



White Paper

ROI Value Drivers: Applying Document Capture & Retrieval Technology in Accounts Payable

August 2004

Solution Payback Assessment

Accounts payable (AP) processes have traditionally been characterized by heavy volumes of paper documentation coming from disparate locations, requiring manually intensive data entry and matching tasks.

Working with Xerox Global Services, companies can significantly reduce processing costs, recover early payment discounts, prevent late payment penalties, reduce errors, and streamline audit compliance processes by incorporating automation and indexed metadata to streamline processes.

The result can save companies millions annually, generating a return on investment of over 90% in three years and payback in less than 12 months.

Top ROI Value Drivers

Document capture, retrieval, and information management technologies can generate bottom line economic impact through:

- Lowered transaction processing costs
- Improved payment accuracy
- Improved capture of payment discounts
- Streamlined audit and compliance processes
- Reduced IT infrastructure costs
- Eliminated or reduced storage costs

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ROI Value Drivers:

Document Capture and Retrieval Technology in Accounts Payable

Overview

Even with large investments in ERP systems, Electronic Invoicing, and Automated Accounts Payable Processes, most companies still have to process a large number of non-electronic (predominately paper) invoices. Processes to handle these invoices are manually intensive, time consuming, error prone, and costly. The problems arise, in part, due to organizational divides, multiple processing locations within the company, and complexities with 2-way and 3-way matching for both purchase order and non-purchase order-based invoice processing.

Many companies are implementing imaging solutions to resolve some of the issues with non-electronic invoices. The most popular solution to date has been back-end scanning and archiving. This type of solution is a good first step and is the least disruptive to current accounts payable processes. However, back-end imaging solutions do not deliver all of the benefits that are possible compared to solutions implemented at the front end of the accounts payable process. Significant ROI is obtained from imaging systems when sophisticated indexing, automated document matching, and automated approval processes remove manual tasks from the workflow – prior to invoice payment.

Xerox Global Services offers comprehensive accounts payable solutions for both the back-end and the front-end of the process. While the back-end solutions are valuable, the front-end solutions are expressly designed to streamline and automate workflow processes involving paper documents. If moving to a front-end solution initially requires too much change, Xerox Global Services can help navigate through the change process by first implementing valuable back-end solutions while helping to facilitate the change to a front-end solution. These solutions can save companies millions annually, generating a return on investment of over 90% in three years and payback in less than 12 months. Companies implementing XGS solutions have realized significant return on investment derived from:

- Lowered transaction processing costs
- Improved payments accuracy
- Improved capture of payment discounts
- Streamlined audit and compliance processes
- Reduced IT infrastructure costs
- Eliminated or reduced storage costs

The facts and claims in this paper have been substantiated and validated by companies that have deployed accounts payable imaging and automation solutions developed for them by Xerox Global Services. Customers were contacted directly by the Gantry Group and interviewed to gain insight into economic value drivers.

Problem: Non-Electronic, Paper-Based Documents in Accounts Payable

Burden on the Process

While investments in EDI, ERP, and accounting automation technologies have gone a long way in streamlining processes like accounts receivable by eliminating or reducing paper documents, the paper-intensive nature of the **accounts payable** process prevents the application of such technologies from being as effective.

This is especially true for large companies that manage many small or medium sized vendors, such as enterprises in retail, consumer goods manufacturing, high-tech manufacturing, and complex manufacturing. Even with investments in IT tools for automation, most companies in these industries are still challenged by the need to process mounting volumes of paper invoices. Organizational divides, multiple accounts payable processing locations, and geographically disbursed receiving locations multiply the opportunity for errors, inaccurate processing, and documentation loss.

The problem does not stop at paper invoices. As goods and materials arrive at warehouse destinations, bills of lading and receiving documents are also exchanged in paper form – all in a wide variety of vendor-specific formats. Even though mobile technology is driving elimination of such paper exchanges, it is unlikely to be implemented by the majority of smaller vendors any time soon.

All of these paper documents must be routed to accounts payable for matching with purchase orders (at minimum) already in the financial system. This process alone is error prone and often results in lost documents during routing. 2-way and 3-way matching for invoice validation requires time and effort to gather the relevant source documentation. The approval process involves heavy manual intervention; rejects for incomplete, inaccurate, or missing documentation create significant delays and further manual processes to resolve. Multiple disparate systems involved in the accounts payable process flow can each require separate data entry and documentation receipt processes, both of which can lead to more errors and a higher probability of lost documentation.

