

OCR, Workflow Drives AP Automation

FirstGroup America eliminates paper bottlenecks by digitizing supplier invoices and routing data electronically.

by Ken Congdon

FirstGroup America leverages OCR for AnyDoc to automate invoice processing.

INVOICE NO.	PURCHASE ORDER NO.	SHIP VIA
519522	2002010014	UPS GROUND
QUANTITY		ITEM NUMBER
ORDERED	U/M	SHIPPED
1	EA	1
		H-195

2002010014

As the leading transportation operator in North America, FirstGroup America is an expert at getting nearly 5 million passengers daily from point A to point B by motorcoach and school bus. However, with operations in 49 states and 11 Canadian provinces/territories, FirstGroup America didn't always have the same level of success at routing its supplier invoices through the AP process. As one might expect, a company the size of FirstGroup handles hundreds of thousands of supplier invoices per year, and up until recently, these invoices were processed manually. When the company acquired Laidlaw International in 2007, the company essentially doubled in size. This acquisition was the defining moment that convinced FirstGroup it had to implement an automated system to process invoices in order to efficiently meet the demands generated

by their growth.

MANUAL KEYING HINDERS INVOICE PROCESSING

With FirstGroup's manual invoice process, invoices were received at each local office, and information was keyed into an ancillary invoicing system. A data file was then uploaded into FirstGroup's JD Edwards accounting system. However, before the corporate office would release the transaction for payment, the actual paper invoice needed to be authorized manually at the regional level and then forwarded to the corporate office for audit and processing.

"Each invoice needed to be approved based on its dollar value, and we had to verify that authorization at corporate," says Brenda Chapman, VP Accounts Payable/Accounts Receivable for FirstGroup America. "This process of pushing paper from one site to another was time-consuming and labor-intensive. There were also hefty shipping

costs and the potential for delays associated with mailing these invoices twice."

Another layer of inefficiency was added to the mix in the event that a FirstGroup employee had to access an old invoice for any reason. All paper invoices were shipped to an outsource image provider at the end of each month, where the invoices were scanned and the images were uploaded to an image server for viewing. While this process was more efficient than the manual process they had used years before, there were still significant costs associated with outsourcing of the imaging process, as well as shipping costs and downtime while the invoices were transferred to the outsource provider.

"We felt that bringing this process in-house and adding workflow to automate the authorization process would provide greater efficiency and allow us to gain synergies within our AP process," adds Chapman.



For more insight into the evolution of capture and OCR, visit <http://bit.ly/9QzLI0>.

DOCUMENT CAPTURE ACCELERATES INVOICE FLOW

FirstGroup initially began to research document imaging and data capture solutions at the annual IAPP (International Accounts Payable Professionals) conference. After narrowing the available supplier base to a small group that met their basic requirements, FirstGroup believed a cooperative effort from two vendors — AnyDoc Software and Image Integration Systems (IIS) — would best meet its business needs.

The new solution was installed in June 2009 and integrates seamlessly with a



new JD Edwards requisition and purchase order (PO) system FirstGroup is implementing. With the new solution, supplier invoices are scanned. Then, AnyDoc's OCR for AnyDoc captures the printed information on each invoice using OCR (optical character recognition), converting it to electronic data that can be compared with the PO data already stored in the JD Edwards system. If the data lifted from the invoice matches a PO already stored in the system, then the transaction is released for payment, and the invoice image is stored in an electronic repository for future reference.

If the data lifted off the invoice doesn't match a recorded PO, then the invoice image is automatically routed to an activity mailbox for further review by AP personnel. An employee will pull up the invoice to verify that the data captured off the invoice is correct and make any necessary edits. The employee will also conduct further investigation (e.g. phone calls to suppliers, etc.), to clear up invoice inconsistencies, if required.

Invoices for items purchased outside of the PO system follow a slightly different process. These invoices are still scanned and data is captured, but obviously these invoices won't match an already approved PO in the JD Edwards system. These invoices still need to be approved at the regional and corporate level. However, these document images are now electronically routed to the appropriate authorizer and corporate office rather than physically shipped. The IIS DocuSphere workflow solution automatically routes these invoices to the appropriate regional contact for an electronic authorization. Once authorized at the regional level, these invoices are then automatically routed to the correct corporate contact for release of payment. The DocuSphere product also allows FirstGroup to set its own time limits and escalation rules on invoice images to ensure a document doesn't sit in an employee's inbox too long.

"Our new automated document capture and workflow solution has eliminated much of the manual data entry that used to occur at the local office level," says Chapman. "Furthermore, the system has eliminated the shipping charges we

used to incur by mailing paper invoices twice. The initial deployment of this solution has been so successful that we are expanding the solution to help automate our capital expenditure and check and supplier request processes." ■



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