

Payables Quarterly

YOUR GUIDE TO DOCUMENT MANAGEMENT STRATEGIES

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Implementing Business Virtualization in A/P Achieves Dramatic Results

New approach reduces risk, drives down costs and increases efficiencies

One of the areas that businesses have turned to in order to cut costs is document processing in accounts payable. Previously, companies would implement the latest technology as part of an in-house solution to cover individual processes such as data entry into an ERP system, verification of signature approval levels, and validation for duplicate invoices. This approach quickly became impractical as costs continued to escalate due to expanding IT resources, the need to make infrastructure enhancements, and the addition of A/P processors. Instead of focusing on strategic business initiatives, companies were forced to dedicate more and more resources to deal with in-house system requirements, maintenance, and upgrades.

New initiatives paved the way for a shared technology approach in which all business processes were funneled through a single technology platform. For example, numerous companies implemented ERP systems to manage processes such as inventory monitoring, purchasing, and production. While this may have increased efficiencies, companies still faced

the rising costs resulting from the purchase and maintenance of an in-house system.

The next breakthrough emerged as a result of the desire to achieve economies of scale while also shifting the focus back to a company's core competencies. Instead of hosting an IT infrastructure internally, non-core business functions were outsourced. Two approaches were developed that followed different methodologies. One was to utilize business process outsourcing (BPO) to contract out a specific process to a third party. The other was to use a Software-as-a-Service (SaaS) solution that enabled a company to control the processes internally while outsourcing the infrastructure and software requirements.

Now there is a new approach that takes advantage of the strengths of BPO and SaaS while eliminating the weaknesses. Business Virtualization is taking shape and it provides dramatic results when implemented in an A/P environment. The following example shows

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Archive Systems Completes \$11.5 Million Series B Funding Investment Led by The Carlyle Group

Archive Systems, Inc., a premier provider of document process automation solutions, recently announced that it has completed a Series B round of funding led by The Carlyle Group, with the balance coming from existing investors Edison Venture Fund and NJTC Venture Fund. The \$11.5 million in new funds increases the company's total capital raised to \$20 million. This new capital will be used to expand sales and marketing activities and continue product

development as well as infrastructure build-up. The company will add Brian Hayhurst, Managing Director, U.S. Venture for The Carlyle Group, to its Board of Directors.

"This investment, led by The Carlyle Group, along with the continued support of our Series A round investors, represents a tremendous vote of confidence in Archive Systems and our solution," said Rick Kushel, CEO of Archive Systems.

Archive Systems provides services that automate and streamline complex processes to manage the flow of document-based work. The company enables organizations to eliminate paper and electronically bridge the gaps between partially-automated business processes. The company provides a wide range of solutions including highly specialized feature sets targeting specific industries and functional areas including: Accounts Payable, Human Resources, Mortgage Lending and Broker/Dealer.

"Business applications require data, but in many cases the source for this data is unstructured – paper documents, faxes, emails, etc – which must be manually processed. The big breakthrough comes from eliminating the paper and virtualizing the processes," added Kushel. "We provide our clients with a strategic, breakthrough solution that bridges the gap from the unstructured sources to their business applications."

"The business trend is favoring Software-as-a-Service (SaaS) rather than purchasing an 'on premise' solution that requires additional hardware and software," stated Hayhurst. "Archive Systems' innovative solutions and SaaS delivery model makes them a compelling choice for prospects and an appealing investment for The Carlyle Group."



Implementing Business Virtualization *(continued from page 1)*

how a wholesale distributor was able to increase efficiencies while streamlining costs by implementing this new approach.

The company was receiving approximately 50,000 invoices per month and completed all manual processing internally with a staff of 40 A/P processors. The invoices were all paper-based and required signatures, coding and verification. The manual process was too time-consuming so the company searched for a more innovative solution. After extensive research, the company decided to implement ASPEN 360™ from Archive Systems. ASPEN 360 integrates document receipt, document imaging and data capture, Web-based image hosting, and workflow management services for a complete services-based document management solution.

