

document imaging ■■■ invoice processing

What Can Automated Invoice Processing Do For You?

This service provider lands a \$60,000 sale by combining Web-based document imaging and AP (accounts payable) solutions.

BY VICKI AMENDOLA

As an outsourced accounting solutions provider, Extend Accounting is intimately aware of the inefficiencies and pitfalls of manual, paper-based invoice processing. To provide better service to its customers, the company embraced technology to offer a Web-based invoice automation solution that essentially eliminates the paper avalanche and snail's pace processing of a manual AP system. In October 2007, a New York-based property management company became the first client to reap the benefits of the provider's Web-based solution.

The property management company maintained approximately 30 buildings in its portfolio. Invoices for the company were traditionally received at a central office, and each property manager was responsible for picking up the invoices specific to their building on a weekly basis. From that point, invoices were shuffled from person to person within the organization for review, audit, and approval. After approval, data entry personnel input the information into an AP module where Extend

Accounting took over and processed the final payment.

Beyond being inefficient, manual processing can be costly. The client processes well over 1,000 invoices per month, and labor costs linked to manual handling, which includes receiving, opening, processing, and filing, were estimated to reach as high as \$25 per invoice. Invoices could easily circulate through the system for weeks before reaching the point of final

payment, eliminating the ability to take advantage of early payment incentives or, even worse, could result in late payment fees and penalties. Additionally, there was a lack of visibility into the invoicing process. A task as seemingly simple as checking on the status of an invoice could be like trying to find the proverbial needle in a haystack when you have to guess whose desk the invoice may have crossed last.

Taking control and automating the process for this client meant Extend Accounting needed to handle invoices all the way through, not just cutting the final payment check. The first step was to reroute incoming invoices directly to a PO box managed by Extend Accounting, rather than the client's central office. Having Extend Accounting receive invoices directly

eliminated the need for building managers to pick up, transport, and manually route invoices. To achieve the automation aspect, Extend Accounting integrated eCap and Contempus AP Master, both from BancTec, with Timberline, the client's existing ERP (enterprise resource planning) system.

Invoices are scanned into the eCap product where key payable elements (such as vendor and invoice amount) are captured through the use of profiles preconfigured by Extend Accounting. Every two minutes an automated scheduler uploads the scanned invoice information into AP Master, which is a Web-based system that allows users to review and approve invoices. Approved invoices are imported daily into Timberline for Extend Accounting to issue final payment. Built-in dashboards and query features provide the real-time visibility needed to locate and determine the status of invoices quickly, while reporting features can identify where information may be stalling in the process.

Build Recurring Revenue With Automated Invoice Processing

"The automated process eliminated the paper from our client's procedure from day one, saving countless hours on manual routing and filing," says Keri Bittner, managing director at Extend Accounting. "Valuable personnel could be reallocated to assist with property promotion and development, rather than chasing paper around." Additionally, adopting the Web-based process eliminated the large capital investment often involved with implementing new technology. Instead, the client pays a per transaction fee, providing Extend Accounting with an average \$60,000 annual recurring revenue stream. Compared to \$25 per invoice, this solution generates an average 80% savings annually.

Extend Accounting sees automated invoice processing, particularly in property management, as a vehicle to future growth. "The property management industry in general is behind the adoption curve for automated accounting solutions," says Bittner. "Being decentralized by nature, they are prime candidates for a paperless, Internet-based AP process." Bittner further emphasized, "While outsourcing a company's entire accounting infrastructure is not always feasible, teaming up to automate an inefficient process is." The client benefits from improved efficiency and reduced processing costs, while providers, like Extend Accounting, secure recurring revenue. ●

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