

Don't Touch That Invoice

Automate Accounts Payable with intelligent Capture

Sample

Agenda

- What is intelligent document capture?
- How capture benefits Accounts Payable
- What Accounts Payable Managers Think – Results of An AberdeenGroup Survey
- Use cases
 - Goodyear
 - Aerospace Contractor
- What's Unique About Datacap Accounts Payable Capture?
- Q & A

...And Extracts Data With Optical Character Recognition (OCR)

Vendor ID lookup →

Vendor name →

Invoice date →

Invoice number →

Total →

Linderer Printing Company
117 SOUTH 6TH STREET
CLINTON, OK 73601-3431
VOICE: 580-323-2102
FAX: 580-323-2108

DPCA
DOANE PET CARE
CLINTON PLANT
P.O. BOX 4589
HOUSTON, TX

77210

Invoice Date: 09.11.00
Page: 1
Salesperson: 2
Invoice #: 15956
Due Date: 10.26.00

	List Price	Sale Price	Discount	Extension	Tx
1.00 AVE-8048-RG 5X3 RECT RED FL LABEL	5.36	5.36	15.0000		Y

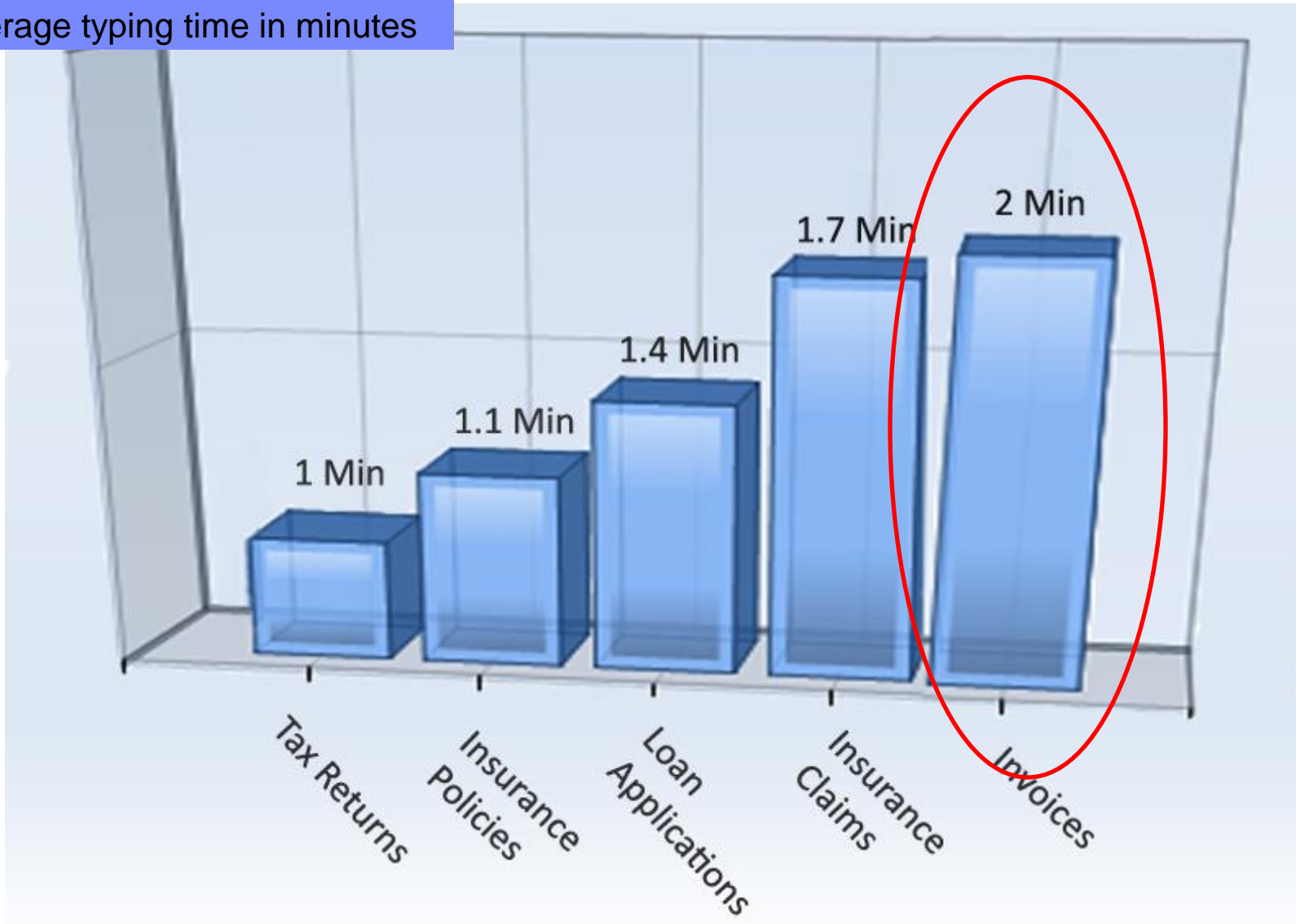
Sub Ttl 5.36 Net 4.56 Recd Balance 4.97
Discount 0.80 Sls Tax 0.41 Change
Total 4.97

Four And 97/100

X X
X
X X *Amber D. Surney* *** Thank You! ***

Customer agrees to terms as shown on this invoice. Amounts over 30 days past due will be charged a 1.75% per month late fee. No returns after 10 days.

Average typing time in minutes



The Challenges of Capturing Invoice Data

- Input paper, EDI, Fax and email attachments
- Image processing to get best recognition results
- Automatically attaching the Vendor ID
- Locating data on variable layouts – even line items
- Assuring accuracy of data
- Preparing data for the Three Way Match in ERP
- Efficient storage and retrieval of Invoice Image

Issues: Dealing With Image “Noise”

INVOICE	
No 12718 (1)	Date 04/18/99

INVOICE	
No 12718 (1)	Date 04/18/99

Reversed Background

INVOICE NUMBER

089-A918444

INVOICE NUMBER

089-A918444

Skewed Image

INVOICE: 310071

INVOICE DATE: 08/30/2000



ARCHER DANIELS MIDLAND
P.O. BOX 1470 DECATUR, IL 62525-1820

ADM CORN PROCESSING DIVISION

INVOICE: 310071

INVOICE DATE: 08/30/2000



ARCHER DANIELS MIDLAND
P.O. BOX 1470 DECATUR, IL 62525-1820

ADM CORN PROCESSING DIVISION

Identifying the Vendor

ALLIED ESTABLISHED 1903 **ALLIED VAN LINES BILL OF LADING & FREIGHT BILL** WHEN INQUIRING ABOUT YOUR SHIPMENT—REFER TO: REGISTRATION NUMBER

CUSTOMER COPY
INVOICE

REMIT TO: 2315 EAST CHESTNUT EXPRESSWAY
PO BOX 5900
SPRINGFIELD, MO 65801 2002 W. 7TH
JOPLIN, MO
(417) 623-

Georgia Department of Community Health
Public Employee Health Benefits

REMITTANCE
TB 28357

INVOICE
MILEMAKER
Rand McNally-TDM, Inc.

