HOW TO INVOKE INTELLIGENCE IN INVOICES?

Abstract

A Fortune 500 engineering corporation facing challenges with invoice payment delays had tasked Walter McKinney, its Head for IT, Analytics, and Data with finding a solution. The challenging mandate — because of the scale of the company's operations across the globe — meant dealing with a huge volume of invoices received in multiple languages. This case study details how Infosys BPM leveraged the cloud, artificial intelligence, and machine learning, combined with Infosys Intelligent Document Processing, to help Walter out of his predicament.

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Of language and other barriers

Walter McKinney, the Head for IT, Analytics, and Data in a Europe-based Fortune 500 engineering corporation, had a tricky situation to tackle. With the massive scale of the engineering company's operations, it annually received close to 200,000 invoices in various formats from its vendors. This meant that the company had long lead times for training its accounting operations personnel to understand all the invoice formats. Also, with 30% of the invoices coming in seven different languages other than English, the company had to hire and retain translators and other qualified staff with skills in different languages. This was a difficult challenge, especially because the

invoice volumes in some of the languages were comparatively low.

To overcome these challenges, and to cut down on costs, the company had been using an external service provider to process its invoice payments. However, the outsourcing partner used manual processes to update the invoice data into the enterprise systems, using online translation tools to translate the ones which were not in English. These manual activities, apart from introducing numerous human errors, also took up a lot of time, thus impacting the accuracy and timeliness of payments. The outcome was a vicious

cycle: processing backlogs that caused a great amount of stress to the vendors and the company's accounting staff, which also further impacted the speed and accuracy of payments.

The company troubled by the vendor frustration caused by delayed payments tasked Walter to tackle the situation. And so Walter began the search for a new outsourcing partner who could provide an end-to-end, multi-language solution for processing invoices at scale.
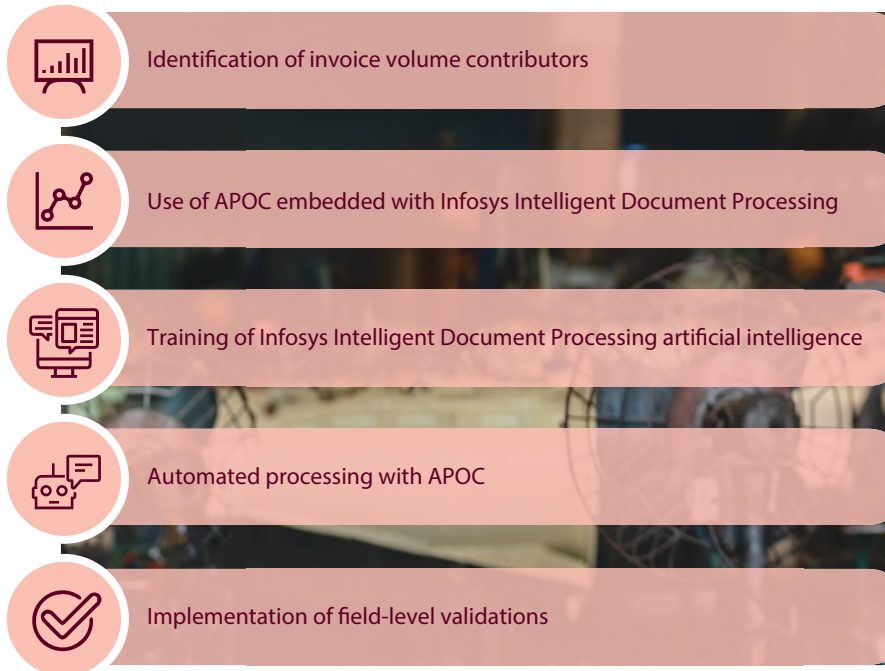

Looking to the cloud for solutions

After recommendations from his peers in other Fortune 500 companies, Walter reached out to Infosys BPM. Sourav Dutta, a transformation expert at Infosys BPM, then designed a proposal to tackle Walter's challenges using two of Infosys' proprietary solutions – Infosys Accounts Payable on Cloud (APOC) – a completely automated, cloud-native, accounts payable platform, embedded with Infosys Intelligent Document Processing – a cloud-based

solution utilising inbuilt optical character recognition (OCR) and language translation services to extract data from documents such as invoices.