The figure that follows illustrates, in a typical purchase order-based process, how accounts payable paper document volumes can quickly explode as transactions increase. The result is a corresponding inflation in accounts payable processing cycle time. Further, the more paper-based documents in the process flow, the more likely that one will get lost or processed incorrectly.

Numerous factors are driving increased focus on effectively managing the accounts payable function, including:

- Economic pressures to reduce and control costs
- Increasing importance of managing supplier relationships to ensure rapid and continuous delivery
- High potential to drive inefficiencies from AP processes, as most functions rely on repetitive, error-prone, time consuming, paper-based systems to process payments

From the 2003 Corporate Executive Board, *Managing AP Performance*, March 2003.

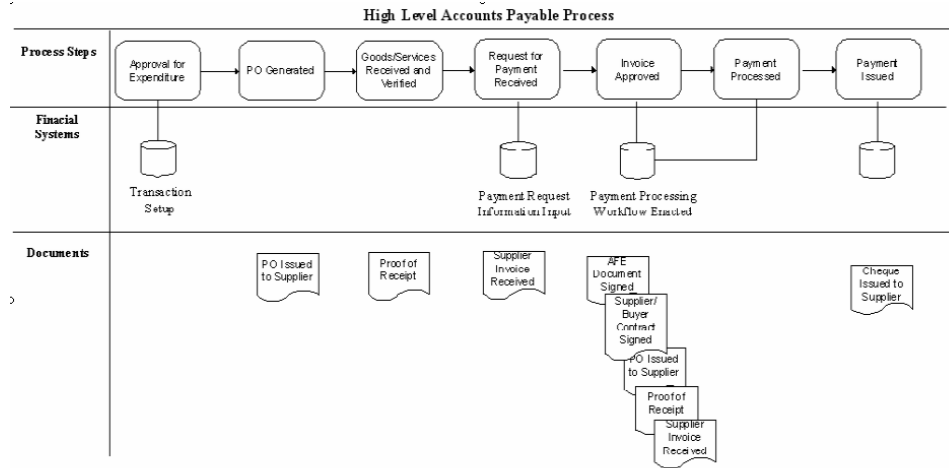


Figure 1: A Typical P.O.-Based AP Process Flow

Impact on Performance Metrics

The challenges and complexities of managing paper documents within the accounts payable process workflow are more than just time consuming and cumbersome – they are expensive. The business impact of these inefficient processes is reflected in several enterprise performance metrics.

High Transaction Costs due to Labor Intensive Tasks

A lot of expense derives from the need to ship and handle, sort, file/re-file, print, copy, fax, and find paper documents—all of which arise during the course of normal payment processing. Exception processing compounds the problem. Perhaps even greater than document management costs is the cost of human capital spent on research and resolution (if possible) of accounts payable exceptions. Nearly 50% of accounts payable personnel are tied up in processing invoice exceptions according to Gartner, Inc., Avivah Litan, Vice President and Research Director, October 2003.

Invoice Exceptions and Discrepancies

On top of the labor-intensive tasks required for basic payment processing, there are also invoice exceptions or discrepancies. These exceptions occur when a vendor invoice cannot be matched against a P.O., a signed delivery receipt, or other process documents. This situation could arise if a paper document is lost, not signed, is illegible, or if a freight claim was filed for damage or shortfall. In such cases, timely payment relies on the ability of the accounts payable staff to quickly retrieve back-up source documents. In cases where the relevant documentation is lost or illegible, customers must pay the invoice even if they didn't receive the entire order. Lost source documents can also result in duplicate payments, many of which never surface due to the inaccessibility of the required information. In many cases, it isn't until after an attempt is made to retrieve documents that it is determined key source documents are missing.

Automation allows companies to shrink AP cycle time, an important measure of efficiency. Reducing cycle time allows firms to negotiate discounts for early payment and avoids relationship harm from undesired late payments.

From the 2003 Corporate Executive Board, *Managing AP Performance*, March 2003.

