Space?

- ❑ More experience than any other vendor in JD Edwards AP Automation
- ❑ We integrate with all versions of World and EnterpriseOne
- ❑ Our DocuSphere solution can expand to applications besides AP
- ❑ All-in-One for JDE AP is a complete software and services package
- ❑ We will provide a fixed-price solution for implementations
- ❑ Connectors to over 30 other document repositories (SharePoint, Documentum, etc.)
- ❑ Flexible AP Automation pricing options to match your needs

Workflow

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**Image
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Systems**

How work flows.

Mobile Access

Mobile Accounts Payable

Get down to business - anywhere!

Device Support for

- ✓ iPhone
- ✓ iPad
- ✓ Blackberry
- ✓ Android

Easy to use for any mobile worker



Workflow

Document Management

ERP Integration



Learn more.....

Visit us at: www.docusphere.com for:

Future webinar information, case studies, etc.

Quest Northeast – July 20-21

Quest West – August 16-17

Quest Midwest – November 7-8

Oracle OpenWorld 2011 – October 2-6

JDE Alliance events www.jdealliance.com

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