

# Goodyear's "Road To AP Automation"

**Integrated Solutions**



**GOODYEAR**

**Highlights from the article in  
Integrated Solutions Magazine**

**Datacap**

an IBM® Company

# Introduction

## Goodyear Tire & Rubber Company

- Headquartered in Akron, Ohio
- Largest tire manufacturer in the United States
- 60 manufacturing facilities in 23 countries
- 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

This document highlights the contents of a cover article that appeared in Integrated Solutions magazine, December 2008. Read the article here: [www.datacap.com/news/itn/goodyearstoryv2.pdf](http://www.datacap.com/news/itn/goodyearstoryv2.pdf)

## Background

In 2006, Goodyear Tire & Rubber Company, one of the world's largest tire manufacturers, centralized all North American accounts payable operations to its Akron, Ohio headquarters. The move nearly doubled the number of invoices to be processed in Akron and highlighted a need for a process improvement.

Goodyear AP clerks were manually keying invoice data into SAP, and manually indexing invoice images for storage into an IBM repository. Human error was causing all kinds of headaches. "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.

Goodyear's invoice approval process was similarly labor-intensive. AP clerks manually typed e-mail requests 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 pqy" checks to these vendors, which requires added labor and operational costs."*

**- Jami Dunphy, Goodyear**

# Selling Internal Management



*"We benchmarked the capabilities of our AP department with those deemed best-in-class by The Accounts Payable Network and identified key areas for improvement through automated invoice processing. We presented this data to our senior management and they approved the project."*

**- Jami Dunphy, Goodyear**

## **Making The Business Case**

While the Goodyear AP department was well aware of the benefits of AP automation, in order to get funding approved for the project, they needed to justify the investment in new software and services to Goodyear upper management.

First, Dunphy and her team began to build a business case for the project by referencing studies on AP best practices worldwide by The Accounts Payable Network (TAPN), an organization for AP management that offers access to AP metrics, benchmarking data, compliance guidelines and Q & A forums among members.

Then the AP team did a detailed benchmarking of performance metrics, including how many invoices each clerk processed manually, how many errors were made in data entry, invoice approval time, and the average turnaround time from receipt of invoice to payment.

Using industry standards developed around AP automation, 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.

# Selecting the Solution

## The RFQ Check List

- Capture solution
  - Highly accurate location rules - A clear method for capturing data from thousands of different invoice layouts
  - High recognition rate – Goodyear wanted to minimize
  - Flexible confidence threshold
- Workflow solution
  - Easy to manage
- Solution to work with Canon scanners, IBM FileNet P8 document management repository

## Doing Due Diligence

Once the project had the green light and a budget, the AP team developed a request for quote (RFQ) and developed a list of vendors to approach. They identified 12 vendors and solution providers, most of which ultimately responded.

In stage two of the process, Goodyear invited six vendors to make live presentations in Akron. Goodyear looked at these demonstrations as a way to see who responded with the essential requirements they had emphasized in the RFQ:

- Data location
- High recognition rate
- Flexibility on what is verified

In the end, Goodyear selected Datacap and EKI Consulting, a Chicago-based IBM integrator and Datacap partner, because they delivered on all the items in the RFQ and offered more flexible choices.

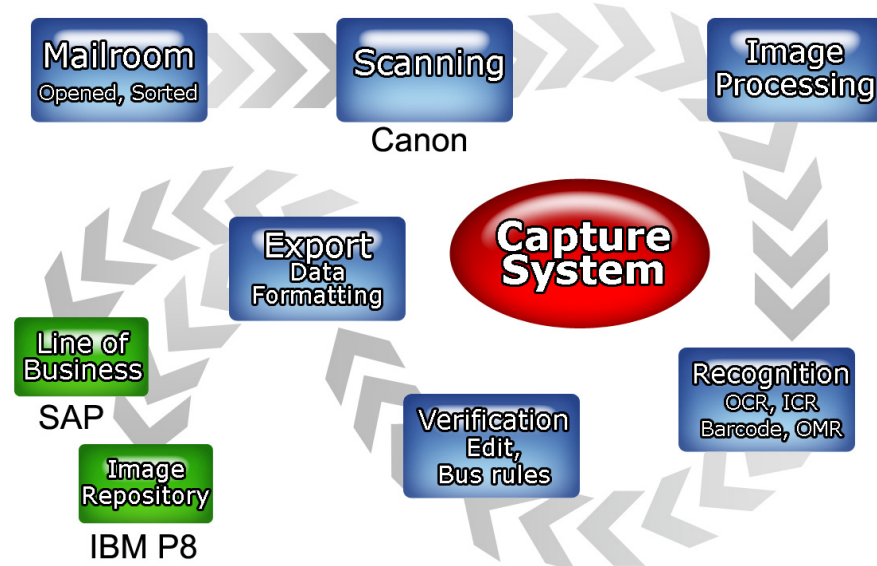
“Our initial RFQ asked vendors for an automated workflow component,” said Dunphy. “Datacap and EKI alerted us to the fact that we could develop an automated workflow component using Lotus Notes software we already owned. This saved us a significant amount of money during the project rollout.”

