

Customer Case Study: Oxford University Press

Automation of accounts payable for Oxford University Press

Oxford University Press is a department of the University of Oxford and the world's largest university press. It publishes more than 4,500 new books a year, has a presence in over fifty countries, and employs some 3,700 people worldwide.

Previous manual procedure

Even though Oxford University Press has a state of the art finance system, supplied by SAP, it was still processing invoices manually in its UK accounts payable (AP) department before it implemented Documation's Invoice Management Solution. The 120,000 invoices received annually were sent to procurers who filled out coding slips and authorised them before returning them to the AP department to enter into SAP and store in filing cabinets. Much of the internal post consisted of these documents being ferried around the building, repeatedly photocopied and filed en route.

Manual invoice processing had some serious effects on the efficiency of the AP department:

- Slow authorisation process
- Invoices occasionally went astray
- Suppliers chasing payment took up AP staff's time
- Hard to find the status of an invoice
- Difficult to check that the signatures were correct



Paper problems

Other problems associated with paper invoices included invoices getting lost, which occasionally led to delays in paying suppliers on time, and the difficulty of retrieving old invoices from the filing system when queries arose.

Sounds familiar? This is a very normal situation in companies that Documation consultants meet every day in the UK. As Mick Hollis, business consultant for OUP comments:

“We see the same problems in accounts payable departments time and time again. Sometimes it is caused by IT fatigue – a new ERP or finance system has taken such a long time to implement that they don't want to even think of something else, sometimes it's just a lack of understanding of what is possible and sometimes it's difficult to put the business case together. Once companies do start to work with Documation though, they soon become very excited at the possibilities.”

Mick Hollis, Business Consultant for OUP

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Cost justification

As with any new IT investment it was vital that OUP was able to cost justify the new Invoice Management Solution. Working hand in hand with Documation, they identified a number of key areas where costs could be reduced:

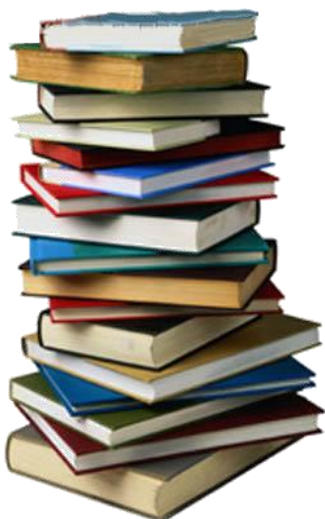
- Headcount reduction/redeployment over time.
- Avoidance of late payment penalties.
- Ensuring early payment incentives received.
- Reduced risk of duplicate payments.
- Faster throughput of invoices.
- Central visibility of approval process.
- Complete validation of authorisation levels.
- Validation of charge codes assigned.
- Reduced cost by not handling paper – physical movement, photocopying, filing, long term storage, time consuming retrieval.
- Ability to answer supplier queries instantly – reducing cost of call-back.
- Improved management reporting.



System success

“Documation’s invoice management system was a relatively small project, which has led to immense improvements in the way OUP handles supplier invoices. It has brought transparency to the whole system, strengthened controls over signing limits and made invoice images readily available on people’s computer screens.”

Don Shrimpton, Chief Accountant



Smarter working

The solution for OUP is very simple and is based on Documation’s Enable platform, specifically configured for invoice processing. Because Enable is configurable for any area of the business, OUP has the ability to extend the solution to the rest of the company at any time in the future to solve other document-related problems, not just invoicing.

The Invoice Management Solution (IMS) will manage all of the supplier invoices for OUP and other related documents will be scanned after processing for instant retrieval.

Automatic data entry into SAP

The invoices (and credit notes) will be sent directly to the AP department where they will be scanned and electronically “read” using OCR (optical character recognition) software.

After scanning and verifying, the invoice is sent out to people in the business to code and authorise. The person responsible for coding/authorising the invoice will receive an email to let them know that they have an invoice or invoices awaiting their attention. Within the email, a hypertext link brings the user to their browser-based work queue in IMS. The person responsible logs on, checks the invoice details and image, and assigns cost centre and account codes and any other relevant data on an electronic form. Depending on their signing limits they can then authorise it or pass it on to their manager for approval.

The approved invoices are returned to AP and then loaded onto SAP using an automated routine. By reducing data entry in this way AP staff have time for other tasks.

More efficient working practices for whole company

Not only does it reduce the amount of time spent on manual tasks for the AP clerks, IMS offers the whole company a better and more efficient way of working. It increases the visibility of the task of approving invoices while also making it easier to approve them. The system monitors and automatically escalates any invoices that have not been approved within the correct time limit. It checks codes to ensure they are correct prior to posting. It also provides OUP with much better reporting capabilities on the AP team, the authorisers and the performance of their suppliers. It improves the relationship with suppliers as queries can be answered immediately and authorised users can retrieve all invoices in a secure BIP008 compliant database.

In the future, the system can be extended to any other areas of the business that have paper-intensive processes providing an enterprise wide electronic storage and workflow solution for all documents.

SAP Certified
Integration with SAP NetWeaver



Achieving payback

“IMS is well on the way to achieving its financial pay-back. Not least it has been well received by staff who generally prefer to code and authorise on screen rather than to handle invoices manually.”

Don Shrimpton, Chief Accountant