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## Improve ERP Efficiency Through Document Process Automation

By Malcolm Peden

Businesses that rely on enterprise resource planning (ERP) such as PeopleSoft, SAP, Oracle or other business systems to manage their core business processes, will always need to manage documents. However, it is easy to use, share and understand documents. This is critical, because even if an enterprise were able to successfully eliminate paper from its own business processes, partners and customers would continue to send paper. Consider that sales orders, vendor invoices and shipping manifests and labels are still issued in paper. There is a whole array of other documents that are still issued in paper as well. With paper, there are costly, time-consuming and error-prone manual processes for data entry, storage and retrieval.

ERP systems automate transactions and store data, but do not automate paper documents. As a result, it can be difficult to link and reconcile related documents to each other, and with business transaction data stored in ERP systems. This leads to slower critical business processes and the inability to control them.

Given the continued prevalence of paper documents, enterprises relying on ERP systems need to link their automated business processes with document images in their ERP systems. These documents can then be instantly accessible from anywhere by any authorized user, which can eliminate operational inefficiencies and communication barriers.

### Document Process Automation for ERP Systems

Enterprises wishing to seamlessly incorporate paper documents into their ERP business processes need a solution that stores and retrieves documents from within the ERP system; and there should be a seamless integration of these capabilities with ERP. But to maximize operational efficiency and communication, they need a complete document process automation solution that brings together:

- Inbound document imaging
- Integrated document storage and retrieval
- Outbound document generation and distribution
- Prepackaged processes based on best practices

***Inbound document imaging.*** Enterprises can scan documents either individually or many at one time through high-volume scanners; lift the data contained in those documents; and automatically enter it into ERP transactions. For example, imaging allows an enterprise to scan a vendor invoice, and then automatically enter the date, amount and vendor and other information into an ERP transaction.

***Document storage and retrieval.*** ERP users gain instant, anytime, anywhere self-service access to documents. These capabilities automatically store exact copies of document images and link them to the corresponding ERP transactions and business documents. Users can then access documents from within the ERP or over the Web. ERP systems can also cross-index related documents so users can instantly access all

related documents.

**Outbound document generation and distribution.** Enterprises generating outbound documents from ERP systems are able to customize documents and deliver those to end users in the most convenient format, such as fax, e-mail, print or XML; and automatically store copies of outbound documents for later reference.

**Prepackaged processes based on best practices.** Enterprises can automate and optimize all aspects of document processes to help them achieve the greatest efficiencies. Prepackaged processes can automate inbound documents; integrate documents with the ERP system; enable online storage and retrieval of documents; and generate and deliver richly formatted outbound documents.

### **Benefiting from Document Process Automation**

Enterprises using an ERP solution in conjunction with a document process automation solution can achieve the following benefits:

**Automate customer, supplier, financial and production documents for the real-time enterprise.** For instance, companies that had spent 100 hours a week responding to proof-of-delivery requests have eliminated this task by allowing customers instant access to proof-of-delivery documents.

**Cut costs by removing paper, reallocating labor and speeding processing times to drive efficiency.** Business processes are streamlined by providing everyone with instant, online access to documents. When a customer now calls about a billing issue, rather than manually searching for document copies in file cabinets, employees can now view the details of the original invoice electronically right from their desktops.

**Improve working capital management and reduce days sales outstanding (DSO) through faster customer cash collection.** Because document process automation allows customers to more effectively create and distribute invoices, and thus enable them to pay invoices more quickly, a company can substantially reduce their DSO.

**Boost profitability by paying suppliers faster to secure early payment discounts.** Document process automation is used to automatically route documents for approval and to provide managers with instant access to the original invoice. This enables a company to pay its vendors more timely; and to take advantage of available discounts through faster approval of vendor check requests.

**Advance customer and supplier service through faster communication of more accurate and personalized information.** Insurance companies have streamlined customer service by using document process automation to provide customer service employees and independent agents with self-service access to policyholder documents. The old way would have had agents calling in to have documents faxed. Now they can view all their customers' policy information online, which gives agents far more flexibility in serving their customers.

**Ensure better control through consistent document retention.** Analysts estimate that 10 to 20 percent of all paper documents within an enterprise get lost. By automatically storing copies of all inbound and outbound documents, a document process automation solution can ensure that documents are retained in a consistent manner. It also gives end users control over access to documents so they can get

the information they need when they need it.

**About the Author**

*Malcolm Peden is CEO of FormScape, the leading provider of document process automation solutions, located in Fleet, UK and Morrisville, N.C. FormScape improves business efficiency and communication across accounting, manufacturing, distribution and service-based processes. Malcolm can be reached at [malcolm.peden@formscape.com](mailto:malcolm.peden@formscape.com).*

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5480 Corporate Drive, Suite 200, Troy, MI 48098 Phone: 248.267.3700 Fax: 248.267.3737 E-mail: [businessedge@michcpa.org](mailto:businessedge@michcpa.org)