REFERENCE CASE

CLIENT: HANZE UNIVERSITY **PROCESS:** INVOICE AUTOMATION **INDUSTRY:** RETAIL **LAND:** THE NETHERLANDS

Smooth and accurate processing with invoice automation in Microsoft Dynamics AX

"I am still getting used to not having a bundle of invoices under my arm to sign," declared Jean-Paul Heunks, Head of Finance at the Hanze University of Applied Services Groningen. The university, the oldest multi-sector university in the Netherlands, has nearly 26,000 students, 2,700 members of staff and will soon celebrate its 215th anniversary. It encompasses institutes in Groningen (main campus), Assen, Leeuwarden and Amsterdam and receives 40,000 invoices each year. Heunks adds.

Constraints

Before automation, invoice process at the university was cumbersome and decentralized. Suppliers sent invoices directly to the budget holders at various locations and ultimately ended up in desk drawers throughout the many campuses, or worse, were misplaced. Copies of the invoices were then made, which created duplicate archives. Stakeholders did not know the whereabouts of the invoice within the organization and it was difficult to identify who exactly was accountable for the delays. The manual workload weighed heavy on the staff, resulting in errors in the keying in of invoices. The workload increased in size even further after a staff member left his position, and the organization was left with the choice to replace the employee or adopt a new and better method.

> **"**Thanks to the seamless integration of software from ReadSoft and Microsoft Dynamics AX, we now have complete control over the flow of incoming invoices.**"**
>
> Jean-Paul Heunks

New Process and Technology

The university opted to overhaul the way it processes invoices by simplifying its internal methods and deploying an automated invoice processing system to facilitate it. The chosen system seamlessly integrates with Microsoft Dynamics AX and was jointly developed by HSO, Simac Document Solutions and ReadSoft.

The paper invoices now arrive centrally at the creditor administration, where invoices are immediately scanned and converted into electronic images. Then, the invoice data is extracted by the ReadSoft solution and tested

to ensure its accuracy (such as determining whether the subtotal of the invoice line coincides with the number of articles and the unit price, or whether the VAT percentages and amounts are correct). Any identified discrepancies are then manually verified. Invoice data is transferred to Microsoft Dynamics AX if determined as accurate.

Invoices received as email attachments, such as PDFs are processed in the similar manner. The ReadSoft software is in constant contact with the mailbox where the invoices arrive and automatically removes the invoice, extracts and tests the data and either alerts staff members to resolve discrepancy, or automatically transfers validated data to Microsoft Dynamics AX.

Supplier Cooperation

In order for the process to work, the university needed suppliers to follow new guidelines. Supplier invoices needed to be sent either to a central PO Box, or be delivered digitally by email. Heunks says, "We had to be firm and consistent with our suppliers, otherwise, we would not have been able to change the process quickly enough. Our suppliers are now completely satisfied. They now also see the benefits of an automated process. The turnaround time has been cut by a third!"

> "Automation of invoices was a good start for us, and we are going to continue on this course."

User Acceptance

To maximize internal acceptance, all stakeholders in the invoice processing system were educated through demonstration sessions, newsletters and participation in testing. "ReadSoft is a sound product, a tried and tested solution that was quickly accepted by our users. Our staff on the accounts payable team did not need much training—an afternoon of instruction and the rest was self-explanatory. The power of the software lies in the simplicity of its operation," says Heunks.

Greater Control and Faster Processing

Heunks adds, "The whole process now runs more smoothly and efficiently and there is much more control. We avoid errors and double payments. Invoices no longer get lost, we have no more duplicate archives and the budget holders have access to their archive at all times. In the process, we have gained so much time and efficiency, that the replacement of the employee is no longer necessary."

The Future

The university expects to expand its automated processes to include the matching of invoices to the purchase order. In addition, the organization plans to upgrade to Microsoft Dynamics AX 2012 and with it, address the automation of other document flows. Heunks concludes, "Automation of invoices was a good start for us, and we are going to continue on this course."

Issues

- Lost invoices (invoices disappearing in drawers)
- Lack of accountability for payment delays
- Heavy manual workload
- Errors from keying in data from paper documents
- Paper-intensive, and shadow archives

Response

- New guidelines for suppliers
- Central scanning in of invoices
- ReadSoft software
- Implementation of automated invoice processing by Simac and HSO
- Integration with Microsoft Dynamics AX

Results

- Improved handle and control on certain points to prevent errors
- Budget holders have access to their archive at all times
- Simplification of processes
- Efficiency and risk coverage prevent double and incorrect invoices and payment
- Time-savings
- Replacement of employee superfluous

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