Kofax
Case Study

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>
> – Peter Loughlin, head of purchase to pay (P2P), Orange Business Services

Business Services **orange**

Orange Business Services, a subsidiary of France Telecom, is a recognised leader in providing multinational companies with data and IP networking and integration services. The Orange Business Services network connects business centres in 220 countries and territories, and the company's 10,000 employees provide local support to customers in more than 165 of those geographies.

Orange Business Services Transforms Purchasing Process with Kofax

The Challenge

When the company decided to transition from a country-based finance structure to a shared service centre, split between India and Poland, it needed an automated document management solution to facilitate the new way of working.

Additionally, the company had further challenges to overcome in maximizing workflow because so many of its suppliers still relied on paper-based systems. Documents scanned into the system can be instantly accessed from any Orange Business Services location around the world, but information from the invoice still needs to be manually entered into the system in the first instance. As well as being time-consuming and inefficient, the process is also open to re-keying errors.

With Orange Business Services receiving around 150,000 invoices a year from 10,000 active suppliers around the world, this represents a huge expenditure that can be avoided. "One of the weaknesses of the way we operated was that we weren't making the most of the existing infrastructure we had. We were able to take paper and turn it into electronic information, but then there was a manual process to key that information from an image into our finance system, and that's not really very 21st Century," explains Peter Loughlin, head of purchase to pay (P2P) at Orange Business Services.

"We embarked on a program to look at our suppliers and say to them 'Don't send us paper, send us an electronic file'. But this is a big challenge, because the vast majority, perhaps 75 per cent, of our invoices come from a huge number of relatively small suppliers. Only 25 per cent sent us significant volumes that would justify any kind of IT investment to send us electronic invoices."

The Solution

For invoice processing automation, Orange Business Services turned to Kofax MarkView® for AP Automation. This application automates the receipt and capture of paper and electronic invoices, performs data extraction and perfection, and manages workflows for routing transactions through exception handling and approval processes,

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significantly reducing cycle times and costs while optimizing process control and cash flow management.

With it being unrealistic to expect suppliers to switch to electronic documents for their sake, Orange Business Services also needed a solution that would enable the company to avoid manually entering data from electronic documents.

Kofax suggested Kofax Capture™ and Kofax Transformation Modules™. Kofax Capture scans documents to create digital images, extracting index data for retrieval purposes and delivering the images and associated data to a variety of repositories and applications. Kofax Transformation Modules adds document classification, page separation, data extraction and validation capabilities. By automating what were previously labor intensive, error prone and time consuming tasks, it can significantly reduce costs, improve information quality and accelerate business processes.

The solution can process hand-printed and handwritten forms, invoices, checks, correspondence and any other document type on a single platform. Featuring unique document classification, separation and extraction technologies, Kofax Transformation Modules yields high accuracy even on the most complex documents. As with MarkView, Kofax Transformation Modules is also able to fully integrate with Orange Business Services' existing Oracle ERP system.

The Results

MarkView enabled Orange Business Services to capture paper documents, specifically invoices, before processing them in a shared service center, regardless of where that invoice was received. Crucially, MarkView was also able to integrate with the Oracle Enterprise Resource Planning system that Orange Business Services uses.

"It's much more than simply sending an image," Loughlin explains. "It's a work flow tool that enables us to annotate an image and easily query an invoice, by notifying the appropriate person in the business to look into why there is a price variation between the purchase order and the invoice, if the goods were received, and so on. They can then get back to accounts payable and explain. It's a really invaluable tool in allowing us to make the most of the benefits associated with a centralized accounts payable solution."

Additionally, Kofax Transformation Modules has eliminated much of what were previously manual processes. Now if the software thinks it's found a VAT number and a supplier name, it can automatically go to Orange Business Services supplier database and find that supplier name with the same VAT number. If it's found a corresponding record, it will do the same with an invoice, purchase order, and so on. This gives a high level of confidence that the data that's been extracted was accurate.

"The Kofax® solution solves the problem of dealing with a huge supplier tail. We will now be able to extract data directly from the images that we scan from the paper, or better still get the supplier to send us the image. This will help us not only reduce the paper element of the process but will go some way to improving our carbon footprint."

Orange Business Services is currently working to implement Kofax Transformation Modules and is building some of the interfaces for the strategic suppliers. The company expects to begin rollout during the second half of 2012.

"Kofax is a really important partner for us for two reasons. One is strategic importance – the products work and are reliable. As well as that, from a personal point of view it is a great company to work with because we genuinely have a close relationship. We can be flexible with each other to accommodate the unexpected, and it's a nice contrast to some suppliers who may remain very strict to the scope of a contract," concludes Loughlin.

About Kofax

Kofax® plc (LSE: KFX) is a leading provider of innovative smart capture and process automation software and solutions for the business critical First Mile™ of customer interactions. These begin with an organization's systems of engagement, which generate real time, information intensive communications from customers, and provide an essential connection to their systems of record, which are typically large scale, rigid enterprise applications and repositories not easily adapted to more contemporary technology. Success in the First Mile can dramatically improve an organization's customer experience and greatly reduce operating costs, thus driving increased competitiveness, growth and profitability. Kofax software and solutions provide a rapid return on investment to more than 20,000 customers in financial services, insurance, government, healthcare, business process outsourcing and other markets. Kofax delivers these through its own sales and service organization, and a global network of more than 800 authorized partners in more than 75 countries throughout the Americas, EMEA and Asia Pacific.

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