India's Largest **Steel Tubes Organization** Automates, Centralizes Accounts Payable Across 11 Manufacturing Plants with **NewgenONE**

Overview

The client, a renowned name in the steel tube manufacturing sector, wanted to modernize its accounts payable processes. Handling a substantial load of over 30,000 invoices and coordinating with over 800 distributors across 11 manufacturing facilities, the client faced challenges with visibility and tracking of invoices. The inefficiencies tied to manual data entry into SAP had led to errors and consumed significant resources. Recognizing the need for an efficient solution that could smoothly integrate with its SAP system, the client wanted to streamline their accounts payable operations.

Customer Pain Points

The client initiated a comprehensive study and strategy in collaboration with Newgen, focusing on the following pain points to orchestrate a fully automated end-to-end accounts payable transaction.

Manual Data Entry Errors: The overall accounts payable process relied on manual data entry into SAP, leading to a high risk of errors

Lack of Invoice Visibility: The absence of a centralized system for tracking invoices resulted in delays and late payments, potentially incurring penalties

Duplicate Payment Risk: There was a significant risk of making duplicate payments for the same invoices

Audit Log Absence: There was a lack of audit trails for identifying errors during transaction tracking or backtracking

Extended Turn Around Time (TAT): The existing system had a lengthy TAT of 2-5 days to process a single invoice, impacting efficiency

High SAP Resource Costs: Accounts payable users had to possess a comprehensive knowledge of SAP and its terminologies, which led to increased resource costs

Lack of Central Repository: There was no central repository for storing invoice-related documents, causing cases of lost or misplaced invoices

What is a regular Industry Approach to these pain points?

Many software tools are designed to optimize and simplify the invoice handling process, with a focus on critical aspects such as data extraction, validation, and approval workflows. The implementation of these specialized solutions offers organizations the opportunity to significantly reduce manual labor, resulting in enhanced operational efficiency, reduced errors, and improved compliance.

However, certain limitations, including scalability issues, adaptability to various processes, integration capabilities with diverse third-party systems, and the importance of standardization, highlight the need for a more comprehensive solution.

Transformative Steps by Newgen

To overcome the day-to-day invoice processing challenges, the client partnered with Newgen. Newgen introduced its end-to-end automation platform, streamlining the cumbersome manual data entry processes. The client automated its processes, intelligently extracting critical information from both paper and digital documents through the built-in intelligent extraction engine. This implementation facilitated real-time document access from anywhere, fostering collaboration and better compliance adherence. The client embarked on a journey to fully automate their invoice processing, with the following functional capabilities:

Automated Invoice Capture: Invoices were captured from various sources, including emails, scanned documents, and electronic formats

Intelligent Data Extraction: OCR and data extraction technology was used to automatically extract critical invoice data

Invoice Validation: alidation against purchase orders, receipts, and contracts ensured accuracy

Automated Workflow: Workflow automation managed invoice approval, routing, and exceptions

Real-time Monitoring: Real-time visibility into invoices, approvals, and payment statuses was provided

Vendor Portal: Vendors accessed self-service portals for invoice submission and tracking

Document Management: Invoices and supporting documents were managed and archived securely

Compliance and Reporting: Compliance with regulatory requirements was ensured, with custom reports for analysis

Integration: Seamless integration with ERP systems, financial software, and other applications

User-friendly Interface: Intuitive interfaces for accounts payable teams and vendors

Mobile Access: Mobile access and approvals for invoices on-the-go

Data Analytics: Data analytics identified trends, bottlenecks, and process improvement areas

These features collectively automated and optimized accounts payable processes, reducing manual effort, enhancing accuracy by up to 70%, and improving overall efficiency.

Business Benefits

The implementation showed impressive results, achieving a remarkable TAT for each invoice, averaging just 4-5 minutes. Moreover, the extraction accuracy rate soared to an impressive 70% or higher, ensuring precision in data handling. To top it off, the system effectively managed a substantial number of vendors, totaling 7,282, streamlining the vendor management process.

Reduced End-to-End Cycle Time: Reviewed and shared the copy of the record with Mark via email or post

Seamless Integration with SAP Application: Streamlined integration with SAP application, resulting in enhanced operational efficiency

Quicker and Improved Exception Handling: Expedited and improved the handling of exceptions and escalations

Enhanced Resource Management: Effectively managed a skilled resource pool, eliminating dependencies

Centralized Visibility and Tracking: Gained better-centralized visibility and tracking of processes, activities, and productivity

Improved Documentation and Search Capabilities: Enhanced documentation and searching capabilities along with improved master data management

Conclusion

The transformation journey undertaken in collaboration with Newgen has transformed the client's invoice processing operations. With significant reductions in processing time, exceptional accuracy, and streamlined vendor management, the organization has achieved remarkable operational efficiency, ensuring a brighter and more agile financial future.

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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