

SAP® INVOICE MANAGEMENT BY OPEN TEXT

ENHANCING PRODUCTIVITY, CASH FLOW, AND VENDOR RELATIONS

To be a well-run business, your company must process vendor invoices quickly, accurately, and efficiently. The SAP® Invoice Management application by Open Text helps you manage invoice processing, meet critical payment and compliance deadlines, and avoid risks related to inaccurate business information.

For many companies, managing invoices means manual efforts that drain both internal and vendor resources. It often involves tedious manual data entry, time-consuming historical research, belabored communication with the vendor, documentation, requests for additional information from multiple parties, manual routing, and the labor-intensive monitoring and providing of updates on unpaid invoice status. How much more valuable it would be if accounts payable (AP) staff were able to optimize cash flow and better manage the vendor relationship without being weighed down by these cumbersome processes.

In addition, companies need a state-of-the-art invoice management solution that provides controls to comply with key national and international regulations and provides accurate visibility of liabilities. You need the ability to focus on your best suppliers and manage credit ratings. You need to meet payment deadlines and to decrease costs and workload in handling supplier inquiries. And you want to ensure accurate financial reporting.

The SAP® Invoice Management application by Open Text helps you control invoice processing to avoid these risks.

Challenges of Manual Invoice Processing

Issue	Reason	Impact on Company
Compliance	Manual, paper-based processes and inadequate accounts payable (AP) process control	Limited reporting capability and negative internal and external audit reviews
Excessive cost per invoice	Manual data entry, missed discounts, late fees, excessive labor, duplicates and errors, and multiple follow-ups from suppliers	Decreased earnings
Limited visibility of liabilities	Decentralized invoice receipts and processing	Inaccurate balance sheet and working capital
Difficulty in preparing accruals	Too much time required to capture and record all purchases	Longer closing cycles
Inability to leverage early payment discounts	Random follow-up from AP personnel and approvers, and no transparency of workload	Suboptimal use of working capital
Poor vendor relations	Limited invoice status information, late payments, and slow response to inquiries	Higher prices, lower discounts, limited negotiation position, and lower credit rating



It helps AP personnel and vendors optimize the creation, management, monitoring, and routing of purchase orders and invoices. You can improve the timeliness of payments, optimize productivity and cash flow, and limit fiscal and noncompliance risks.

Streamlining AP Operations

SAP Invoice Management is integrated with the SAP ERP application and the SAP NetWeaver® technology platform, allowing you to streamline AP operations across and beyond the enterprise. This helps simplify the activities of AP employees and vendors, allowing them to better collaborate on resolving problems, obtain invoice status, check purchase order numbers, submit invoices, and more. Invoices can be processed more efficiently and quickly, while problem invoices are automatically routed for resolution, approval, and payment. Integration also means that data and business rules from your SAP software are incorporated to help you manage the invoice review and approval process.

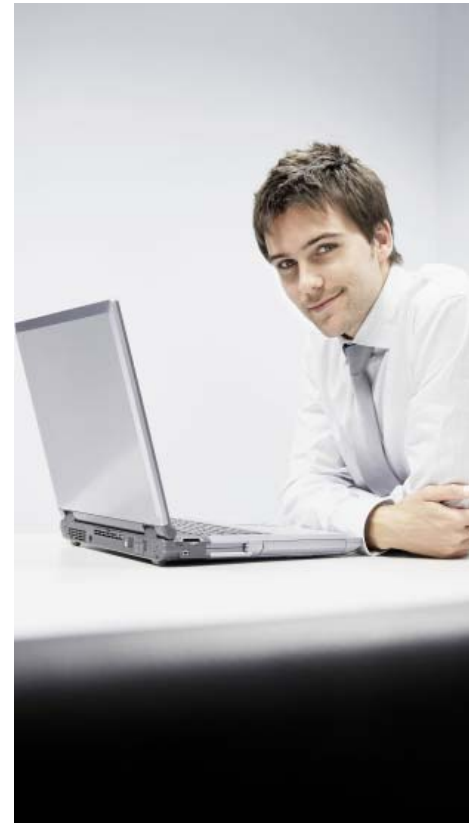
Keeping Costs Down While Enhancing Productivity

With SAP Invoice Management, you can reduce manual processing significantly. Transferring data from paper invoices into SAP transactions online is a laborious and error-prone task. Most advanced document technologies use optical character recognition (OCR) and document analysis to automate this step to a high degree. The available OCR option for SAP Invoice Management allows for straight-through processing without human intervention.

Once information is entered, it can be accessed automatically anywhere along the process life cycle, lowering the risk of exposure to error and reducing the processing cost per invoice. As employees no longer need to focus only on manual processes, their productivity improves and they are freed up to handle other tasks.

Without optimization, processing an invoice involves multiple touches even if it is posted on the first pass. When an invoice is processed to resolve an exception or to obtain approval, the number of touches greatly increases. Without automation, resolution requires a series of phone calls and e-mails and making multiple copies of the supporting documentation. SAP Invoice Management replaces these inefficient manual steps with a business rule-based solution that guides the process to a timely and accurate conclusion. In addition, images of the supporting documentation are always available both during processing and after process completion. A powerful analytics engine provides key information that helps you increase productivity. You can perform internal and external queries about specific invoices or query invoices by supplier and obtain immediate access to relevant data, reducing the number of time-consuming inquiries from vendors.

