

A blue-tinted background image showing a close-up of a calculator, a computer keyboard, and a financial line chart with a grid.

AP Automation - Leveraging IFS Applications automation features to optimize business processes

Customer Overview

A global giant with operations network over five continents with heritage of over a century of maritime industry experience and one of the biggest player in the maritime industry.

Engagement Overview

Customer with its vast global reach with 200 plus entities having 60 plus of them being implemented IFS Applications as global ERP solution and realized importance of optimization of cost per process without loosening business controls. One of the processes having major contribution towards total volume of all business transactions is implementing a global solution for automation of the Accounts Payable process across all the various entities using IFS Applications single instance ERP on Global Server. Customer has created centralized back office to outsource business processes of Terminals. Accounts Payable processes are outsourced to their Global Support Center situated in India. Customer has chosen Readsoft Invoices as Optical Character Recognition (OCR) application to process invoices and integrate it with IFS Applications. Envecon being Global ERP Implementation partner of customer, having in depth knowledge about IFS Applications as well as customer's business processes across globe, was chosen as integration partner.

Objective

- Standardize the AP Process across all entities present on Global Server
- Automate processes to improve turnaround time of Invoices
- Streamline interaction between Terminal and back office processing invoices
- Reduce cost per transaction without loosening business control
- Eliminate possible manual errors while Invoice processing
- Clear Visibility of the Invoice Process to all stake holders

Key drivers for this project

Customer with over 50 entities using single instance Global ERP application with standardized Accounts Payable Process was investing considerable amount of effort in AP invoice postings. Manual processing has its drawback i.e. slow, lack of control over invoices, involvement of lot of manpower, risk of clerical errors etc. Also continuous miscommunication between entities and global BPO center was resulting in more unwanted lead time for invoice processing.

Old process which was manual, allowing users to book supplier invoices without authorized PO and also inducing holes in AP process to post invoices with wrong postings non compliant with accounting rules defined by Business.

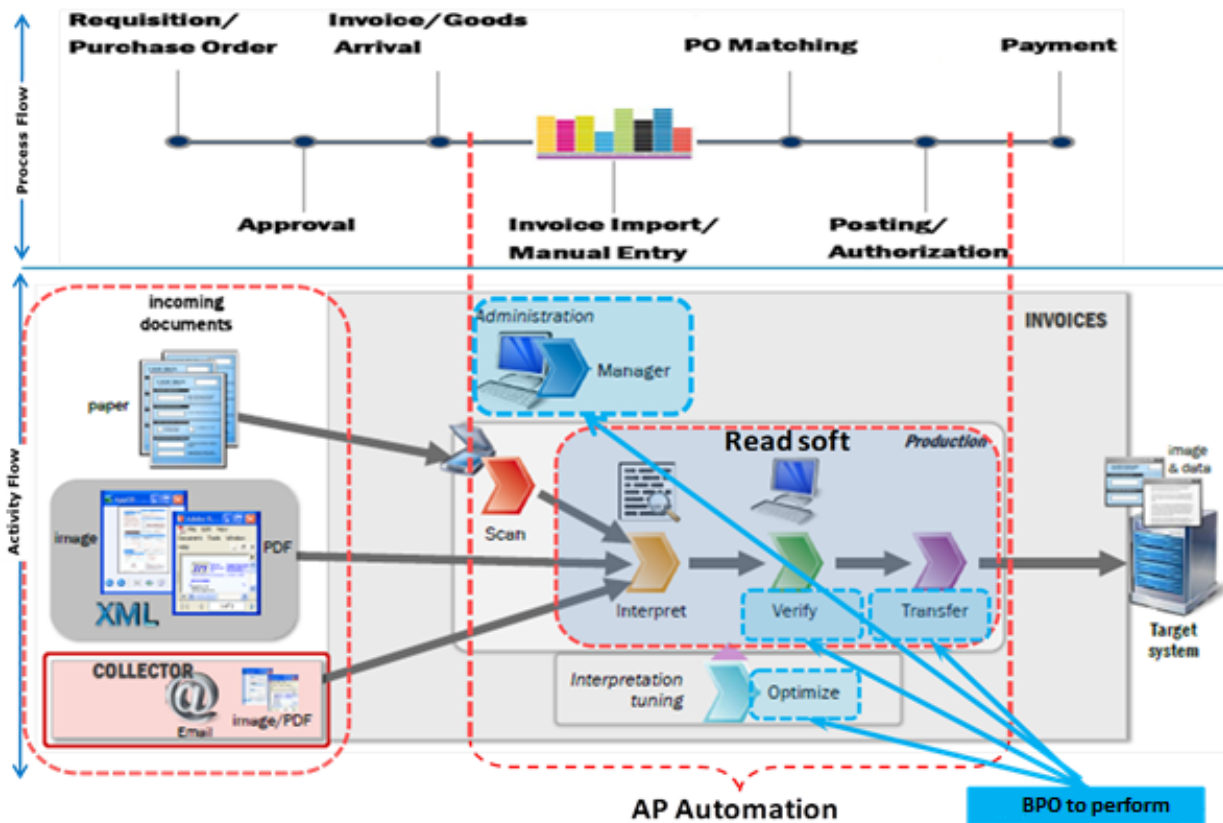
Customer wants to fill gaps identified in current process with simple and standard automated AP process which in turn will give best of controls with best of accuracy with low cost of operation.

