

COINS eCommerce: Outsourced Invoice Processing

Although electronic invoice solutions have substantially reduced the volume of paper invoices in circulation, it is unlikely that paper invoices will ever be completely removed from the process. The COINS eCommerce Outsourced Invoice Processing service [OIP] is designed to complement existing COINS-etc eTrading solutions so that buying organisations can achieve 100% electronic invoice handling and processing for the entire supply chain.

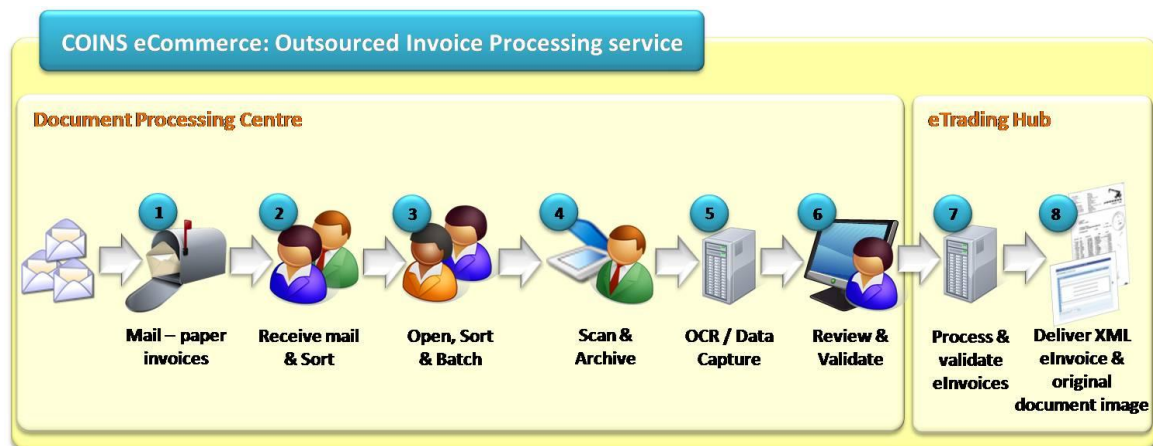
The Issues

Organisations wishing to create an efficient and automated AP function face a number of challenges:

- It is likely that paper invoices will always exist – although electronic invoices are becoming the norm for the majority of businesses, it is unlikely that paper will ever be completely removed from the function
- Optical Character Recognition (OCR) versus Key From Image (KFI) – does OCR scanning drive increased automation benefits when compared to conventional scanning and keying in from the scanned invoice image
- In House versus Outsource – although not appropriate for all organisations, outsourcing the data capture component can be seen as a low risk, cost effective approach for managing this repetitive, transaction based activity

The Solution

The COINS eCommerce Outsourced Invoice Processing service [OIP] delivers 100% eInvoices from day one. Paper invoices are posted to one of the document processing centre(s) where they are converted into electronic files (image and extracted invoice data) and transmitted to the COINS-etc eTrading Hub where they are validated and fed directly into the customer's Accounts Payable [AP] invoice processing application.



The Benefits

The key operational benefits include:

- Automated eInvoice input - removes the internal need for invoice scanning and data input for invoice registration

- Enables the delivery of a 100% eInvoice handling and processing strategy
- Substantially increased invoice throughput and processing productivity
- Reduced AP invoice processing costs
- Increased visibility and control over invoice handling cost – every invoice is the same price to process
- High quality service – OIP processing SLAs ensures 99.5% quality and delivery metrics
- Seamless management of fluctuations in invoice volumes

OIP Summary of Service Capability

Geographic/Language Coverage: the service currently processes invoices from around the world, including: Belgium, Canada, France, Germany, Italy, Netherlands, South Africa, Spain, UK and US. Additional countries can be easily and seamlessly rolled out.

Scanning Locations: for European countries we recommend invoices are sent directly to our UK processing centre. For Canadian, US and South African invoices, we leverage partners in country to scan the invoice, before transferring the image to our processing centre in the UK. This model is established and can easily be replicated in countries where local in country scanning is required. Furthermore, in company scanning can also be accommodated if required.