SOLD TO
PO BOX 2487
BRENTWOOD, TN 37024
DEPT: ITA-DEAN WEISHAUPT

SHIP TO
WEST 20TH & STATE LI
JOPLIN, MO 64802087

INVOICE NO. 0010408	SITE: 0
WORK ORDER NO.	CUS 9501357
INVOICE DATE 09/07/2000	PO #
PAGE NO. 1	TOTAL AMOUNT

SHIPP
AC
LOAD
ADDR
CITY
BPLC
BILL
ADGT
ISSUE
CODE
SUN
SOLD
1. BTO:
2. ch
BKR
O/A
PKR
D/A
UNPKF
RULE
AGENT
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HAULER
2 HLR
3 HLR
EXTRV
Inventory
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AND
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AND
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DATE SHIPPED	DATE DUE	PURCHASE ORDER NO.	TERMS	
09/07/2000	09/17/2000		Net 10 Days	001:
SALESPERSON			SHIP VIA	FOB
2758	1000	EA	1.00000	
WILL R	0009 MONTHLY LICENSE		0.00000	
2758			1.00000	

Document "Fingerprinting"

SOLD BY:

314

CEN-TEX TOOL & FASTENER
A BRANCH OF FT. WORTH BOLT
AND TOOL CO. INC.
401 COTTINGHAM DR
TEMPLE, TX 76504

REMIT TO:

P.O. BOX 9700
FT. WORTH, TX
76147-2700

I N V O I C E

INVOICE #: 4033902
LOCATIONS #: 04
DATE: 09/28/00
PAGE: 1 OF 1



The House of Tools and Threaded Fasteners

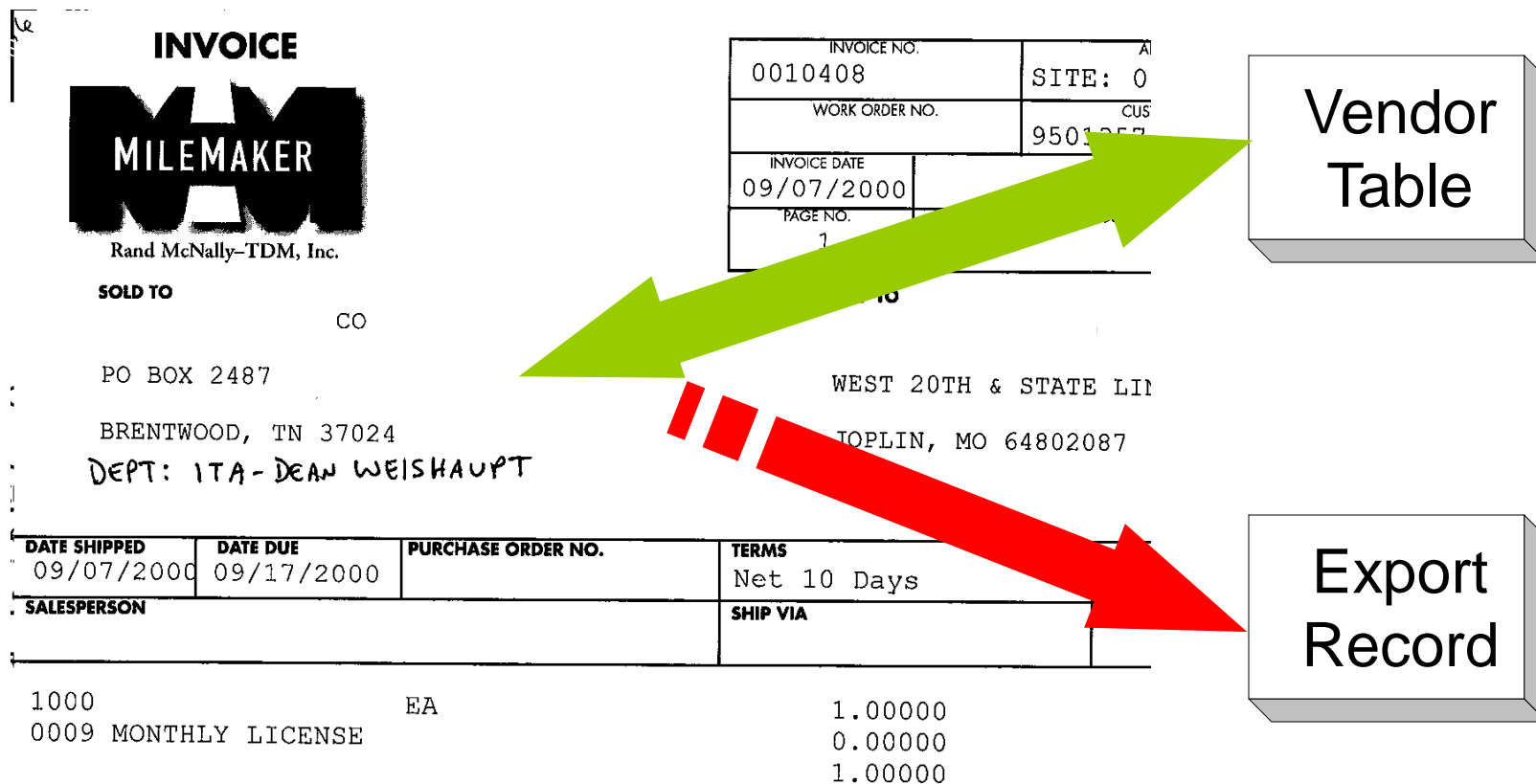
S 002374
O L DOANE PET CARE - PLANT 508
D P O BOX 4589
T HOUSTON, TX 77210
O

SHIP TO
DOANE PET CARE
3401 EBERHARDT RD
TEMPLE, TX 76503

CUSTOMER P/O: PACKAGING LINE REPS: 050 / TERMS: NET 30 DAYS
ORDER DATE: 09/27/00 WRITTEN: RGM ORDER #: 728932 SHIPPED-VIA: OUR TRUCK

PRODUCT/DESCRIPTION	OPEN	SHIPPED	B/O	PRICE	U/M	EXTENSION
NNEC310Z 5/16-18 NYLON INSERT LOCKNUT	300	300	0	3.3600	C	10.08

Vendor Mapping



Zones

CUSTOMER COPY
INVOICE



CAROLINA TIME EQUIPMENT CO., INC.
P.O. Box 18158
Charlotte, NC 28218-8158
(704) 536-2700

RECEIVED

SEP 25 2000

INVOICE NUMBER: **049414**

INVOICE DATE: **09/20/00**

PAGE: 1

PRODUCTS COMPANY
451 PROPERTY DR.
ORANGEBURG, SC
29115

PRODUCTS COMPANY
451 PROPERTY DR.
MARK FORD
ORANGEBURG, SC
29115

SHIP VIA : UPS	CUST.I.D. : 1DOAPR
SHIP DATE : 09/14/00	P.O. NUMBER : MARK FORD
DUE DATE : 09/21/00	P.O. DATE : 09/11/00
TERMS : NET	OUR ORDER NO. :
	SALESPERSON : 10

THE MERCHANDISE LISTED ABOVE HAS BEEN PRODUCED IN ACCORDANCE WITH THE FAIR LABOR STANDARDS ACT OF 1936, AS AMENDED.

