Sky's the Limit for Aerospace Company's Automated Expense Reporting

Client:
Large aerospace manufacturer

Solution Provider:
Hershey Technologies

Location: La Jolla, Calif.

Executive: Neal Fischer

Title: Principal

Problem:
The aerospace company needed to automate and streamline its expense reports processing in order to reduce overhead, improve accuracy and dramatically cut the need to manually key in data.

Solution:
Longtime IT partner Hershey Technologies delivered a business-process system based on ABBYY Software's FormReader and FlexiCapture.

Results:
Saved $1 million within 12 months due to closure of one data-processing center and reallocation of 30 people; slashed expense-reporting processing time from up to 15 days to 1 minute.

ABBYY System Cuts Costs and Headcount, Dramatically Reduces Processing Time

Summary:
When a large aerospace company wanted to trim the costs associated with payment of employees' expense reports, it turned to longtime ABBYY integration partner Hershey Technologies to deliver a solution that slashed expense-report processing from 15 days down to 1 minute, and saved the company $1 million in its first year of operation.

For one large aerospace company, forms processing slashed employee expense report processing from weeks to mere minutes. The company saved about $1 million by closing one of two imaging centers and reallocating approximately 30 people after its longtime integration partner automated the process using ABBYY solutions.

Previously, workers went online, printed out expense reports, attached the receipts and mailed their requests to one of two central locations for payment. As each envelope arrived, a member of the 50-person staff – 42 people in two imaging centers, as well as up to eight additional support employees - opened it, sorted and classified the contents, manually input information such as General Ledger accounts codes into a database, and submitted the end result for validation and approval.

The process – which could take up to 15 days – resulted in either a check to the company credit card or a direct-deposit into the employee's bank account, said an executive at the firm, which requested anonymity. If the process took too long and a company credit card charged interest or late fees, the organization's Shared Services department – which supports all departments within the entire global corporation – was responsible for paying the penalty from its budget, he said.

"We figured out how much money we spent on this process and how many people were involved, and realized the technology was available to dramatically improve the way we handled expense reports," said the aerospace company executive.

Leaving the Gate

In order to resolve its expensive paperwork problem, the company turned to Hershey Technologies, a La Jolla, Calif.-based provider of business-process solutions. Since 1999, the solution provider has helped this aerospace manufacturer streamline many business processes – and Hershey Technologies knew it could once again tap its extensive expertise in ABBYY Software's FlexiCapture and FormReader to vastly improve the customer's expense report system, said Neal Fischer, a principal at Hershey Technologies.

The customer had several specific goals in mind, Fischer said. Their accounts payable department is an expense to the company and under constant pressure to reduce their direct and indirect costs. Another business driver was the amount of facility space used in this process. Real estate is expensive, and the company needed to reduce the amount of people and resources used to process expense reports. In addition, the client sought ways to cut the number of people – and the salaries, benefits and training associated with these positions – eliminate its need to purchase more hardware and software to keep up with increasing demand for services, create an auditable trail, and use as much existing technology as possible.

The aerospace company had standardized on multi-function printers from Lexmark, Fujitsu and Bell & Howell, and decided to use these devices' native digital imaging capabilities to remove the costs associated with mail, courier and overnight services, the customer said. Hershey Technologies designed a solution that enabled workers to fax their reports and receipts into Exchange Server, simultaneously generating a report for the employee that showed the time received, number of pages and a unique barcode identification number for tracking.

Hershey Technologies integrated ABBYY's FormReader and FlexiCapture software to read and process attachments submitted with the 2D bardcoded WEB online expense-report form, Fischer said. While travelers are unaware of the power behind the scenes, ABBYY creates legible receipt images for approval and tracking. "ABBYY takes everything – providing a unified solution that encompasses electronic feeds , paper files and faxes – and puts them into one solution," said Fischer. "Because it is multi-lingual and works off a fax, MFP or scanner digital capture devices, ABBYY's engine offers multiple ways to format information into a single centralized system."

In fact, today 87 percent of company employees who file expense reports via the automated, ABBYY-based solution never have to communicate with another person, as the entire process is automated. Of the 13 percent who do need a helping human hand, the majority of cases deal with business rules, dollar amounts or the legitimacy of the expense filed, Fischer said.

Sky High Results

The aerospace company receives about 3,000 transmission reports per day – some of them with up to 50 pages – can result in up to 500,000 expense report pages per month, said the company executive. Under the automated system, all 4,000 multi-function devices can be used to submit reports, and ABBYY's software makes legible copy from machines with even the poorest quality output, the customer said.

"We reduced overtime to the point where one of our imaging centers is being merged with another office, and have deployed people elsewhere in the company," he said. "We saved over $1 million in one year. The software paid for itself in less than eight months."

The two imaging centers previously ran 24 x 7, with 21 dedicated people at each site, said the executive. The closure of one center eliminates expensive real estate costs and related employee expenditures. Today, one individual oversees the remaining imaging center, and is able to attend to other tasks since the person is notified of problems via personal digital assistant or cell phone, removing the need to constantly watch monitors.

The 15 to 20 people now involved in expense report processing have other higher valued responsibilities, too, he said. "They are not 100-percent dedicated to paying expense reports," said the executive. "They have other tasks. Before, the 50 people worked only on expense reports."

Future Destination

The expense report solution has been so successful that the aerospace firm plans to use a similar solution in PCard area of the accounts payable department, the customer said. Other possibilities include Procurement and Operations, he noted.

"We need to narrow the lead time and operational costs in many departments," said the customer executive. "We've learned how far we can go with today's technology: It's available and it works."

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