Service Types: the type of service will be dependent on the type of matching / processing the customer is deploying. Core services include:

- Image Only – appropriate where organisation wish to 'key from image'.
- Header/Footer Capture - appropriate where an organisation need to perform automated header level matching only.
- Header/Footer & Line Capture – appropriate where an organisation wishes to perform automated line level matching.

Data Capture: there is a core set of Header / Footer and Line level information that is commonly required to be captured from an invoice. Although this set is often common across most customers, additional requirements are often dependent on the country the invoice is being processed for. We currently capture everything from 'Italian Bollo' through to 'Withholding tax', from 'articles of exemption' through to 'Bill of Lading'. If it is on the invoice, we can capture it!

Validation: automated validation rules are embedded in the OIP solution, alerting an operator should a data item fail formatting or logical checks. Furthermore, every data item captured from an invoice is manually validated by an Accounts Payable operator – thus ensuring that what has been captured is a 100% accurate reflection of the invoice.

A detailed overview of the Process

The following describes in detail, the 8 main processing steps involved.

Process Step	Description
1. Mail Delivery	Paper invoices can either be sent directly by the supplier to a PO Box hosted at one of the document processing centres, or they can be collated by the customer and then sent to the PO Box for processing. For control reasons, our recommendation is to have supplier's route invoices directly to a PO Box at the processing centre. PO Box addresses are set up to give the impression that the processing centre is the customer's location.
2. Receive Mail & Sort	If a Royal Mail service such as PO Box is leveraged, mail will be received sorted by PO Box. Where such a service has not been taken, mail is received and sorted into the appropriate customer service.
3. Open, Sort & Batch	<p>Mail is loaded into a mail opening machine where the envelope is opened and the contents presented to an operator. The operator will review the contents and depending on the customer agreed business rules, will sort the contents into one of the following:</p> <ul style="list-style-type: none"> • To be scanned – for example, Invoices and those documents to be scanned with the invoice, e.g. statements, time sheets, letters, etc. During the set up phase, mail sorting rules will be agreed with the customer. • To be forwarded to customer – for example, Statements, catalogues, etc. • To be destroyed – for example, flyers, catalogues, etc. <p>Documents are collated into batches ready for scanning. A batch header sheet is added to the front of the batch, and an 'invoice separator' sheet is inserted between invoices and an 'attachment separator' sheet inserted between invoices with attachments.</p>
4. Scan & Archive	Documents are scanned. Each invoice image is assigned a unique ID that stays with it throughout processing and acts as a pointer to the original paper document stored in the archive. Once scanned, the batch header is updated and the invoice batch is inserted into an appropriate archive box. Depending on the business rules agreed with the customer, the archive box will be sent back to customer, put into 'deep storage' or destroyed.
5. OCR / Data Capture	Invoice images are uploaded into our Intelligent Data Capture application. Using state-of-the-art OCR (Optical Character Recognition) engines and other extraction mechanisms, the relevant Invoice data is extracted, captured and validated.
6. Review & Validate	<p>Every data item required on every invoice is reviewed and validated by an Invoice processing operator, to ensure:</p> <ul style="list-style-type: none"> • The data that is required by the customer has been captured • The data captured is an accurate representation of what is on the invoice <p>As well as manual validation, automatic validation checks ensure we deliver against our agreed SLA.</p>
7. Process and Validate eInvoices	Following review by our Invoice processing operators, the invoice is released and transmitted to the COINS-etc eTrading Hub. The invoice document is transferred as an XML document (with the document image represented as base 64 encoded string within document). The COINS eTrading Hub processes and validates the eInvoice produced through the OCR scanning process, in exactly the same way that conventional eInvoices are processed; applying the same business rules to all invoices irrespective of how they were originally dispatched.
8. Deliver eInvoices	Validated eInvoices are made available at the COINS-etc eTrading Hub for transmission to the customers AP application.