All of the company's invoices are now sent to a PO Box managed daily by Archive Systems. The invoices are sorted and batched, then prepped for imaging. Once the invoices are scanned and indexed, the image files are uploaded into the ASPEN 360 online repository and routed electronically to the appropriate person for approval based on client-driven business rules. These rules can incorporate notifications of duplicate invoices, route invoices above a

certain dollar amount to particular staff, and perform workload balancing. Workflow alarms and notices speed approval times by alerting users as invoices arrive and when time limits for review and approval are exceeded.

By implementing Business Virtualization, companies are able to strategically focus on their core business initiatives rather than on integrating and managing an internal infrastructure.

In this example, the company's A/P processor reviews the invoice information and enters the account allocation details online. The business approver can also enter the account allocation information. The invoice is then automatically routed to the next approval

level for verification. After final review, the information is interfaced into the company's in-house financial system and payments are completed.

Throughout the whole process, the company never touches a paper invoice. After scanning, the hard copies are stored in Archive Systems' full service records center facilities where they can be retrieved and delivered to the company at any time. All processing is handled online using ASPEN 360. The company also maintains complete control over their business processes while gaining advanced reporting features to help ensure compliance guidelines are followed. Staff productivity has also increased and invoice processing costs are expected to be reduced by as much as 50%.

By implementing Business Virtualization, companies are able to strategically focus on their core business initiatives rather than on integrating and managing an internal infrastructure. They still maintain control over business information but eliminate the friction points that can stall a critical process. The end result is the ability to streamline business processes, reduce risk, drive down costs and increase efficiencies.

The Business Case for A/P Process Automation

How to virtualize the back office using an innovative solution

As organizations look to strengthen controls, drive out costs, and increase efficiencies, manual and time-consuming processes are an ideal place to start. The distributed nature of Accounts Payable (A/P) processes often requires approval on several levels, and generates huge volumes of documentation that are difficult to effectively manage. Because of this environment, these organizations are turning to solutions that virtualize the back office and automate A/P processes.

There are numerous benefits associated with the use of document management solutions in terms of helping A/P departments increase efficiencies. A complete solution that incorporates workflow automation offers a significant reduction of costs, stronger internal controls, and the overall streamlining of the A/P invoice review and approval process. In addition, the automated internal controls and instant access to documents eliminates the chance of misplacing or losing paper, duplicating or overpaying invoices, or making late payments.

Another important benefit of a comprehensive document management solution is that it allows numerous members of a company to securely collaborate in real time. Since the documents are stored in a centralized repository, other personnel can be given instant access as well, cutting copying, shipping, and faxing costs. The improved electronic audit trails can also be extremely valuable, especially during audit reviews.

With all of these benefits, turning to a document management implementation to automate A/P processes can be the perfect solution, but a problem arises when the solution requires you to make significant capital investments in additional infrastructure for you to install and manage. ASPEN 360 Accounts Payable Edition enables you to focus on your core

business initiatives instead of worrying about paper-based processing, in-house system requirements, maintenance, and upgrades. It follows an on-demand model that transforms your A/P department by eliminating document processing friction points while enhancing business information management.

ASPEN 360 provides an online view of invoices throughout the review, approval and payment process. Invoices are scanned, indexed and stored in a centralized repository, then routed electronically to the appropriate person for approval based on existing business rules. These rules can incorporate notifications of duplicate invoices, route invoices above a certain dollar amount to particular staff, create and maintain approval timers, and perform workload balancing. Workflow alarms and notices speed approval times by alerting users as invoices arrive and when time limits for review and approval are exceeded.

