LEVVEL RESEARCH

Pitching ROI for Accounts Payable Automation

A Guide to Demonstrating the Value and ROI of AP Automation to Key Decision Makers

Q1 2017 | Featuring Insights On...

- » Current Market Trends in AP Management
- » The Benefits of AP Automation for Organizations' Costs and Productivity
- » A Guide to ROI with AP Automation
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Introduction

When it comes to improving an organization's back office, AP automation is one of the most effective methods of streamlining inefficient processes, reducing processing costs, and providing more visibility into and control over supplier invoices and payments. Landmark AP automation tools like electronic invoicing, invoice approval workflow, and supplier management portals have helped many companies eliminate paper and reduce processing pains, including late payments, invoice errors, and missed discounts. With an automated AP process, organizations have the potential to save millions of dollars in processing costs each year.

However, this story of AP transformation, while true for many companies who have implemented a system, is not always effective in persuading key decision makers to adopt a solution. Levvel's research shows that the top barriers to invoice management software adoption include the belief that current processes are working, a belief that there will be no Return on Investment (ROI) from a solution, and a failure to gain internal buy-in. These three barriers often keep organizations operating with manual processes for many years. Instead, they continue to overspend on processing costs and miss out on potential savings from early-payment discounts.

This report is intended to help organizations understand the value of AP automation and communicate that value to key decision makers. This report includes several helpful tools for practitioners making the case for an investment in AP automation. It explores different scenarios of an AP state before and after automation, and includes calculators to help practitioners demonstrate ROI to any stakeholder.
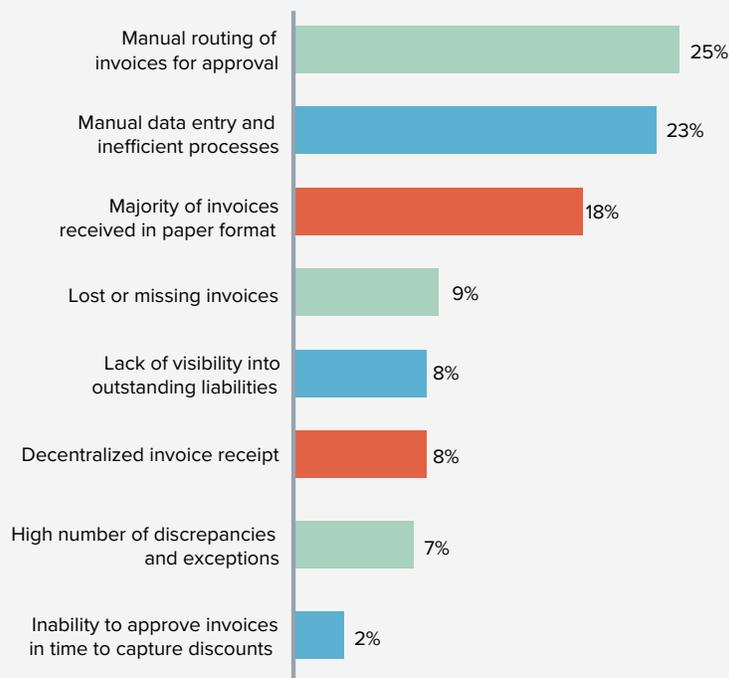
Defining AP Processing Pains

When preparing to make the case for automation to company stakeholders and decision makers, the most important element to include is the metrics of the current state. This includes not only the current state of the organization's AP process, but also the current state of the market as a whole. It is important to understand how other organizations are faring in their back offices in order to build perspective—and show room for improvement.

In order to identify invoice management trends among North American organizations, Levvel Research surveyed over 300 back-office employees across several industries and market segments. Research shows that organizations' top pains in their invoice management process include manual invoice routing, manual data entry, and high volumes of paper invoices, see Figure 1. These issues and others, such as lost invoices and a high number of invoice exceptions, are all common symptoms of a manual AP process.

FIGURE 1

Top Challenges in the AP Process

| Challenge	Percentage
Manual routing of invoices for approval	25%
Manual data entry and inefficient processes	23%
Majority of invoices received in paper format	18%
Lost or missing invoices	9%
Lack of visibility into outstanding liabilities	8%
Decentralized invoice receipt	8%
High number of discrepancies and exceptions	7%
Inability to approve invoices in time to capture discounts	2%

Organizations' Top AP Pains Concern Manual Routing and Data Entry, and High Paper
"What are the top three biggest pain points you experience in your AP workflow process?"

Another side effect of manual processes is a high volume of missed discounts, often due to the lack of visibility into invoice lifecycles and the resulting late payments. For many organizations, missing discounts is a familiar experience. When asked how often they were able to capture early payment discounts, most organizations reported "sometimes," see Figure 2.

FIGURE 2

How Often Organizations are Able to Capture Early Payment Discounts

- Always (33%)
- Sometimes (51%)
- Never (16%)
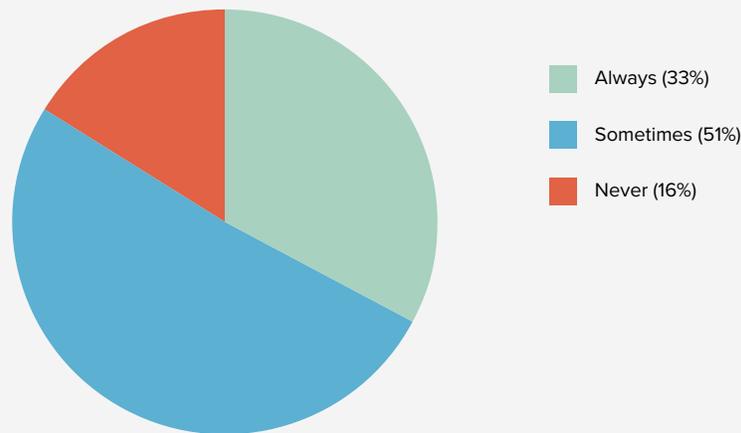
One-Half of Organizations Only Capture Discounts Some of the Time
"How often is your organization able to capture early payment discounts on invoices?"

