



Invacare Corporation

Automating accounts payable for a global health equipment company

Overview

Challenge

Invacare manually processed up to one thousand paper invoices per day and vendor inquiries were slowed by multiple phone calls and retrieval of documents from storage.

Solution

The company implemented IBM Datacap Taskmaster Accounts Payable Capture software, which identifies each vendor's invoice and locates the data fields to be captured on the fly.

Benefits

Reduced accounts payable headcount while increasing volumes; improved customer service; reduced paperwork

Invacare Corporation (NYSE:IVC) is the world's leading manufacturer and distributor of medical equipment used in the home. Based near Cleveland in Elyria, Ohio, Invacare has steadily grown to a \$1.7 billion company. If you've ever needed the help of crutches, a wheelchair or hospital bed in your home, then chances are good that you've used an Invacare product.

Invacare runs a tight Accounts Payable (AP) operation, utilizing many elements of AP automation to streamline its process. Continuing its commitment to automation, Invacare added invoice data-entry automation in early 2009 implementing IBM® Datacap Taskmaster Accounts Payable Capture integrated with Oracle Financials and an OnBase image repository from Hyland Software.

Seeking to image invoices

Until recently, Invacare manually processed all invoices. Each day, the mailroom delivered upwards of a thousand paper invoices which would be sorted alphabetically by Business Group in the AP department. The AP staff, each assigned a group of vendors, would manually key the data from their allotted invoices into the company's Oracle Financials ERP system for reconciliation with purchase order and proof of receipt. Each AP clerk then manually filed the invoices for storage, and once a year, paper invoices were trucked offsite for remote storage.

If payment inquiries came in from a vendor that required looking at the invoice, AP staff would manually retrieve the hard copy and answer the question. Often, several telephone calls would ensue to answer one question. If an inquiry came in about an older invoice in remote storage, the answer could take days and the storage vendor would charge Invacare for retrieval.



“Processing is much faster and invoices are almost immediately available as electronic images. AP clerks can call up an invoice on their screens and answer vendor inquiries during the initial call. As a result, we are delivering better customer service for not only internal inquiries, but to our vendor community as well.”

— Seth Linebrink, Manager of Financial Reporting and Accounts Payable, Invacare Corporation

Always looking for ways to improve its process, the company began exploring options for imaging invoices, including outsourcing the scanning as well as in-house solutions. With thousands of different vendors, each featuring a unique invoice layout, Invacare was looking for a solution that would provide a cost-effective way to set-up new invoice layouts. Many of the solutions Invacare looked at involved costly and time-consuming programming to set up a template for each invoice and if the company wanted to capture line items, it was even more expensive.

Templates on-the-fly take seconds

Invacare selected IBM Datacap Taskmaster Accounts Payable Capture software, which met its requirements for rapid set-up of new vendors and was tightly integrated with both Oracle Financials and the imaging system. A single Fujitsu fi-6149 scanner handles the daily volume of paper invoices.

The challenge for Accounts Payable capture systems is being able to identify each vendor’s invoice and locate the data fields to be captured on a batch of bills fed into a scanner. Programming a template, with zones identified for optical character recognition (OCR) to capture data fields, is not practical with thousands of different vendors.

IBM Datacap Taskmaster Accounts Payable Capture features an innovative approach to this problem that builds a template on-the-fly, with no programming required. Called Dynamic Natural Analysis (DNA), here’s how it works: For each invoice, IBM Datacap Taskmaster takes a snapshot of the document, think of it as a silhouette. Then Taskmaster applies OCR to the invoice and uses key word searches and location rules to extract the required fields-PO, invoice number, total, etc.

For any fields that location rules miss, the verify operator clicks on the image to populate the appropriate field and when the operator clicks the “New” button and attaches a vendor ID, the new fingerprint creates zones automatically for each field. The next time that vendor submits an invoice, IBM Datacap Taskmaster finds the match in the fingerprint library and calls up the vendor ID and data locations for automatic processing. Where other systems take 30 minutes or more for each template, this template on-the-fly approach takes seconds.

Solution Components:

- IBM® Datacap Taskmaster Accounts Payable Capture

Faster invoice processing and better customer service

The system was installed in 2009 and the AP department saw immediate benefits. “Processing is much faster and invoices are almost immediately available as electronic images,” says Seth Linebrink, manager of Financial Reporting and Accounts Payable, Invacare Corporation. “AP clerks can call up an invoice on their screens from the OnBase repository and answer vendor inquiries during the initial call. As a result, we are delivering better customer service for not only internal inquiries, but to our vendor community as well.”

While the system has enabled Invacare to reduce the number of AP staff, even as invoice volumes increase, staff reduction was not the main goal for Invacare. Getting more productivity is, however, and Linebrink attests that the AP department is using Taskmaster as a tool to go paperless and free up storage space with fast, efficient storage and retrieval. “We are scanning invoice attachments, inter-company reconciliations and cash receipts,” he says. “We’re scanning close to three times our volume of invoices with these other documents, and there are plans to address HR and Travel & Expense documents as well.”

For more information

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Software Group
Route 100
Somers, NY 10589
U.S.A.

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