The ASPEN 360 process begins with invoice submission. This can include paper submission to a PO Box managed by the ASPEN 360 team, an upload of existing imaged invoices, the faxing of invoices to a dedicated number, or the transfer of EDI invoices. Once received, Archive Systems sorts, organizes, prepares and images the invoices. During the data capture and indexing step, Archive Systems reads your document images to capture key invoice information, eliminating the need for you to rekey any data in order to process invoices. Each invoice then goes through a quality control verification process to validate image quality and data capture accuracy prior to entering ASPEN 360 for approval.

After the validation process, the invoices are loaded into ASPEN 360 and automatically routed to the appropriate approvers. The

approver can then route, decline, email, cc, and approve the invoice directly from their own ASPEN 360 inbox. Pre-populated and searchable account allocations and electronic approvals are recorded for every invoice. This eliminates the need to write your GL account number on paper invoices and manually sign them for approval.

ASPEN 360's delegation of authority rules automate the complete approval process, allowing the user to approve an invoice without having to know where it's routed to next. ASPEN 360 then automatically interfaces approved invoice transactions to any ERP or financial system. Validation of all required invoice data is monitored by ASPEN 360 so that only fully approved and validated invoices can be submitted.

Throughout the process, your A/P department is transformed into a group of knowledge workers. Time-consuming steps such as data entry, GL account validation, and approval authorizations are now performed automatically in ASPEN 360, enabling processors to focus on more value-added functions such as audit work and SOX compliance.

By utilizing ASPEN 360, processors also resolve discrepancies quickly with real-time, Web-based access to invoice information. Billing inquiries and requests for information are handled in seconds with desktop access to all pertinent documentation. In addition, Web-enabled self-service access to invoices and payment information reduces supplier inquiries while increasing overall satisfaction.

ASPEN 360 also provides access to an organization's documentation from anywhere in the world, without the need to purchase and install software, or manage and support a fully redundant storage environment. It takes the idea of the virtual back office and turns it into a reality.

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with your window
of opportunity?

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Accounts Payable Edition
ASPEN 360™



CFO Outlook Series Reveals Results of Key Business Studies

Archive Systems Sponsors Educational Events for Senior Executives

Financial executives are under pressure to make decisions that will help the organization run more efficiently and cost effectively. In order to provide the type of information needed to make these decisions, Archive Systems is sponsoring a special series of presentations for CFOs, Controllers, and other senior executives. The CFO Outlook Series has featured speakers from Capgemini and Aon Risk Services, with events taking place in New York, Philadelphia, and Boston.

At the New York and Philadelphia events, Trevor Fitzsimmons, a former CFO and now a member of the Capgemini Global Finance & Administration Business Process Outsourcing team, discussed responses, conclusions and action points arising from a study the firm conducted on outsourcing. The study looked at whether companies who have outsourced have realized the benefits/value originally targeted and what benefits beyond cost reduction were achieved.

Fitzsimmons also explored situations in which benefits were not realized and identified specific and common missteps that companies have made that

contributed to underperforming outsourcing initiatives. He then identified a set of outsourcing best practices that are common to those outsourcing relationships that have been viewed as successful by the customer.

During the Boston event, Randy Nornes, Executive Vice President of Aon Risk Services, discussed how companies are investing significant human and financial resources in the quest for state-of-the-art risk management capabilities, although this simple goal often proves elusive. Nornes then summarized Aon's research on Strategic Risk Management, sharing perspectives from successful strategic risk management efforts, as well as lessons learned from companies that have encountered implementation challenges.

The CFO Outlook Series will continue throughout the year with events scheduled in New York, Pennsylvania and Massachusetts. If you're interested in learning more about the series and to view upcoming dates, visit Archive Systems' Web site at www.archivesystems.com or email info@archivesystems.com.

Less is More



Zero Hardware, Zero Software, Zero Infrastructure

Document management implementations should deliver results, not more infrastructure for you to install and manage. With ASPEN 360

you are able to transform your business without worrying about paper-based processing, in-house system requirements, maintenance and upgrades.

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