Major U.S. Metals Producer

Our client, a major U.S. metals producer, had an inefficient, complex accounts payable process when it began conversations with Optima Global Solutions in 2017. Invoices that arrived by USPS mail required manual data entry, and those that were emailed arrived in 12 different in-boxes. The number of invoices received per month had surpassed 8,000, and it took 13 employees to process them each month. They needed an automated solution that integrated seamlessly with both their Oracle PeopleSoft ERP and their IBM Maximo asset management system, which had been modified to process vendor information and purchase orders – a difficult solution to find. The client turned to Optima's custom-configured transcendAP solution to ingest paper invoices, reliably validate, and route them through the system to their ERPs. Eliminating manual data entry, enabling remote access by authorized individuals and implementing a virtually "touchless" automated process helped our client achieve its objectives: dramatically better processing efficiency, full "bi-directional" ERP integration, fewer errors and improved visibility into the process to support better cash flow management and more informed strategic decision-making.

KEY BENEFITS

- Seamless integration with IBM Maxlimo and Oracle PeopleSoft

- Elimination of manual data entry for over 8000 invoices per month

- Supports processing for headquarters and 12 production facilities

- Supports both local and remote mobile approvers

- Provides management key insight for AP spend and cash management

CHALLENGE

It was 2017, and our client, a major U.S. metals producer, was feeling the effects of an accounts payable process that clearly wasn't what it should be. Their invoice processing was complex:

- Each of their four major manufacturing/fabrication plants was processing an increasing number of invoices per month – a total that reached as many as 8,500 per month, or more than 100,000 invoices per year.

- Many of the invoices were arriving by USPS mail and needed to be scanned, one by one, before digital versions were forwarded to corporate headquarters for validation, approval and payment.

- The invoices arriving via email were going to 12 different company in-boxes.

- Purchase order and non-purchase order invoices were manually entered into ERPs.

- 13 different A/P employees were involved in processing invoices for headquarters plus 12 production plants.

- The company was using two different Enterprise Resource Planning (ERP) systems: IBM Maximo and Oracle PeopleSoft.

- Each invoice required look-up of tax codes from a table in Maximo to calculate proper tax.

The company began looking for a more efficient, cost-effective, automated solution for invoice capture and validation that would support centralization of all invoice processing steps at headquarters. Their efficiency objective was to improve the productivity of the A/P processing team by enabling each full-time equivalent (FTE) to facilitate the work of three current accounts payable FTEs after implementation of a new automated solution.

In addition to the challenge of paper invoices that arrived at four different physical locations and emails arriving in 12 different in-boxes, they faced another problem. The company was running their business using two different Enterprise Resource Planning (ERP) systems. They had implemented IBM Maximo to manage all vendors (about 9,300 purchasing sites) and purchase orders related to their manufacturing, maintenance and replacement parts businesses. They used Oracle PeopleSoft to manage the administration and other ancillary parts of their business (7,200 unique suppliers). Any centralized accounts payable automation solution would need

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to integrate seamlessly with both ERPs. Integrating with IBM Maximo presented an especially difficult challenge: the company had been unable to identify an A/P automation solution featuring the built-in ability to integrate with Maximo. Implementing any of these A/P solutions could potentially require extensive (and expensive) customization to provide the efficient processing and reporting capabilities that it needed.

The company also needed an A/P automation solution that could automatically determine the appropriate approvers for direct-pay and 2-way match invoices – a function that currently fell to their A/P users. Finally, they wanted to avoid delays caused when approvers were not present in the office to keep invoices moving through the payment process – so they were looking for a solution that provided secure remote access via mobile devices for authorized approvers who might be out on the production floor or out of the office.

SOLUTION

Optima Global Solutions proposed and installed the Kofax TotalAgility™ (KTA) software platform in the data center selected by our client, then custom configured and implemented our fully integrated transcendAP accounts payable automation solution on the KTA platform. Kofax TotalAgility™ is an industry-leading application development platform for business process automation. transcendAP was implemented to ingest our client's invoices, perform optical character recognition (OCR), validate, manage all exceptions, and most importantly, seamlessly integrate with both ERPs: IBM Maximo and Oracle PeopleSoft. The transcendAP solution also identifies and routes invoices to different approvers based on whether the invoice is direct pay or 2-way match – a process previously handled manually by the A/P processing staff.

The transcendAP solution was customized to grant secure remote access based on username accessing the A/P system with authentication through a pre-approved device. Invoices are automatically routed to the appropriate approvers based on a list in Oracle PeopleSoft that was then passed through to Maximo, effectively creating a "touchless" invoice processing system for all non-exception invoices. Taxes to be added to invoices are retrieved automatically from a tax table that resides in the IBM Maximo ERP. After implementation of the customized transcendAP solution, the number of FTEs dedicated to accounts payable processing was reduced from 13 down to 4.5, freeing up resources to perform other critical tasks.

Optima's transcendAP was a great choice to automate the accounts payable process for our client. Because few, if any, A/P automation solutions can integrate seamlessly with IBM Maximo, this capability was near the top of the reasons why it chose transcendAP by Optima. It is highly scalable, and features robust invoice capture functionality as well as sophisticated validation, verification and exception identification capabilities. It's easy-to-use interface and flexible management dashboards enable A/P and executive management to access comprehensive insight analytics to support better strategic and operational decisions for the business.

RESULTS

Our client realized all the business benefits they had hoped for when they decided to implement transcendAP by Optima, as well as some they did not anticipate. The most direct result was that the new A/P automation solution dramatically reduced overall invoice processing time. Optima's solution eliminated manual data entry for every invoice. Seamless integration with the IBM Maximo ERP system enabled visibility in real time into payment timing and where each invoice was in the approval process, which enabled the client to identify and rectify any delays or exceptions. Increased efficiency enabled our client to redeploy most data entry staff to other strategically important support roles. The ability to access the system remotely means that invoices need not be delayed just because a key person is out of the office. Payment errors have largely been eliminated.

Errors and exceptions have been reduced greatly due to the 2-way and 3-way matching capabilities of transcendAP. Invoice content is validated against purchase order identifiers, individual line items and receiving records, eliminating tedious manual checking of multi-page invoices fulfilled via multiple shipments, as well as the inevitable oversights that had become commonplace. The client now has improved control over A/P spend, which has enabled it to take advantage of more early pay discounts and dramatically reduce late payments to suppliers. Our client's executive management team has also gained enterprise-level insight into accounts payable processing, accessing valuable information for better cash flow management and strategic decision-making.