



HOW TO DIGITALLY TRANSFORM BUSINESS OPERATIONS

with Artificial Intelligence





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INTRODUCTION

Business depends on documentation, but that doesn't mean it has to rely on paper and manual methods to process those documents. By embracing digital transformation through Artificial Intelligence (AI), companies are able to create effective practices by cutting out inefficiencies.

Assessing Automation's Value

In the order-to-cash (O2C) and purchase-to-pay (P2P) cycles, all processes are intertwined. A problem in one area creates a chain reaction that affects other processes. With paper-based processes still being used by many organizations, lengthy processing times, high costs, errors and low visibility are common obstacles that ultimately lead to a lack of O2C and P2P efficiency.

Automating manual business processes delivers value by removing manual activities and giving staff the time and insight to work on strategic tasks. A single digital solution can automate the processing, routing and archiving of documents all while gathering key data via machine learning and promoting collaboration through interactive tools. This white paper will help you further assess the value automation can bring to your organization and processes – regardless of size or complexity.

Artificial Intelligence + Automation

Automation solutions powered by AI technology get better results than using standard OCR and templates alone. Based on logic, rules, decision trees, machine learning and deep learning technology, the solution trains itself as it goes, recognizing different formats and easily handling a variety of document layouts. Companies avoid the time and cost of defining and managing countless templates, and are quickly able to bring new customers and vendors into the automated process.



AI's Role in Business

Makes it easier for your team to do their jobs.

- Removes daily burden of repetitive, low-value tasks
- Frees up time to focus on core, business-building activities
- Improve internal process efficiency with predictive analytics
- Faster onboarding

Makes it easier for others to do business with you.

- Reduces errors & bottlenecks
- Improves accountability & transparency in interactions
- Increases availability/flexibility of support & service teams
- More self-service options

Makes it easier to be a successful business.

- Improves scalability & simplifies IT landscape
- Boosts customer satisfaction
- Helps attract & retain talent
- Generates new business opportunities & revenue

BENEFITS OF AUTOMATION: A SUCCESS STORY

Advantages gained from a digital automation solution span the entire organization. From boosting your bottom line to giving users greater visibility over their daily activities, it's easy to see that automation builds success in business processes.



Parts Town Success Story

Parts Town, a supplier of OEM replacement parts for commercial cooking equipment, was looking to modernize both its O2C and P2P cycles by eliminating low-value work, reducing errors and boosting productivity. In order to combat these inefficiencies faced by many of today's businesses, Parts Town chose a cloud-based AI-driven solution that delivered remarkable results.

Top O2C Benefits

Increased speed

- Accelerated order processing time by minutes thanks to reduced manual tasks and machine learning
- Reduced turnaround time for order acknowledgements

Time & cost savings

- Reduced employee overtime hours
- Improved staff productivity with fewer manual tasks
- No new hires needed in order to manage document volume increases

Top P2P Benefits

Improved productivity

- 60% increase in productivity; went from 57 to 92 invoices per day/per user
- More time for staff to work on value-added activities (e.g., resolving disputes, contacting suppliers, etc.)

Time & cost savings

- \$30k in added savings each month thanks to more early payment discounts captured
- No additional headcount added to handle growing invoice volumes



NATIONAL RECOGNITION

Parts Town won the 2016 AR & O2C Spotlight Awards' "Order-to-Cash Department of the Year"

This award is an expansion of the IOFM Spotlight Awards and was given to Parts Town for automating its manual cash conversion process, improving customer service, increasing productivity and reducing Days Sales Outstanding (DSO).

MANUAL BUSINESS PROCESS CHALLENGES

Organizations share the same concerns when it comes to managing manual document processes. It's no wonder, as these problems can result in major operational issues. A seemingly small problem on the front-end of business can lead to a breakdown on the back-end.

Front-End Issues

High hard costs. Left unchecked, the typical hard costs associated with manual business processes (e.g., labor, equipment, materials, etc.) can turn into profit-eating pitfalls. Lengthy process times drive up labor costs, while paper-based methods add material and equipment expenses (e.g., ink, toner, physical storage, etc.).