Lost Early Payment Discounts and Late Payment Fees

Once a purchase order is placed, many of the payables processing stages—from order fulfillment to delivery—rely on the passing of paper documents between personnel, both internal and external, to the enterprise. Even though most purchase orders are electronic and vendor invoices can be entered into the financial system, completion of the payment process generally requires matching between electronic data and receiving documents, still in paper form. This process is often so lengthy, it is impossible for companies to meet early payment deadlines, forfeiting associated discounts and often incurring late fees.

Lengthy Audits and Non-Compliance Risk

The complicated chain of steps involved in accounts payable processing often causes companies to lack the appropriate controls required for audit and regulatory compliance assurance. Others have implemented controls but these are significantly labor intensive, time-consuming and, as a result, costly. Source documents and the audit trail are often contained in disparate systems and/or separate physical locations, making it difficult to assemble the necessary information to validate a transaction for audit completion. Audits, therefore, are often disruptive, lengthy, and increase the burden on accounts payable staff.

Negative Impact on Vendor Contract Negotiations

Complex and time-consuming accounts payable processes can prevent a purchasing department from being fully leveraged and effective. Without visibility into enterprise-wide vendor histories, purchasing contracts are made independently of each other. Purchasing managers could have greater purchasing power if they had access to company wide, consistent, and accurate vendor payment information. Additionally, it is difficult for purchasing managers to negotiate better terms if they cannot assure vendors of consistent and timely payment.

Solution: Imaging & Automation

Background

To date, approximately 24% of U.S. companies with 4K-8K employees, 72% of U.S. companies with 15K-50K employees and 78% of U.S. companies with >50K employees have implemented some sort of imaging technology to deal with unstructured paper documents, according to International Accounts Payable Professionals 2001 Membership Benchmarking Survey. While scanning and imaging paper documents is certainly part of the solution, it is far from all of it.

Many imaging solution implementations in accounts payable are intended to solve problems with out-of-control paper archives. The workflow, however, hasn't changed and the pain of paper-based documents hasn't been eliminated. A more comprehensive solution

requires an assessment of where opportunities for improvement exist, and the appropriate incorporation of imaging, indexing, and automation – for all documents and data sources related to purchase transactions, both paper and electronic.

Using image repositories does indeed stem the swell of paper storage. However, the very tangible cost reductions that can result from early payment discounts and avoided late payment fees cannot be enjoyed unless the image-based solution includes advanced, searchable indexing, automated workflow, and is deployed at the front-end of the accounts payable process – before validation and payment approval. Although companies that have deployed such technology at the back-end of the accounts payable process have realized positive ROI, much more ROI can be generated with a more comprehensive solution.

Research from the Operations Management Roundtable shows that leading “best practice” firms consider accounts payable **automation** to be a key strategy for enhancing performance. According to the Corporate Executive Board 2003, “companies reap high ROI from automating the accounts payable function, which reduces manual checking and unnecessary approvals by employing automatic 3-way matching of payables to purchase orders, delivery, and invoice.” Like imaging solutions, automation must be implemented at the front-end of payment systems to enable companies to gain efficiencies that allow them to capture early payment discounts and avoid late fees.

General Electric adopted Six Sigma processes to reduce paper invoices. After streamlining and automating accounts payable process flows, GE was able to capture \$111 million in early payment discounts in 2002 alone.

2003 Gartner, Inc. Case Study, *GE Accounts Payable Sees the Paperless Light*, September 2003, A. Litan

Xerox Global Services AP Solution

Many companies offer narrow imaging solutions for Accounts Payable problems, typically focusing on a single step in the AP process or offering just a simple piece of technology. Using Lean Six Sigma methodologies, Xerox Global Services works with enterprises first to help assess where, in the accounts payable process, opportunities for improvement exist. Xerox Global Services then designs the best solution that introduces automation of manual data entry, automation of matching and approval workflows, and provides a central data repository of all documents involved in the accounts payable workflow processes. XGS offers a wide range of accounts payable solutions tailored to suit the needs of individual companies. Elements of a Xerox Global Services solution include:

- **With XGS mail room processing of invoice documents, image-capture, indexing, and storage of all documents associated with the payables transaction, the time to do line item matching and resolving discrepancies is significantly reduced.**
- **XGS provides front-end processing into AP approval workflows or back-end processing into a comprehensive digital archive, or a combination of both. They can also help companies work through the change process going from simpler back-end solutions to the more valuable front-end solutions.**

