

First Steps on the Road to Digital Transformation

Global automobile manufacturer digitises a paper-based accounts payable process to cut costs and improve processing reliability, speed and accuracy.

CHALLENGE

Digital transformation is an important goal for the German subsidiary of this global automobile manufacturer. One of its targets was the manual processing of incoming paper invoices, which worked well enough but was slow and caused delays.

The company wanted to convert the process to an automated workflow to cut the time, effort and cost involved; and do away with the need to manually enter invoice information into the appropriate business system.

While the transformation project was started at the company's German subsidiary, the intention was to design a service that would encourage other subsidiaries in Europe and India to adopt it.

SOLUTION

The company chose Xerox for its international presence, experience in documentation outsourcing services, innovative solution design, and attractive price/performance ratio. An existing relationship between Xerox and the manufacturer in the US was another deciding factor. Xerox worked closely with the company to define requirements and design the processes needed to meet them. Users from Germany and other countries were involved in discussions and planning right from the start. The result? Reliable processes, straightforward implementation, and rapid adoption.

To make things as efficient as possible, Xerox recommended having the incoming invoices scanned at a Xerox Shared Service Centre in Potsdam, Germany. Invoices are routed to the centre via a dedicated PO box address. On arrival, they're separated by country, scanned, and then sorted according to criteria agreed with the manufacturer. The scans are then placed on a server ready for users to download; and the paper originals are destroyed after six months.

Other documents scanned at the Shared Service Centre on behalf of European sites are sent back on a fortnightly cycle. A 'return matrix' specifies the destination contact and address for each site.

RESULTS

Users can easily access the scanned invoices, and can process them much faster than before — so productivity is up and costs are down. Digitisation has also reduced the risk of introducing errors and allowed the manufacturer to add more review steps, making incoming invoice processing more reliable.

The manufacturer is now ready to evaluate other processes for improvement through digital transformation. Whatever its decision, it can be confident that Xerox, with its workflow automation portfolio and expertise, will be ready to support it.