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One of the Fortune 500 IT Distributors in the US Transforms Accounts Payable (AP) Process with Newgen

Overview

Our customer is a **Fortune 500 company** and an American information technology (IT) products and services distributor. The company—based in Irvine, California—has operations in over 180 logistics and service centers globally.

Distributors in the IT supply chain business require financial strength, large-scale operations, global coverage, and access to the latest technologies to ensure smooth backend operations and accurate deliveries.

The Customer's Pain Points

The customer wanted to simplify and standardize its invoice processing across different geographies. However, its reliance on multiple systems and disparate information sources impacted day-to-day operations. Some of the other challenges were:

- Lagging processing cycle time
- Dependency on multiple systems
- Error-prone manual entry of invoice details
- Risk of fraudulent activities
- Difficulty adhering to compliance mandates
- Receipt of documents from multiple channels
- Delayed payments and lost invoices
- Handling of multi-lingual documents
- Lack of visibility into the cash flow

Regular Industry Approach

Numerous software tools are designed to modernize and simplify invoice-handling processes. These solutions only fulfill the basic aspects of invoice processing, including tasks like data extraction, validation, and approval workflows. Implementing these purpose-built solutions allows organizations to reduce manual labor, minimize errors, increase efficiency, and ensure compliance and adherence to regulatory requirements.

However, distributors in the IT supply chain business require a holistic approach to ensure smooth backend operations and accurate deliveries. A comprehensive solution with features, such as adaptability to various processes and integration capabilities with diverse third-party systems, is an absolute must for end-to-end automation.
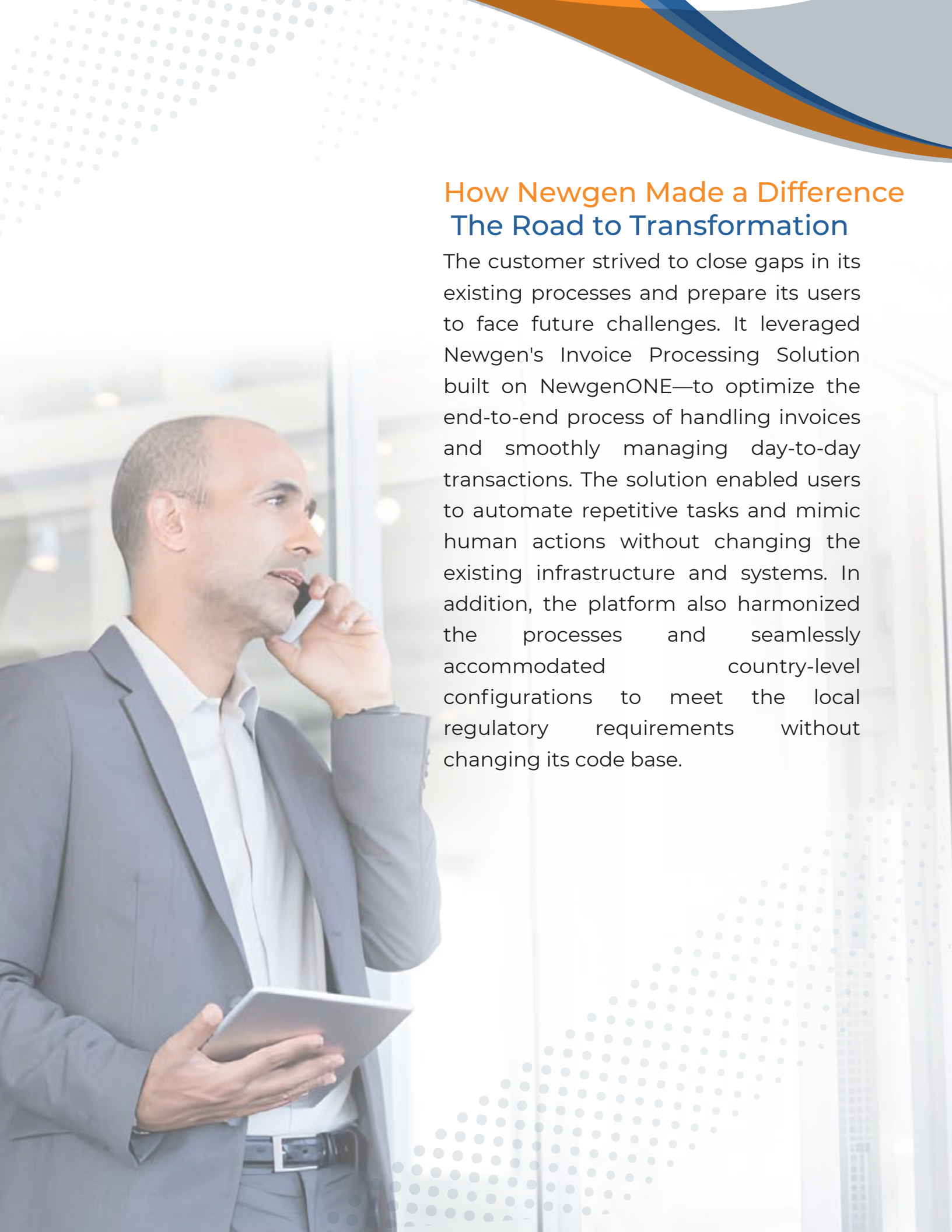
How Newgen Made a Difference
The Road to Transformation

