

STREAMLINE INVOICE PROCESSING WITH AN AUTOMATED SOLUTION

ENHANCE RETAIL PRODUCTIVITY, CASH FLOW, AND VENDOR RELATIONS

Best-run retailers must process vendor invoices in a timely, accurate, and efficient way. 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 retailers, managing invoices means manual efforts that drain both internal and vendor resources. This often involves tedious manual entry, time-consuming research, belabored communication with the vendor, documentation, requests for additional information from multiple parties, manual routing, and labor-intensive monitoring and updates on unpaid invoice status. Instead of these cumbersome processes, the accounts payable (AP) staff should be able to optimize cash flow and better manage the vendor relationship.

In addition, retailers need support in complying with key national and international regulations, along with insight into potential liabilities. You need the ability to focus on your best suppliers and manage credit ratings. You need to meet payment deadlines and decrease costs and workload in handling supplier inquiries – while reporting financials accurately.

The SAP® Invoice Management application by Open Text helps you control invoice processing to streamline these processes and avoid these risks. It helps AP personnel and vendors simplify 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 AP employees and vendors 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 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 automation, 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. Problem resolution requires a series of phone calls, e-mails, and 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, thus reducing the number of time-consuming inquiries from vendors.

The software lets you enter invoices from any location and supports country-specific rules and regulations. This way, you can operate virtually anywhere in the world and handle large volumes of invoices to support critical business activities. The software also supports a shared-services model that allows you to standardize processes while increasing efficiencies across the board.

Improving Visibility

Using decentralized point solutions can limit visibility and impair your ability to access information as needed. But by integrating with other applications, SAP Invoice Management provides 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 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. Taking discounts thanks to an optimized process gives you more cash on hand – and you can reduce exposure to late-payment liabilities and improve credit ratings 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.

Decoupling Scalability from Headcount

As a retailer, you are no stranger to a staggering volume of invoices. 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

Your vendors are an indispensable element of your business, and maintaining close relationships with them is of the utmost importance. With SAP Invoice Management, late payments can be virtually eliminated, and calls from vendors checking on payment can be handled promptly. The software simplifies

vendor 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 – and sets the tone for forward-looking partnerships with your vendors to benefit your business and theirs.

Reaping the Rewards of Well-Managed Invoice Processes

In short, SAP Invoice Management can help you:

- Gain clear visibility of purchases and payments company-wide thanks to a single, unified view
- Reallocate resources for more productive tasks by reducing manual processes
- Free up cash and improve your credit rating with a shortened invoice processing cycle
- Lessen your risk of exposure to non-compliance or even litigation thanks

to a central, standardized process with accurate information and fewer errors

- Comply with regulations and fiscal reporting requirements with timely reporting
- Build stronger relationships with your vendors and partners

All of this contributes to the primary essentials of a successful retail business – understanding the customer, anticipating their needs, and inspiring them to make yours their first-choice destination.

Provide Rapid and Accurate Access to All Business Documents

Your IT landscape is likely a heterogeneous mix of several disparate solutions. The result: supporting documents and content often reside in disparate information silos, causing inadequate audit trails and complex, inefficient search and retrieval processes.

Growing reams of content – invoices, purchase orders, POS transaction records, store employee records – are scattered in many different places.

The SAP Document Access application by Open Text makes it much easier to access these documents and data. SAP Document Access improves process efficiency and shortens cycle time by integrating documents with SAP workflow and making them accessible from their related SAP transactions. Immediate access to images of the original invoice from SAP Invoice Management avoids time-consuming requests for copies, and eliminates costs for storage and retrieval of paper invoices.

Find Out More

To learn more about SAP Invoice Management and related solutions from SAP, please call your SAP representative or visit us online at www.sap.com/industries/retail or www.sap.com/solutions/solutionextensions.

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

Summary

The SAP® Invoice Management application by Open Text helps you control invoice processing to streamline time-consuming manual processes and avoid fiscal and noncompliance risks. It helps accounts payable (AP) personnel and vendors simplify creation, management, monitoring, and routing of POs and invoices. You can improve the timeliness of payments, optimize productivity and cash flow – and build stronger partnerships with key vendors.

Business Challenges

- Optimize AP processes by increasing visibility of invoice status
- Reduce manual and inefficient paper-based invoice processes
- Automate data entry using OCR
- Enhance vendor relations through on-time payments and fewer 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 get the right invoice to 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/industries/retail or

www.sap.com/solutions/solutionextensions.

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