OneSteel Commercial Shared Services drives process efficiency and visibility with AP Automation

OneSteel Commercial Shared Services Department has streamlined business operations with the Xcellerate IT document capture solution by automating the process of over 300,000 supplier invoices per year with integration into JD Edwards. The solution enables straight through processing of an average 36% of transactions. OneSteel is now looking to expand the solution to their SAP businesses.

The Client

Arrium is an ASX listed international mining and materials company. The company was spun out from BHP in 2000 as OneSteel when it was almost entirely a domestically focused steel manufacturer and distributor. The company has subsequently focused on growing its resource based businesses and now has significant Mining and Mining Consumables businesses, as well as its Steel & Recycling business. OneSteel Commercial Shared Services supports all Arrium and OneSteel businesses in Australia for transactional Accounts Payable, Receivables and Accounting.

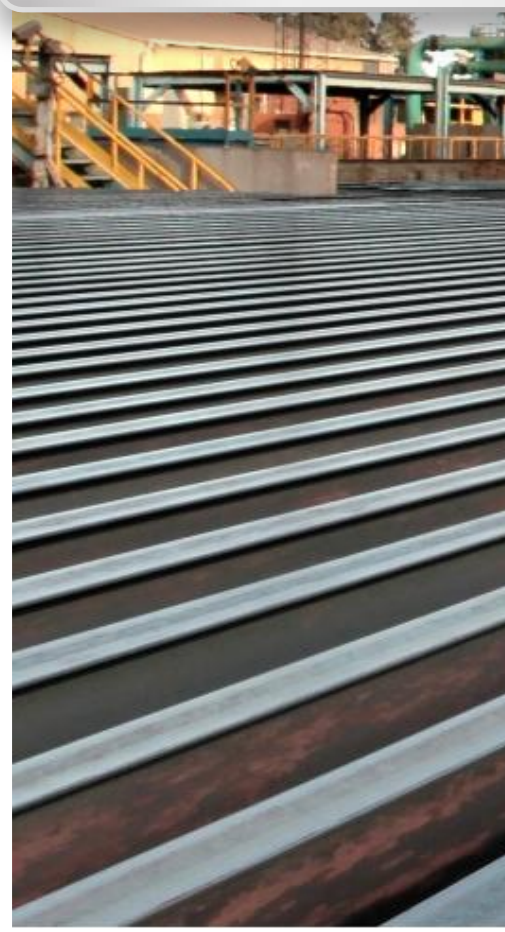
Industry
- Mining and Manufacturing

Organisation
- Arrium Mining and Materials

State
- New South Wales

Solution
- Kofax Capture
- Kofax Transformation Module
- Kofax VRS

Date solution deployed
- 2010



The Challenges

OneSteel Commercial Shared Services Department is based in Parramatta, New South Wales, and is responsible for the processing and payment of the supplier invoices received from all Australia branches. Outlining the challenge, Cynthia Singh, Group Commercial Shared Services Manager stated: *"We are processing approximately 27,000 invoices per month in JD Edwards, liaising with a high number of suppliers. We have a considerable volume of paper to process every day".*

Invoices are received via multiple sources such as mail, multiple email accounts, EDI or hand delivered and range from computer print for the major vendors to hand-written invoices from local suppliers. The Shared Services team had no audit trail for supplier invoices in the processing queue and was under pressure to support fluctuating invoice volumes with consistent SLA's.

"During peak periods, the AP department received an average of 900 calls per week from our suppliers and businesses. The time spent in retrieving the data to answer the queries was reducing the overall productivity of the department," continues Cynthia *"We were looking for a solution to support volume growth without increasing the headcount of the Shared Service team".*

OneSteel Shared Services examined the market and evaluated several different solutions available in the document capture industry *"We selected Xcellerate IT due to their previous successful partnership with our organisation and their engagement approach. The Xcellerate IT team had an extensive knowledge in automating accounts payable processes; they were sincerely keen to understand our requirements and to provide a suitable and cost-effective solution,"* says Cynthia.

The Solution

In 2010, OneSteel Shared Services kicked off the project to automate

the processing of supplier invoices within their JD Edwards environment. The Xcellerate IT solution enables the capture of invoices received via email and post and automatically extracts key header information, including invoice date and number, PO and total amount.

The automated invoice processing solution is based on the Kofax Capture platform. A key component of the solution includes the Kofax Transformation Module (KTM), to automatically extract key information from supplier invoices, and Virtual ReScan module, to apply the correct settings to deliver high quality images.

"We achieved significant improvements when we upgraded the Kofax solution in 2012 with tighter integration with our workflow platform. The On-line Learning functionality available with the latest Kofax version enabled us to increase the accuracy of data extracted to 95%!" says Cynthia.

The Kofax On-Line Learning module is used to increase the rate of recognition on documents through an automatic learning tool. The module builds a dynamic knowledge base that is capable of recognising the document from its layout and accurately extracts the correct value each time.

The process became fully streamlined using an automatic process to match extracted invoice data to PO information and leveraging on the OneSteel workflow engine to handling exceptions.

The Benefit – "Average of 36% straight through processing with no manual intervention"

The latest development of the document capture solution has enabled the Shared Services Accounts Payable department to gain process efficiencies with a focus shift from data entry and intense manual operations to more issues resolution.

The reduction of overdue invoices and clear accountability between the Accounts Payable staff and the Arrium businesses was a great benefit. *"The capturing of all supplier invoices at point-of-receipt improved the audit trail of invoices and allowed management to have full visibility and control of each business transaction with detailed reporting especially around cause of exceptions,"* says Cynthia.

The solution has proven to be an effective tool to support the Procurement policy implemented by Arrium, enabling some businesses to process up to 62% of invoices with straight through processing without any manual intervention.

The integration with JD Edwards enabled the images of each invoice to be available to all the authorised users, reducing internal queries and efficient handling of exceptions.

> ***"The solution has enabled the Shared Services team to gain overall efficiency and full visibility and tracking of each invoice transaction. Less time is now spent on processing data as we have achieved 95% automation in data extraction with an average of 36% automation in PO matching and straight through processing."***
>
> Cynthia Singh, Group Commercial Shared Services Manager, OneSteel

"Due to the successful experience we had with automating JD Edwards, we are now in the process of expanding the Accounts Payable Automation solution to our SAP environment. Once we go live with this, we will be able to automate the process of approximately 800,000 paper invoices per year," states Cynthia.

"We are proud of our long term partnership with Arrium. It has been a long journey and we look forward to further developing our solution in order to provide a 'best-in-class' document capture platform to meet the ever changing business requirements," says Howard Boretsky, Managing Director at Xcellerate IT.

Xcellerate IT

With 15 years of experience in streamlining business processes, Xcellerate IT is a leading provider of business process automation solutions.

Xcellerate IT's enterprise capture and work management solutions seamlessly integrates with major business applications, empowering organisations to increase productivity and organisational effectiveness by decreasing manual processes.

Xcellerate IT's solutions are widely used across multiple industries in manufacturing, finance, local and state government, healthcare and a wide range of companies that require the capture of critical information from paper, electronic documents and forms.

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