ITEM I.D./DESC.	ORDERED	SHIPPED	UNIT	PRICE	NET	TX
700 KEY	1.00	1.00	EACH	6.0000	6.00	T
SHIPPING AND HANDLING					6.04	E

More Zones

14 **UMS** REMIT TO: 2315 EAST CHESTNUT EXPRESSWAY
PO BOX 5900
SPRINGFIELD, MO 65801
(417) 862-7411 2002 W. 7TH STREET
JOPLIN, MO 64801
(417) 623-1022

UNITED MACHINERY and SUPPLY NEW AND USED MACHINE TOOLS AND LIFT TRUCKS

Date: 09-28-00

SERVICE INVOICE

Page: 1

Invoice No.: 0202 7014831-01

Bill To: 2295

GENERAL STEEL FABRIC
927 SCHIFFERDECKER
JOPLIN MO 64801

OCT 02 2000

Auth: PM CNTRCT Meter: 2363.0 Glam: 001

Terms: N/10 DAYS

Make: BAT Model: 0010 Ser No: EEM00000 Equip:

Shipped	Backorder	Product	Description	Bin	Net Price	Amount
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Rules Driven Search



CAROLINA TIME EQUIPMENT CO., INC.
P.O. Box 18158
Charlotte, NC 28218-8158
(704) 536-2700

**CUSTOMER COPY
INVOICE**

RECEIVED
SEP 25 2000

INVOICE NUMBER: 049414

INVOICE DATE: 09/20/00

PAGE: 1

SOLD TO:
DOAN PRODUCTS COMPANY
451 PROPERTY DR.
ORANGEBURG, SC
29115

SHIP TO:
DOAN PRODUCTS COMPANY
451 PROPERTY DR.
MARK FORD
ORANGEBURG, SC
29115

SHIP VIA : **UPS**
SHIP DATE : **09/14/00**
DUE DATE : **09/21/00**
TERMS : **NET**

CUST I.D. : **1DOAPR**
P.O. NUMBER : **MARK FORD**
P.O. DATE : **09/11/00**
OUR ORDER NO. :
SALESPERSON : **10**

THE MERCHANDISE LISTED ABOVE HAS BEEN PRODUCED IN ACCORDANCE WITH THE FAIR LABOR STANDARDS ACT OF 1936, AS AM

Aberdeen AP Survey Results

What It Suggests

AberdeenGroup – Annual Accounts Payable Surveys

Hypothesis

- Though paper persists as the format of choice for invoices and payments, broader change for the Accounts Payable function is underway.

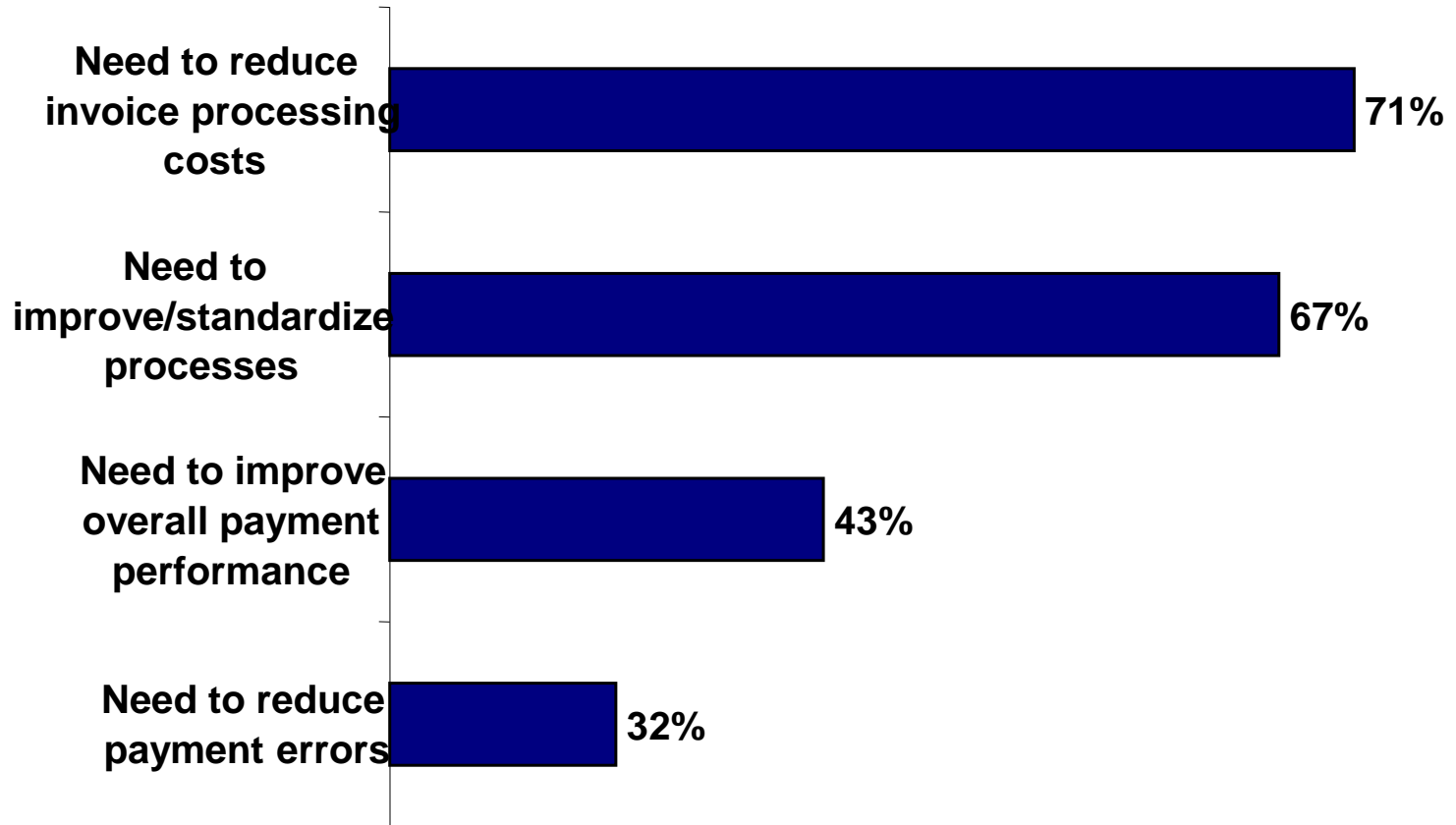
Approach

- Aberdeen Group conducts web-based surveys targeting 450+ professionals in Aberdeen research membership pool
- Followed up with interviews from survey respondents