If an organization were to use an AP solution that sped up invoice lifecycles and offered an option for suppliers to designate discounts on their invoices, it could increase discount capture anywhere from 5 to 35 percent. This could result in millions of dollars in savings, depending on an organization's size and annual invoice volume. Organizations with manual AP processes often miss these savings.

Manual-based AP processes reduce an organization's profitability in other areas as well, such as in dispute management. With a manual process, organizations are more likely to experience invoice errors, duplicate invoices, late payments, and unhappy suppliers. The time required for AP staff to handle invoice and payment disputes can add up, and some organizations are spending thousands of dollars each year solely on damage control. Table 1 contains calculations of organizations' labor costs for dispute management, assuming an average annual salary of $45,000 per AP staff member, three weeks of PTO, two weeks of

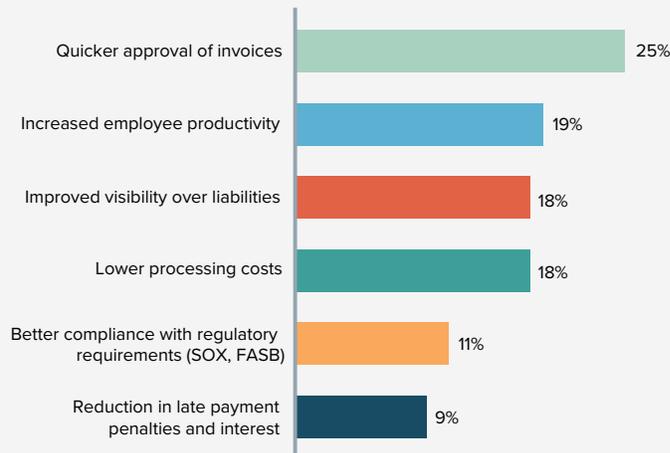combined holiday and sick leave, and a 20 percent overhead calculation.

TABLE 1
Annual AP Issue Resolution Costs

Hours Spent Each Week	Annual Costs Per Employee
1-3	$1,350 – $4,050
4-8	$5,400 – $10,800
9-20	$12,150 – $27,000

These issues are the most common reasons why organizations adopt an AP automation solution. What happens with a fully automated invoice management process? Organizations see tremendous improvements in their ability to process invoices efficiently, on time, and with very few exceptions. Research shows that the top improvements organizations experience after automating AP processes are quicker invoice approvals, increased employee productivity, lower processing costs, and increased visibility, see Figure 3.

FIGURE 3

Top Improvements Gained Through AP Automation

Quicker approval of invoices	25%
Increased employee productivity	19%
Improved visibility over liabilities	18%
Lower processing costs	18%
Better compliance with regulatory requirements (SOX, FASB)	11%
Reduction in late payment penalties and interest	9%

Organizations Experience Improvements in Cycle Times, Productivity, Costs, and Visibility
"What are the greatest improvements you have seen since implementing an invoice workflow solution?"

When practitioners make the case for automation, they should be sure to compare these market trends to their own company's processes, identifying any similar pains and lost savings opportunities. With a clear picture of its current, inefficient AP state, an organization's leadership can better imagine a future, optimized state—one in which it is reaping the benefits of an automated AP process.

Once decision makers understand the value of AP automation in general, it is important that they see the effects a solution can have on their company's specific business structure and AP department. The following section provides some real-world scenarios that organizations can use as a model to determine the costs and savings possible with an AP automation solution.

The True Cost of AP

When adopting AP automation, the success of a company's adoption initiative will often depend on its previous experience with AP automation—and back-office technology in general. In some cases, a practitioner could be making the case for software adoption to a company that has never automated any major back-office process with a software tool. In others, an organization could already have an AP software tool in place. It could be an outdated solution or one that was unsuccessful in improving processes, leading the practitioner to encourage the company to replace the tool.

An organization's experience with automation can vary based on many factors, including the company's size and age. For example, an organization that was founded over 40 years ago is much more likely to have several software tools implemented in back-office departments, whether an HR solution, a payroll system, or one or more ERPs. Older organizations are more likely to have adopted their ERP's on-premise financial automation tools, as these offerings were reaching prominence among ERP providers in the 1990s and early 2000s. Larger organizations are also more likely to have already adopted an AP system, as they have more financial resources to adopt a solution—and will feel fewer effects of a financial loss if the solution is not an successful fit.

There are advantages and disadvantages to automating an AP process completely from scratch. For example, if a company is not dependent on legacy-based AP automation, they typically lack an established relationship with the IT department, which can add more time to the adoption and implementation process. They will also more likely need to hire additional internal IT resources to assist with implementation. On the other hand, the company will have the ability to design and customize a completely new automation process without worrying about interacting with existing solutions and hardware.

There are also advantages and disadvantages when a company already has an ERP/legacy AP system in place. If the company decides to replace their system, they will have to sever their existing software contract, as well as reallocate IT roles that were monitoring the existing solution. They will also have to consider how to integrate the new solution with existing processes and hardware (e.g. scanners). However, the company will have the benefit of established personnel to manage the implementation, which entails a team that already possesses local IT and process knowledge. In addition, the company will have a back-up solution in case implementation goes wrong.

No matter what experience a company has with financial process technology, the best tools that a practitioner can employ when making the case for AP automation are the numbers. From decades of consulting and market research, Levvel Research has been able to estimate general costs of implementation and the criteria to use when evaluating the potential ROI of a tool. The following items cover some of the potential costs—and savings—involved in software implementation and process changes, and are meant to help organizations estimate these cost areas in their own processes.
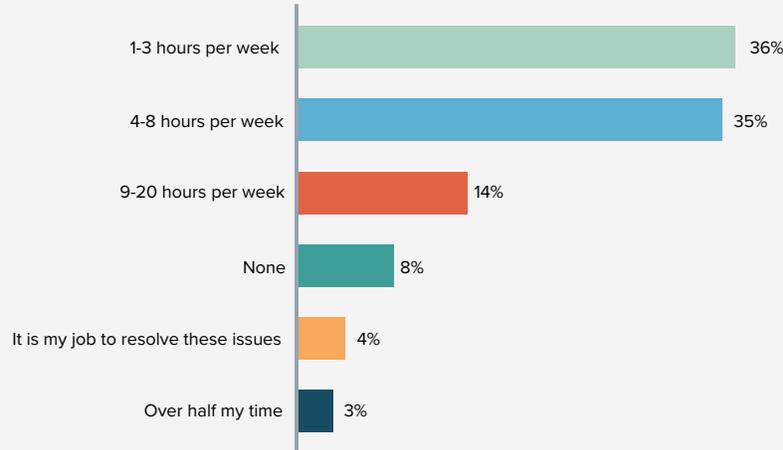
Initial Cost of Implementing Automation

» *Implementation Costs* – Most providers charge a certain percentage of their subscription fee up front, though this varies by provider. To predict implementation costs, organizations can reach out to a few providers to request estimates.

