

Martin & Associates
PC Retreat 2009

Cut Costs in Accounts Payable with Electronic Document Management and Workflow

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DocuVision Inc.

It's the way we put it all together that sets us apart.



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Our mission is to help organizations in the private and public sector eliminate paper and improve processes burdened by inefficient paper handling/storage techniques

Background

- **Started in 1994, exclusive focus on document management and business workflow**
- **Cincinnati, Ohio based; regional focus**
- **Over 120 Customers including:** Anderson Township, Ball & Gaynor, **Baker Concrete**, Cincinnati Bell, Clarke Power, **Danis Construction**, **Drees**, Hamilton County Environmental Services, Health Alliance, Horan Associates, **John R Jurgensen**, Kroger, **Messer Construction**, Mercury Instruments, Meyer Tool, **Miller-Valentine**, NIOSH, Sheakley, Sur-Seal, Richards Industries, State Teacher's Retirement System, UC Medical School, Xomox


Background (cont'd)

- **Total Solution Integrator**
- **Ability to offer discovery/analysis, software & hardware, project management services, custom software development, installation, training and ongoing technical support.**
- **Strong implementation and training methodologies**

Businesses Struggling to Effectively Manage Information & Be Compliant




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Document Management Defined

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- An electronic document management system provides for the capture, storage, and retrieval of documents in an electronic format.
- Users can view, search, print, e-mail, fax, from any station on the network or web while pages retain their original look and feel.
- EDMS systems contain:
 - Document storage repository
 - Document capture methods
 - Database to attach documents to
 - Retrieval & Viewing for users (easy to use)
 - Interoperability with other systems



What is a Workflow System

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- A "workflow" system tracks the job steps or tasks in your business processes.
- Often linked to Document management system so that documents that are stored in the repository can be "routed" to different users.
- Invoice Approvals is a candidate in many businesses for automation



Why Document Management?

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- Profits are linked to Efficiency:
 - 10-15% of Revenues are spent creating, managing, and distributing documents
 - 60% of employees time is spent working with documents
 - The average document is copied 5 times
- Paper is growing at an average of 25% per year
- Paper Handling Systems were designed prior to widespread use of Networks, and even mainframes



How Much Do Your Hard Copy Files Really Cost?


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(Sources: American Records Management Association (ARMA), etc.)

Some facts to consider:

- The average company spends between 7-14% of its total costs on document processing in a paper environment
- An estimated 7.4% of staff time is spent searching for documents
- Average storage cost per page = \$.014 per year, or about \$1,400 per file cabinet
- Storage requirements for hard copy documents *DOUBLE* every 3 years
- Due to a lack of solid disaster recovery planning, 70% of companies *NEVER* fully recover from a disaster


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COMPLIANCE

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- Electronic imaging, in a controlled state with security, records documents at a point in time
- Paper documents are backed up, along with other computer data, and kept offsite
- Processes can be done the same way every time, according to business rules
- Records Management module can offer full DOD5015 compliance
- ROI today can mean "Risk of Incarceration"




Storage Solutions – Old Versus New

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Old Way - File Paper in File Cabinet



50,000 pages





New Way - Scan Paper to Electronic File Cabinet



200,000 pages

Retrieval Solutions – Old vs. New



Old Way - Retrieve Documents from File Cabinet or Microfiche



New Way – Key in an index or two; pull up the document on screen





Customer Applications



- Accounts Payable & Invoice Approvals
- Sales Order Process Management
- Regulatory documents
- Human Resources
- Insurance Claims
- Financial – customer accounts
- Manufacturing - drawings & process docs
- Medical Records & EOBs
- Project & Contract Documents

Time is Money A/P Costs




- Receiving
- Preparing
- Coding
- Data Entry
- Authorizing
- Researching
- Exception handling
- Payment
- Reporting
- Filing
- Missing Terms date
- Late payment
- Duplicate payments
- Supplier relationship
- Morale

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Benefits of Automation


CPA Journal 2005



- Significant cost savings driven by more efficient processes.
- Compliance with latest regulatory requirements mandating visibility, timeliness, and reporting accuracy.
- Ability to track unrecorded liabilities from non PO based purchases
- Better cash control and improved supplier relationships

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IOMA Study Sept 2006

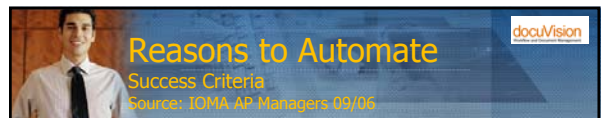


- Average manual cost to process an invoice....\$15. Range 4.00 to 115.00! Automated....\$6.81.
- 34.5% considering A/P automation.
- 52% say CFO is decision maker.
- Avg time from receipt of invoice to approval drops from 16 to 6.5 days with imaging.

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Reasons to Automate

Success Criteria
Source: IOMA AP Managers 09/06



■ Improved business process	93%
■ Increased labor efficiencies	90%
■ Increased data accuracy	87%
■ Reduced processing time	87%
■ Cost reduction	86%
■ Compliance improved	82%
■ Customer service improved	78%
■ Incorrect payments reduced	78%
■ Increased payment discounts	59%
■ Late fees reduced	46%

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Current DocuVision A/P Clients

- Cincinnati Bell(3)
- Casto
- Clarke Power
- Danis Construction
- Drees Homes
- Dupps Company
- Givaudan
- Health Foundation
- Home City Ice
- J R Jurgensen
- Lancaster Colony
- Metalworking Inc.
- Messer Construction
- Meyer Tool
- Phillips Edison
- ST Media
- Wild Flavors
- Wright Patt Credit Union
- Xomox

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A/P Solutions Spectrum
 Archived... Integrated... Advanced Capture... Electronic Approvals... Workflow

Scan & Index Invoices → Distribute based on rules (via e-mail or workflow) → Review & Approve → Send to ERP System for automatic entry

Store in document database for immediate control & access

Accounts Payable

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What happens to Invoices

9. 4. 2003

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R.O.I. Return on Investment

Productivity Improvements

- Staff can retrieve documents instantly.
- Documents are not lost or misfiled.
- Multiple parties can access the same document at the same time.
- Email, fax from the desktop
- Shorten approval processes.
- Supply chain partners get answers
- Increase in employee morale.

R.O.I. Return on Investment

Cost Reductions

- Reduced labor costs by reducing time to process each invoice.
- Labor cost reduction through reduced filing and storage costs (Inside & Outside)
- Labor Cost reduction in time to retrieve vendor invoices and related backup
- Reduced Audit Time
- Elimination of mail and copy costs to distribute invoices for approval
- Reduction in % of duplicate payments
- Time to Capture Early Pay Discounts

R.O.I. Return on Investment

Specific Benefits to A/P & Accounting

- Ability to track unrecorded liabilities non PO
- More accurate cash flow forecasting
- Invoices not lost or misplaced
- Integration with accounting system leverages validated data to improve accuracy and "image" enables ERP system
- Auditors can find documents on their own subject to security
- Compliance and standardized procedures enforced