

# Don't Miss the Brass Ring:

Implementation Strategies that Deliver Maximum Return on Investment in Accounts Payable Automation

An IOFM whitepaper



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More accounts payable departments are deploying document management technologies to address the high operational costs, errors and inefficiencies associated with paper invoice processing.

Sixty percent of organizations plan to deploy electronic approval and exceptions workflow solutions, while 44 percent of organizations plan to deploy an image repository for invoice storage and retrieval, according to the 2014 Controllers Study conducted by the Institute of Finance and Management (IOFM).

Document management solutions automatically capture data from invoices and other payables documents that arrive in paper or electronic format. The solutions capture header and line-item information, depending on pre-defined business rules, and automatically send an electronic acknowledgement to the vendor that submitted the invoice. The document management solution then matches and links all documents related to a specific transaction (from purchase order to invoice) and electronically appends a general ledger code to the documents for posting to an enterprise resource planning (ERP) system such as Microsoft Dynamics. Documents that require approvals are routed to the appropriate staff; and managers can see the status of each document.

Because of this seamless automated process 39 percent of companies report payback on scanning and document capture investments in 12 months or less, the Association for Image and Information Management (AIIM) research finds. In fact, more than 60 percent of organizations met or exceeded return on investment for their scanning and document capture investments, according to AIIM's Automating AP/AR Financial Processes report. Implementing document management solutions in accounts payable also makes businesses more competitive. For instance, compared to average companies, best-in-class organizations — which have high levels of automation — report more than four times the rate of visibility into overall organizational cash flow on a day-to-day basis, and a 13-day improvement in Days Payable Outstanding, research by Aberdeen Group states.

But achieving return on accounts payable automation is not assured without an effective approach to system implementation. Invoice processing is characterized by a variety of documents, fluctuating volumes, variable data on documents, numerous stakeholders and integrations with ERP systems.

This whitepaper — the last of a three-part series on document management technology — provides proven strategies for successfully implementing document management/AP automation solutions.

## Taking the Pain and Risk out of System Deployments

Automating document processes can be complex. This is especially true in accounts payable where projects often involve process and workflow changes, multiple stakeholders and integration with back-end systems. For this reason, the success of a project starts with implementation planning. An effective system implementation approach can “make or break” a project before it even begins.

### Below are proven strategies to keep in mind when deploying a document management solution:

- Make sure everyone is on the same page before implementation begins:** It is not uncommon for a finance and administration department to purchase an accounts payable automation solution without soliciting input from key stakeholders (in some cases, accounts payable has been left out of the evaluation process!). Gathering stakeholder requirements for the first time during implementation will undoubtedly change business requirements, delay decision-making, potentially lead to costly change requests and strain working relationships at a time when collaboration is critical. Long before the implementation begins, ensure that all stakeholders understand the objectives for the project, as well as the system requirements. Having consensus among stakeholders on the detailed system requirements enables the project to be scoped, planned and implemented effectively. The system requirements should reflect the project objectives and the needs of the stakeholders (e.g. frontline users, procurement, treasury and senior management) and their target outcomes (e.g. improved reporting).


- Establish a project implementation team.** Gartner estimates that planning and development account for at least 65 percent of the start-up costs for a typical information management solution. An effective project implementation team helps manage that investment. Three-quarters of organizations that deploy an automated information management system establish a steering committee for planning and oversight, Gartner reports. A project implementation team monitors the progress of the project and makes decisions regarding process, workflow and system architecture changes. Similarly, the implementation team develops the business rules that are used to configure the system. To avoid major surprises, the team should include business, operations and IT representatives, and frontline stakeholders who understand current processes. But keep in mind that ‘bigger isn’t better’ when it comes to forming a project implementation team: having too many people involved makes meetings unwieldy, delays decision-making, clouds priorities and complicates communications with the technology provider. Limit the team to essential representatives from each of the stakeholders in the project. One member of the team should be designated to “champion” the project with constituents within the organization, give regular updates to stakeholders and keep the senior sponsor apprised of any issues. All of the team members should be aligned with the common goal of project success.

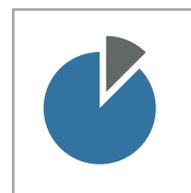

- Define your processing rules:** Establishing business rules early in the implementation of a document management system helps ensure that the system is architected and configured correctly. It also provides organizations with an opportunity to reengineer business rules and workflows to optimize processes. Start by documenting the current flow of invoices for approvals, notifications and exceptions. Determine any documents that may have a higher processing priority, or special handling requirements, compared to other documents. Then define how the document management system should process each document type.



