



Invoice Processing Case Study

The Customer

GO Outdoors is the UK's leading retailer of outdoor equipment and clothing, covering a range of activities including camping, walking, climbing, riding, fishing, skiing, running and cycling. Established in 1998, GO Outdoors now has 50 retail outlets in the UK and processes 240,000 invoices per year.

- **Location:** Head office Sheffield, UK, 50 stores across the country
- **Sector:** Retail chain specialising in camping gear and outdoor activity clothing and accessories
- **Invoice Volume:** 240,000 per annum
- **Finance System:** SunSystems

The Challenge

The processing of AP documents is vital to GO Outdoors' business and the company went out to tender for a solution to streamline processing in their Accounts Payable department.

Processing required an AP team with a summer peak of 15-16 staff and a winter high of 12. The company worked on the premise of employing a new member in the AP team for every three stores opened. A solution was required to process PO and non-PO invoices, with 90% of incoming invoices stock-related (PO invoices) and the remaining 10 percent non-PO invoices covering expenses and overheads, credit notes (PO and non-PO) and associated documents (vendor statements, remittance advice, etc).

The company wanted a solution that would improve efficiency and reduce costs, and to include:

- Paper and emailed PDF invoice capture, OCR (optical character recognition) data capture
- Online coding
- Matching and authorisation workflow configured to GO Outdoors' business rules
- Exception handling
- Automatic posting to SunSystems for authorised invoices
- Provision of management information

GO Outdoors was also keen to divide the project into separate modules, adding to the scope and functionality of the solution over a carefully defined programme to minimise disruption and maximise ROI.

The Solution

Documation's Invoice Management Solution (IMS) processes invoices across departments and locations, in multiple languages and currencies.

Key features:

- Invoice capture from any source – paper, email, e-invoicing, EDI
- OCR and automatic data extraction
- Documents accessible 24/7 from anywhere in the business
- Automatic PO matching
- Online coding and authorisation for non-PO invoices
- Powerful monitoring, audit and reporting tools
- Integration with any finance system or ERP





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Automating with IMS means faster payment cycles, reduced staff input, and improved control.

IMS is built on Documation's software platform, Enable, which provides the components to automate any document intensive process. Scalable in size and complexity, Enable is a modular system, allowing clients to invest in invoice processing modules and business applications as needed.

GO Outdoors' Invoice Management Solution

- **Document and data capture**

GO Outdoors' IMS uses scanning technology to capture images of paper-based stock and expense invoices as they enter the AP department, and email management technology automatically captures PDF format invoices from a central email mailbox.

OCR technology extracts invoice header information from the captured invoice documents for onward processing.

- **Matching and authorisation workflow configured to GO Outdoors' business rules**

Following OCR, stock invoices are routed into an automated three way matching process. IMS matches within defined tolerance levels the goods receipted data against the invoice and PO data. Invoices which pass this matching exercise are automatically posted into SunSystems. Invoices which fail matching are routed by workflow through a manual matching process where users can match multiple receipts against multiple POs. Matched invoices are passed through to SunSystems and invoices that fail manual matching result in a match query, with receipt and price queries routed to the warehouse or buyers respectively. Once the query has been resolved the invoice is routed back into the matching process.

- **Online coding**

Non-PO invoices are initially processed by the AP team who can code invoices over multiple lines with up to five GL coding elements. The GL data is validated against source data held within SunSystems before the invoice is distributed by workflow to budget holders within the business for authorisation.

Once individual invoices have been authorised by the budget holder all invoices over £500 are routed to a financial controller for final authorisation.

- **Exception handling**

The IMS solution incorporates extensive exception handling processes which typically deal with duplicate invoices, queried invoices, authorisation rejections and tax allocation issues.

"Documation has allowed us to automate our stock invoice matching process helping us to reduce our staff levels and increase productivity significantly. "Nearly 50% of invoices we receive are now processed automatically for payment."

*Purchase Ledger Manager
Go Outdoors*





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• Integration with SunSystems

IMS is tightly integrated with SunSystems, performing look-ups to establish vendor, purchasing, receipt, currencies and exchange rate data. This data is used extensively throughout the workflow process for validation purposes and to drive workflow processes. Authorised invoices are automatically posted to SunSystems and integrated retrieval allows users to access the image archive held in IMS directly from the SunSystems screen. This allows users to view not only the image but also the audit trail, workflow history and authorisation trail.

The Outcome

During the first year following installation of Documation's IMS, Go Outdoors processed over 240,000 invoices and related documents, to a value of £168 million.

Prior to installation they were operating across 40 stores, and the group has since opened a further 10. Whereas before automating the AP department this would have required hiring an additional 3+ members for the team (one for every three new stores), enhanced processing efficiency has enabled the company to actually reduce the AP headcount by three (through natural wastage, reassignment and focusing staff to value added tasks).

The company is now encouraging suppliers to invoice in PDF format, and welcomes the subsequent decrease in paper volume as this reduces the need to open envelopes and scan invoices.

Non-PO invoices were previously sent out to the relevant branch through the post, or via email or fax and queries were collated in a spreadsheet. This process is now automated within IMS workflow.

GO Outdoors is delighted with the improved processing speeds achieved since implementing IMS.

Automated matching achieves a 65% match rate and match exception processing, non-PO coding and authorisation have been streamlined and automated. The solution is well on the way to meeting ROI expectations.

• Summary of key benefits:

- Increased productivity
- Reduced staff costs
- Reduced cost of compliance
- Reduced invoice processing costs
- Increased security
- Reduced cycle times
- Reduced process errors

The IMS Business Intelligence Suite

The next stage for GO Outdoors' AP department is implementation of the IMS Business Intelligence Suite:

- The BI dashboard provides instant, summarised information about the current state of the system with the facility to drill down for in-depth analysis, to aid system performance monitoring.
- Document time in system reporting measures the processing time for documents, quantifies performance levels, and identifies processing bottlenecks and the requirement for additional resources.

