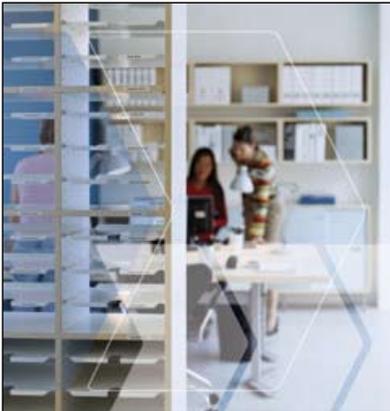


READSOFT DOCUMENTS:

A Platform for Savings and Improvement in a Shared Services Environment



**Electronic
invoicing
costs are
33% - 37%
lower than
manual
processing
costs.**

- Aberdeen Group

Organizations adopt a Shared Services approach with the aim to streamline key activities and ensure that they are as effective and efficient as possible. Reaching the full potential of the strategy can be a challenge, however, because of the inherent inefficiencies of using paper documents. Paper takes a toll in Accounts Payable (A/P), for example, where stacks of invoices and piles of purchase orders combine to produce an unwieldy burden. Without making improvements to these traditionally paper-bound functions, companies may fail to gain many of the benefits they were hoping to achieve by adopting Shared Services in the first place.

The ReadSoft DOCUMENTS platform is designed to change all that. We eliminate paper and ease workflow by scanning invoices as they enter your organization. From there, we capture important information from the incoming invoices and load that data into your ERP system automatically. Our workflow engine proactively guides and monitors activity throughout the entire process bringing you greater visibility and control. Cycle time is condensed, error rates are reduced, staffing requirements are trimmed, and hard-dollar savings can be significant – typically between 25 to 50 percent. Moving to the ReadSoft DOCUMENTS platform pays clearly identifiable dividends. For example, if you receive 20,000 invoices per year, you can save at least \$100,000 annually.

You have taken the initiative to create a Shared Services center; now is the time to consider how an automated document system can help you realize the full potential and return on investment in your efforts. Here are a few key areas to consider as you aim for savings and improvement in your A/P organization.



Process Efficiency

The accounts payable process has long been a function that suffers under the burden of paper. Hardcopy invoices, purchase orders, and other documentation result in inefficient and manual workflow, duplicate copies and redundant files, and a general lack of visibility and control

63% of companies find reduced cycle time to be the top benefit of document workflow automation.

- Aberdeen Group

within the process. Manually entering data and matching invoice information can often lead to higher error rates, increased costs, and delayed cycle time. As organizations adopt a Shared Services approach to gain economies of scale and streamlined workflow, A/P presents itself as a viable and substantial opportunity to drive efficiencies and cost savings.

Paper invoices require a number of mundane tasks – everything from removing staples and making extra

photocopies, to sorting, stacking and sending invoices for approval. The hardcopy is routed around via interoffice mail and may sit for days waiting for attention in an in-basket. When the invoices finally return, A/P clerks must manually key important data into an ERP system. The activity is time-consuming at best; and in the event of a discrepancy or question, the process grinds to a halt while clerks play phone tag trying to resolve the problem. Even invoices sent via e-mail spark many of the same paper-bound inefficiencies since clerks typically print out the attachments and start the paper process all over again.

ReadSoft DOCUMENTS brings your paper invoices into a digital environment. Our automated document platform eliminates the traditional inefficiencies of a paper, enables substantial costs savings, and automates workflow for optimal performance. It starts when the system scans your incoming invoices and captures a digital image of each page. Next, we seek out and interpret key information found anywhere on the page using Optical Character Recognition. Pertinent data – like supplier, item, quantity or date – is captured and the

data is associated with the original invoice image. The information extracted is automatically entered into your ERP system. Even if you receive invoices via e-mail our system will “read” the attachment, capture the image, and enter the extracted data automatically.

Freed from the burden of having to manually process invoices, A/P organizations can begin to realize the full value of a Shared Services approach – faster internal processes, better control, and substantially decreased costs. Digital document automation with ReadSoft DOCUMENTS makes it possible to have a nearly “hands off” approach to invoice processing. Some of the key benefits are:

- Capture information from your incoming invoices - whether they are on paper or in electronic format.
- Automatically classify and sort the invoices.
- Automatically validate the captured data against your business system. For example, SAP or Oracle.
- Approve invoices on-line in an electronic workflow.
- Control every step of your invoice processing, from capture to post.

Cycle Time

Invoice-to-payment cycle time is a key measure of A/P process efficiency. Organizations seeking to optimize performance using a Shared Services approach need only look here to find improvement opportunity. A recent study conducted by the Aberdeen Group surveyed over 200 enterprises and 56 percent responded that cycle time was a driving force behind A/P workflow automation. Those organizations with automation in place found that their cycle time was 80 percent faster than their peers.



The reason for this dramatic improvement stems from the fact that the actual work involved to process an invoice is relatively straightforward, but the extra effort required to “push paper” takes a toll on throughput. And the reality is that invoices often sit waiting for several days on a desk or in a mail basket before being attended to. Indeed, cycle time can be a problem even before an invoice is entered into the accounts payable system.