Size

- Large (Greater than \$1B) – 45%
- Mid-Market (\$50M to \$999M) – 45%
- Small (Less than \$50M) – 10%
- **Region**
- North America – 72%
- EMEA – 16%
- Asia Pacific – 8%
- **Industry**
- Manufacturing – 13%
- Finance – 8%
- 30 other categories

AberdeenGroup Survey Findings – Most Pressing Business Need for AP



Source: AberdeenGroup

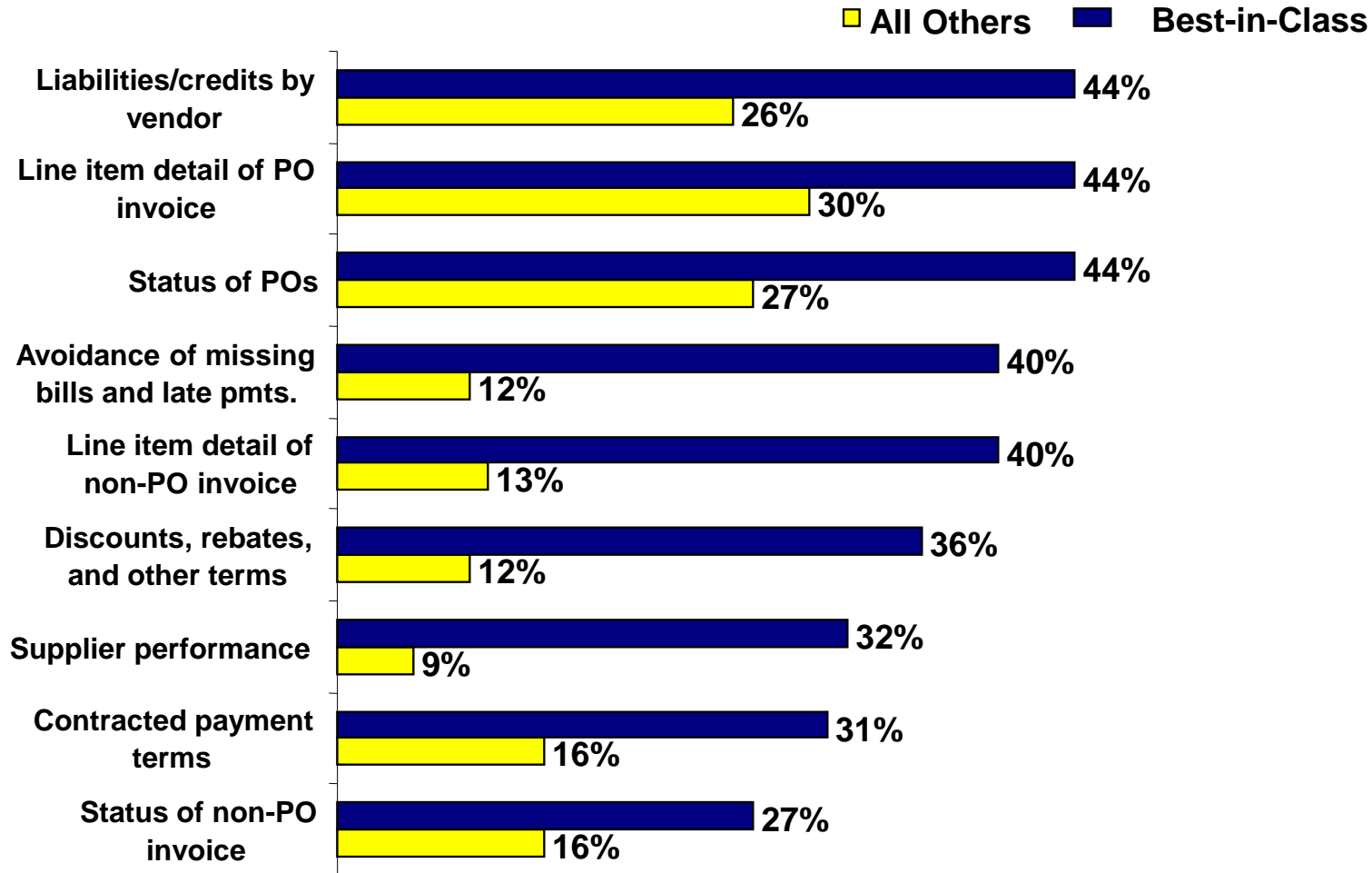
Maturity Framework

Definition of Maturity Class	Mean Class Performance
Best-in-Class: Top 20% of aggregate performance scorers	<ul style="list-style-type: none">▪ \$2.18 cost to process an invoice▪ 2.8 days to process an invoice
Industry Average: Middle 50% of aggregate performance scorers	<ul style="list-style-type: none">▪ \$9.38 cost to process an invoice▪ 15.8 days to process an invoice
Laggard: Bottom 30% of aggregate performance scorers	<ul style="list-style-type: none">▪ \$34.11 cost to process an invoice▪ 35.1 days to process an invoice