- **Set a realistic timeline:** Most accounts payable staffs — particularly those operating in a manual invoice processing environment — are stretched thin, leaving little mental energy or time to learn new systems and processes. Be sure to take your staff's current workload into account when setting the project timeline and deliverables. Develop a realistic project implementation plan that includes distinct project milestones, as well as the tasks and personnel required to complete each milestone, and dependencies between work streams. The work plan can be used to assign responsibilities, measure the progress of the deployment, track project-related activities and generate reports. Also, be flexible in how you train staff. Evaluate scheduling "lunch-and-learn" sessions on the new system, posting system documentation/training materials and a "training tip of the day" on the corporate intranet, employing temporary workers to free staff for system training and leveraging vendor resources such as recorded webinars and training handouts, when available. Remember that busy staff can only absorb so much information at a time. Scheduling three one-hour training classes, for example, will likely have a bigger impact than one three-hour class. Longer classes also increase the odds that staff will need to be retrained. Also, give staff time after each formal training class to practice on the new system to build on what they have learned and consider periodically providing 30 to 60 minutes of training to highlight specific features of the system that might not have gotten close attention during general training.



- **Don't bite off more than you can chew:** Eager to achieve payback on their technology investments, many organizations attempt to make wholesale changes to their accounts payable systems and processes. This approach typically overwhelms staff, increases the risk of system failures and may create issues that negatively impact suppliers and other stakeholders, potentially impacting system adoption. Using a phased approach to system implementation mitigates potential implementation risks and provides recovery checkpoints if problems should occur. Also be sure to take into account all of the internal staff who will be required to play a role in the deployment of the system early on. Bottlenecks are frequently created when organizations underestimate the time required of staff in IT, procurement, treasury and even the C-suite to help deploy a new accounts payable system.



- **Establish a line of communication with your technology provider:** Clear, ongoing communications with technology providers goes a long way toward ensuring a successful system implementation. For starters, share your objectives, expectations and timelines for the project early. Depending on the phase of the implementation, consider daily, weekly, bi-weekly or monthly status calls with each party's project team. Also consider establishing a cloud repository or electronic dropbox for sharing updates and documents. And make sure you and your technology provider have a mechanism for identifying and resolving issues in a respectful and mutually satisfying way. Remember: Technology providers are expert in delivering payables solutions and can draw on this expertise to resolve issues or reengineer processes. Finally, don't forget to celebrate milestones with your technology provider.



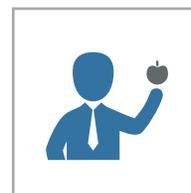
- **Proactively involve IT:** IT plays an integral role in virtually every system deployment. Involve IT early during system deployment planning to ensure that they have enough time to purchase and set up servers and workstations, configure operating systems and networks, implement remote access for authorized users, establish information backup policies and configure and test security tools and policies. IT also should be responsible for validating the feasibility of the system requirements and the architecture that the project implementation team develops with the technology provider. It is also important to understand the level of involvement that IT expects to have in the administration of the system on an ongoing basis; some IT departments only want to be involved when issues arise with security, databases or information backups.



• **Don't run your new system on old technology:** A common mistake that organizations make when automating accounts payable is to implement a new system on old operating systems or computers. Keeping existing operating systems and computers up-to-date helps ensure that an accounts payable system delivers peak performance, and eliminates the need for another conversion when they inevitably must be replaced in a year or two.



• **Start with low-hanging fruit:** Many implementations get bogged down by organizations initially trying to automate their most time-consuming and complicated transactions — those with the most complex business rules and highest incidence of exceptions. Some transactions cannot easily be automated, regardless of the technology. Initially focusing your automation efforts on the 80 percent (or so) of transactions that can be easily automated will accelerate return on investment, and provide the time and resources (e.g. savings) later to try and automate complicated transactions. At the beginning of the project, review all of the invoices your organization receives and identify exception items that should be automated last.



• **Make frontline staff raving fans of the new system:** Frontline staff will play a large role in the success of your accounts payable system deployment. People generally don't like change that does not directly benefit them. Change management is one of the top barriers to accounts payable automation, according to the 2014 Accounts Payable Automation Study from the Institute of Financial Operations (IFO). Deploying a new system requires staff to change the way they operate, and will likely call into question familiar, long-established processes. Winning over frontline staff will help ensure a smooth system deployment and lay the foundation for enthusiastic staff adoption. Start by spelling out early on how the system works and how it will positively impact their jobs. Engage influential frontline staff by involving them in the planning of the system deployment, coordination of specific deliverables (e.g. testing components), and training of peers. Identify staff with a positive attitude who can advocate for the system while training their peers. Frontline user training should be hands-on using a test environment within the new system. Be sure to call out features during training that will directly benefit the particular trainee. Finally, don't allow staff to fall into the trap of trying to recreate tired, old processes in the new system.



