Case Study: AP Automation for Real Estate

The Challenge

12,322… that's how many invoices are processed by Brandywine's AP department every month. Each invoice is handled several times – opened, copied, stapled, routed, scanned, filed, etc. Now imagine being able to handle all those invoices only once, scan the documents into a database, utilize a paper-free approval/coding process, organize the electronic images in a virtual filing cabinet and forgo the need to touch the paper invoice ever again. That is what Brandywine was looking for.

Late in 2003, Brandywine Realty Trust initially began exploring automated payables solutions. After nearly three years of due diligence, Brandywine selected AvidInvoice, AvidXchange's flagship product, as their "payables" platform to process the invoices generated by 300+ office and industrial properties throughout the U.S. From the beginning, Brandywine had many requirements; some critical and played an important role in choosing the best partner for this business process.

Of foremost significance was the sheer volume of paperwork being managed and later stored that led to Brandywine's most daunting of challenges. Clearly this was a growing problem and more than justified their search for a solution to better manage their documents. "It's all about making the process less painful for everyone involved," stated Gary Hess, Commercial Systems Project Manager at Brandywine Realty Trust. "The amount of paperwork was becoming unmanageable and the process had too many stopping points." Prior to AvidInvoice, Brandywine used an online imaging product that worked well but lacked bells and whistles such as approval workflow and reporting functionalities. With AvidInvoice, Brandywine would be able to store and retrieve all AP-related documentation in a "virtual filing cabinet" as well as customize an infinite amount of workflows. AvidInvoice was flexible enough to manage all the potential scenarios and nuances.

The current process inherently meant passing paper invoices from one person to the next. Brandywine's AP system could not control when, or if, invoices reached the next approver. Furthermore, invoices were routed through numerous hands and at least two systems prior to payment. Not only would AvidInvoice allow for greater insight into Brandywine's payables, but also provide a history feature to permanently log and date-stamp each stage in an invoice's life cycle. With these system attributes, Brandywine could reestablish both accountability and trust within the organization.

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"The amount of paperwork involved with our manual process was becoming unmanageable and the process had too many stopping points resulting in little visibility to pending invoices and delayed in getting vendors paid. We found that AvidInvoice streamlined our AP process and increased overall efficiency."

Gary Hess
IT Manager of Business Services, Brandywine Realty Trust

The Solution

Brandywine's senior project team along with AvidXchange's account manager created a detailed plan and scheduled roll-outs across their portfolio of properties. Ultimately, this initiative would mean 8 regions covering 30 markets would process invoices electronically. At the conclusion, this project would represent the largest software implementation in the company's history. The first step was for Brandywine's project team to work closely with AvidXchange's product specialists in order to design and configure approval workflows for each property location and business scenario. Next, the system is fine-tuned to incorporate "best practices" and shared experiences from the AvidXchange project team, allowing for procedures that are Brandywine-specific. To support the process, a Brandywine specific user manual was created for both field "approvers" and regional accounting teams. In order for system users to take ownership in AvidInvoice, Gary Hess along with the Brandywine project team were able to highly configure the application to accommodate all the nuances and business rules that Brandywine had already adopted. The application was also "branded" with Brandywine's corporate logo, look and feel.

Leveraging Brandywine's regional accounting teams, each territory implemented a scanning system, into which paper invoices are now uploaded, converted to electronic files and indexed into the AvidInvoice system. After an invoice is entered into the system, it immediately begins to progress through its pre-assigned workflow until it becomes fully approved. Along the way and when the need arises, invoices can be moved into disputed status until a resolution is reached either internally or with the respective vendor. Next and at a predetermined time, the approved invoice is batched with other fully approved payables. Batched invoices flow into the MRI system where checks are issued and mailed to the appropriate vendors. One popular feature within AvidInvoice is the ability for associates to view, either real-time or for historical purposes, every single step in an invoice's life cycle as well as any comments made along the way. With AvidInvoice, accountability is always intact because all the data and information captured can neither be erased nor edited by anyone – consider it documented!