» *The Cost of Downtime and Evaluation* – In cases where organizations are replacing an existing AP automation system, they should consider the time during which they will have to take their current tool offline. This may result in some missed discounts or higher labor costs when the solution is not handling all processes, and these costs should be quantified and considered. Organizations implementing their first major AP tool or a replacement tool should factor in the cost of consultants, who usually bill at an hourly rate.

Potential Savings from Process Automation

» *Optimized Labor Costs* – AP automation allows many organizations to restructure their AP department. This entails reallocating staff members that normally take care of low-value tasks, such as manual data entry, to other, more strategic positions. Sometimes automation simply takes the pressure off of an over-burdened team; an inefficient AP process often forces an AP staff to spend their time fixing issues that should not have happened in the first place, such as tracking down missing paper invoices. Research shows that two-thirds of AP staff spend between 1 and 8 hours each week resolving AP issues, see Figure 4.

FIGURE 4

Time Spent Resolving AP Process Issues

1-3 hours per week	36%
4-8 hours per week	35%
9-20 hours per week	14%
None	8%
It is my job to resolve these issues	4%
Over half my time	3%

Many AP Professionals Spend Several Hours Each Week Resolving Process Issues
"How many hours each week do you estimate you spend on resolving AP process issues? (invoice errors, duplicate invoices/payments, supplier calls, etc.)"

If these hours are reduced with an AP solution and employees can focus on more important activities, organizations gain much more value from each dollar of labor spent. Organizations should calculate the effects AP automation would have on their own resolution times and labor costs. Example 1 illustrates the savings in labor costs if an organization were to eliminate a few positions after automation.

EXAMPLE 1

Assumption:	An organization employs 5 full-time AP clerks making an average of $38,000 per year. In a manual process, each clerk processes 20 invoices and handles 5 vendor inquiries per day.
Result:	With an AP solution, this workload is reduced to one vendor inquiry per day, and AP clerks only manage exceptions—an average of 2 exception invoices per day. This allows one person to handle the work of five people, enabling the organization to reassign 80 percent of their AP clerks, and saving a total of $152,000 a year in labor costs attributed to AP.

» Many times, organizations can reallocate staff to more strategic, value-added activities. AP automation also brings the ability for a company to grow without needing to significantly expand their AP staff. For example, if a company with a mid-single-digits growth rate and spend growing at 80

percent of that rate were to expand, it should be able to calculate the annual savings of an AP solution across their labor costs.

» *Mailroom Processing* – Not all organizations have a designated mailroom, but for those that do, these operations can be very expensive in terms of labor. Eliminating paper invoices with an AP automation solution can reduce the staff hours needed to process the mail, but only to a certain degree. When evaluating these costs, the practitioner should assume that 30 percent of mail is AP-related, and factor this amount into the reduction of mailroom staff.

» *Data Entry Labor and Equipment* – Many organizations with high volumes of paper invoices must perform a great deal of manual data entry to input and process invoices. This is usually handled either by AP clerks or a separate department designated to AP data entry. In the latter case, professionals are typically fully allocated to AP and do not transfer across departments. This means that when data entry is eliminated, the organization saves all of those costs (unlike with mailroom processing). The data entry process also requires the use of scanners, which can be very expensive at the industrial level. Example 2 shows what happens when an organization implements an AP automation solution with electronic invoicing and eliminates data entry entirely.

Assumption:	An organization employs 4 full-time data entry clerks with an average annual salary of $33,000. The organization has three scanners, purchased at $5500 per scanner; the scanners have a 2-year lifespan.
Result:	If the organization eliminates the data entry department, also removing the labor costs and the need to repurchase scanners at the end of their lifespan, the company would save $693,000 in 5 years.

» *Increased Discount Capture* – With an AP automation system, processes are streamlined and invoice lifecycles are shortened, meaning that organizations have a much greater ability to pay invoices early and capture early payment discounts. The monetary savings depends on the number of invoices an organization receives and the percentage of those invoices that are eligible for discounts. Levvel Research has found that most companies are offered discounts on 20 percent of invoices (or 20 percent of spend).

 |

Assumption:	A middle-market organization has $300 million in annual spend. With a manual AP process, the company is offered discounts on 20 percent of their annual spend, and it is able to capture 5 percent of those discounts with average discount terms of 2/10 net 30. This results in approximately $60,000 in annual savings.*
Result:	After the company automates its AP process, the discount capture rate rises from 5 percent to 80 percent on eligible spend. This results in approximately $960,000 in annual savings.*

*Ceteris paribus to supplier segmentation and invoice size.

Other Potential Process Improvements

» *Cost of Capital* – An AP automation solution can dramatically improve many aspects of processes throughout an organization, including supply chain operations. Automation improves payment times and vendor relationships, and can also affect an organization's credit and eligibility for loans. While these benefits are harder to quantify than some other process improvements, organizations should still consider the effect a solution can have on their cost of capital when making an investment decision. For example, operating under a hypothetical credit rating improvement, how would a company's business plans change in the next 10 years?

