



## How Invoice Management solution delivered more than just automation for a Leading Fashion brand

### Client profile

Our client manages the design, manufacture, and supply of footwear for a major fashion brand. They are a British company with operations in 5 countries across 2 continents supplying a Global customer base from factories mainly in Asia. They were formed as a joint venture between 2 leading fashion organisations and having recently separated from their parent organization, they wanted to implement a new cloud-based ERP solution to autonomously manage their business.

### Challenges

Our Client was already using an AP automation solution, but only for their overhead invoices and not the factory Purchase Order-based invoices. 85% of their total invoices were factory purchase order based and hence critical to their operations, these were outsourced and being processed manually in Asian countries.

Even though the outsourcing option seemed like an inexpensive alternative, hidden costs associated with manual data entry, authorization and approvals were unaccounted for. Manual processes were prone to errors and Accounts Receivable invoices were triggered manually off the back of the AP invoices, leading to efficient cash flow management, but delays in revenues being recognized. Read more about the hidden costs associated with the accounts payable process.

For the exported consignments, it was essential for a plethora of documents to be stored and retrieved whenever requested by a customer, or other business departments, when importing into their destination country. Without a unified view of the accounts payable process or links established between sales order, purchase order and invoice it was cumbersome to, store, trace and retrieve these documents, and consequently became a challenge for the auditing process when manually checking the correct records were maintained.

## Solution offering – Invoice Management Solution (InSITE) powered by AI & ML

Through our consulting engagement and Value Assessment framework customized for the client, Applexus started to identify their process improvement opportunities.

Despite having only around 5000 invoices annually, the hidden costs made a business case for implementing a vendor invoice automation solution. Through analysing their process, Applexus identified opportunities for incremental value additions. Even with a lower number of invoices processed in a year where resources were less expensive, our Value Map and RoI calculations showed substantial incremental value in 3 key areas:

### Single Platform to Process all Invoices



Although invoice processing was outsourced, our analysis showed that in addition to benefits from automating the invoices, our client lacked end-to-end visibility of the invoices and additional documentation. A single platform could reduce their overall effort and time in switching screens for different types of invoices.

A unified platform to manage all invoices has empowered them to automate additional transactions, such as the Billing of customer invoices.

Deploying InSITE provided a single unified accounts payable solution for all their invoices - both overhead and factory-based.

### Eliminating non-value adding activities



Through process consulting, Applexus discovered that document retrieval takes up significant time and effort of the AP team. Industry benchmarks point out that almost 25% of a typical AP team member's time is spent on non-value-adding activities. The challenging document retrieval process resulted in tedious auditing document retrieval carried out twice per year.

With InSITE, all the supporting documents (such as country of origin certificate, packing lists, vessel information) related to a particular invoice could be stored, traced, and retrieved for ready reference from Sales order processing, purchase order processing as well as Finance.

Easy administration with a comprehensive audit trail and built-in reporting capabilities of InSITE, ensured better monitoring and tracking of the invoice through the approval process and beyond.

InSITE's AI-based extraction and recognition engine (AIDER) along with intelligent document classification, configurable business rules & custom workflows, automated 3-way matching, and line-item determination logic led to a process that was less error-prone and required minimal manual interference.