• **Think beyond your department's walls when it comes to user training:** Remote staff and ever-increasing demands for financial reporting means that anyone from a far-flung store manager to a clerk on a warehouse receiving dock to a company's CEO may potentially use an accounts payable system. Ensure your training plan takes diverse and geographically dispersed users into account. Identify staff to train peers, coordinate training and system testing for remote locations (e.g. webinars and on-site training led by staff from your central office), and leverage any online training tools and help functions built into the new system. Daily users of a scanning and data capture system need to learn how to navigate the interfaces, master the functionality of the verify screens and handle exceptions. If possible, group trainees based on their role. For example, frontline staff should receive comprehensive hands-on training to ensure they can navigate all of the system's functionality. Meanwhile, system administrators should learn the overall design of the system, the functionality of individual components, security configurations, problem troubleshooting and maintenance. Additionally, establish a plan for supporting dispersed users as the system is rolled out across your organization. Work with your technology provider to ensure that frontline staff, system administrators, senior management, IT staff and others have access to helpdesk and support staff, when necessary. The support plan should document internal and vendor escalation procedures (the way that problems are reported, addressed and escalated), helpdesk ticketing procedures and the point of contact to check on the status of outstanding helpdesk requests.



- Plan to be tested:** Be sure to measure the performance of your document management system at pre-set milestones during implementation, and to make modifications to achieve the best level of functionality and performance, as necessary. The system should be tested using your documents and export formats, with the expected volume of batches. The overall system should be tested to ensure that each component works as required, and that all of the components work together as planned. Don't overlook the interfaces between the document management system and back-end systems. Also perform user-acceptance testing to identify issues identified by frontline staff. AIIIM recommends that organizations consider conducting a pilot that includes: "real" IT infrastructure; employees sitting at their own desks and performing normal work tasks; and testing of the entire project and not just the technology. The objective of the pilot is to achieve a realistic assessment of the system's performance, gather user feedback and improvement suggestions, and refine documentation and training.



Upon system implementation, AIIIM recommends that organizations assess the value, impact and risks of the new system, and develop a benefits realization and tracking plan. Organizations should develop key performance indicators (KPIs) that focus on both process and outcome measures. KPIs might include turnaround times, cost of operations and responsiveness to supplier inquiries.

To ensure that a system delivers optimum performance after the implementation is complete, regularly update its system administration, interfaces with other systems and critical hardware components, such as the database server. Additionally, don't fall too far behind on software updates otherwise you will eventually have to do a larger, more costly and time consuming software upgrade. Incremental upgrades also reduce the risk of negatively impacting back-end systems such as an ERP. Organizations also should plan for ongoing user training on the document management system.

### A Real-life Case Study

**Arkansas Blue Cross and Blue Shield is a company that has successfully applied the strategies above.**



Founded in 1948, Arkansas Blue Cross and Blue Shield is a not-for-profit, independent licensee of the Blue Cross and Blue Shield Association and is the largest health insurance provider in Arkansas.

Arkansas Blue Cross and Blue Shield previously used a document management solution that did not communicate with the company's accounts payable system or the nine databases that support its companies and subsidiaries in Arkansas. Processes were manual and tedious, invoices could not be sorted and information had to be keyed into each system separately. Additionally, reports could not be run directly from the document management solution and the system did not allow for the sorting of invoices by due date, limiting visibility into invoice processing. Without knowing payment due dates, accountants were forced to push invoices through as they were received.

To streamline its accounts payable processes, Arkansas Blue Cross and Blue Shield implemented Microsoft Dynamics GP as its new financial system and MetaViewer as its document management solution. Arkansas Blue Cross Blue Shield selected MetaViewer based on its ability to scan and read invoices, electronically route invoices through pre-configured workflows and automate indexing.

Arkansas Blue Cross and Blue Shield began transitioning some of its top suppliers to MetaViewer in January 2014. Within a few months, the company moved the rest of its suppliers to MetaViewer and put the system into operation. Arkansas Blue Cross and Blue Shield also integrated MetaViewer with its new system for managing multiple legal entities through one centralized general ledger database.

### **Arkansas Blue Cross and Blue Shield achieved significant benefits by upgrading its payables systems.**

Using MetaViewer with Microsoft Dynamics GP and the Binary Stream Multi-Entity Management system decreased the amount of manual data entry in Arkansas Blue Cross and Blue Shield's accounts payable department with automated document capture and workflow.

MetaViewer also provided accountants and suppliers with enhanced visibility into invoice information. MetaViewer makes invoices easily searchable, and accurate information is more readily available to suppliers. With Multi-Entity Management, Arkansas Blue Cross and Blue Shield also was able to consolidate nine separate databases into one centralized database, improving visibility.

