ABBYY Solution Partner Automates Invoice Processing for a Large Housing Association

Hendre itself is the enabling function for the other front line companies that comprise the Hendre Group. It delivers central services including finance, human resources, IT and company secretarial/administration/audit. This centralised service model gives both strategic and operational support to organisations within the Hendre Group so they can focus on delivering primary customer services. The search for a Document Management solution for the finance department led to the adoption of Invu Document Management.

Challenge

Prior to adopting its Invu solution Hendre faced a number of issues that created a drag on operational efficiency. Some were widespread across the business but it was in Finance and specially the Accounts Payable team where the most significant day-to-day problems arose. Charged with managing a busy purchase ledger this group deals with suppliers, contractors and HM Revenue & Customs. Approximately 1,000 invoices are processed each week.

Invoice authorisation was paper-based – as much as 50% of a team member's day could be spent finding and processing physical invoices. Because files were paper-based this meant that valuable space was taken up by storage of the documents. Invoice processing was inherently slow taking 4-6 weeks for a typical payment to be processed through to payment. Much of the department's time was spent chasing down budget holders to sign off invoices. Saving time and speeding up the process was therefore a prime consideration in the Hendre decision to adopt a Document Management solution.

Quicker processing would release a disproportionate amount of time as chase-up time and supplier queries would reduce. In some cases late payments would trigger red letters, penalties and even court notices. Paper-based invoices were frequently unaccounted for – they could be in-transit between finance,

authorisers and next level sign-off or even lost. This could lead to poor communications with suppliers, service issues, late payment and an overall lack of control in some cases.

Solution

Understanding the desired process, agreeing the need and then designing the workflow involved close consultation between Invu's engineer and the customer. Once tested the workflows were signed off by the Hendre stakeholders ready for use. Hendre's invoice process was to be automated with invoices being routed automatically to appropriate budget holders for sign off. The rules in place would be determined by an invoice's value, type and a budget holder's authorisation limit.

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>
> *Allan Jones, Information Systems Manager at Hendre*

"The integration with our QLx finance and CRM system was clean and simple – it was something we felt we could use immediately," states Allan Jones, Information Systems Manager at Hendre. "There were other alternatives but the combination of functionality and cost was pitched just right. Invu struck the right balance."

PROJECT OVERVIEW

Challenge
Improve costly, time-consuming, error-prone manual data entry and processing of paper invoices

Solution
Automated invoice processing solution with streamlined approval workflows, connected to the finance system

Results
· Transparency & clarity
· Quicker payment times
· Greater financial control
· Enhanced service levels
· Automatic escalation processes

The invoice authorisation process at Hendre has been transformed. When invoices arrive they are scanned and digitised by Invu Capture which is based on the powerful Enterprise Capture platform, ABBYY FlexiCapture. ABBYY FlexiCapture helps automate the capture and extraction of data from invoices. It leverages IDR (Intelligent Document Recognition) technologies that enable automatic invoice classification, country and language identification as well as supplier detection. In the Hendre solution key meta data from incoming invoices is extracted automatically and validation of invoice data ensures the highest level of accuracy. The integrated rule-set allows Hendre to check the legal conformity of incoming invoices and ensures compliance of domestic invoices.

The tight integration of ABBYY FlexiCapture with Invu also enables the solution to determine the correct budget holder based on information contained in the invoice, such as supplier and value. After successful extraction and validation the data and the invoice are routed to the Invu DMS for further processing. All budget holders have access to the Invu system and receive tasks for review and sign off of the invoices.

The Accounts Payable team accesses invoices and related documents directly from within QL. The solution eliminates the need to chase manual invoices around the organisation or to retrieve them from a physical filing system. Instead, automated workflows deliver electronic versions to the authoriser's desktop for action or escalation. The result is a quicker approval and resolution process and smooth, uninterrupted workflow.

Results

Payment times have been slashed. The 4-6 weeks typical duration is now down to 2 weeks and frequently less. As a consequence those embarrassing instances where late payment attracts a penalty are rare – "Being cautious, I'd say these have dropped by 60-70% from the pre-Invu days. It's a real exception where we incur a penalty nowadays," according to Allan.

> *"Invu has enabled us to reduce the time spent between receiving and paying invoices by at least 50% meaning more satisfied suppliers."*
>
> *Allan Jones, Information Systems Manager at Hendre*

Because finance documents are no longer sent around the organisation, originals aren't lost or sitting untouched on a budget holder's desk. The level of control for the Finance Department is much greater leading to greater confidence in levels of commitment and exposure.

"Within days staff were using the software and within a few weeks we could see benefits," states Jones. "As Hendre has expanded we have become leaner and increasingly efficient. All invoice approval is electronic. No invoice is ever lost. The right budget holder gets the invoice to authorise promptly."

ABOUT ABBYY

ABBYY is a leading provider of text recognition and document conversion technologies and services. Its versatile product portfolio for document processing and information retrieval is available on various platforms and devices. ABBYY offers a broad range of solutions designed for specific business and industry needs. Organisations all over the world rely on ABBYY offerings to optimise their paper-intensive business processes. **More information at www.ABBYY.com**