» *Improved Month/Quarter/Year-End Close Processes* – This unavoidable, time-consuming process can be simplified and made far more efficient with an AP solution. With the automatic reconciliation and auditing capabilities provided by many AP solutions, accounting professionals gain much more visibility into the closing process. This reduces the stress of the process for the accounting department and could eliminate the need to hire outside help during these busier times.

» *Elimination of Outsourcing* – Not all organizations outsource, but many find it easier or more affordable to send their invoice processing, routing, and/ or payments to outside teams. However, AP technology can completely eliminate many of the manual activities that organizations outsource, using technologies like electronic invoicing, online data capture tools, machine learning, and automatic approval workflows. This immediately and dramatically reduces annual AP costs.

» *Document Storage* – Many AP solutions allow organizations to store their invoices and other business documents in an electronic archive. This eliminates the need for physical storage containers. Depending on the size of the company and the volume of retained documents, this could free up considerable extra office space—it may even prevent or postpone a move for a growing company. Eliminating paper also reduces the risk of losing valuable business data in the case of unforeseen circumstances, such as theft or fire.

Measuring Success

When practitioners are preparing for their presentation, they should have as many measurements to consider as possible. Table 2 contains a few calculations they can use to determine real ROI results.

Total Cost Per Invoice	(Number of AP Clerks * Average Annual Salary) / Number of Annual Invoices *(does not account for overhead or other soft costs)*
Perfect Payment Index Calculation	% electronic * % paid on-time * % discount achieved
First Year ROI (%)	Annual Savings / Total Cost of Implementation
Payback Period (Years)	Total Cost of Ownership (Annual Subscription* Number of Years + Implementation Cost) / Annual Savings
5-Year ROI	(Annual Savings * 5) / (Total Cost of Ownership + 5 Year Maintenance Costs)

In order for an automation overhaul to be successful, it is vital that senior management understand the value, need, and primary use of the software. When presenting their case for automation, practitioners should leverage all current-state and ROI metrics with a detailed plan for product implementation, highlighting the long-term benefits of the solution in both hard and soft costs. This will ensure that stakeholders are aware of their process needs, educated on the solutions to these needs, and optimistic and enthusiastic about implementing a new system.

The following profiles highlight the features of a few leading AP providers. Each of these providers has a track record of helping clients optimize their AP processes to produce the highest possible ROI and long-term success.

Artsyl

Artsyl has offered software for intelligent document capture, workflow automation, and invoice management for over 15 years, releasing its invoice solution, InvoiceAction, in 2013. Artsyl offers InvoiceAction along with its flagship product, the docAlpha Smart Process Platform, to enterprises of all sizes in a variety of industries, including shared services providers. The company helps clients process millions of documents each year across a variety of types, including invoices, medical claims, and government documents.

Founded	2001
Headquarters	Toronto
Other Locations	Kiev, Tampa
Number of Employees	51
Number of Customers	500+
Target Verticals	Corporate Finance, Manufacturing, Financial Services, Healthcare
Partners / Resellers	SAP, docSTAR/Epicor, ReQlogic/UXC/CSC, Acumatica

Solution Overview

Artsyl partners with Microsoft, and its products are developed using Microsoft .NET and Services Oriented Architecture; Artsyl also has adopted and follows all standard security models from Microsoft. Artsyl's products leverage tight API-based integrations with major ERP systems such as SAP, Oracle/NetSuite, Microsoft Dynamics, Acumatica, and integrate with even more using web services. InvoiceAction is available in English, French, German, Spanish, and Russian. The product supports OCR data capture for over 100 languages including Arabic, Thai, Hebrew, and Vietnamese.

InvoiceAction and docAlpha automate many of the most painful steps in invoice processing—manual data entry, approval routing, matching, and GL coding. These solutions allow customers to scale their AP operations without adding staff, while significantly reducing processing cycle times. These customers gain better visibility into cash flow and control over the process, and higher early pay discount capture.

Artsyl's solutions use a transaction statistics server to collect and report on all facets of any transaction processed through the system. The solutions offer reports that can be configured to present all possible KPIs for a client. Artsyl's consulting staff works with all clients to map out the current processes and re-engineer them leveraging docAlpha and InvoiceAction's features.

Invoice Management

Artsyl's docAlpha solution can extract data from any digital and paper document with intelligent capture technology, and leverages InvoiceAction to handle a specific business document flow—vendor invoice processing. docAlpha validates captured invoice data using its own algorithms and by cross-referencing information against clients' ERPs or other business systems. docAlpha then applies business rules to extracted data to automate AP functions like approval routing and matching.

docAlpha allows for multi-channel submission of invoices via email, scanned paper, fax server, FTP site, WebDAV folders, and EDI. Artsyl can process both image-based and electronic supplier invoices, and the solution supports PDF and other image formats such as TIFF, JPEG, BMP, and PNG, or electronic invoice formats such as EDI, XML, TXT, CSV, Word, and Excel.

InvoiceAction extracts relevant header and line item data from invoices and related procurement documents, validating that data by cross-referencing existing ERP system records. InvoiceAction then relies on that data to provide 3- and 4-way matching with transactions within the ERP system, or automatic exception routing according to pre-defined business rules. InvoiceAction supports field-level matching based on business rules, and invoices can be routed back to suppliers with rejection explanations.

InvoiceAction is web-based, and can be accessed from any mobile device. Emails contain hyperlinks to launch the application and allow users to manage their invoices from any tablet or mobile device. Automatic email notifications alert staff to exceptions that need attention, and automatic escalations ensure that nothing remains in any individual's queue for too long. InvoiceAction also supports out-of-office forwarding, escalations and reminders, and workload balancing.

Artsyl can store invoices in file servers and ECM systems for later search and retrieval. The company also supports SharePoint and leverages CMIS for content connectivity with other major ECM systems.

Implementation and Pricing

A typical Artsyl implementation takes 60-90 days. Artsyl provides full operator and administrator training as part of the standard implementation. After implementation, Artsyl offers fulll technical support 24 hours per day, Monday through Friday. InvoiceAction is currently priced per transaction and will be available as a subscription in Q2, 2017.

ARTSYL

Client	Canac Inc.
Industry	Retail

Case Study: Canac Inc.