Automating AP saves \$32 per Invoice

Source: Aberdeen Group

Best-in-Class: Real-Time Visibility Of AP

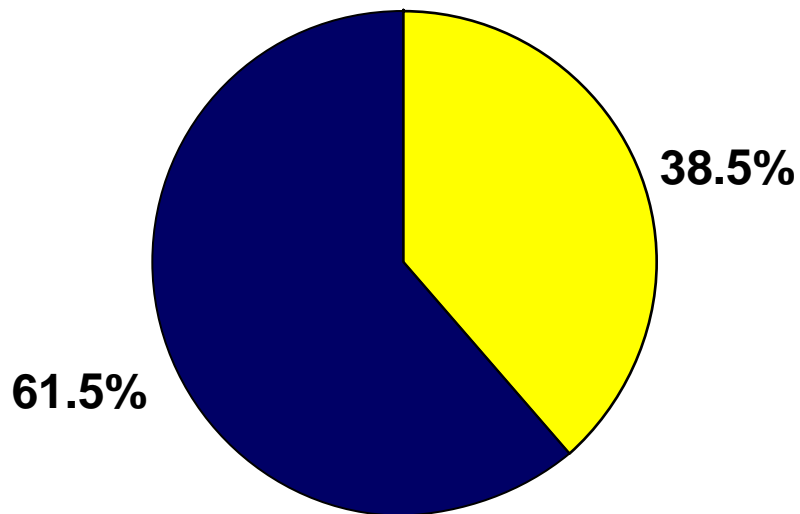


Source: AberdeenGroup

Findings: Paper vs. EDI

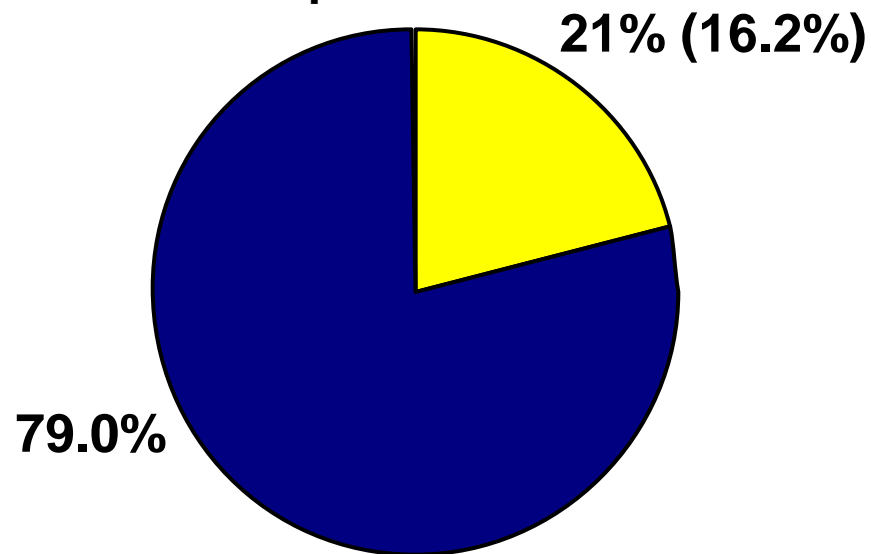
PAYMENTS

- Electronic
- Paper/Manual



INVOICES

- Electronic
- Paper/Manual



Source: Aberdeen Group

Selected Use Cases

Goodyear Tire and Rubber Company

- Headquartered in Akron, Ohio
- Largest tire manufacturer in the United States
- 60 manufacturing facilities in 23 countries
- AP Automation Trigger Event: Consolidation To Central Processing Center in Akron
 - 4.1 million invoices annually
 - Less than 20% of vendors on EDI
 - More than half keyed manually from paper
 - Business systems in place:
 - IBM FileNet P8 content repository
 - IBM Lotus Notes
 - SAP



Challenges - Accuracy



Needed To Eliminate Mistakes Made During Double Data Entry

- Goodyear AP clerks were manually keying invoice data twice for each invoice:
 - First into SAP
 - And then during manual indexing of invoice images into IBM FileNet Content Manager

“AP clerks would sometimes transpose an invoice number or key in the wrong date or vendor code when manually entering invoice data,” recalled **Jami Dunphy**, Goodyear’s accounts payable manager.

Challenges – Efficient Turnaround

Goodyear's invoice approval process needed streamlining

- AP clerks manually typed e-mail requests to each department for approval and attached the invoice.
- With invoices being touched so many times by so many different people, the process was just too slow and labor intensive
- With centralization, Goodyear AP decided that it was time for AP automation

“We need to ensure that we pay our vendors’ invoices in a timely fashion. If we miss getting critical payments processed by the check-run date, we have to issue special “quick pay” checks to these vendors, which requires added labor and operational costs.”



Building The Business Case – Three Steps

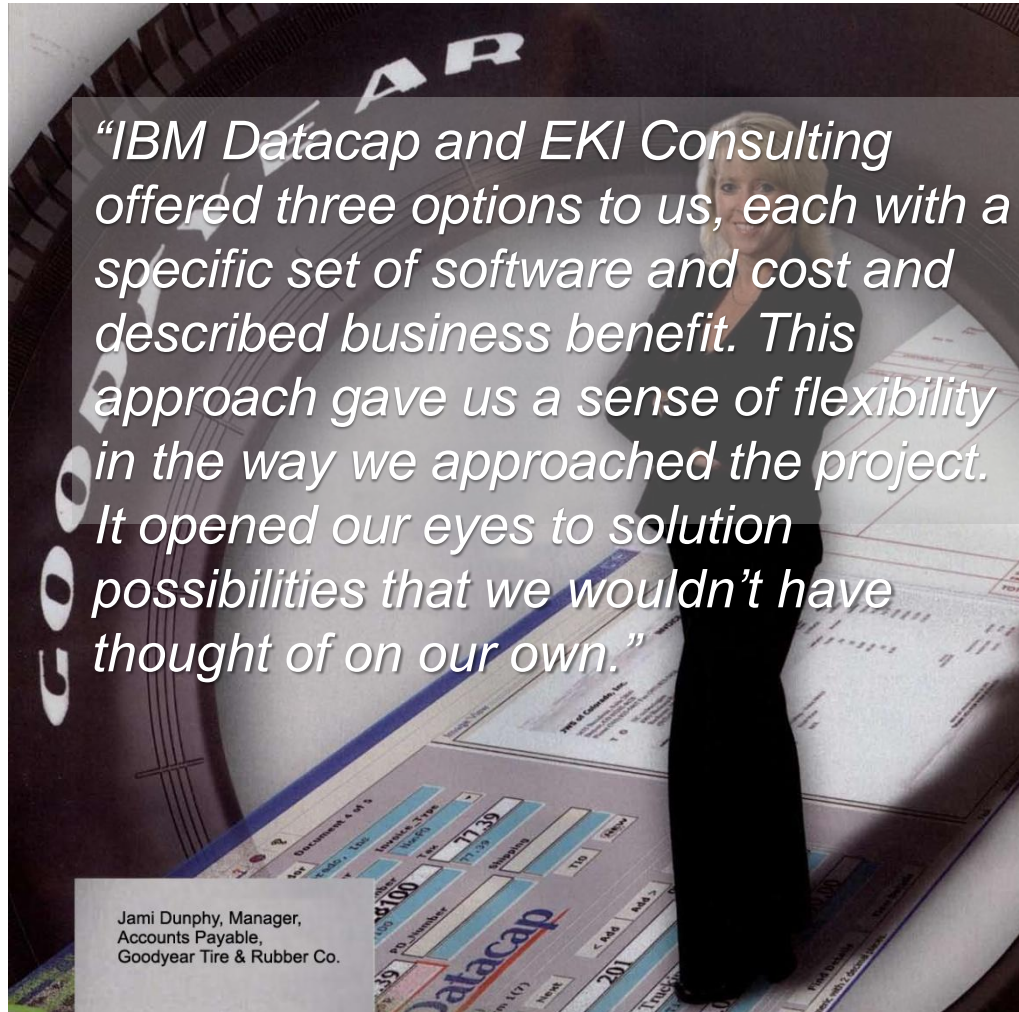
- Step One - Referencing studies on AP best practices worldwide.
- Step Two - Detailed benchmarking of performance metrics, including:
 - Volume of invoices each clerk processed manually
 - Data entry error rate
 - Invoice approval time
 - Average turnaround time from receipt of invoice to payment
- Step Three - The team built a Return on Investment and made a clear pitch to Goodyear management:
 - Invoice automation with a capture and workflow system would lower overhead, speed the payment process and reduce errors, all benefitting Goodyear's bottom line.