- **With XGS, invoices are received, imaged, indexed, and entered into the accounts payable systems well in time to ensure early payment terms are met. Invoice payment scheduling can be made part of the feed to ensure optimal timing to capture discounts without paying early, prevent late payment penalties, and manage to DPO targets. Payment scheduling can also be used as a vendor contract negotiation lever.**
- **With XGS, all documents associated with a transaction (purchase order, shipping and receiving documents, invoices) are imaged, indexed, stored together, and easily accessible, thereby facilitating compliance with audit and regulatory standards.**

XGS has significant differentiation within the capabilities of their base solution, which provides more value to the customer's overall Procurement to Payment process:

- **Superior approach to improving AP work practices through socio-technical innovation, accommodating how people work with technology.**
- **Implementation of the most advanced imaging, recognition, and data management tools to facilitate AP workflow processes and the digital archiving of AP invoices and data.**
- **Unparalleled technologies supporting the end-to-end AP business process, providing a comprehensive audit trail associated with all AP transactions in a seamless, scalable, flexible solution.**
- **Partnership with a global company uniquely positioned to deliver end-to-end solutions resulting in dramatic improvement of AP document intensive business processes while emphasizing quality, innovation, and performance throughout all aspects of client relationships and projects.**
- **XGS has the full range of capabilities to identify and assess value creation opportunities, design and implement solutions, and manage the resultant work processes.**

Unstructured data is still a reality for most businesses. Many companies spend upward of 80% of their time dealing with the invoices and other business documents they receive in a paper format – which accounts for approximately 20% of their overall data.

DM Review Magazine,
BI Report, July 2003,

ROI Value Drivers

The Gantry Group recently completed a study of companies with a Xerox Global Services accounts payable solution.

Along with qualitative or soft benefits, Xerox Global Services accounts payable solutions have had a direct impact on customers' bottom lines. This impact was felt in several different areas of operation, affecting multiple business processes throughout the accounts payable department, including:

- Labor Costs
- Payment Timing and Accuracy
- Payment Terms
- Storage Costs
- Operating Costs

Note: Companies experienced only those ROI value drivers that apply to their specific business and solution configuration. The list of ROI drivers below represents a compilation of all identified areas of impact.

Labor Costs

The largest contributor to accounts payable transaction cost is the labor cost of validating invoice accuracy, gathering and assembling source documentation to resolve discrepancies, and getting proper approvals for payment. Xerox Global Services solutions automated these tasks, enabling companies to save significant labor expense.

- **Reduction in Temporary Employees Headcount**
To meet demand, some companies often had to hire temporary staff to supplement the accounts payable staff (FTE). Temporary employees were used for disputed claims research, filing and distribution of related documents, etc. When accounts payable processes were automated with an XGS solution, the need for filing, sorting, and handling of paper documents, and time-intensive research, decreased. By minimizing manual data entry from the workflow, companies gained savings from reduced temp employee hiring.
- **Staff Reduction and Avoided Additional Hires**
Due to the dramatic increase in efficiency of accounts payable staff (from reduced errors, faster research, eliminated administrative and manual tasks), many companies were able to increase the volume of transactions through the department without needing to hire new staff. Others have been able to reduce accounts payable headcount.
- **Avoided Employee Overtime**
Process efficiencies introduced by a Xerox Global Services solution eliminated the need for overtime expenses. This cost avoidance stemmed from automation and decreased cycle time of accounts payables processing.

" Nearly two-thirds of companies report that their cost to process a vendor payment is under \$8.50. Moving to higher levels of automation will cut the cost to process a vendor payment from 30% to 60%." source: IOMA's A/P Department Benchmarks & Analysis 2003

*A savings of \$3 per transaction at an average of 15K transactions per month would result in an **annual savings of \$500K.***

Reduced Transaction Costs

- Annual savings of **\$500K**

Timely Payment Benefits

A number of vendors offer incentives (discounts) on invoices that are paid early or by a certain date. In the reverse situation, companies are generally penalized with late charges if invoices are overdue. By reducing the accounts payable processing cycle time, companies

gained control over payment timing, enabling them to make decisions to pay early or wait until the last day possible.