Canac Inc. Reduces AP Invoice Cycle Times from Two Weeks to Two Days and Eliminates Manual Data Entry with docAlpha

Challenge

Canac is one of Canada's largest hardware retailers, with 24 branches across the country and more than 2,500 employees. The company offers over 20,000 products and personalized services to homeowners, home builders, and construction professionals.

A few years ago, the company needed to find a better way to manage its vendor invoices. At the time, Canac handled paper invoices manually, sending the physical documents to department managers. AP team members wasted hours each week on document filing, data entry, routing, approval tracking, PO matching, and payment processing. The entire invoice approval lifecycle typically took as long as two weeks to complete.

Approach and Implementation

Canac's first step in improving their AP processes was to implement Laserfiche as the company's enterprise content management (ECM) system. Implementing Laserfiche allowed Canac to automate invoice routing and approval and to streamline the filing and retrieval of invoices, receipts, and orders. However, some gaps still existed in Canac's AP processes—manual document scanning and filing and manual data entry.

Canac tasked program analyst Sophie Maltais to analyze existing processes and recommend improvements. Maltais' determined the need to apply intelligent capture technology to Canac's document management processes. She ultimately worked with Artsyl Technologies to apply the company's docAlpha platform to capture data from scanned paper and digital vendor invoices.

Client	Canac Inc.
Industry	Retail

docAlpha helped remove the bottlenecks of sorting, filing, and data entry that were keeping Canac's AP processes from full efficiency. Now, Canac's AP team only needs to scan their paper documents or upload electronic invoices to the docAlpha system for automatic data capture. That data is used to inform Canac's business rules within the Laserfiche ECM to determine who must code an invoice and review it prior to approval and payment. Laserfiche captures invoice payment approvals digitally, either via email or the Laserfiche interface, then passes the data along to the company's ERP system.

Results

Today, docAlpha sorts, files, and indexes up to 120,000 vendor invoices annually for Canac. According to Maltais, automating Canac's AP processes with docAlpha has allowed Canac to reduce vendor invoice processing and approval from two weeks to two days.

With docAlpha, Maltais has been able to configure docAlpha to eliminate 95 percent of the data entry that used to be required to process invoices. Canac has reduced payment cycle times, and has been able to scale without adding staff to handle invoices. Canac's AP staff is also able to focus more of their energy on managing and optimizing cash flow while strengthening relationships with partners and suppliers.

Chrome River

Chrome River is a provider of expense management and supplier invoice processing software. It works with customers worldwide spanning many industries, and its application framework is designed as a scalable solution that can meet the unique needs of all customers—small businesses and Fortune 500 companies alike. Chrome River offers an AP platform that includes EXPENSE, INVOICE, PO, AUDIT, and ANALYTICS. Chrome River's invoice automation solution features flexible configuration, business rules engine technology to automate workflow and policy adherence, financial system integration, and an intuitive user interface.

Founded	2007
Headquarters	Los Angeles, California
Other Locations	Colorado, Florida, New York, United Kingdom, Australia
Number of Employees	285
Target Verticals	Legal, Professional Services, Financial Services, Technology, Pharmaceuticals, Manufacturing, Non-Profit, Higher Education, and many others
Partners / Resellers	BMO Financial Group, GetThere/Sabre, US Bank, Western Union Business Solutions
Awards / Recognitions	Ranked four consecutive years on the Inc. 500|5000 list; ranked two consecutive years on the Deloitte Technology Fast 500; ranked three consecutive years on LA Business Journal's list of fastest growing private companies

Solution Overview

Chrome River is a SaaS solution that is hosted through a partnership with Rackspace Managed Hosting. Chrome River integrates with ERP, financial, and Legacy systems through secure file exchange (delimited data via an SFTP server) or via web services. Chrome River is designed for organizations worldwide, offering support for currency translation, multiple languages, global taxation (VAT, GST, PST, HST), and local requirements such as German Per Diem.

Chrome River applications are subject to security and vulnerability testing by 403Labs, with monthly scans done by machine and a comprehensive annual test that includes human testing. The solution's environment at Rackspace is both ISO 27001 and SSAE 16 SOC1 Type II compliant. In addition, Rackspace monitors all system level software for security updates and applies them in accordance with secure procedures.

Invoice Management

Chrome River INVOICE lowers processing costs and increases clients' profitability in many ways, including reducing intake/mail room costs through OCR data capture and eInvoices, increasing discount capture with a Dynamic Discounting tool, and reducing the need for client staff to spend time on non-value-added activity like manual data entry.

Chrome River's solution offers multiple invoice submission options, such as email, fax, scan/upload, uploaded eInvoices, or through Chrome River CAPTURE. Chrome River eInvoicing imports structured data files containing multiple invoices and line items. The solution provides a mapping utility so that clients can map the vendor format into the standard Chrome River format and save the conversion as a supplier template. This allows for the import of a wide range of external data files.

Chrome River CAPTURE receives invoices that are mailed or emailed to a shared services environment, where they are then converted to PDFs, with OCR and human verification of 9 key data attributes. The resulting image and data are imported into Chrome River and can typically bypass AP data entry. Chrome River validates invoices during OCR, before the invoice record is created, and the solution offers field-level matching based on business rules. When there is no data match for an invoice in the system, the solution will create a new record of the invoice and route it to a correction team at the customer's organization.

Chrome River employs a configurable Business Rules Engine to drive workflow, policy compliance, tax rules, and more. The system uses conditional "if-then" logic, and can be configured to handle complex invoice workflow scenarios. The workflow currently handles approvals and unmatched invoice resolution in the customer's organization, but in the future, it may include external (supplier) capabilities.

Chrome River offers electronic payments functionality through partnerships with both Western Union Business Services (WUBS) and Vendorin. The PAYMENTS solution includes a virtual card payment method, providing customers with payment rebates on virtual card purchases, as well as a Dynamic Discounting functionality.