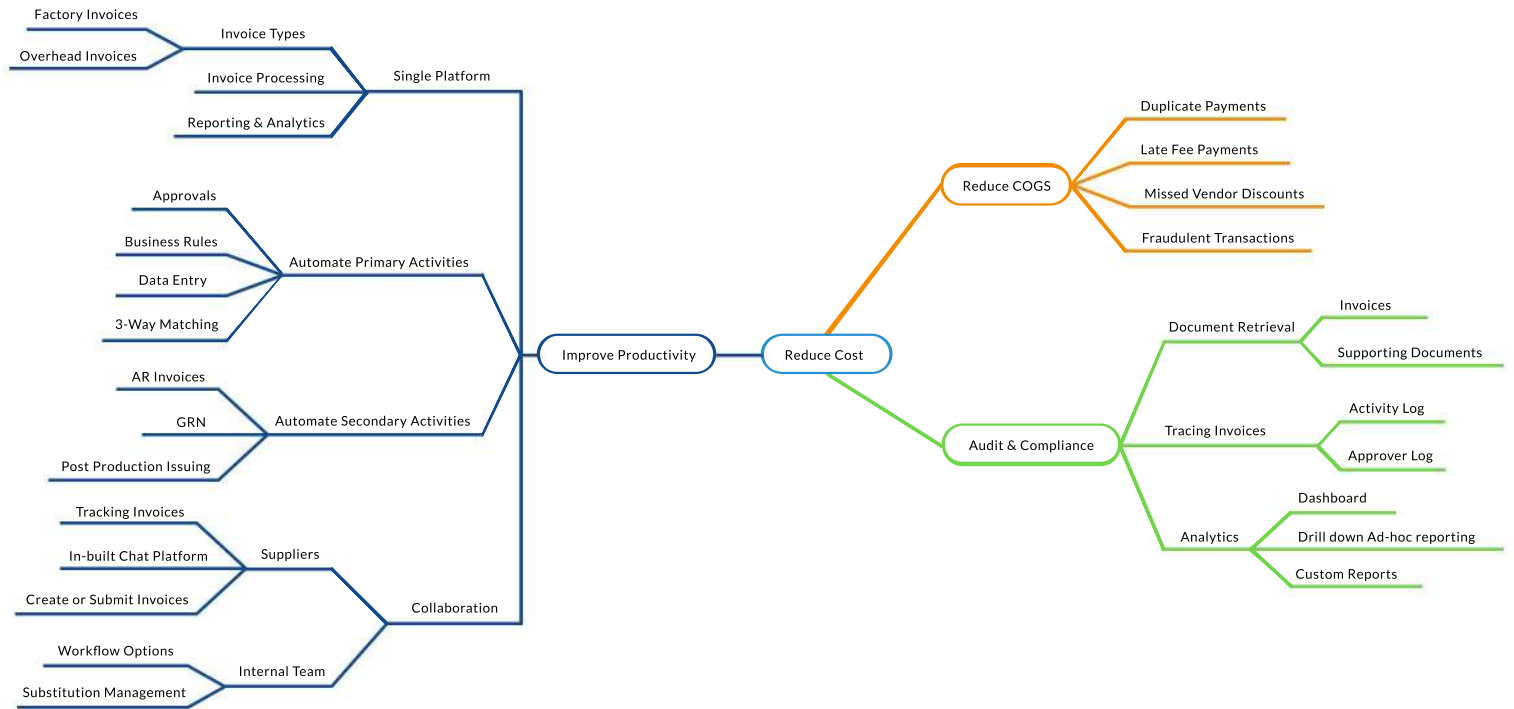
### Identifying & Automating Additional Transactions:



Transactions that are dependent on AP process were identified as incremental value addition opportunities. AP process map shows transactions like AR invoices were linked with AP invoice process. With the process issues resolved, Applexus were able to configure the solution in a way that the AR invoice would be automatically triggered off the back of AP invoice leading to more efficient billing and maintaining streamlined cash flow management.

Through the Value Map, Applexus also identified that automating the Goods Receipt Note would result in further value addition and process improvement for our client. Applexus is working with the client and potentially codeveloping the solution to automate and simplify the GRN and associated accounting processes.

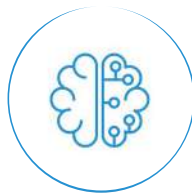
## Mind Map: Process Improvement Opportunities



Easy document tracing,  
storing and retrieval

**60%**

Reduction in time &  
efforts for reporting  
and audit



AI-ML Based  
Automation

**50%**

Reduction in time spent  
on Primary & Secondary  
transactions



Single Platform for  
All the invoices &  
Associated documents

**100%**

Of invoice being pro-  
cessed from single  
platform

### Overarching Benefits of InSITE

- Single Unified processing platform for all the invoices
- Eliminate errors and fraud prevention
- Streamlined cash flow management
- Easy storage and retrieval of all the supporting documents
- Simplified the auditing process
- Automated post-production issuing & simplified accounting processes