The software lets you enter invoices from any location. It supports country-specific rules and regulations so you can operate virtually anywhere in the world and can handle large volumes of invoices to support your business



activity. Also, the software supports a shared-services model so you can standardize processes while increasing efficiencies across the board.

Improving Visibility

When companies use decentralized point solutions, these can limit visibility and impair the ability to use information as needed. But the integration available with SAP Invoice Management helps provide visibility of purchase orders, invoices, and payments when you need it. Instead of multiple views in disparate solutions, you get a single, central view of invoices and invoice status.

Improved visibility means you can drill down to invoice, purchase order, and receipt information. You can monitor status and notification during the process as well as after completion, and you can view invoice history for each process step.

Controlling Financial Processes

SAP Invoice Management gives you powerful functionality to control AP information. You can classify, route, and sort invoices automatically to help ensure that the right information reaches the right person at the right time. Configurable logic allows you to detect

duplicate invoices right from the start. You can systematically detect invoice exceptions and control invoice routing through resolution.

Improving Cash Flow

When AP is slowed down by inefficient processes, companies are unable to leverage early payment discounts. But SAP Invoice Management helps you take advantage of these opportunities by streamlining workflows, initiating reminders, and shortening the payment cycle.

With an optimized process in place, you can better ensure that discounts are taken and enjoy increased profits. This helps you have more cash on hand to use in your business. You can reduce your exposure to liability due to late payment. And your credit ratings can improve through on-time payment.

Providing Accurate, On-Time Financial Reporting

The software gives you automatic access to the AP information you need to populate the management reporting your company requires. The data you use reflects the most accurate and timely picture of your business for financial and other reporting needs. You can generate reports related to specific invoice questions. You can report on key performance indicators to promote continual process improvement. The application also assists you in making sure company financial reports like balance sheet and working capital information are up-to-date. When manual processes are removed, you lessen the risk of missing critical deadlines, thus avoiding fines and liability.

Ensuring Timely Compliance

Today's global business environment dictates that your company adheres to numerous regional, national, and international regulations, such as the Sarbanes-Oxley Act. To meet these requirements, you need a rigorous process in place that ensures compliance in all areas, including accounts payable. The application gives you the control to implement a well-managed AP process based on preconfigured business rules. And it enables you to produce extensive reporting on the process, including a complete audit trail.

Decouple Scalability from Headcount

With business practices like shared services aggregating huge invoice volumes in one organization (the shared services center), efficiency becomes key to managing volume increases and fluctuations in volume without the need for excess headcount growth. The level of automation that SAP Invoice Management brings to the invoice reconciliation process enables scaling by system capacity, not by headcount.

Enhancing Vendor Relations

Like your customers, your vendors are the lifeblood of your business, and maintaining close relationships with them is of the utmost importance. With SAP Invoice Management, late payments virtually can be eliminated. Calls from vendors checking on payment can be handled promptly. The software helps simplify partner setup and maintenance. It lets you collaborate based on

preconfigured business rules while allowing for ad hoc communication when applicable. Comments are automatically captured as part of the workflow.

All this puts you in a position to negotiate improved pricing and payment terms. You can set the tone for forward-looking partnerships to benefit your business and theirs.

Reaping the Rewards of Well-Managed Invoice Processes

Using the SAP Invoice Management application puts you in a position to reap many rewards. The integration it provides gives you a single, unified view with clear visibility of purchases and payments company-wide. A reduction in manual processes frees up capacity, letting you reallocate resources for other tasks. A shortened processing cycle lets you free up cash, improves your credit rating, and may entitle you to special discounts – all of which help your bottom line.

A central, standardized process with accurate information and fewer errors lessens your risk of exposure to non-compliance or even litigation. And the ability to provide timely reporting helps ensure your compliance with regulations and fiscal reporting requirements. Last, but not least, streamlined invoice processes reduce the number of petty issues so you can focus on what's important in your relationships with your vendors and partners.

All of this contributes to one of the essentials of successful business – a strong financial foundation.

Summary

Manual invoice processing can cause serious risks to your business. Information can be incomplete and inaccurate, tasks are time-consuming and wasteful, and solutions can be dispersed throughout your operation. This results in lengthy error-prone activities that leave you with poor visibility and open to exposure. You can reduce these risks and optimize your invoice management processes with the SAP® Invoice Management application by Open Text.

Business Challenges

- Optimize the accounts payable (AP) process by increasing visibility of invoice status
- Automate data entry using optical character recognition
- Reduce manual and inefficient paper-based invoice processes
- Enhance vendor relations through on-time payments and a reduction of status inquiries
- Ensure accurate, timely reporting to internal and external entities

Key Features

- **AP process integration** – Get a single, unified view of the process company-wide from purchase through payment to optimize timely operations and improve vendor relations
- **Controlled financial processes** – Classify, route, and sort invoices automatically, systematically detect invoice exceptions and duplications, and help ensure that the right invoice reaches the right person at the right time
- **Internal and external reporting** – Automate reporting to support everything from corporate financial requirements to trade regulations to continuous improvement programs
- **Compliance** – Support your rigorous process to help ensure compliance based on integrated, consolidated information and enhanced reporting features

Business Benefits

- **Increase productivity and revenue** by minimizing manual processes through integration and automation
- **Improve cash management and shorten closing cycles** by streamlining the payment process
- **Become a dependable business partner to your suppliers** with shortened invoice-to-pay cycles and accurate, timely information
- **Take control of your business** through an accurate picture of today's invoice processing that can support your decisions for tomorrow's opportunities

For More Information

Call your SAP representative, or visit us online at www.sap.com.

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