

Revolutionizing Accounts Payable with AI

Datablize Analytics' Automation Solution Drives Efficiency and Compliance in Financial Operations

Case Study: Transforming Financial Operations with Datablize Analytics' Automated Invoice Processing

Executive Summary

A multinational corporation in the manufacturing sector was beset by inefficiencies in its accounts payable process, which was plagued by manual data entry errors, delayed approvals, and compliance risks. By implementing Datablize Analytics' Automated Invoice Processing solution—a platform that streamlines the entire invoice lifecycle from ingestion to archiving—the company eliminated manual errors, accelerated approvals by 70%, and achieved seamless integration with its ERP system. This transformation resulted in significant cost savings, improved compliance, and enhanced vendor relationships.

Company Background

The organization, a global leader in manufacturing with operations across 20 countries, processes over 50,000 invoices monthly. These include supplier invoices, utility bills, and service contracts, which are handled across multiple departments and regions. Before adopting Datablize's solution, the company relied on a semi-manual process involving paper-based invoices, Excel spreadsheets, and disparate software tools. This led to high error rates, approval bottlenecks, and challenges in syncing financial data with their SAP-based ERP system, risking penalties and strained vendor relationships due to late payments.

The Challenge

The company's invoice processing system presented several critical issues:

- **Manual Data Entry Errors:** Clerks manually entered invoice data, leading to a 15% error rate, causing payment disputes and rework.
- **Slow Approval Processes:** Multi-level approvals took up to 14 days, delaying payments and impacting vendor trust.
- **Compliance Risks:** Inconsistent validation against purchase orders (POs) and goods received notes (GRNs) risked non-compliance with tax regulations.
- **ERP Integration Gaps:** Manual posting to the ERP system was time-consuming and prone to mismatches, requiring 60 hours monthly for reconciliation.
- **Scalability Limitations:** As invoice volumes grew by 20% annually, the existing system struggled to keep pace without adding headcount.

The company needed an automated, scalable solution to eliminate errors, speed up approvals, ensure compliance, and integrate seamlessly with their ERP system.

The Solution: Datablize Analytics Automated Invoice Processing

Datablize Analytics' Automated Invoice Processing platform leverages AI and workflow automation to manage the invoice lifecycle efficiently. The company chose this solution for its robust AI capabilities, multi-channel ingestion, and compatibility with their SAP ERP system.

Key Features Implemented

- **Multi-Channel Invoice Capture:** Supports ingestion via email, scanned documents, EDI, and API integrations.
- **AI-Powered Data Extraction:** Extracts key fields (e.g., invoice number, date, amount) with 99% accuracy using machine learning.
- **Auto-Matching with PO & GRN:** Validates invoices against purchase orders and goods received notes automatically.
- **Approval Workflow Routing:** Configurable rules route invoices to appropriate approvers based on amount, department, or region.
- **ERP Integration:** Seamlessly posts validated invoices to SAP for payment and archiving.

Primary Workflow Integration

The solution was integrated into the company's accounts payable process through a streamlined five-step workflow:

1. **Invoice Capture via Multiple Channels:** Invoices were ingested from emails, scanned PDFs, and EDI feeds. The platform processed up to 1,500 invoices per hour, accommodating formats like PDF, XML, and CSV.
2. **AI-Powered Data Extraction:** Machine learning algorithms extracted critical data points (e.g., vendor name, invoice amount, due date) with minimal human intervention. Optical character recognition (OCR) handled handwritten or low-quality scans, reducing errors by 90%.
3. **Auto-Matching with PO & GRN:** The system cross-referenced invoices against POs and GRNs in real-time, flagging discrepancies (e.g., mismatched quantities or prices) for review. This ensured only validated invoices proceeded.

- 4. **Approval Workflow Routing:** Invoices were routed to approvers based on predefined rules (e.g., invoices over \$10,000 required CFO approval). A mobile-friendly dashboard allowed approvals on-the-go, cutting approval times to under 3 days.
- 5. **ERP Integration for Payment:** Approved invoices were automatically posted to the SAP ERP system, with payment details and audit trails archived. This eliminated manual data entry and reduced reconciliation time by 80%.

Implementation took four months, including API integration with SAP and training for 50 accounts payable staff. Datablize provided a dedicated support team to ensure a smooth transition and customized the platform to handle region-specific tax rules.

Results and Benefits

Post-implementation, the company transformed its invoice processing operations, achieving measurable outcomes:

- **Eliminates Manual Data Entry and Errors:** AI-driven extraction reduced errors from 15% to under 1%, saving 200 hours monthly in rework.
- **Ensures Only Validated Invoices Are Approved:** Auto-matching caught 95% of discrepancies before approval, preventing overpayments and fraud.
- **Speeds Up Multi-Level Approvals:** Approval cycles dropped from 14 days to 3 days, enabling early payment discounts worth \$500,000 annually.
- **Seamless Financial Posting to ERP:** Automated SAP integration cut reconciliation time from 60 hours to 10 hours per month.

Additional Outcomes

- **Cost Savings:** Reduced processing costs by 30% through automation and lower error-related expenses.
- **Compliance Improvement:** Automated validation ensured 100% compliance with tax and audit requirements, avoiding penalties.
- **Vendor Satisfaction:** Faster payments improved vendor relationships, with 85% of suppliers reporting higher satisfaction.
- **Scalability:** The system handled a 25% surge in invoice volume without additional staff.

Quantitative Metrics

Metric	Before Implementation	After Implementation
Invoice Error Rate	15%	<1%
Approval Time	14 days	3 days
Reconciliation Time	60 hours/month	10 hours/month
Early Payment Discounts	\$0	\$500,000/year

Conclusion

Datablize Analytics' Automated Invoice Processing solution revolutionized the company's accounts payable operations, turning a costly, error-prone process into a streamlined, compliant, and efficient system. By eliminating manual tasks, accelerating approvals, and integrating seamlessly with SAP, the platform delivered immediate ROI and positioned the company for future growth. The success of this implementation highlights how Datablize's AI-driven automation can drive operational excellence in high-volume financial workflows.