- **Increase in Early Payment Discounts**

Early payment discounts are usually available for payments made within 10 days. For some companies, time-consuming, manually intensive accounts payable processes were not sufficiently efficient to capture most early payments – even if there were no discrepancies. Faster validation and approval cycles along with invoice payment scheduling can ensure optimal payment timing to capture all discounts.

In a recent member survey conducted by the Credit Research Foundation (Administering Cash Discounts #2), the results showed that on average, 54% of vendors offer early payment discounts (of 1 to 2% if paid within 10 days), and that companies only take advantage of 63% of these discounts.

The primary reason for not taking the discount is a combination of company policy and inefficient AP processing.

“As a general rule, unless interest rates are very high, it makes financial sense to take the discount.” Source: Mary S. Schaeffer, Essentials of Accounts Payable 2002

*For a company with \$1B AP annual spend, assuming 54% is eligible for 1% discount, \$5.4M is the realizable discount. If 63% is captured today, and that can be moved to 83%, the increased **savings would be \$1M annually.***

- **Reduced Unnecessary Early Payments**

Due to inefficiencies in their AP process, many companies pay invoices before they are due. By streamlining the process, companies gain control over payment timing, enabling them to wait until the last day possible and thereby improving their cash flow.

*“Our data shows that on average, 18% of dollars invoiced are paid early. A solution that would improve this (say an average of 10 days), would generate **an additional \$0.5M in savings** for a \$1.0B spend, assuming a 10% cost of capital. (18%*\$1.0B*10/365 *10%). source: Stephen Thomas, Senior Vice President, REL Consultancy Group*

- **Avoided Late Payment Fees**

Late payment fees are the result of inefficient, time consuming, error-prone payables processes. When these processes were automated and combined with imaging of all payment documents, invoices could move smoothly and quickly through the transaction verification process required for payment voucher creation. Again, all imaged invoices can be put on a payment schedule to ensure optimal timing.

Increased Early Payment Discounts

- Annual savings of **\$1M**

Reduce Unnecessary Early Payments

- Annual savings of **\$500K**

Late payment fees are not typically a quantifiable problem since most Fortune 1000 companies won't pay them. However, it is worth investigating as certain vendor types, such as utilities, do charge late payment fees that must be paid.

Reduced Error Related Savings

When paper invoices were automatically coded and uploaded into existing financial systems by an XGS solution, data errors due to manual entry were minimized. Automatic indexing and storage of all documents associated with payables transactions ensured accurate payment.

- **Avoided Duplicate Payments**

Duplicate payments often resulted when paper invoices were lost or "missing", and then resubmitted by the vendor. At times when the missing invoice was found, both invoices ended up in accounts payable—and both were paid. Process automation and data accuracy introduced by an XGS solution allowed companies to avoid instances like these by preventing document loss and/or catching duplicates before they were paid. Image capture and indexing ensure documents do not get "lost" and are paid when originally received.

"What few outside of accounts payable realize is that duplicate payments are a huge problem for most companies—regardless of size." source: Mary S. Schaeffer, Essentials of Accounts Payable 2002

(Only) 13% of all companies report greater than 0.1% duplicate payments. source: IOMA's A/P Department Benchmarks & Analysis 2003

"However, the actual numbers are probably higher. Why? For starters, few like to admit they make mistakes, especially errors of this sort. (And) many go undetected, and thus don't make it into the statistics." source: Mary S. Schaeffer, Essentials of Accounts Payable 2002

*"For a company with \$1B AP annual spend, 0.25% of duplicate payments represent \$2.5M. Reducing this by half results in an **annual savings of \$1.25M.**" source: Stephen Thomas, Senior Vice President, REL Consultancy Group*

- **Improved Payment Accuracy**

Lack of automatic access to purchase order documents that are linked with the appropriate invoice(s) is often the cause of incorrect payments, many of which are unnecessary excess payments. With an XGS solution, indexing and storage of all documents associated with the payables transaction, coupled with automatic feeds of coded data, helps to ensure accurate payment is made.

Avoiding Duplicate Payments

- Annual savings of **\$1.25M**

- **Reduction in Delivery Write-Offs from Freight Claims or Shortfalls**

Due to their inability to easily and promptly track and match shipment and delivery documents, organizations were forced to absorb inventory losses and damaged goods in cases when source documents were missing. The deployed XGS solution helped reduce these write-offs by ensuring that documentation was properly stored and available for easy retrieval – from virtually anywhere in the company.