Chrome River includes two types of reporting: inquiry and analytics. These reports are configurable, and Chrome River provides a set of data manipulation tools to help users perform advanced functions such as sorting, filtering,

calculations, charting, roll-ups, and more. To help clients measure the long-term value of the solution, ANALYTICS tracks operational metrics and allows users to run reports over time to measure process improvements. Chrome River also offers a comprehensive ROI model to help predict the solution's savings and payback period.

Implementation and Pricing

Implementation time can vary based on a variety of factors, such as scope (countries, currencies, languages, taxation) and complexity of the desired invoice business process. Average projects are approximately 16 weeks in duration from kickoff call to pilot go-live. Chrome River assigns a dedicated Project Manager and configuration team to each new client.

To help customers optimize ROI from the solution, Chrome River helps clients plan for process improvement with its Solution Architect and Project Management resources. If a client requires more in-depth strategic planning, Chrome River connects them with its business-process consulting partner, TCG Consulting Group, for further guidance.

Chrome River provides both training for administrative users and "Train the Trainer" training. It also provides various forms of optional end-user training, including online classes through Chrome River University (CRU). Chrome River offers both standard support and premium support, in addition to technical/system support.

Pricing for the solution is based on the use of the service (transactional volume) or a fixed fee for unlimited use based on the size of the organization.

Docufree

Founded in 1999, Docufree is an experienced provider of document management and business process automation solutions with more than 1,000 customers nationwide. Docufree launched its AP solution in 2008; today, the solution processes millions of invoices annually for customers of all sizes, from small and mid-sized organizations to Fortune 500 companies.

Founded	1999
Headquarters	Roswell, GA
Other Locations	Houston, TX; Orlando, FL; Los Angeles, CA; Kansas City, KS
Number of Employees	200+
Number of Customers	1,600
Target Verticals	All
Partners / Resellers	ADP, UPS, Toshiba, Canon
Awards / Recognitions	CompTIA SoftwareCEO Innovation Award for Most Innovative Small and Medium-Sized Infrastructure Software, 2008; CIOReview magazine's 20 Most Promising Document Management Solution Providers, 2015, 2016, & 2017; TopTenReviews 1st place Gold Award Winner for Best Document Scanning Services, 2015, 2016, & 2017; CompTIA Certified Team Award, 2016

Solution Overview

Docufree's solution includes pre-built, cloud-to-cloud API integration support for ERP integration. It offers full integration through SFTP, ETL, and APIs to allow users to push and receive data in different formats to and from many different systems. Docufree also provides services through LinkUp, which establishes bidirectional linking between Docufree and other desktop applications and web forms to extract and exchange information and images. The platform can be fully accessed remotely via a mobile device. Docufree typically works with organizations that have more than 500 employees and annual revenues between $10 million and $1 billion.

The solution is fully PCI DSS, HIPAA/HITECH, SOC2 Type II, and ISO 9001:2015 certified. The company's cloud-based platform is architected, developed, and deployed in compliance with OWASP's (Open Web Application Security Protocol) Top Ten best practices. Documents and data are stored with AES 256 bit encryption at rest and are securely transmitted using TLS 128 bit encryption in transit. Security features include randomly generated cryptographic keys, activity logs and audit trails, and role-based access controls.

Docufree helps customers create a "common capture platform" through which invoices and all supporting documents are processed. Upon implementation, customers receive a Docufree-provided fax number, email, and postal mail address as well as a client portal for vendors. Docufree's methods for eInvoicing include a print-to-cloud solution and a supplier portal, where vendors can upload PDF invoices or integrate with the customer's accounting system via EDI. Incoming documents sent through these channels are immediately uploaded to Docufree, where the workflow engine takes over.

The workflow solution can manage many different validation points from PO and vendor tables to ensure business documents are valid. The Docufree solution checks invoice line items against a variety of parameters, including invoice totals, dates, field characteristics, and currency. Certified subject matter experts process documents through both Docufree's software and its production facility within two hours of submission. Then documents are uploaded into the customer's ERP system or routed for additional workflow approval.

A rules-based engine and workflow platform support automated dynamic rules developed according to clients' specific business requirements during implementation. Docufree's solution will automatically route invoices back to vendors based on pre-defined business rules, such as in the case of duplicate invoices or missing POs. Workflow support is provided for 3-way matching, approval routing based on PO/non-PO invoices, and approval routing based on a dollar amount, department, or office. The solution also offers ad hoc approvals for documents that need to be processed outside of the normal workflow.

Docufree provides multilevel escalations with timers and notifications as well as automatic workload balancing (e.g., task reassignment). The workflow monitor tool allows workflow managers to monitor tasks' status and modify workflows as needed. Invoices can be approved and rejected remotely via secure email on a smartphone or tablet. Users can also set up automatic approvals for recurring invoices using automated business rules.

The company also offers a cloud-based document management system, which can be used in conjunction with its AP workflow tool. Users can easily add documents to the system via desktop scanner, print-to-cloud, browse-and-upload, or drag-and-drop functionality. Documents are classified by type, allowing for the proper application of record retention and user access controls. Scanned documents are fully text-searchable through OCR, and uploaded documents are stored in their native format.

Users can perform quick searches, complex query expression searches, and filter- and folder-level searches. They can retrieve documents stored in Docufree from any application they are using with a single click. Related documents can be bound and linked together, such as invoices, POs, and receipts. This happens automatically in the AP solution once the documents have been matched. Documents can be securely shared regardless of size via secure email, and users can apply annotations and embed digital signatures upon request.

Docufree's vendor portal does not require network or vendor onboarding, as vendors do not need a login to use its features. Instead, Docufree's vendor portal allows suppliers to see their invoices and statuses based on secure query criteria. Docufree's vendor portal provides vendors with immediate status on invoices from the time the invoices have been captured until their payment. It offers direct invoice submission/generation via a web form and PDF upload features, as well as through established EDI integration.

In order to help clients measure ROI, Docufree's built-in reporting and dashboard tools make it easy to view and track historical statistical data to identify, monitor, and measure continuous process improvements. A reporting system offers both custom and out-of-the-box (OOTB) reports. Typical OOTB reports measure cycle time, document and process accuracy, vendor activity, and exceptions. Docufree also provides customers with benchmarking during their initial assessment to let them know how they compare with others in similar industries.