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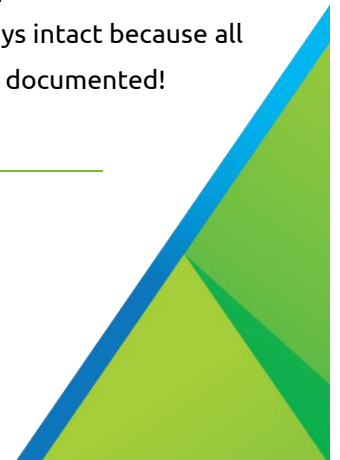
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The Results

After a few months of training and final system modifications, everyone got into the "paperless" mode. Even Jeff Sigmon, Senior Property Manager at Brandywine Realty Trust, was a bit skeptical at the beginning, but realized that this could actually work and quickly recognized the benefits of a paperless process. "I was so accustomed to the manila folder filled with invoices and handwritten notes that I questioned how this new application could possibly be an improvement," said Sigmon. "The transition went really well and I will never go back to the manual paper process."

So how is AvidInvoice making life easier for Brandywine's property managers and accounting professionals? To better manage their payables, users will receive an email alerting them that invoices are pending their approval. Users can access the system at any time, but the notification serves as a reminder to approve or dispute open items thereby preventing delays. Users can also precisely identify where any bottlenecks are occurring that may be outside of their control. "It's a 'virtual filing cabinet' that can be accessed from anywhere as long as you have an Internet connection," said Sheri Sears, Richmond Regional Controller at Brandywine Realty Trust. "As an example, when I flew to the New Jersey office for an AvidXchange training session, I logged on to the Internet and approved invoices during the cab ride from the airport!"

Another benefit, realized particularly at the corporate level, is that all invoices are now reflected in the system without delay. The former process allowed for invoices, typically high-dollar and construction-related, to be submitted on a cost basis allowing property managers to delay payment and better control their individual budgets. However, at the corporate level and regardless of available funds, the AP department considers these expenses as "already incurred." In order for AP to generate exact and real-time accrual reports, all expenses need to be recognized immediately and without exception.

The search and reporting capabilities are also great features and probably the most popular among Brandywine associates. AvidInvoice's "online filing cabinet" means users can easily glean information and run reports on specific invoices by using category searches such as by vendor, by property, by date range or a combination of the above.

In addition, the archive functionality is extremely useful at year's end when property managers must generate CAM (common area maintenance) reports for tenants that require back-up information on such expenses. With AvidInvoice for CAM, the process today means paper filing cabinets and copying machines are eliminated - not
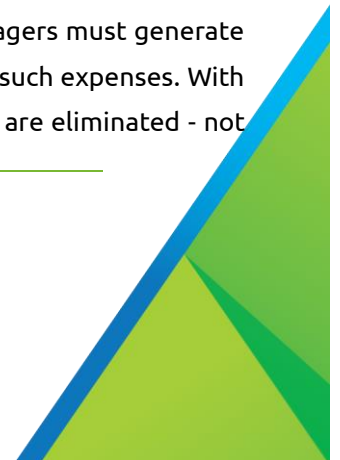
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to mention a significant reduction in time and labor. Users can now sort property expenses by general ledger account codes and associate images to the underlying invoices.

The Brandywine team has had a busy training schedule in rolling out AvidInvoice to each of their 30 markets, however, as Jeff Sigmon experienced early on, "The transition went really well and now I would never go back to the manual paper process."

About Brandywine Realty Trust

Customer: Brandywine Realty Trust

Web Site: www.brandywinerealty.com

Industry: Real Estate Investment Trust (REIT)

Location: Radnor, PA

Profile: For more than 20 years, Brandywine Realty Trust has set itself apart—executing bold deals, anticipating the future, and gaining an uncommon reputation for entrepreneurial drive. Some of the most visionary development projects undertaken in recent years began on the boards at Brandywine. Consistently strong leasing activity and high tenant retention attest to our standing as owner and manager. Every day, in countless ways, we create and manage value while insisting on the highest ethical standards.

To learn more about how AvidXchange can revolutionize how your company pays their bills, please visit us at www.avidxchange.com. You may also contact AvidXchange at 800.560.9305 or info@avidxchange.com.

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