"Common errors include improper calculation of discounts, misapplied deductions and allowances, improper freight calculations, insurance charges, and incorrect due dates." source: Mary S. Schaeffer, Essentials of Accounts Payable 2002

"Based on this (IOMA) study, the error rate on vendor payments averages 1.6%" source: IOMA's A/P Department Benchmarks & Analysis 2003

*"An error rate usually means more than excess payment. It also includes errors in due date, or charge errors that can go both ways. For a company with \$1B of annual AP spend, if 50% of the 1.6% error rate results in excess payment of 10%, a reduction in the error rate by a third results in an overall potential **annual savings of \$0.26M** ($\$1.0B * 1.6% * 50% * 10% * 33%$)" source: Stephen Thomas, Senior Vice President, REL Consultancy Group*

Reduction in Payment Errors

- Annual savings of **\$260K**

Improved Vendor Payment Terms

With an XGS solution, purchasing managers are better able to negotiate attractive vendor payment terms. This improved ability to negotiate stems both from the company's ability to offer regular or guaranteed payments (through automated invoice payment scheduler), as well as insight into total purchasing volumes from individual vendors. Receipt, indexing, and storage of all documents associated with every transaction can provide customized reporting on total company spending with vendors that can be used to negotiate company-wide terms.

*"Process streamlining that enables timely payments can improve vendor relationships and allow the customer to negotiate better Terms by an average of 20%. For a company with \$1B AP annual spend, at 42 DPO and 10% cost of capital, this represent \$1.5M in cash savings, excluding 33% already paid late. ($67% * \$1.0B * 42/365 * 20% * 10%$)." source: Stephan Thomas, Senior Vice President, REL Consultancy Group*

Improved Vendor Payment Terms

- Annual savings of **\$1.5M**

Storage Costs

Prior to XGS implementation, organizations with paper-based document processes were forced to store multiple paper copies of all invoicing activities. These boxes or file cabinets or folders were either stored onsite, occupying valuable office space, or outsourced to an off-site facility, incurring increased expense.

- ***Reduction in Off-Site Outsourced Storage Costs***
By taking advantage of electronic storage, organizations were able to reduce, and sometimes eliminate, the costs of off-site, outsourced storage and warehousing of paper documents.
- ***Reduction in Storage Space Overhead***
In cases where paper documents were stored on-site, the space costs were sometimes allocated into the overhead of the accounts payable department. Implementation of an XGS solution reduced, or completely eliminated, these allocated costs. In addition, since paper document volumes were increasing over time, some companies were purchasing new filing cabinets on an annual basis. The XGS solution deployed eliminated the need to make these recurring purchases.

Operating Costs

Other costs incurred by accounts payable processes were related to the exchange of paper-based documentation, often across disparate geographic locations. Prior to XGS solution implementation, when invoices were being researched (due to exceptions or routine audits)—or even as part of the basic workflow for accounts payable—documents were shipped, faxed, and copied multiple times as the “paper trail” was followed.

- ***Reduction in Shipping and Postage Costs***
Accounts payable shipping and postage costs were reduced through automation of data capture with an XGS solution. This eliminated the need for multiple transfers of paper documents between shipping/receiving and the main office where accounts payables were processed.
- ***Reduction in Telephone and Fax Bills***
Automating and shortening the overall accounts payable processing and dispute resolution cycle time reduced bills from voice and data carriers. With easy access to imaged and indexed documents stored in a single central repository, research and retrieval can now be accomplished without the need for telephone and fax.
- ***Reduction in Printing and Copying Costs***
Providing companies with automated capture methods and electronic images of all accounts payable documents reduced printing and copying costs. These savings included maintenance on related infrastructure as well as ink-cartridges and toner.

Intangible ROI Value

XGS solutions help companies transform accounts payable workflows, removing bottlenecks and creating efficiencies through automation and just-in-time access to much-needed information. These efficiencies result in improvements that are very real, but that do not necessarily have an effect on the bottom line.