Implementation and Pricing

Typical implementations are completed within 30 to 90 days, depending on the complexity, volume, business rules, and availability of client resources. During implementation, Docufree provides the Docufree Learning Program, which is a multifaceted approach to training and support based on the client's needs. This program includes webinar training, customized training manuals, online help, and on-site training. The company offers ongoing support through an 800 number from 8 a.m. to 8 p.m. EST, as well as on-call help desk support.

For small and mid-sized companies, Docufree offers three DocufreeAP packages that include core AP automation components, all priced on a varying scale. For larger customers, Docufree offers customized programs based on volume, users, workflows, business rules, and integration points through a business process outsourcing (BPO) service.

ImageTag

ImageTag is a document management and business process automation solution provider for the mid-market. The company first offered its ECM solution in 1997, later adding ERP system integration and workflow automation to its core capture platform, KwikTag. Today, KwikTag provides ImageTag customers with a holistic system for managing document processes across their entire organization. KwikPayables, the KwikTag accounts payable automation solution, can host virtually all of an organization's business documents in the same system, reducing the need for seperate point solutions that increase cost. KwikTag also includes an ROI tool that provides clients with reports and examples to demonstrate how they can continually improve ROI by using the solution in other areas of the business, such as human resources, legal, operations, sales orders, and fulfillment.

Founded	1997
Headquarters	Tempe, Arizona
Other Locations	Tucson, AZ and Fort Lauderdale, FL
Number of Employees	50
Number of Customers	1,000 companies; 120,000+ business users globally
Target Verticals	Healthcare/Insurance, Financial Service, Manufacturing, Restaurant and Food Service, Construction, Professional Services, Sports and Entertainment, Education and Government, Non-Profit
Partners / Resellers	Tribridge, SBS Group, Socius1, RSM
Awards / Recognitions	Microsoft Silver Partner, 9 Patents; Previous: Microsoft Partner of the Year Finalist

Solution Overview

KwikTag integrates directly with Microsoft Dynamics GP, NAV, SL, and AX through ImageTag's ERP connectors, allowing customers to tag, view, search for, and retrieve any document that has been captured by KwikTag from within their own system. The solution is offered on mobile devices through the KwikTag Anywhere client, a responsive design application. The system also integrates with Microsoft Office and Office 365, enabling users to leverage the system for collaborative internal activity.

KwikTag provides security at multiple levels, including user authentication, site- and drawer-level permissions, and file-specific access. Security measures include Active Directory-driven control settings and single sign-on Windows

authentication at the user level. KwikTag's security measures enable compliance with SOX, HIPAA, and other financial and corporate regulations.

KwikTag is designed to accommodate a variety of back-office document lifecycles, including those for accounting, expense management, and supplier or employee onboarding, and it can be tailored to meet the needs of any additional business process. These applications are found in ImageTag's catalog of KwikApps®, which are packaged and semi-packaged workflow applications designed to automate a specific process for any department (e.g., Payables Automation, Expense Management, Corporate Forms Automation, Employee HR Files). The system also offers a role-based client strategy, providing different client experiences for different roles and activities.

Invoice Management

KwikPayables reduces processing costs for companies by nearly eliminating manual data entry of invoices. In order to input customers' documents in the system, KwikTag facilitates batch scans using full OCR capability, as well as add-on products and services that perform intelligent capture (Zonal OCR) with auto-learn capabilities. The intelligent capture tools decrease the occurrence of low-confidence character recognition over time, in some cases reaching capture accuracy rates of up to 99 percent. KwikPayables also includes an invoice template creation tool that allows users to save recurring invoices. This helps to increase the review and indexing speed when similar invoices are received in the future.

Once documents are in the system, KwikTag Workflow allows customers to route them across many different departments and roles. Automated invoice approval routing saves AP staff time previously spent looking for paper invoices. KwikTag offers a complete audit trail on all invoices, providing business and accounting professionals with visibility into invoice statuses at any time.

The solution supports mobile email approvals to accelerate the process, as well as automatic escalation routing. KwikTag enables users to update workflows in real time with its Workflow Assignment Matrix Management tool. After documents are approved, KwikTag customers can choose to issue payments via EFT using the provider of their choice.

The KwikTag system has a flexible repository that allows documents to be archived outside of the KwikTag server on distributed customer storage systems. The system features a built-in sophisticated Document Lifecycle service that enforces retention and archiving rules based on document type.

KwikTag provides several methods by which users can search and retrieve documents. Document search is facilitated by KwikTag Global Search, an advanced search function offering everything from simple text queries to proximity searches.

Implementation and Pricing

The average implementation of the KwikTag solution typically lasts between 2 and 3 months, depending on the customer's schedule and availability. ImageTag offers hands-on administrator training and video tutorials during implementation, as well as hands-on power user training.

After implementation, customers receive unlimited technical support via a dedicated US-based support team. They also have access to a dedicated Technical Account Manager (TAM) and proactive server maintenance for an additional fee. ImageTag's pricing structure varies between on-premise and SaaS implementations.

Client	CCA Global Partners
Industry	Business Services
Headquarters	Earth City, MO

Case Study: CCA Global Partners

"We've greatly increased our productivity, efficiency, and visibility into our accounting process and business documents with KwikTag." - CCA

Challenge

Founded in 1984, CCA Global Partners (CCA) is a cooperative incubator for the retail industry, providing its clients with access to innovative products, systems, and services. CCA members and franchisees are engaged in many different retail areas, including flooring, lighting products, biking, and nonprofits.

CCA is headquartered in St. Louis, Missouri with multiple offices in the United States and Canada, all of which receive invoices. In total, the company receives over 1,300 invoices each month. Because of its decentralized processes, CCA was experiencing inefficiency and very limited visibility in invoice management. Invoices were sent directly to the person who made the purchase, so the central accounting team had no visibility into outstanding liabilities, and remote teams had no access to the invoice status once it was sent to headquarters. If a remote team member needed a document, invoice status, or proof of payment, they had to call the central accounting team and request a copy.