The customer strived to close gaps in its existing processes and prepare its users to face future challenges. It leveraged Newgen's Invoice Processing Solution built on NewgenONE—to optimize the end-to-end process of handling invoices and smoothly managing day-to-day transactions. The solution enabled users to automate repetitive tasks and mimic human actions without changing the existing infrastructure and systems. In addition, the platform also harmonized the processes and seamlessly accommodated country-level configurations to meet the local regulatory requirements without changing its code base.

Pre-transformation Process	Deployed Solution Features	Post-implementation Impact
Different tools to capture invoices, such as filenet, justscan, FIM in different locations	← Initiation →	- Multichannel initiation; bulk invoice support by EDI and manual initiation (ZIP extractor) - E-mail support with pdf segregator
Absence of basic validations, No auto match in the system No single lined process in place	← Validations →	- Pre-check validations and auto match utilities enable instant validations - The solution streamlined the process and can be used across multiple countries
Manual tracking of exceptions by multiple stakeholders Lack of movement of invoices due to identification of the correct stakeholder	← Exception Handling →	Automatic segregation of exceptions based on the category
Manual posting by data entry	← Posting →	- Automated posting of invoices - Auto fetch relevant ERP data for visibility
Decentralized archival of documents in each country	← Archival →	- Centralized digital storage; defined folder structure for each country - Easy tracking with transaction reference and predefined access rights

Global implementation

AP, along with non-AP, processes were made live in 14 countries, including North America (US and Canada), Europe (UK, Hungary, Portugal, Italy, France, Spain, Germany, Austria, Switzerland, Sweden, Denmark, and Finland)

Invoice extraction

Newgen's OmniXtract, a document extraction solution, was implemented for the North American region. The printed invoices were auto-extracted to fetch the invoice header and line details

Core Highlights

Centralized invoice processing

Invoices from multiple locations were scanned and sent to the central processing site. In addition, alternate modes of invoice submission, including e-mail, vendor portal, etc., were also supported

Exception handling

Exceptions raised during invoice processing were digitally resolved by the right stakeholder, ensuring accountability

Business Benefits Achieved

Quantitative Improvements

Turnaround time (TAT) of 2 days for **92%** of invoices, matching top global performers

93% adherence to service level agreements

78% first-time right rate for invoices, above industry average of **60%**

Productivity of **10,000** invoices per FTE annually, with potential for further automation

99% improvement in physical support or both manual and automatic

58% improvement in exception handling

*These parameters are specific to American and EMEA Region

Qualitative Improvements

Higher quality and flexibility through increased standardization

Enhanced visibility with a 360-degree view of transactions and complete backtracking capabilities

Greater efficiency and minimized touch points by going agile

Faster decision-making achieved through automatic segregation based on exceptions

Stronger adherence to standard operating procedures (SOPs), de-risking processes

Conclusion

By choosing Newgen's solution, our customer witnessed a transformative shift and achieved resounding success in its accounts payable process. The solution significantly improved productivity, enhanced system's efficiency, reduced TAT, and increased visibility which resulted in simplified and standardized invoice processing across different geographies. In addition, the robust solution ensured a brighter and agile financial future of the customer.

About Newgen

Newgen is the leading provider of a unified digital transformation platform with native process automation, content services, communication management, and AI/ML capabilities. Globally, successful enterprises rely on Newgen's industry-recognized low code application platform to develop and deploy complex, content-driven, and customer-engaging business applications on the cloud. From onboarding to service requests, lending to underwriting, and for many more use cases across industries, Newgen unlocks simple with speed and agility.

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