Project Name: **AP Process Improvement**

Project Description:

Overview: The client wanted help improving the efficiency of their AP process workflows because they were experiencing numerous operational and financial problems related to delayed payments, inaccurate payments, or incorrect postings.

Details: The client was receiving approximately 60,000 invoices annually (5,000 per month) from more than 250 different vendors. Their AP team had roughly half a dozen processors which they rightfully believed was sufficient for the volume. However, they were still only able to successfully process 50-75% of their monthly volume, which was causing significant downstream problems. The team's workload was misallocated, it wasn't using available technology, and it was poorly trained.

Work Completed:

Over a 14-week period the team's workload was analyzed, and it was discovered that the allocation of work was very inefficient. There were no logical vendor assignments, standardized training/reference material, or high-level allocation of work. All specialists were 1. reassigned workloads (vendors assignments) based on categories that grouped like vendors (*categories had two basic levels: 1. product or service. 2. Alphabetical/numerical groups i.e. vendors starting with A-E, F-K, etc.*) Specialists were trained in best-in-class AP processes including posting and reconciliation processes. They were also given in-depth technical training in their processing software, their ERP system, and in Microsoft Excel.

The team was also introduced to, trained on, and implemented EDI (electronic data interchange).

Outcome:

The client's AP workload was cut by 70% through the implementation of EDI (or partial EDI). This allowed team members to give more focus to bill and posting accuracy as opposed to the previous state of just attempting to keep up with invoice volume.

The AP team members were very pleased with the training and reallocation, stating that they felt more comfortable knowing what they were responsible for and feeling like they had the time and skills to complete their assigned tasks.

The AP team was able to process 100% of invoice volume and their overall processes were significantly more accurate.