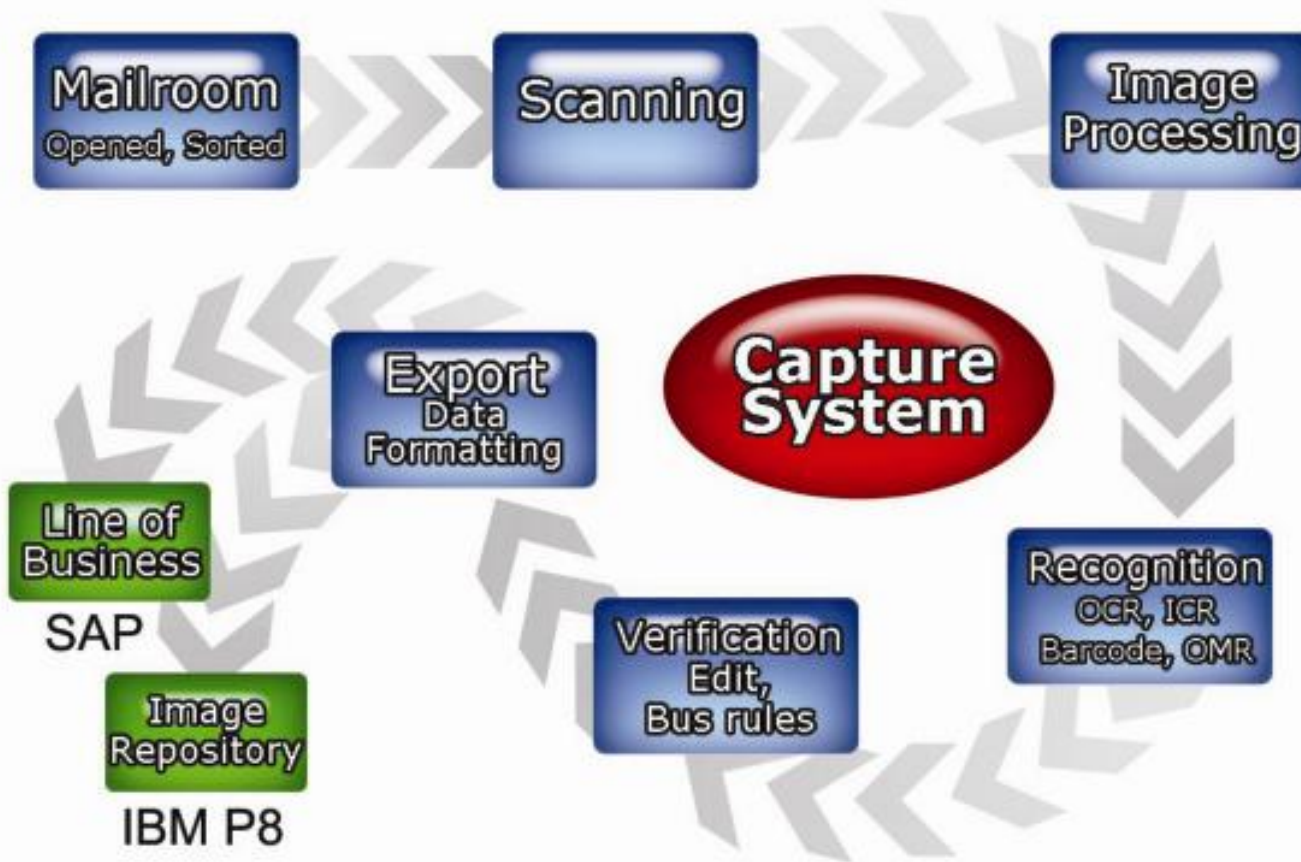
The Selection Process

- **The RFQ Establishes the Ground Rules**
- What Goodyear wanted in an AP Capture solution:
- Highly accurate data location - A clear method for capturing data from thousands of different invoice layouts
- High recognition rate – Goodyear wanted to minimize data entry
- Flexible confidence threshold
- Workflow solution
- Easy to manage
- Solution to work with IBM FileNet P8
- Stage One - The AP team developed a request for quote (RFQ) and developed a list of 12 vendors to approach
 - Most of the 12 ultimately responded
- Stage Two - Goodyear invited six vendors to make live presentations in Akron.

IBM Datacap Taskmaster Accounts Payable Capture



GOOD YEAR Paper Invoice Process



Goodyear Results

- Doubled invoice volume with no addition to headcount
- Reduced data entry errors
 - Less exception handling required
- Streamlined workflow process with AP workflow in Lotus Notes
 - Each invoice handled only once instead of multiple times
- Reduced invoice approval turnaround time from 5-7 days down to a single day
- Redeploy data entry staff to other AP projects

Parting Quote

“By automating the data capture and validation process, we were able to absorb the additional invoice volumes we received as a result of centralization without adding headcount.”

- Jami Dunphy



U.S. Aerospace and Defense Contractor

- Fourth-largest defense contractor in the world
- 125,000 employees worldwide
- Fortune 100 Company
- Operations in all 50 states and 25 countries
- Aerospace, electronics, information systems, shipbuilding and technical services
- 600 different departments and 3,000 business partners worldwide



Accounts Payable Operations

- Shared Services model
- SAP ERP system – Manual data entry process
- 1500 invoices/day
- 55,000 different vendors
- Invoices arrive in the mail in paper form, as well as via fax and e-mail
- Invoices are matched against Purchase Orders created by the each division's Purchasing Dept.
- 600 different departments and 3,000 business partners create purchase orders
- 12 data entry clerks



3 Challenges for Automation

1. High volume of invoice layouts (55,000 vendors)
 - Using “templates” (prebuilt maps of each document that tell the system where to find data fields) was impractical, expensive and too time consuming
2. Required robust validation of data to streamline the 3 way matching process, managed by expensive SAP knowledge workers
3. Variety of media of the incoming invoices
 - paper invoices in the mailroom,
 - electronically as fax or
 - Email attachments (as Tiff images and/or PDF images)