Walter was impressed by Sourav's presentation. The double-engined solution was exactly what was needed to eliminate his challenges. Using Infosys Intelligent Document Processing for the automatic extraction and translation of

the invoice data in multiple languages and then passing it on to APOC for payment processing would not only save a lot of time but also costs. And so, in January 2022, Walter onboarded Sourav and his team of digital transformation specialists to carry out the solution's implementation across all regions of the company's operations.

Approach summary

- Identification of invoice volume contributors
- Use of APOC embedded with Infosys Intelligent Document Processing
- Training of Infosys Intelligent Document Processing artificial intelligence
- Automated processing with APOC
- Implementation of field-level validations

For the implementation, Sourav's team first identified the top volume contributors to the invoice queues. Then using a variety of historical invoice samples that Walter provided in seven different languages, and in various formats, the team trained Infosys Intelligent Document Processing's pre-built artificial intelligence algorithms to extract and translate all the information from these documents. The extracted information was then passed on to APOC for automated processing, and the team enabled field-level validations to improve the accuracy of the extracted data. This step reduced the potential of human errors that could be introduced due to inaccurate or failed validations during invoice processing.

As they went about the implementation, Sourav's team enjoyed the complete support and collaboration of the company's IT technology team. However, they did face some hiccups due to the non-availability of accurate organisational master data, which was needed to assign the extracted invoice data to the right vendor entities for processing the payments correctly. But Sourav, with Walter's support and collaborating closely with his teams, managed to obtain all the necessary information as the project sped along to completion.
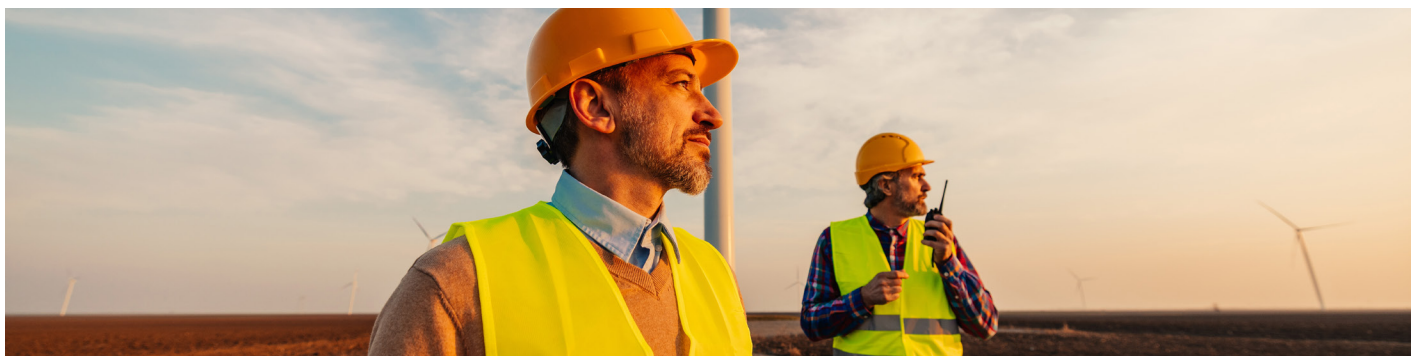
Tallying up the benefits

Infosys BPM's APOC working in tandem with Infosys Intelligent Document Processing transformed the company's invoice-to-pay processes. The end result was 30% of invoice processing volumes covered through automation, and the operations team no longer needing to be trained on all the different invoice formats. Walter also had no further need to rely on language resources or translators for translating the documents. In addition, with an extraction accuracy of over 85% and translation accuracy of over 83%, the new processes were freed to a large extent from the earlier human-induced errors.

Key benefits

- 85% extraction accuracy
- 83% translation accuracy
- ~50% reduction in process lead times
- Reduced payment backlogs

Importantly, the solution's efficiency improvements, enabled the accounts payable team to keep the payment backlogs under manageable levels, and that too with a smaller number of resources. Overall, the lead time of end-to-end payment process was reduced from ~10 days to 4-5 days, with a lower propensity for human induced errors, leaving both the vendors and the operational personnel greatly delighted.

Walter was delighted with the outcomes of Sourav's efforts. With the cloud-based solution being scalable, Walter was able to add more language documents into the mix of volumes as needed, or even reduce the number of operations resources going forward.

Names have been altered to preserve the identities of the people involved.

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