Large amounts of errors. In manual environments, there is always a considerable risk of human error that can end up stretching out the business cycle and increasing operating costs. These errors and the delays they cause have a direct impact on cash flow, supply chain efficiency and financial performance.

Limited visibility. Effective cash flow management practices can generate real and impactful cash value for a business. Manual activities make it virtually impossible to source, track and analyze the metrics necessary to do this.

Low productivity. Processes that rely on physical work will always take longer than ones built on automation. From locating and hand-keying information, to figuring out who should be contacted about what – it all adds up to low levels of productivity.

Back-End Consequences

High soft costs. The soft costs of manual business processes (i.e., those that are often difficult to measure) include low customer satisfaction and lost business opportunities. You won't find them in the general ledger, but these costs hit a company's bottom line hard.

IT complexity. Managing convoluted processes and systems can create a never-ending nightmare for your company. IT complexities ultimately make it difficult to: control costs, easily modify applications, manage relationships, and remain agile during periods of growth.

Disgruntled customers/suppliers. Front-end issues inevitably impact your customers/suppliers. Lengthy processing times, along with lack of communication and errors along the way, never bode well for business relationships.

Unhappy staff; no collaboration. Stuck in a repetitive work environment with little collaboration or open workflow between teams, even the best employees become unhappy. Because staff impact the happiness of customers, this is an important aspect of every business.



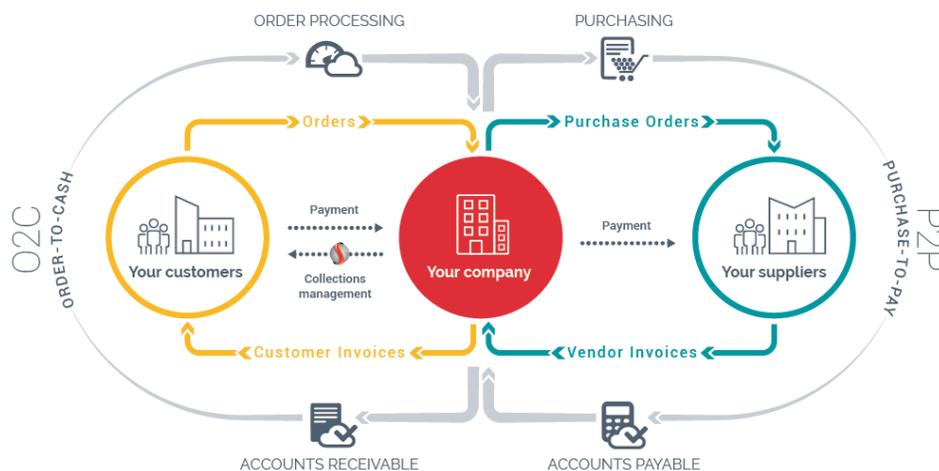
62%

OF ORGANIZATIONS ESTIMATE THAT BUSINESS AND IT COMPLEXITY
DRIVE UP OPERATING COSTS BY AT LEAST 11%.¹

¹ Schwarz, M. (2015). The Business Case for Managing Complexity. Boston, MA: Harvard Business School Publishing.

HOW AUTOMATION WORKS

A digital solution automates manual inefficiencies and low-value tasks in O2C and P2P processes with tools that unify teams and their operations within a single, integrated platform. Organizations set their own pace, choosing to automate one process at a time or entire business cycles (e.g., O2C and P2P).



Order-to-Cash Automation

The O2C cycle involves multiple departments, teams and technologies. Efficiency is key to avoiding slow fulfillment times, low customer experience scores and delayed customer payments. A problem in one area of the O2C cycle results in further issues down the line.

Automated O2C processes lead to:

- Streamlined cash flow management
- Improved end-to-end customer experience
- Increased collaboration and transparency
- Greater hard and soft cost savings

Order processing

Incoming customer orders are the catalysts that launch the O2C cycle. When an order arrives in the system, the data is automatically extracted with machine learning and any exceptions are flagged for review. After approval, accurate order data is integrated into the ERP system and a copy is archived for a complete audit trail. Custom dashboards display data like the number of open issues or processing time, while a customer portal allows for orders to be placed from an online catalog and for staff to quickly communicate with customers.