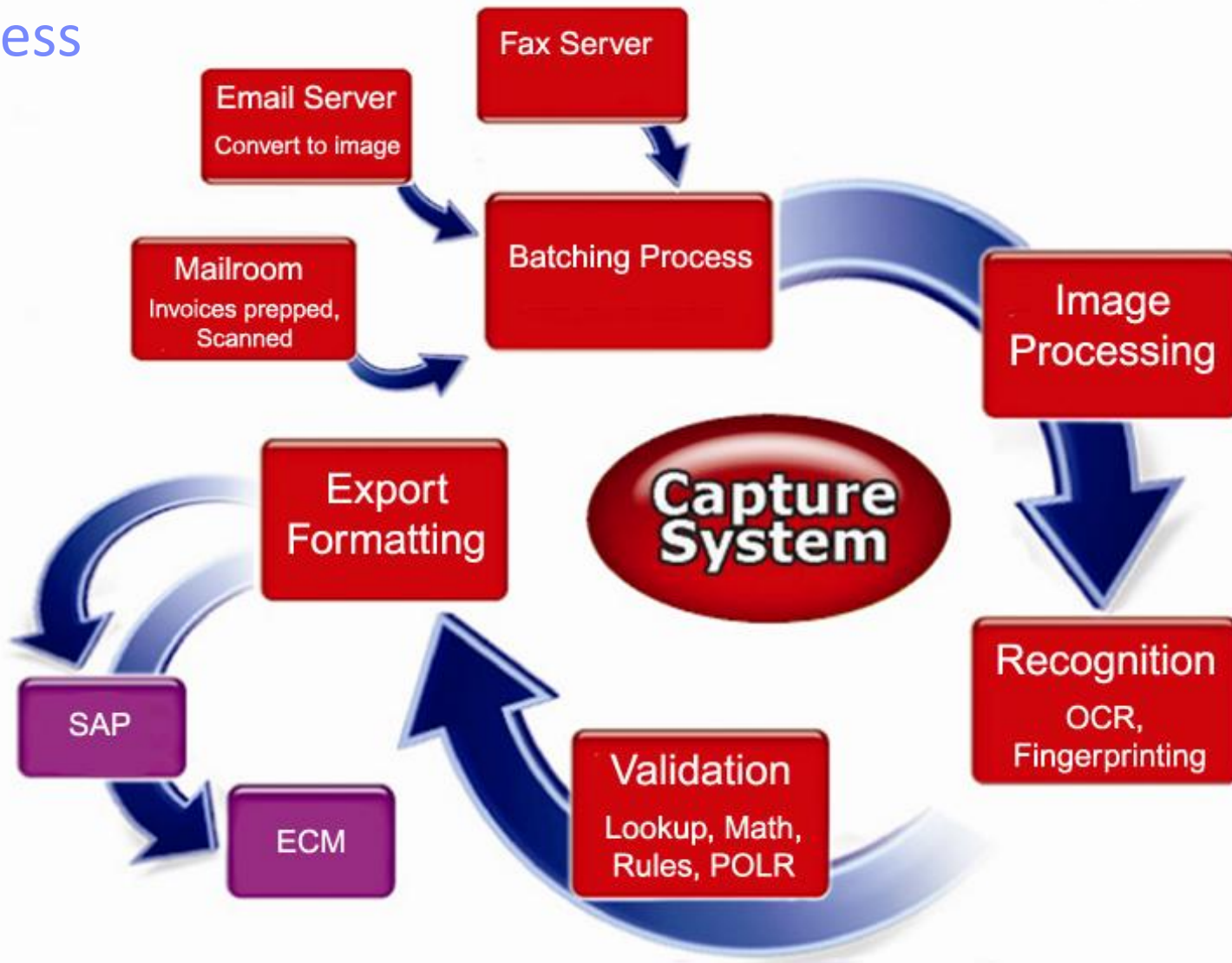
The Solution

IBM Datacap Taskmaster Accounts Payable Capture

- Bowe Bell and Howell scanners
- Why Taskmaster:
 - Ability to handle large variety of invoice layouts
 - Ability to input email attachments and faxes
 - Automated validations that check date, invoice number, math calculations, and prepare for SAP 3 Way Match
 - Releases data/images to two systems:
 - SAP
 - ECM Repository



The Process



Results

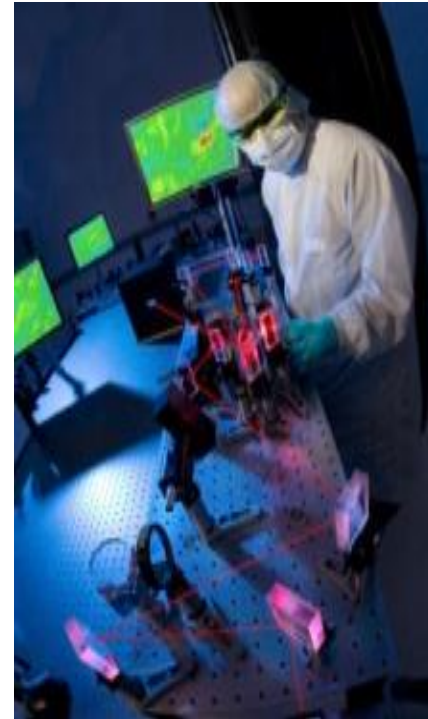


- **Reduced invoice data entry headcount by 75%**
 - from 12 to 3
 - Set up Taskmaster to “autopass” all invoices that have no low confidence characters or failed validations 30 – 40% pass through Taskmaster without human “touch”
- **Improved accuracy by 30%**
 - Less exceptions to manage “downstream” in SAP
- **5 Year ROI: 175%**
- **System payback: 1.2 years**

Parting Quote

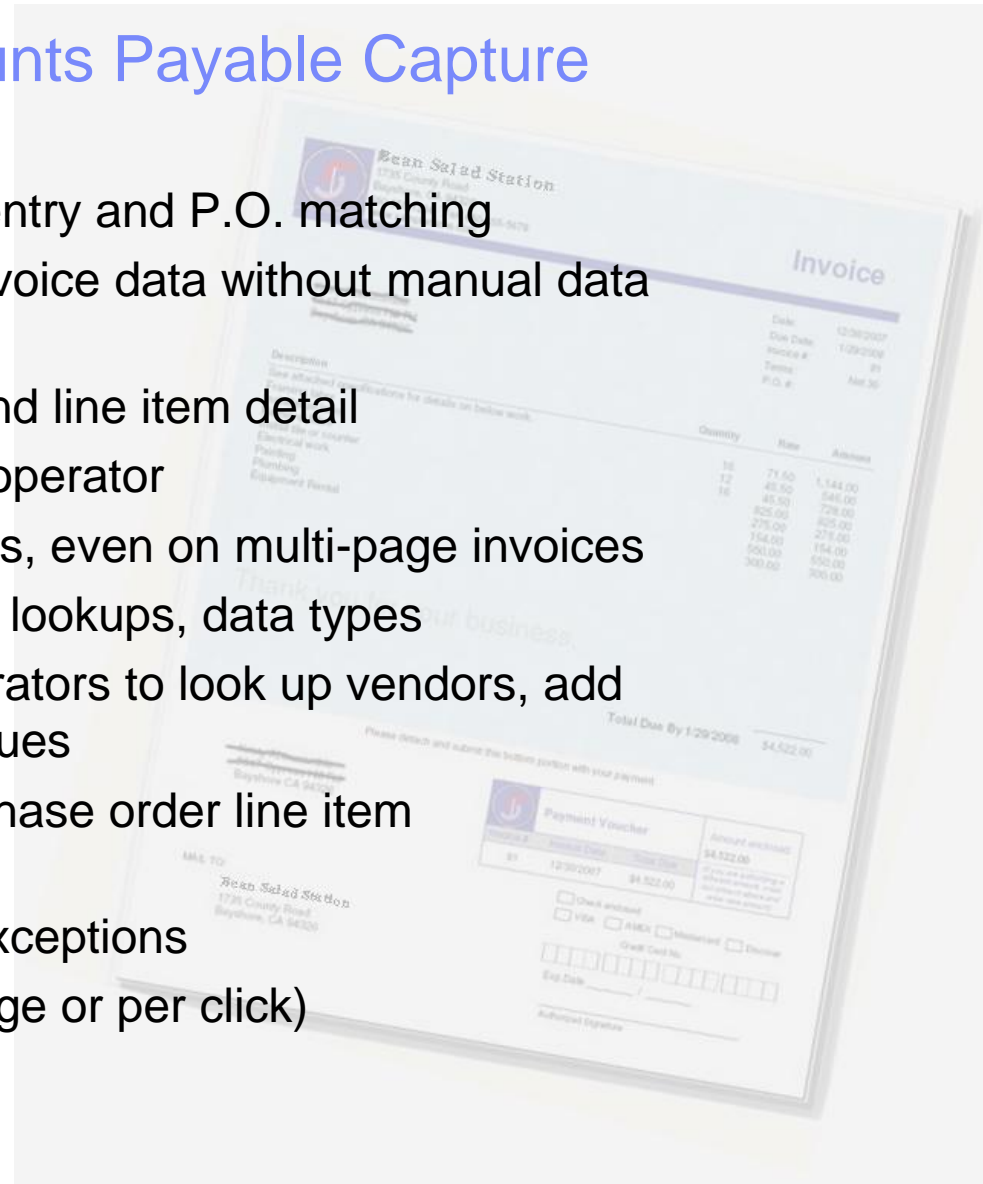
“We found only one solution that could help us manage the many vendor layouts, properly prepare data for the Three Way Match in SAP AND input per, fax and email invoices. And that was Datacap Taskmaster Accounts Payable Capture.”

