

Large West Coast Utility Integrates JD Edwards Accounting System with IPM Workflow



“ WE’RE NOW ABLE TO PROCESS INVOICES IN A FRACTION OF THE TIME. THE ABILITY TO TRACK INVOICES AT ANY POINT IN THE WORKFLOW ALLOWS THE CONTROL OF INFORMATION TO BE BACK IN THE HANDS OF MANAGEMENT. ”

– IT Project Director, California-based Utility Company

INDUSTRY

Utility Company

SOLUTION

- › Imaging/Workflow for Accounts Payable
- › JD Edwards Integration

CHALLENGE

- › Decentralized accounting process
- › Lack of standardization
- › Laborious & ineffective tracking system for invoices
- › Burdensome audits
- › Excessive storage space required
- › Manual routing for approvals laborious & expensive
- › Ineffective reporting system

KEY BENEFITS

- › Centralized AP system
- › Automated data entry
- › Flexible workflow allowing various approvers depending on need
- › Invoices easy to locate and always available
- › HTML based email notifications provide customized & versatile email communications
- › Ability to monitor staff production levels
- › Administrators have access to reports that help monitor activity
- › Better distribution of workloads
- › Improved vendor relations
- › Forecast upcoming expenditures and better project spending

The subject of this case study is a public utility that serves one out of every 30 Californians. They engage in the purchase, production, distribution, and sale of water to over 240,000 customers, over a 400 mile radius. They also provide electricity to more than 20,500 customers. Operations are grouped into three regions, eight districts and twenty-two customer service areas throughout California and Arizona.

Continually expanding, the Utility’s Accounts Payable department was faced with the need to process more invoices while controlling head count. In order to streamline business processes and provide world class back-office functions, the Utility employed ImageSource® to integrate Enterprise Content Management functionality with the JD Edwards accounting system. Through workflow automation, the new system increases the control, visibility and efficiency of their document-based operations.

Prior to the ImageSource solution, the Utility was challenged with a decentralized accounting process taking place in four office locations. Each had complete AP functions with full-time staff, all with different policies and procedures. Since each location retained the invoices they processed, auditing and tracking was burdensome. Storage space consumed regional offices and required the rental of costly, off-site facilities.

“Our AP processes required thousands of sq. ft. of storage with racks stacked 6-8 ft. high with invoices and related documents,” said the company’s IT Project Director.

Of the 7,000+ invoices processed each month, a majority are routed through

email attachments for necessary approvals. To conserve memory after it was sent, email was consistently deleted. With no record of being sent, tracking email was challenging.

For lengthy invoices, some containing up to 800 pages, email wasn’t an option. Paper copies were routed manually for approvals via inter-office mail, courier services or express overnight. With invoices requiring up to five authorizations, the process was labor intensive, difficult to track, and expensive.



Invoices mislaid during these processes often required replacement invoices, resulting in duplicated payments and frustrated workers. Without an effective tracking/reporting system, management’s ability to successfully evaluate staff and monitor invoices was impaired.

The Utility chose to centralize their AP process, with all functional transactions occurring at their headquarters. Based on vast experience integrating with legacy AP systems and an established, successful relationship, ImageSource was selected as solution provider of choice.

Several business objectives were defined:

- › Reduce labor to process transactions
- › Standard system process for all divisions
- › Increase process efficiency
- › Remote scanning at regional offices
- › Access transactions during processing
- › Seamless integration with JD Edwards

The imaging/workflow solution that best met the accounting process needs involved integrating Oracle IPM with JD Edwards using ImageSource's ILINX® Integrate. Beyond providing critically needed AP benefits, the system would provide infrastructure enterprise-wide for future business process improvement.

Vendors now mail their invoices to the Utility's headquarters, where they are scanned and indexed utilizing Kofax Ascent Capture Internet Server. An integration with JD Edwards (JDE) enables validation of index fields. To eliminate data entry, the system performs lookups on a variety of indexes based on one field, such as a vendor number, entered by AP workers. Once a vendor is selected, other fields are auto-populated. The system then calls into JDE again to identify all PO's open for that vendor.

“OUR COMPANY IS SEEING CONTINUAL GROWTH. WE'VE HAD A 20% INCREASE IN THE NUMBER OF INVOICES IN THE PAST YEAR, WITHOUT HAVING TO INCREASE STAFFING.”

—AP Manager, California-based Utility Company

Utilizing Oracle Image & Process Management (IPM), the ImageSource-designed workflow dispatches invoices electronically to appropriate recipients for approvals. By accessing a database, routing lists are generated from hundreds of potential recipients. Each selection determines a unique approval route, providing flexible routing options for each package.

Employees receive an auto-generated email notification that an invoice requires approval. To more effectively communicate specific approval requirements to each employee, ImageSource developed custom code enabling HTML based notifications. Readability and emphasis on important information was

improved by providing the ability to underline, highlight and choose font size and color.

Once a AP package is approved by an employee, automatic routing moves the package through workflow until all approvals have been met. The package is then sent back to Accounts Payable for processing.

“We now have control where we previously did not,” shares the IT Project Director. “We know where every invoice is, at any given time.”

The Utility's goal is to have approvals met and invoices entered into JDE for each package within 5 days. Automated notifications are emailed to managers if employees fail to meet approval deadlines. This standard allows the Utility to forecast upcoming expenditures and better project spending.

To make viewing images of invoices possible from directly within the JD Edwards interface, ImageSource integrated ILINX Integrate. Once the invoice is entered in the JD Edwards system index values of related documents stored in Oracle IPM are automatically updated with the unique JDE document identifier and batch number.

To successfully transition their workforce to the new system, the Utility's project leader received training at ImageSource University. By perfecting his knowledge and practical usage of the Oracle products, he is available to help users and will assist with their plans to utilize the new enterprise infrastructure in Human Resources and Contracts.

By creating a scalable, automated document imaging and retrieval system, the Utility now has a timely and accurate process. They are able to monitor staff production levels, create a better distribution of workloads, identify bottlenecks and track invoices on the spot. Because administrators have access to reports that help monitor activity, vendor relations have improved.

“Now that we are centralized, we have one set of internal processes, we have control over our invoices and handling payments is much easier,” concludes the company's IT Project Director. “The ImageSource Professional Services team bent over backwards to ensure that they satisfied our requests.”

Technology



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