Solution Overview

The accounts payable process encompasses the activities starting from generating a Purchase Order/Requisition, then approving the PO, receiving the goods/services and the invoice, importing/entering the invoice, matching the PO, posting the invoice in the accounting system, authorizing payment and executing the payment itself.

AP automation in this project is the process segment that starts after the invoices arrive at the entities and ends with the posting of the invoices in the accounting system.

AP Process Flow diagram



Simplistic Process Flow :

1. Scanning Hard Copies/Receiving Email Attachments

Supplier Invoice received as Hard Copy is scanned and emailed to specific mailbox. Invoice which is received as attachment (image or pdf) through email will be automatically extracted with information from the e-mail (sender, addressee, subject and body), store them in designated folder.

2. Interpreting

- The interpreting of an invoice should take place automatically immediately after an invoice is imported in the tool or received by e-mail.
- Perform optical character recognition (OCR) on the images containing the invoices and capture the required types of information
- Then, perform the automatic validations as per individual entity specific validations

3. Verification

All invoices that have gone through the interpretation process will be queued by the AP automation tool for verification. An operator will log into the AP automation tool and will be able to review the data captured from the invoices and apply corrections, if necessary.

4. Optimization

The system should be able to learn how to interpret the invoices from various vendors (understand the layout of the invoices – where on the invoice each required piece of information is located). The system will be configured for the layout of invoices from specific vendors during an activity called optimization.

5. Posting to the ERP System (IFS)

- Invoices that have been verified and approved by the verifying operators are transferred and posted in the IFS. AP automation tool will generate a flat file with the verified invoice data and this file will then be imported automatically using IFS Connect and Scheduler into IFS Applications.
- When invoice data is transferred to the IFS, it will perform validation and warn about any inconsistencies that do not allow the posting of invoices.
- All invoices that pass validations are automatically posted in IFS. Invoices that fail validations should be put temporarily in an exception handling queue in IFS until the problem is resolved.

Technology Platform

- IFS applications 7.5 and IFS Applications 8.0
- IFS Connect and Scheduler
- Readsoft Invoices 5-7
- Scanner Bowe Bell & Howell 8000 Series Model 8120DB or equivalent at each site.
- Microsoft Exchange Server

Project Delivery Sites

- Global

Business Benefits

- Standardized and enforced Accounts Payable processes across all terminals - support regulatory requirements to document and run business process while improving efficiency and consistency of workforce activities
- Considerable reduction in Cost per Transaction with reduction in Lead Time for AP Invoice Processing
- Inbuilt business controls in AP process to avoid manual errors and malpractices
- AP Automation resulting in bridging Gap between individual organizations and global BPO center

Envecon Added Value

- Leveraging rich expertise of IFS Applications and its tools to automate complex processes without loosening business controls
- Combined project management for both Readsoft implementation and IFS automation.
- IFS consulting to implement e-Invoice and Automatic Posting Proposal to simplify and standardize complex AP Process across 4 continents
- Seamless integration between Readsoft and IFS applications to remove manual intervention
- Successful delivery on parameters of time, scope and money in alignment with global IT timelines and budgets

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