ROI Driver	Benefit
<i>Decrease in Dispute Resolution (Exception Processing) Time</i>	With easy access to all documents related to an invoice, accounts payable staff reduced the time to resolve disputed payments by as much as 80%. The deployed XGS solution decreased dispute resolution time dramatically by automating the billing information capture and retrieval processes, providing staff with timely, accurate information at their fingertips.
<i>Increase in Accounts Payable Efficiency</i>	The ability to access accurate billing information not only decreased dispute resolution time, but also had a positive effect on the normal processing of invoices. Automation of work processes that were previously done manually drives efficiency into all accounts payable processes. When the accounts payable staff was spending less time on repetitious data entry and dispute resolution, they were reassigned to higher value tasks.
<i>Increase in Annual Invoices Processed per Employee</i>	The value of XGS' solutions is also realized through an improvement in individual employee productivity. By eliminating the need for manual search for hard-copy documents or long waits for required information, the number of invoices processed annually per employee was increased.
<i>Reduced Cost of Disaster Recovery and Planning</i>	XGS solutions minimized disaster recovery and planning costs by providing enterprises with electronic storage and back-up systems for all imaged documents. Furthermore, off-site managed operations are now under better control and oversight.
<i>Security of Reliable Internal Controls for Compliance</i>	<p>XGS solutions help companies ensure that adequate controls for compliance are in place. With increased pressure from Sarbanes-Oxley, companies are under greater scrutiny for accountability and transparency of transactions. Automated XGS solutions streamline existing audit and regulatory compliance processes that are cumbersome and difficult to implement.</p> <p>Failure to comply with audit and regulatory standards can cost companies millions of dollars. XGS solutions provide assurance that all source documents in the accounts payable workflow are verified and valid.</p>

Conclusions

As companies increasingly deploy imaging *and* automation solutions at the front-end of accounts payable processing, they can improve economic benefits commensurately through greater cost savings and cost avoidance. Such solutions allow companies to have greater control over accounts payable processing (and cash flow management) while reducing processing costs. Significant cost savings from elimination of manual processes are further enhanced by capture of early payment discounts, improved vendor relationships, and avoidance of costly late fees.

Following a short implementation period, XGS customers who deployed an XGS accounts payable solution realized a positive net economic benefit from reduced costs within the first 12 month period. By introducing XGS solutions that combined imaging, advanced indexing, and database repository management, these companies enjoyed significant process improvements—primarily from:

- Lowered transaction processing costs through
 - Decreased labor requirements
 - Improved payments accuracy
- Eliminated or reduced storage costs
- Reduced accounts payable operation costs
- Improved capture of payment discounts and avoided late payment fees
- Reduced IT infrastructure costs

As if the cost savings and captured discounts were not sufficient, accounts payables imaging and automation solutions also have powerful, intangible benefits that include reduced disaster liability, smoother tax audits, and assurance of compliance dictated by Sarbanes-Oxley and other regulatory bodies.



The
Gantry
Group

About The Gantry Group, LLC

The Gantry Group is the only management consulting firm specializing in technology ROI. The Gantry Group's ROI impact analyses are validated by primary market research to ensure accurate capture of the real value drivers and costs. With over 200 technology clients, 3,000 business process interviewers and profiles in their knowledge base, and more than 1,000 ROI business processes and value drivers modeled, Gantry offers its clients the greatest depth and breadth of ROI experience and invaluable objectivity. Since 1997, Gantry Group has provided ROI Calculators, Benchmark Studies, White Papers, Case Studies, and ROI Sales Training Materials for hundreds of technology companies in healthcare, financial services, mobile/wireless, and business process optimization. Gantry Group's client list of technology vendors includes leading IT vendors such as PeopleSoft, Fidelity Employee Services Co., Thomson Media, palmOne, Xerox, Politzer & Haney, and Workscape Inc. For more information about Gantry Group, please call 978-371-7557 or go to www.gantrygroup.com.

About Xerox Global Services

Xerox Global Services helps companies streamline and digitize their document-intensive business processes – everyday processes like customer communications, billing, training, or records management. Our people work closely with clients to identify, quantify, and realize hidden opportunities to save money, find new sources of value, and simplify how work gets done.

For more information on how Xerox Global Services can apply Six Sigma methodologies in your organization, call 1-800-ASK-XEROX ext. XGS or visit www.xerox.com/contactglobalservices.