Accounts receivable

By automatically extracting invoice data and converting it into the preferred delivery channel, an invoicing solution simplifies the processing and delivery of invoices and associated documents. For the sender, this means every customer invoice can be sent, archived and tracked electronically. On the other end, invoices arrive by mail, electronically, or via a web portal – depending on customer preference. Customers can then pay open invoices directly from a secure web portal. All documents are tracked and tailored reports help reconcile payment with bank statements.

Collections management

After you provide a service or goods, you expect to be paid. Maximize those collections efforts with a digital solution that equips customers with convenient, self-service tools. From automated payment reminder emails to ensure they know what's due and when, to an online portal where they can chat with staff members, pay bills and apply credits — all customer data, exchanges, invoices and collections data is stored in a central location. Customized KPIs and personalized reports go beyond DSO to analyze every aspect of your collections process.

Purchase-to-Pay Automation

With such a large impact on financial and operational integrity, unifying P2P processes with automation is the best way to maximize profitability, minimize compliance issues and efficiently manage cash flow. Whatever problems arise in purchasing are often felt by the AP department.

Automated P2P processes lead to:

- Strengthened policy enforcement and controls
- Improved collaboration with key suppliers
- Reduction of maverick spending
- Collection of early payment discounts

Purchasing

Following the purchasing process can be tricky, but not if you've got a lightweight, easy-to-use solution in place. Create purchase requisitions and invoices online that are automatically routed through the appropriate approval workflow. Purchase orders (POs) are created in a few clicks (even from line items from multiple invoices) and once the system receives the invoice, it continuously checks for the goods receipt and performs a 3-way match to ensure accuracy. A mobile application allows managers to approve purchase requisitions and invoices, and review process metrics from anywhere, anytime.

Accounts payable

Save vital time and costs while improving supplier relationships with a digital accounts payable solution. Removing the need to manually process invoices, machine learning allows data to be automatically extracted from PO and non-PO invoices and, if necessary, routed for approval. Every invoice is archived for up to 11 years and easily accessible. On the solution home page, tailored dashboards display important metrics and reports, while a mobile application allows on-the-go approval and management of invoices.

CONCLUSION: THE NEED FOR AUTOMATION

Without a doubt, manual business processes are inefficient and end up creating more problems than they solve. Yet many organizations continue to rely on them. The first step towards fixing inefficiencies is by understanding their impact. How are other processes affected? How does it affect staff and customers? What's the impact to your organization? The next step is finding a solution. Designed to help business leaders and staff achieve their goals, AI makes your job easier. It's time to work smarter, not harder.

Picking the Perfect Solution

The difference between a good AI-driven automation solution and a great solution is easy to spot:



It adapts to your wants and needs.

The Agile methodology offers users a hands-on approach during project implementation, where their feedback is rapidly delivered and the solution is molded to their specific needs.



It integrates with current systems.

It's simple: A great solution complements whatever infrastructure is currently in place — minus upfront costs, downtime and interference with existing systems.



It's customizable and promotes collaboration.

One size doesn't fit all. A solution should unite staff and further collaboration between departments with customizations that fit your business needs without compromise.



It keeps everything safe and secure.

Document security is essential. Adhering to safeguards, breach reporting requirements and all government regulations, best-in-class automation solutions keep everything protected.



It provides key data and reports.

Users should be able to create custom dashboards that display important process metrics and Key Performance Indicators (KPIs). Even better is a solution that offers it all on a mobile application.

ABOUT ESKER

At some point, the talk of automation turns into action. When that time comes, you should know a little more about us. We're Esker, a worldwide innovator in cloud-based automation solutions.



What We're About

At Esker, we take pride in simplifying business processes throughout the O2C and P2P cycles. Our 30+ years of experience guide us in identifying problems and presenting solutions for every company we encounter. As a global company, wherever you are, we are there to help – North America, Latin America, Europe and Asia Pacific.

With over 11,000 customers, here are just a few companies we've helped:

SONY[®]



GE Healthcare



THOMSON
REUTERS[®]





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