Additionally, Arkansas Blue Cross and Blue Shield employees no longer have to enter information into multiple accounts payable systems, making processes more streamlined, information more readily available and reporting more efficient. MetaViewer also has enabled Arkansas Blue Cross and Blue Shield to pay more invoices on time and capture early-payment discounts by sending alerts when payments are due, improving cash management.

### **Summary**

Document management technologies are among the top priorities of accounts payable departments. And for good reason: These technologies reduce operational costs, eliminate errors, accelerate invoice approval and exceptions resolution, enhance visibility into financial information, and streamline access to invoice data for faster responsiveness to supplier inquiries. But achieving these benefits requires organizations to have a solid strategy for implementing a document management solution. Following the strategies described in this whitepaper will help ensure that organizations meet their automation business case — and grab the brass ring of being a best-in-class payables department.

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### **About Metafile**

Founded in 1979 and headquartered in Rochester, Minn., Metafile is an established, independent and efficient provider of paperless document management software applications supporting accounts payable, accounts receivable and human resources departments in middle-market and large businesses nationwide. More than 3,500 organizations have translated Metafile's content management solutions into enterprise-wide value and a competitive advantage. MetaViewer is Metafile's flagship paperless document management solution, offering paper and electronic invoice capture, web-based workflow, two and three-way matching, real-time graphical visibility and full ERP integration. Today, more than 15,000 financial professionals worldwide are efficiently processing more than 15 million paperless transactions per week with the MetaViewer solution. For more information visit [www.metaviewer.com](http://www.metaviewer.com).

### **About IOFM**

The Institute of Finance and Management (IOFM) is the leading organization providing training, education and certification programs specifically for professionals in Accounts Payable, Procure-to-Pay, Accounts Receivable and Order-to-Cash, as well as key tax and compliance resources for Global and Shared Services professionals, Controllers and their F&A teams.

IOFM has certified nearly 20,000 financial operations professionals worldwide through its four certification programs. These programs include Accredited Payables Specialist or Manager (U.S. and Canadian specific versions available),

Accredited Receivables Specialist or Manager and Certified Professional Controller. The globally recognized AP & AR certifications are available in English, Simple Chinese and Spanish.

IOFM's membership networks, the AP & P2P Network ([www.app2p.com](http://www.app2p.com)) and AR & O2C Network ([www.tarn.com](http://www.tarn.com)), feature industry research and best practices, metrics and benchmarking data, policies, case studies, tools, templates, and critical compliance and corporate governance resources. The Institute also produces on-demand e-learning resources including video trainings and web-based seminars.

IOFM hosts industry-leading conferences designed to facilitate continuing education and peer networking. These events include the Accounts Payable and Procure-to-Pay Conference and Expo (Spring and Fall), and the Accounts Receivable & Order-to-Cash Conference.

With a universe of over 100,000 financial operations professionals, growing certification and membership programs, and a keen understanding of the issues and content needs critical to the profession, IOFM is the trusted source of information in the rapidly evolving field of financial operations.

### **About the AP & P2P Network**

The AP & P2P Network is the leading provider of training, education and certification programs specifically for Accounts Payable, Procure-to-Pay, Global and Shared Services professionals as well as Controllers and their F&A teams.

Membership to the AP & P2P Network ([www.app2p.com](http://www.app2p.com)) provides comprehensive tools and resources to financial operations professionals who manage or are deeply involved in the Accounts Payable and Procure-to-Pay process.

Focus areas include best practices for every AP & P2P function; AP & P2P metrics and benchmarking data; tax and regulatory compliance (e.g. 1099, 1042-S, W-9, W-8, Sales & Use Tax, Escheatment, VAT, Canadian Tax, Internal Controls); solutions to real-world problems challenging your department; AP & P2P automation case studies; member Q&A networking forums, Ask the Experts, calculators, and more than 300 downloadable, customizable AP & P2P policies, flowcharts, templates and internal control checklists.

A membership to the AP & P2P Network provides tangible ROI to any organization — saving your organization time, money and keeping you compliant.

Over 10,000 professionals have been certified as an Accredited Payables Specialist or Manager (available in English, Simple Chinese and Spanish), and Certified Professional Controller through the AP & P2P Network and its parent company, the Institute of Finance & Management.

AP & P2P Network also hosts the Accounts Payable and Procure-to-Pay Conference and Expo (Spring and Fall), designed to facilitate education and peer networking.

The AP & P2P Network is produced by the Institute of Finance and Management (IOFM), which is the leading organization providing training, education and certification programs specifically for professionals in Accounts Payable, Procure-to-Pay, Accounts Receivable and Order-to-Cash, as well as key tax and compliance resources for Global and Shared Services professionals, Controllers and their F&A teams. With a universe of over 100,000 financial operations professionals, IOFM is the trusted source of information in the rapidly evolving field of financial operations.