*“Datacap and EKI Consulting offered three options to us, each with a specific set of software and cost and described business benefit. This approach gave us a sense of flexibility in the way we approached the project. It opened our eyes to solution possibilities that we wouldn’t have thought of on our own.”*

**- Jami Dunphy, Goodyear**

# Solution: Taskmaster APT

## ▶ Paper Document Capture Process



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

**- Jami Dunphy, Goodyear**

## How Taskmaster Manages the AP Process

Today, the Datacap AP automation solution at Goodyear begins with the arrival of invoices in Akron. Invoices and attachments are batched and scanned using two Canon scanners, driven by Taskmaster APT.

Rulerunner Service, running on the Datacap capture platform, begins applying the procedural rules that drive capture with image processing to de-skew, de-speckle and otherwise optimize the image for recognition. Next, full page optical character recognition (OCR) is applied for data extraction.

Then invoices go through the "fingerprint" process, which identifies each individual vendor by the layout of the invoice and the remit-to zip code. Each fingerprint maintains the data locations on each invoice for fast data extraction.

Goodyear verify operators evaluate the image and data side by side in the Taskmaster Verify screen. They can correct any OCR errors or fields that have failed business rules, to make sure that the data passed along to the SAP system is absolutely accurate.

Finally, the images are indexed with the invoice header data for efficient search and retrieval in the FileNet P8 system. Non-PO invoices that require approvals are routed through IBM Lotus Notes AP workflow.

# Exceeding Expectations

## Results

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

*"We were able to redeploy many employees formerly dedicated to manual invoice processing to work on other AP projects. In addition, automated data extraction has helped to reduce the number of data entry errors we experience."*

**- Jami Dunphy, Goodyear**

## Evaluating The Project

Once Goodyear went into production with the AP capture system in 2007, the benefits of automation began to emerge, beginning with increased productivity per person. They found that they were able to handle double the invoice volume without adding personnel. In fact, they shifted some previous data entry clerks to other more valuable tasks.

The reduction in how many times an invoice is touched has had far reaching implications. For one thing, data entry errors dropped, which saved the time and labor of supervisors tracking down correcting mistakes.

In addition, for those non-PO invoice exceptions that require sign-off by a department head, the approval process became much more efficient.

"Our automated workflow solution has helped us take a process that used to require 14 steps and five to seven days to complete, and reduce it to a process that can be completed in a single day with 9 primarily automated steps," said Dunphy.



# About Taskmaster APT

Verify Batch Pilot

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Lookup Vendor

Remittance\_Zip: 80202-4628

Vendor\_Number: TS13687 Invoice\_Type: Non-PO

Invoice\_Date: 02/26/2007 Invoice\_Number: # 28100 Tax: 77.39

Invoice\_Total: 1551.39 PD\_Number: Shipping:

**Datacap** TIO NEW

Details 1(1)

Lineitem 1(7)

ItemID	Qty
201	10
201	10

ItemDesc: Trucking - Ticket 138432

Trucking Ticket 138432

Price	LineTotal
70.00	700.00
70.00	700.00

Calculate Blank Find Details View Details

Invoice\_Total value must be numeric with 2 decimal places.

Task: 20080302.002 20080302.002.04 TMO00004

Image View

INVOICE

JWS of Colorado, Inc.

1675 Broadway, Suite 2800  
Denver, CO 80202-4628  
Phone (303) 825-5467 Fax (303) 825-3434

SHIP TO: JWS technologies 4903 Business Parkway Rochester, MN 55901 (507) 555-1212

Subcontract	Job	Service	Material	Delivery Date	Project	Due Date
105				1/10/04	03/06/07	

Qty	Unit	Description	Unit Price	Amount	Net Total
10	201	Trucking - Ticket 138432	70.00	700.00	
130	204	Water Waste	.70	91.00	
130	205	Fresh Water	.20	26.00	
19	206	KCL	6.00	114.00	
6	201	Trucking - Ticket 148611	65.00	390.00	
130	205	Fresh Water	.20	26.00	
19	206	KCL	6.00	114.00	

TOTAL SUBTOTAL: 1674.00

TOTAL TAX: 77.38

TOTAL: 1851.38

Note all checks payable to JWS  
THANK YOU FOR YOUR BUSINESS!

## Invoice Scan and Capture

Datacap Taskmaster APT automates invoice data entry from scanned paper invoices as well as those delivered electronically. All invoice fields are captured, including line items – even on multiple page invoices - with automated validations and math-checks to assure data accuracy. Once verified, data is passed to your Accounts Payable system or ERP and images are routed to a document repository for rapid storage and retrieval. Taskmaster APT helps reduce data entry and retrieval costs, payment cycle times and invoice entry errors.

## About Datacap Inc., an IBM Company

Since 1988, Datacap Inc. has provided award-winning document capture and forms processing software solutions to organizations worldwide. Datacap Taskmaster software accurately transforms paper into information, increasing efficiency while reducing costs and document cycle time. A client/server, rules-based capture workflow platform, Taskmaster provides the industry's most adaptable solutions for document image indexing and forms processing. Taskmaster also enables scanning and indexing from a browser and integrates with all leading document management solutions, databases and ERP systems. For additional information, visit [www.datacap.com](http://www.datacap.com)



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**APT**

Document Capture for a Demanding World