

AUTOMATION POTENTIAL IN: RECEIVING GOODS



When goods are received a process of 3-way matching takes place as the goods receipt, PO and invoice are all compared.

This is a simple but time consuming task and is often made more complex as multiple line items may be delivered at the same time. Today's challenges include:

Time consuming: Manually three-way matching is time consuming even where you have all of the necessary information. Where information is missing or incorrect, the process can take significantly longer as supplier/employees will need to be chased up in order to obtain the correct information.

Cost: The time spent matching documents and chasing discrepancies, all adds to the cost of processing an invoice. Further costs occur where mistakes are made, wherever you have 500+ files its estimated that a normal human error rate will be between 5-8%.

Missing Discounts: Many suppliers offer order-based incentives in their contracts to encourage you to purchase more. If invoice handling takes too long, or there is a lack of oversight on contracts, then the company is unable to capture discounts that may be present in the trading agreements.

Lack of visibility: Often accounting and ERP systems operate in silo and so finance teams cannot easily see what is already owed to suppliers, and future committed spend. This gives them a fragmented view which can affect decisions around new orders and renewals.

Not easily audited: POs, GRNs, and invoices are among the most common documents that auditors ask for. If these documents are not already correctly approved, matched, and organised, the audit process becomes more difficult, and thus more time consuming for your team.

Most invoices, purchase orders, and receiving notes can be matched and approved for payment as they are. Rather than manually processing and approving these invoices, finance teams can leverage automation software to complete the process and instead focus their efforts only on the invoices that have a discrepancy.

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Digitise orders and Receipts: An RPA bot can take the data from the goods receipt, log into an ERP and cross reference against the PO and invoice, all within a matter of seconds. RPA can be combined with intelligent data capture in order to extract data from PDFs, allowing you to achieve straight-through posting into the ERP system.

Conduct three way matching: The process of collecting information about purchase orders, invoices, and receiving reports, and then three-way matching them, is often fragmented. In many cases, purchase orders are created in one platform, invoices are housed somewhere else, and receiving notes in yet another location. If these systems don't "talk" to each other, trying to automate the process is difficult but this is where RPA can be leveraged. RPA works with the programmes you've already have, logging onto different systems as though it were a human and even using the internet for cloud-based systems. This means that with the right set-up, you will be able to conduct 3-way matching almost instantly.

Check and Validate Orders: A bot can validate the order details against the PO, but it can't check what's been orders is what has arrived. Initial inspection by a person will always be required. a bot could potentially chase up a vendor where that order is not right or at least pull up a template where the details can be quickly inputted.



CASE STUDY

INVOICE PROCESSING BUILDING MATERIALS DISTRIBUTOR

Challenge Faced: The organisation had 200,000 invoices coming into 35 different locations around Europe. This meant that they needed to employ over 100 approvers to keep up with the demand. The invoice approval process took typically more than 40 days. This caused slow payment to vendors, a lack of visibility, and delays in the accruals process. They were looking for a way to streamline the entire process and reduce FTE.

Solutions implemented: Proservartner moved all of their AP data to the cloud instead of being on a local network, which meant that we were able to standardise and automate processes on a global scale. Suppliers can now remotely access their data and documents online which has also reduced time taken giving updates.

The results: The organisation now automatically match 75% of all of their invoices. This means that the invoices will run straight through the AP process without any manual intervention. The invoice approval process which was typically more than 40 days, now only takes 10 days.