- AP Manager



Datacap Taskmaster Accounts Payable Capture

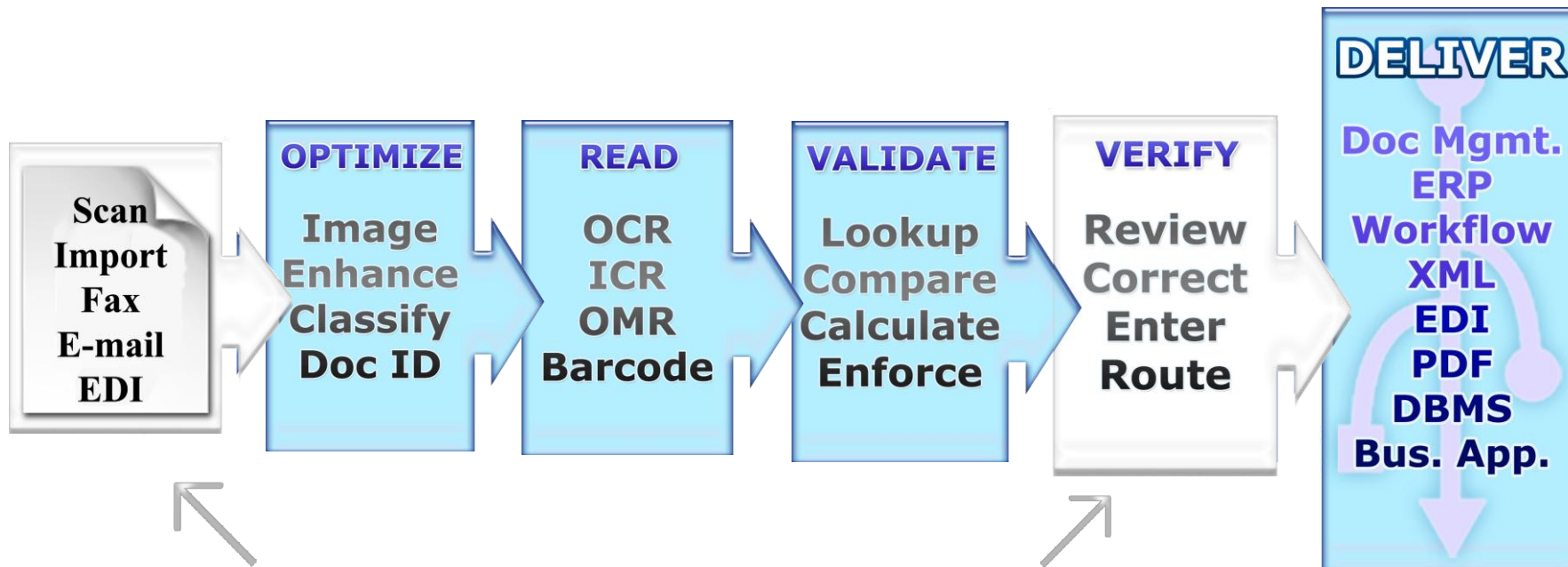
- Preconfigured for invoice data entry and P.O. matching
- Captures, verifies and routes invoice data without manual data entry
- Extract data including header and line item detail
- Learns new invoice types from operator
- Accurately captures all line items, even on multi-page invoices
- Validation rules on dates, math, lookups, data types
- Active verify panel enables operators to look up vendors, add line items, calculate missing values
- Aids three-way match with purchase order line item reconciliation
- Send to operator for handling exceptions
- User based pricing (not per image or per click)



Excels at Handling Exceptions...

- **New Vendors**
 - DNA enables fast set up of new vendor invoices
- **Multipage invoices**
 - “Image stitching” supports capture of multi-page invoices
- **Click N Key**
 - Easy population of unfilled fields – click on the image
- **Illegible Scans**
 - Verify panel supports manual editing
- **Non-invoice documents**
 - Attachments can be indexed with invoice
- **Purchase Order Line Item Reconciliation**
 - Streamline Three Way Match downstream
- **Input Fax and Email Attachments**
 - All modes of invoice

Datacap Process



Taskmaster Web

Rich verify environment

Database lookups

Full Document Image

Image and data snippets

Line Item Snippets

Line Items in spreadsheet format

Verify - Batch Pilot

Page 1 of 1 Document 4 of 5

Lookup Vendor

Remittance_Zip: 80202-4628

Vendor_Number: TS13687 Invoice_Type: [dropdown]

Invoice_Date: 02/26/07 Invoice_Number: # 28100 Tax: 77.39

Invoice_Total: 1551.39

Invoice Image: INVOICE from JWS of Colorado, Inc.

Details 1(1) Lineitem 1(7)

ItemID: 201 Qty: 10

ItemDesc: Trucking - Ticket 138432

Price: 70.00 LineTotal: 700.00

Line Number	ItemID	ItemDesc	Qty	Price	LineTotal
10	201	Trucking - Ticket 138432	10	70.00	700.00
130	204	Brine Water	130	0.70	91.00
130	203	Fresh Water	130	0.25	32.50
19	206	KCL	19	6.00	114.00
6	201	Trucking - Ticket 146611	6	65.00	390.00
130	203	Fresh Water	130	0.25	32.50
19	206	KCL	19	6.00	114.00

Tax	77.39	SubTotal	1551.39	Recalc
Shipping	0.00	Invoice Total	1551.39	Done
LineItem Total	1474	Difference	0.00	

Q & A