

Transforming the payables process

Improving first pass matching accuracy



Client

A global supplier of tools and engineered solutions.

Challenge

The client was in need of standardizing disparate processes running on multiple systems, which were creating numerous exceptions and requiring heavy manual interventions.

Scope

- > Invoice processing
- > Vendor master maintenance
- > Vendor reconciliation
- > Help desk and expectation management

Background

Due to expansions over the years, the company found itself operating with more than 50 technology systems – including 19 discreet ERP systems – for its accounts payables process. This resulted in several exceptions and required heavy manual interventions.

Other concerns include:

- > An average of 30% of all electronic invoices resulting in exceptions.
- > No standard process or best practices across business units.
- > Lack of visibility into status of invoices due to inadequate reporting functionality in the payables system.
- > Manual process with no metrics for measurement of vendor inquiries.

The client needed a flexible, nimble F&A partner to help standardize, implement and maintain the payables process.

Reductions in invoices lying in exception

> 70%

Improvement in first pass match rate of invoices

80%

\$1.6 million

Annual cost savings

Reduction in vendor inquiries

55%

Standardizing the payables process

The solution

EXL transformed payables by releasing working capital and improving visibility for more proactive decision-making.

The solution included:

- › Implementing a standard work flow solution across more than 1,500 users, resulting in better visibility to exceptions and approvals.
- › Completely converting to a paperless environment with central mail room, scanning and indexing functions.
- › Developing standard operating and exception management procedures for all major systems.
- › Implementing a reverse indexing process to reduce the number of touch points and improve efficiency.

The results

- › Reduced touch points and cycle time and improved accuracy through the introduction of the reverse indexing process.
- › 'Affiliate Vouching' policy amended by defining acceptable tolerance limits.

About EXL

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