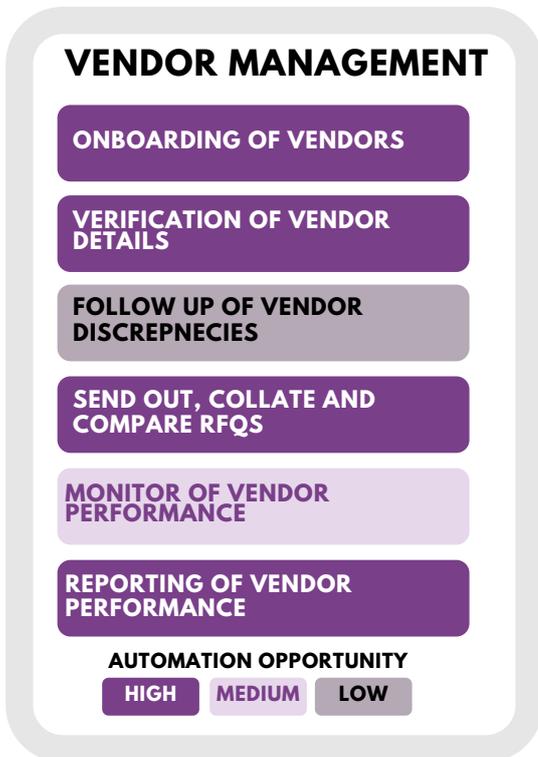


AUTOMATION POTENTIAL IN: MASTER VENDOR DATA



Even where a business has a small number of suppliers, without regular auditing and cleaning, errors can creep in. This is especially true where a business may recently have undergone a merger or acquisition or has restructured into a shared services environment. It may also simply be the result of a lack of a defined process. For many businesses, keeping on top of supplier data is not seen as a core activity and so audits may only be undertaken once a year. It's difficult to quantify the true impact that unclean data will have on your organisation, but some key points areas are:

Time lost: The most immediate impact will be the time your team wastes having to chase the right information when it is not readily available. This often means having to get in touch with the supplier in question, find the right person and wait for the information. This wait may determine payment schedules and cause delays to service, a direct impact to your organisation.

Duplicate records: It is estimated that the root cause of around 25% of duplicate payments come from duplicate records. An Enterprise Resource Planning (ERP) system will not stop the duplicate invoice entry when you enter the same invoice into two different master vendor records. Nearly all ERP systems will work on the basis that there should only be one record for every supplier. Where duplicates exist, many of the controls, will not work. this is far more common than you might imagine.

Fraud: Procurement is one of the most common targets for fraudulent activity. In fact according to the ACFE (Association of Certified Fraud Examiners), billing fraud makes up a massive 22% of all fraud.

Missing discounts: Unclean data may mean that an organisation misses out on earned discounts which could be associated with their contract. Many vendors also offer some form of dynamic discounting where a percentage of the cost is reduced in return for a faster payment, which may not be possible where incorrect data is being held.

The key aspect in creating and maintaining an accurate master vendor file is consistency, which is often difficult when working in an environment where multiple locations or people all have access to a central system. Relying on staff to manually monitor the master vendor file is time-consuming and often ineffective and there are a number of areas where automation can help.

MASTER VENDOR DATA

Onboarding of vendors: RPA (Robotic Process Automation) is a technology which records the desktop actions of a person and then replicates them. It can log into emails, extract vendor documents, download and open them and then copy the information across into an ERP. Where vendor data comes in as PDF or a scanned document, OCR (Optical Character Recognition) can then read and digitise this data for faster processing. Once uploaded into an ERP, bots can then verify information that may be available online, for example a companies DUNS number and then email stakeholders if this information is missing or incorrect, for your team to then go and follow up.

Request For Quotation: From the buyer's point of view, a RFQ is either done through email or perhaps through a supplier portal. Quotations are then often sent through in a variety of formats, often with a unique identification code applied by the vendor for the procurement team to evaluate. Automation can automatically gather quotes relating to the same RFQ, instantly take out the details and upload into an ERP and even compile a report as to which vendor represents the fastest turnaround or best price. You could also apply a weighting system to different skills/abilities your vendors have and so enable the bot to recognise the best vendors for this particular RFQ.

Monitoring of Vendor performance: Its possible to take data like delivery dates and defects to compile reports on the performance of vendors, but factors like customer service or helping out with an urgent enquiry are more difficult to turn into data and so would still require the manual feedback and management.



CASE STUDY

ONBOARDING NEW VENDORS MANUFACTURING COMPANY

Challenge Faced: We worked with a busy insurer who were looking to further expand on the basic automations they had put into place and reduce the 20-40 minute processing time in underwriting as they looked to expand their operations without needing to add significant FTE. Their current process quickly incurred a backlog of pending claims and this was responsible for a slower than desired processing time.

Solution implemented: Proservartner implemented a combination of ABBYY flexicapture and UiPath. ABBYY was used as the OCR tool to read then digitise the claims, and then RPA was used to carry out the process. Claims that previously took 20 to 40 minutes now take the only 4 minutes. The bot works continuously until all claims are processed, without human intervention and the queue was finished within about an hour. Where there were discrepancies with the information, this was instantly sent to the underwriter to pursue. This eliminated the bottleneck, reduced processing time and Policyholders now receive their much-needed claim payment faster.