Approach and Implementation

CCA wanted to implement an AP automation solution that centralized all of its invoices while providing headquarters and remote AP teams with visibility into the payment status. It also wanted to eliminate as much paper as possible, and hoped to find a solution that allowed vendors to directly email invoices to the system for routing, approval, and payment. CCA also needed a solution that could integrate with Microsoft Dynamics Great Plains, and that enabled staff to manage business documents beyond invoices, including sales backup documents, inventory adjustments, and GL entries.

Client	CCA Global Partners
Industry	Business Services
Headquarters	Earth City, MO

CCA Global chose the KwikTag solution to completely automate the AP process. It implemented two modules—KwikTag for GP and KwikPayables. KwikTag became CCA's system of record for all documents across the entire company, covering accounting and many other departments and business document types. All CCA divisions in the U.S. and Canada now use KwikTag, and the solution hosts 100 users. CCA was also able to eliminate warehouse file storage in the process, using the electronic system to check the status of invoice and payments, as well as many other other business documents.

Results

Today, transactions are created in Dynamics GP, while KwikTag serves as the main document management system of record. CCA reports major improvements in company-wide productivity, as well as improvements in payment times. It also has greater visibility across departments and locations, and experiences more transparent, successful audits.

Kofax

Founded in 1985, Kofax® offers a large software portfolio of capture, process management, analytics, and mobile solutions. In 2015, Kofax, ReadSoft, and Perceptive Software became part of the same family of solutions, further broadening the company's product offerings and financial process experience. Kofax serves customers of any size across all industries, and its AP solution is currently being used by 12,000 customers to process over two billion invoices per year.

Founded	1985
Headquarters	Irvine, CA
Other Locations	Lenexa, KS; Lexington, KY
Number of Employees	>2,900
Number of Customers	12,000+ Accounts Payable customers
Target Verticals	Retail, Banking, Healthcare, Education, Manufacturing, Insurance, Government
Awards / Recognitions	KMWorld Trend Setting-Products of 2015, KMWorld 100 Companies That Matter in Knowledge Management (2014), Kofax Mobile Capture Platform Wins Document Manager Magazine's 2014 Software of the Year Award

Solution Overview

Kofax solutions can integrate with any existing ERP, including SAP, Oracle E-Business Suite, Oracle PeopleSoft, Microsoft Dynamics, and Infor Lawson, as well as with multiple ERPs. Kofax also offers Kofax ReadSoft Process Director™, a platform that includes several procure-to-pay solutions for SAP, including payment approval, receipt entry, vendor master data management, and purchase requisition entry. These tools leverage the same framework as the Kofax accounts payable solution, and run directly within SAP.

Many of Kofax's financial process automation solutions are globally enabled, supporting VAT and tax withholding out of the box, with add-ons for some products to support Nota Fiscal in Brazil, golden tax in China, ZUGFeRD in Germany, and other regional or country-specific tax needs. Kofax products, solutions, and documentation are translated into French, German, Spanish, Simplified Chinese, and Portuguese by default, with other languages added as needed.

Kofax customers can use reporting tools to track the productivity of individual users and determine the solution's ROI. The solution may also suggest a number

of actions if there are clear opportunities to capture greater process efficiencies. These actions are usually a combination of internal process changes and modifications to the software configuration, but they occasionally include hotfixes or recommended updates to enhance product performance and increase ROI.

Invoice Management

Kofax offers a robust capture portfolio that includes OCR, cloud-based, mobile, and intelligent capture solutions. The solution can handle almost any format through its multi-channel capture functionality, including paper, PDF, email (body and attachments), XML, EDI, and direct API access. Kofax also offers a list of recommended partners for customers seeking outsourced mail services for paper invoices.

Kofax offers field-level matching based on business rules, and supports automatic re-routing of invoices back to suppliers. Flexible routing options allow organizations to control where and how captured information is delivered. The solution also allows AP staff to monitor items as they progress through the workflow with real-time notifications. Other features include escalation and reminder settings, out-of-office forwarding, and workload balancing for approval workflows.

Approvers can approve or reject invoices from their mobile devices through a mobile app or email. Kofax also offers a feature for automatic approvals of recurring invoices, such as utility bills. Once a workflow is complete, the solution provides archival, search, and retrieval functionality for captured images and data based on transactions or document metadata.

Kofax offers a self-service supplier portal to provide visibility for suppliers into the status of purchase orders or invoices and allow them to submit invoices. This reduces supplier inquiries and mismatches associated with misaligned Procure-to-Pay data. Kofax also provides tools to assist with supplier onboarding, including email and status tracking.

Kofax helps organizations visualize AP lifecycle processes with Kofax Analytics for MarkView®. This analytics solution provides pre-built dashboards and reports for improved insight into invoice activity and control, helping C-level executives and their teams make more informed decisions and optimize their operations.

Implementation and Pricing

Kofax's average implementation varies by product and customer. Typically, software installation and configuration are complete within 1-2 weeks for cloud-based products. The average implementation time for on-premise AP offerings is approximately 20 weeks, spanning from initial scoping and design through installation, ERP integration, training, user acceptance testing, and post-go-live support. During implementation, Kofax offers both online and classroom training, as well as extensive online documentation.

Kofax's standard pricing model is pricing by volume, with the exception of some fixed-price modules. Kofax offers both perpetual pricing (for on-premise solutions) and subscription pricing (for SaaS and cloud-hosted solutions, as well as on-premise).

About Levvel Research

Levvel Research, formerly PayStream Advisors, is a research and advisory firm that operates within the IT consulting company, Levvel. Levvel Research is focused on many areas of innovative technology, including business process automation, DevOps, emerging payment technologies, full-stack software development, mobile application development, cloud infrastructure, and content publishing automation. Levvel Research's team of experts provide targeted research content to address the changing technology and business process needs of competitive organizations across a range of verticals. In short, Levvel Research is dedicated to maximizing returns and minimizing risks associated with technology investment. Levvel Research's reports, white papers, webinars, and tools are available free of charge at www.levvel.io

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