opentext™

Success story

Bernalillo County, New Mexico

Industry
• Government — Local

Solutions
• OpenText™ Vendor Invoice Management for SAP® Solutions
• OpenText™ Invoice Capture Center for SAP® Solutions

Results

Fully automated process leads to **faster, more accurate invoice processing**

Accurate, timely reporting with automatic access to AP information

Boosted productivity results in one less FTE to manage invoice processing

Bernalillo County automates Accounts Payable with OpenText and SAP®

OpenText™ Vendor Invoice Management for SAP® Solutions delivers efficiency, productivity and savings

"We're able to accomplish more with fewer resources because we have a far more efficient process in place now. We have one less FTE managing invoice processing and the job has changed to less data entry work and more time spent on validating, reporting, and analysis."

Amy Childers
Financial Projects Coordinator
Bernalillo County

With its snow-capped peaks, towering mesas and colored deserts, New Mexico is known as the 'Land of Enchantment.' In the heart of this southwestern U.S. state sits Bernalillo County. Home to more than 650,000 citizens, Bernalillo County includes Albuquerque, the most populous city in New Mexico. To serve its residents, the County employs nearly 2,500 employees across 24 county departments ranging from Health and Social Services to Parks and Recreation.

Background

The employees of Bernalillo County are committed to making it a better place to live and serving their residents and visitors with openness, visibility and accountability. Like all county governments facing budgetary pressures, increased workloads and reduced staffing, Bernalillo County is working to find efficiencies and savings across its operations. Using OpenText Vendor Invoice Management (VIM) and OpenText™ Invoice Capture Center for SAP® Solutions (ICC) from the OpenText Suite for SAP, the County streamlined and automated its accounts payable practices to improve productivity, efficiency and reduce resource requirements.

Challenges

Time-consuming, manual invoice processing

Previously, the invoice management process at Bernalillo County was paper-based, manual, decentralized, labor-intensive and hence prone to delays and errors. Amy Childers, Financial Projects Coordinator at the County, describes the situation, *"We were really, really backed up. We had invoices here in Accounts Payable, but they were also spread all across the different departments within the County. It was just so crazy and uncontrollable. Invoices were everywhere— except in the system."*

Every month, the County received roughly 3,500 invoices from vendors but the Accounts Payable (AP) department had no visibility into the status of these invoices, causing delays, errors and complaints. Maria Zuniga, Business Improvement Administrator at the County, explains, *"A typical scenario was that one of the vendors would call a commissioner and say, 'Hey, I submitted my invoice three months ago. How come I haven't got paid?' The commissioner calls AP, who has zero visibility into it because it's not in any system and AP then scrambles to figure out where the invoice is to get it paid."*

Inspired after attending an accounts payable conference in 2009, Childers began looking at invoice automation and soon developed a vision for invoice management at the County: centralize the receipt of invoices, scan and capture invoice data and images, use workflows for invoice approval and create visibility in every step of the invoice process.

Solution

Streamlined AP for SAP

Because Bernalillo County had replaced its legacy mainframe system with SAP, it needed a solution that would integrate with its SAP system. Via a Request for Proposal (RFP) process, a number of solutions were assessed but most were not SAP-integrated systems. After a few starts and stops in finding a solution, the county found key products from the OpenText Suite for SAP, an integrated portfolio of solutions designed to work seamlessly within SAP.

The OpenText Suite for SAP includes Vendor Invoice Management, which optimizes and simplifies the process of creating, managing, monitoring and routing purchase orders and invoices. Invoice data capture is integrated into the solution via Invoice Capture Center, an

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optical character recognition (OCR) software that uses advanced document and character recognition capabilities and virtually eliminates human intervention in the invoice capture stage.

"The OCR was one of the key required components, because a big part of the vision was that the AP processors not have to key in data from the invoices anymore. Instead, it would be scanned and read in the OCR and then the processor could work more in a validation role. So OCR was one of the keys," adds Zuniga. The solution also met the County's vision for timely invoice payments, workflow approvals, performance measures and reporting.

Implementation

Leading up to the implementation of the solution, the team worked closely with the County departments to develop an invoice management process that would centralize invoice receipt without sacrificing the departments' need to see and approve invoices. *"We worked really closely with all the goods recipients, invoice approvers, and management to collaborate so that they could feel like they owned part of this process. It went a long way in achieving change,"* says Childers.

