

## CASE STUDY: UK LEISURE GROUP

# AUTOMATING THE INVOICE PROCESSING FUNCTION TO IMPROVE WORKER PRODUCTIVITY

### THE CUSTOMER

Customer X is one of the UK's top holiday companies providing over 650,000 family holidays each year and employing some 12,000 people across 50 holiday sites. The group includes some well-known brands that offer great value family holidays, short break holidays and, for owners, holiday homes located in parks across the country.

### THE NEED

The holiday homes division is served by some 1,000 suppliers that between them generate close to 90,000 paper invoices each year with an additional 40,000 invoices processed via Electronic Data Interchange (EDI). A small number of food and drinks suppliers are among those presenting the highest number of paper invoices for payment. A team of four full-time staff are responsible for manually entering these invoices into the company's ledger accounting system.

The company's key objectives were as follows:

- Deliver a measurable improvement in the efficiency of the Finance Department by reducing the time spent by accounting staff on manual invoice entry
- Leverage, where possible, existing investment in IT infrastructure (hardware and software)
- Minimise the total cost of ownership (TCO) of the proposed solution
- Minimise the upfront capital investment and time spent in customising or configuring the proposed solution

### THE MANUAL PROCESS

Invoices received at each of the 30 holiday homes are checked, authorised and forwarded to Head Office for processing and payment. The majority of invoices are machine printed (some dot matrix) but a smaller proportion is hand-written.

The manual process for entering invoices took place in two stages:

- 1 The manual entry of summary invoice information directly into the accounting system
- 2 The scanning of invoices, image cleansing and transfer of images into the document management system



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There was also a certain amount of unnecessary handling of invoices that included manually attaching and scanning barcode labels, printing out batch summary reports, transporting batches of files between workstations and manual process checks.

Although the manual processes were well-known and well-practiced, the high volume of invoices being processed meant that the slightest inefficiency in any individual activity had a costly impact on productivity.

### THE SOLUTION

The chosen solution combined both stages (described overleaf) into a single manageable process.

Formic Fusion<sup>®</sup> software was placed at the start of the process to scan in batches of invoices, automatically recognise the supplier and then capture the required data from specific fields such as invoice date, supplier code, summary description of goods/services, total amounts and VAT rates. Nominal codes assigned by Park Managers are also captured.

The extracted information and invoice images are held in Fusion<sup>®</sup> Microsoft SQL database until they are ready to be transferred to the accounting system and document management system. Invoice entries and original document images are stored for future retrieval.

### MAIN BENEFITS GAINED

- Three-fold increase in throughput of invoices during the capture phase, releasing two members of staff to higher value tasks
- Streamlined process enabling simultaneous capture of supplier invoice data and submission of document images to the document management system
- Upfront capital investment minimised by leveraging existing hardware and software investment

**CUSTOMER:** UK leisure group

**INDUSTRY:** Leisure & travel

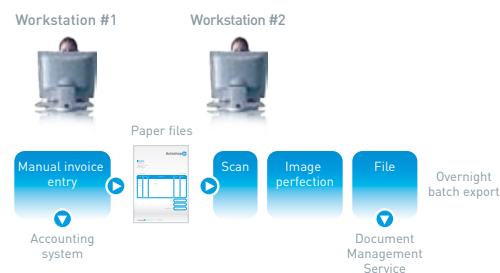
**APPLICATION:** Invoice Processing

**CHALLENGE:** Streamline existing process for capturing information from 90,000 paper invoices per year

**SOLUTION:** Formic Fusion<sup>®</sup> software, Canon DR scanner

**RESULTS:** Three-fold increase in throughput of invoices by eliminating manual data entry, more streamlined process and well-managed implementation costs

### THE MANUAL PROCESS



### THE SOLUTION