Cycle time costs companies when they are unable to respond quickly enough to take advantage of early-pay discounts (typically 10 days). Indeed, according to the Aberdeen study, the cycle time for a typical invoice can range between 18 to 25 days, or higher. Add in the cost of late payments in terms of fees and goodwill, as well as other support demands that escalate when disgruntled vendors and stressed-out clerks struggle with the paper-bound process.

ReadSoft DOCUMENTS reduces invoice-to-payment cycle time by eliminating the paper and automating the process. Incoming invoices are scanned and digitized as they arrive into your organization. From there, the system routes a digital version of each invoice to the appropriate department or person for approval. Sophisticated notifications and reminders drive the workflow and automate formerly time-consuming tasks. Once approved, key financial data from each page is automatically loaded into your ERP system; eliminating the need for manual entry.

Companies find that the majority of their invoices – about 80 percent – can be processed without intervention using ReadSoft DOCUMENTS. The remaining 20 percent or so that have a discrepancy or question are automatically routed to an operator who verifies the quality and accuracy of the data extracted. Some of the key benefits of our invoice workflow automation are:

- Ability to leverage early payment discounts
- Elimination of late fees
- Improved control of cash flow and invoices
- Increased control of delivered and invoiced goods
- Improved security
- Reduced manual work
- Shorter total processing time
- Early notification of errors

Lack of visibility into the A/P process is often a stumbling block for companies working to maximize the benefit of Shared Services. Indeed, many managers feel as if they are operating in the dark when it comes to understanding the throughput and status of invoices within the department. Resolving variances and mitigating risk related to overpayments, duplicate payments, and billing errors is more difficult using paper invoices. And with no meaningful benchmark from which to gauge the backlog of work, managers often measure departmental workflow in terms of how deep the stacks of paper are or by the thickness of folders overflowing in file drawers.

Every company must monitor how much they owe, and paper invoices can hinder efforts to calculate total outstanding liability. Indeed, until each invoice is entered into the ERP system, general accounting officers have no way of really knowing the true amount of accrued debt. A month-end “guestimate” is required; and as a result, decision-makers often move forward with strategic planning unaware of the true liability.



Best-in-class organizations are 67% more likely than their peers to have visibility across invoice receipt, data capture, and workflow processes.

- Aberdeen Group

Document automation using ReadSoft DOCUMENTS makes it possible to see the status of each individual invoice – who has it, what they are doing, and where it is scheduled to go

from there. Managers can quickly account for all invoices in process, how many have exceptions and discrepancies, and the amount scheduled for payment. Trend analysis tools enable a variety of reports and that help you spot trends and draw conclusions regarding continuous process improvement.

The axiom “Good data equals good decisions” holds true. ReadSoft DOCUMENTS provides the necessary visibility in to the A/P process and the analysis tools needed to leverage the cost savings and efficiencies of a Shared Services approach. By virtue of capturing invoices and data up front, and by eliminating the burden of paper-bound processes, companies begin to realize the full return on their efforts to streamline their Accounts Payable process.

Process Control

Process control is another area of opportunity for companies striving to leverage a Shared Services

Best-in-class organizations are 178% more likely to have a standardized invoice workflow management process than their peers.

- Aberdeen Group

approach. A/P has traditionally been a paper-intensive activity and a great many work-arounds and traditions have become part of the process. Indeed, everyone has their own way of doing things, and over time these procedures become rife with highlighters, photocopies and sticky notes. Control is individualized, not standardized, so managers struggle to establish consistent methods of reporting. And when key people leave the department, their colloquial expertise can be lost to the rest of the team. A lack of standardized control also

increases the risk of fraudulent practice. After all, thieves and hackers love to hide their activities in complicated procedures and cumbersome workflow.

By scanning, capturing and digitizing all of your invoices, ReadSoft DOCUMENTS gives you a level of process control that is simply not possible in a paper-only world. Automation gives you the tools and the time needed for root cause analysis, and helps ensure your systems are both accurate and compliant. The analysis and reporting capabilities are simple to administer and upgrade, and enable you to quickly spot trends and deficiencies for ongoing process improvement.

Take Action with ReadSoft

By adopting a Shared Services approach, companies make great strides toward optimizing the performance of their organization. A/P operations have traditionally lagged behind other functional areas in its use of document automation, however, and organizations find that they can take significant in steps to greater efficiency and cost savings by closing the gap.

- Reduce the cost of operations
- Trim cycle time
- Increase visibility and control

ReadSoft DOCUMENTS eliminates the barriers that have prevented A/P departments from taking advantage of digital document automation. We work with over 5,000 customers around the world and we invite you to contact us for a brief 30-minute interview to determine if your company can achieve some of the same benefits we've found for our other customers.

Our systems process over 200 million invoices each year. We're experts using SAP, Oracle and others. Our award-winning software is recognized as a leading platform for A/P efficiency. Isn't it time to find out more?

Let us help you make the most of your Shared Services A/P environment. Call now to schedule your phone interview today.

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