

Integrated Solutions

Capturing And Accessing Data At All Points Of Work

CASE STUDY

Invoice Processing ■ OCR (optical character recognition)

OCR Increases Accounts Payable Productivity

▲ Implementing optical character recognition (OCR) enabled this wire and cable distributor to reduce freight invoice processing cycle time by two-thirds. by Megan Burns

Employee-owned Industrial Electric Wire and Cable Inc. (IEWC) (New Berlin, WI) is a distributor, processor, and manufacturer of electronic and electrical wire and cable. This \$100 million company recently began an effort to maximize the productivity of its 200 employees. By automating part of its freight invoice processing with data capture software, it increased the productivity of its accounts payable (AP) department 90%.

Integrate OCR With Enterprise Resource Planning

When IEWC began streamlining its internal processes, Mark Sonnentag, information services manager for IEWC, knew the AP freight invoice process would be a good candidate for automation. At the time, freight invoices were manually processed. Every Monday, an AP employee would spend the entire day opening the mailed invoices, sorting them, entering the information into IEWC's SAP system, verifying the entered information against the transactional data in the SAP system, and then paying the bills. Once the freight invoices were processed, AP would take them to data processing to be scanned and indexed by EMC/Legato's (Mountain View, CA) ApplicationXtender imaging system.

Sonnentag had previously worked with AnyDoc Software, Inc. (Tampa, FL) when IEWC implemented OCR for Forms for its warehouses' pick slips. Later, when OCR for AnyDoc® was released, IEWC invited AnyDoc in to demonstrate the new software.

Sonnentag realized OCR for AnyDoc would be a good fit for the freight invoicing. "We wanted a product that would provide us with good data accuracy rates, reusable templates for multiple applications, vendor support, and ease of integration with our SAP system," explained Sonnentag. Sonnentag compared OCR for AnyDoc to SAP-certified solutions on the market, but many of those solutions had features IEWC didn't need.

Integrating the new product with IEWC's existing SAP system and imaging system was Sonnentag's primary concern. "The other vendors we considered offered solutions including the scanning, verification, and certified SAP link," explained Sonnentag. "We already had a scanning system and we didn't need the certified link. AnyDoc would work with us to build a solution specifically for our AP."

Data Capture Increases AP Productivity By 90%

Once the decision to implement OCR for AnyDoc was made, it took two weeks to complete the installation. IEWC's own SAP programming, testing, and verification took eight business days, while AnyDoc installed the server and client, configured the OCR system, and trained two AP employees in two business days. "Because we were already using OCR for Forms, the training we needed from AnyDoc was minimal," Sonnentag clarified.

In the new process, AP still has to open and sort mail. Now, however, it scans the invoices into the OCR application, which verifies the freight carrier name and address. When the system flags exceptions, AP manually checks those exceptions and corrects the information or overrides the error. IEWC has tolerances set up in the system for invoices. For example, if a tolerance is plus or minus \$50 for the total amount payable, anything outside those amounts is flagged by the OCR application as a "parked invoice." AP will manually check all the parked invoices to see if the company is being over- or undercharged. Of IEWC's 7,000 invoices, only about 10% end up as parked invoices.

Within three weeks of installation, IEWC had reduced the manual labor for freight invoices by 2/3. What used to take AP 12 hours each week now takes only 4 hours. "AP is now doing more analysis instead of just data entry, which impacts our cash flow," said Sonnentag. □

Installation Profile

Technology User: Industrial Electric Wire and Cable (IEWC) (New Berlin, WI) is a \$100 million employee-owned distributor, processor, and manufacturer of electronic and electrical wire and cable.

Problem: Manually processing the company's freight invoices was time consuming and was not linked to the company's imaging and indexing system. The company wanted employees to focus more on analyzing invoicing issues instead of performing data entry.

Solution: IEWC implemented OCR for AnyDoc from AnyDoc Software, Inc. (Tampa, FL) in the accounts payable (AP) department to scan and process the freight invoices. The information from the invoices is fed into the company's SAP system while the images are linked to its imaging and indexing system. AP has reduced its freight invoicing cycle time by 2/3 and increased its productivity by 90%.

For More Info. On AnyDoc Software, Inc.

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