

BOC perfect their invoice authorisation by switching to AutoFORM Invoice for SAP R/3

Overview

Challenge

- Interact with SAP R/3 Finance
- To eliminate authorisation delays
- Cut the time & cost of processing invoices and dealing with supplier queries.
- To provide centralised accounts payable services for both the UK & small overseas offices from Crawley, whilst enabling invoices to be approved locally.

Solution

- SAP interactive document viewing. Hot key from SAP screens, so users can quickly refer to invoice images and complete their tasks in less time
- Web - browser viewing and multiple index searches.
- Ability to create standard searches for secondary validity check purposes.
- AutoFORM AutoIndex: collects information already present in SAP databases to index documents without manual input.
- Uses SAP's password access control systems, so that invoices can only be viewed – and importantly approved by the relevant manager(s).
- Easy to use PC scanning workstation: In just one hour, 600 invoices can be logged into SAP, scanned and autoindexed by AutoFORM.
- Email authorisation notification & reminders
- Fully indexed archive - documents can be reviewed after payment-VAT records approved.



BOC EDWARDS



BOC Edwards accounts payable department faced a similar challenge to many other international companies: how to ensure that 80,000 plus supplier invoices a year were authorised on time. As there were too many invoices to copy, originals were passed around the organisation. Many invoices became lost, or their receipt denied which meant that copies had to be requested from suppliers. This not only increased the accounts payable workload, it made the company look inefficient and risked payment delays all of which could damage the otherwise excellent supplier relationships that BOC works so hard to develop.

As Russell Blackley – BOC Edwards Accounts Payable Section Leader commented: “It is good business practice to maintain an on-time payment record with suppliers, but in order to achieve this with our old paper system we had to spend a great deal of time and effort identifying which managers were sitting on invoices. We would then have to chase managers to approve them in a timely manner.”

Recognising that a supplier invoice imaging & document management solution would enable a faster authorisation process whilst delivering other efficiency and productivity benefits, BOC introduced AutoFORM Invoice as it met their most important criterion: the ability to interact with SAP R/3 Finance.

Interaction with SAP R/3

According to Anil Patel, BOC's SAP IT General Manager: “The ability to arrange for bi-directional communication between AutoFORM and SAP is enabling us to accelerate several stages of the supplier invoice authorisation and settlement process. Furthermore, the integration between the two systems has been very quick and easy to achieve due to the compatibility of the two systems.

We also get first class technical support from AutoFORM's developers EFS Technology UK."

In particular, AutoFORM enables document images to be viewed alongside the relevant SAP screens whilst interacting with SAP to electronically collect document index information. Similarly, AutoFORM communicates with SAP to arrange for authorisation and payment status information to be automatically transferred. The advantage is that while AutoFORM has made a huge difference to BOC's ability to quickly check and authorise invoices, SAP remains the main accounts payable operating system with all the financial control benefits that this entails.

Authorise Online - Identifies 'Bottlenecks'

With AutoFORM, BOC have cut the typical authorisation period from weeks to just a few days. AutoFORM automatically arranges for each of Edwards' managers to be notified by e-mail of the individual invoices that they need to approve. All they have to do is click on the hyperlink to view a copy of the invoice onscreen. Approval is just a matter of clicking on a status key and the job is done. Cost centre & General Ledger coding is captured automatically from SAP, but can be overwritten according to the manager's judgement. If there is an invoice query, the manager simply clicks on the notes button to attach an electronic freeform record and required action, and switches the invoice status to 'problem'.

Secure

A bi-directional link between SAP and AutoFORM ensures that a payment cannot be made until the status key is changed to 'approved.' AutoFORM also uses the same control systems as SAP to ensure that only managers with the necessary authority can approve invoices, and then only the ones within their remit.

Reducing Management Workload

"Managers really like the system, because it reduces their workload too" says Blackley. "We tend to find that managers are now authorising invoices as part of their normal daily email checking routine. Onscreen we can now see where and what is causing authorisation bottlenecks. This allows us to manage our purchase invoice processing and supplier relationships proactively."

Another reason why managers like it so much, is that they can quickly see onscreen an actual image of the invoices that have been charged to their budget codes, without having to request the accounts department for a copy.

Centralised Accounting with Local Authorisations

As the authorisation procedure is web-enabled BOC's managers can approve invoices from anywhere in the world via BOC's intranet. This is allowing BOC to enjoy the cost benefits of centralising accounts payable at Crawley for a number of worldwide satellite business units, whilst enabling authorisations to be conducted locally. Previously, the Group was forced to use bureau services in a number of overseas locations, which was both expensive and time consuming to control.

VAT Records Approval

Before BOC placed their order, they contacted the UK Tax authorities to ensure that AutoFORM electronic archive records would be acceptable for VAT record keeping purposes. The good news was that BOC could switch to 100% electronic records providing that they conducted a 6 month in use critical performance trial. "As expected, AutoFORM has performed without fault – and we are now looking forward to ridding the office of miles of lever arch files, and never again having to do an annual cull of the old archive records" says Blackley with a smile.

Builds Supplier Confidence

Another major benefit is that if a supplier phones to progress payment both accounts payable or the contacted manager can quickly check via SAP's payment status screen (updated automatically by AutoFORM) whether the invoice has been received, when it was authorised and by whom and when it will be paid, whilst also being able to quickly view the actual invoice via AutoFORM. Blackley comments "Dealing with supplier queries use to be a time consuming task. Now we can immediately give an informed response without having to go through the 'I'll call you back rigmarole'- which generally makes us feel much more professional too. It also demonstrates our commitment to being a prompt payment company, which is proving to be a powerful aid in building co-operative and mutually beneficial partnerships between BOC and our suppliers."