The County also reached out to its vendors to advise them of the new process requiring all invoices to be sent to AP, with a current purchase order (PO) number. Childers describes the journey that invoices now take at the County: *"When we receive the invoice, it gets scanned in—and in a perfect world a PO number is on the invoice. The invoice then gets routed to the goods recipient and approver, they enter a goods receipt, they approve the invoice and then it comes to one of the processors in Accounts Payable, who looks at everything, makes sure everything is correct and then they post it. Then invoices are paid based on the payment terms."*

Benefits

Reduced resource requirements

Manually processing invoices is now a thing of the past at Bernalillo County. Because staff no longer has to manually key data from paper invoices, manually route invoices and conduct time-consuming investigations into issues, the County has reduced staffing requirements by at least one full-time employee (FTE). An added benefit is that AP processors are now able to spend less time on data entry and more time on activities such as validation and analysis. Childers comments on the efficiency gains: *"We're able to accomplish more with fewer resources because we have a far more efficient process in place now. We have one less FTE managing invoice processing and the job has changed to less data entry work and more time spent on validating, reporting and analysis."*

End-to-end invoice visibility

Using Vendor Invoice Management, the County easily accesses invoices at any point during the process—stakeholders with an issue can quickly and efficiently access invoice information, such as the status of the invoice payment. *"When a vendor calls us, we can tell them exactly where the invoice is in the process,"* says Childers. Zuniga adds, *"Instead of panicking and calling the department or calling the vendor, now we run the VIM analytics report, and we can look it up. It's much easier and more efficient for AP to track it down."*

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Accelerated payment cycle

By processing vendor invoices more quickly, accurately and efficiently, the County has been able to shrink approval and payment cycles. In fact, with the new solution in place, the AP department has established performance measures that it consistently meets:

- **95 percent of invoices are scanned** and validated within two business days of receipt

- **95 percent of invoices are approved** and goods receipted within five business days of invoice delivery via workflow

- **95 percent of invoices are indexed** within five business days of invoice delivery via workflow

Zuniga compares this performance to the past. *"Most of our invoices are net 30 payment terms. We know that in the past we had a large volume of invoices being paid outside of those terms. Now, we've got 12 business days to fully process the invoice—two days to scan, five days for the departments, and then the five for accounts payable. So we are well within that net 30."*

Reduced invoice errors

The new automated process has greatly reduced the number of errors occurring during the invoice cycle related to discrepancies, insufficient approvals, PO mistakes and duplicates. All of these problems required time and resources to remedy. *"A big improvement we made with automation is that we built rules into the system, based on how AP wanted the new process to work, such as catching duplicate invoices. For example, if the invoice date, the amount, and the vendor match, then you're looking at a possible duplicate and the system catches it,"* explains Zuniga.

Enhanced vendor relations

The solution has allowed the team to improve vendor relations with faster payment and a standard process. Childers notes, *"I don't get many vendor calls that get all the way up to me any more. Before, complaints would escalate to me, and the commissioners would be calling me about a constituent that hasn't been paid. I'm not getting those calls any more, so that's good."*
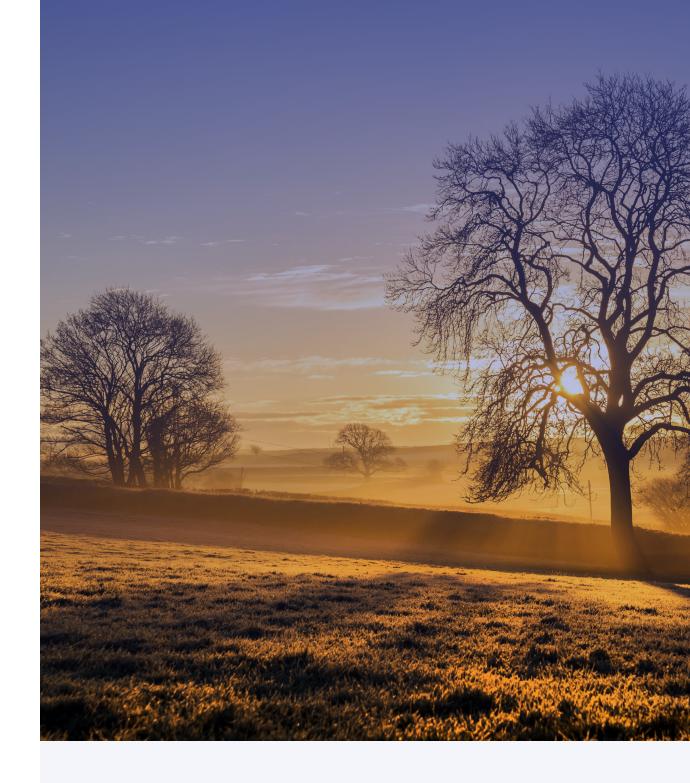
Business insight via reporting

A key benefit of the new solution has been report generation. The team uses the solution's built-in and custom reporting functionality to ensure accurate and timely reports on invoice management. In the past, there was no reporting or tracking of the invoice process, which made it difficult to identify issues or bottlenecks.

Future

Looking ahead, the team plans to enhance reporting. Having met the initial goals, they now plan to use the Vendor Invoice Management central reporting feature for high-level analytics and dashboard-type reporting. *"We were focused on the core problems of getting the system streamlined and working really well, but we do want to do more work with reporting in the future,"* Zuniga says. *"There's still work to be done with getting the aging reports."*

With its AP processes automated and strategic reporting to provide business insight, the County continues to follow through on its commitment to residents to provide sound financial operations and high-quality services at the lowest cost.

About OpenText

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