



Kofax Case Study

“For the first time, all of our operating divisions are truly working from the same page, enabling a state change in organizational learning and enhanced strategic spend management.”

– Michael Glim,
VP of Procurement & Strategic Sourcing



Established in 1817 as Bank of Montreal, BMO Financial Group (BMO) is a highly diversified financial services organization that offers a broad range of retail banking, wealth management and investment banking solutions across Canada and the United States. Its three client groups, Personal and Commercial Banking, Private Client Group and BMO Capital Markets, provide more than one million personal and business clients with banking, lending, investing, financial planning, trust administration, portfolio management, family office and wealth transfer services. BMO employs more than 35,000 people and reported total assets in excess of \$367 billion in 2007.

When it comes to financial services and product offerings, BMO is clearly recognized as a leader and innovator in its field. For more than 190 years, the Bank of Montreal has been executing on its vision to be the top performing financial services organization in North America. Its impressive list of industry awards and financial “firsts” bear witness to its successes and level of commitment to its North American client base.

Bank of Montreal Augments ERP with Best of Breed Financial Applications

Enabling Technologies Provide More Time and Data for High Level Decision Making

Spurred by the desire to consolidate accounts payable operations across operating divisions and to integrate recent – as well as future – acquisitions, it was only natural for BMO to carry this philosophy through to its own internal operations. The result was a three year plan to fully automate workflows, approvals and to eliminate paper – a part of the process of replacing more than 45 independent accounts payable processes with one, enterprise-wide procure to pay system.

With more than 1,200 branch offices in two countries, operating in multiple languages and interacting with more than 20,000 vendors, this was no small challenge for the BMO management team.

“Strategic decisions impacting corporate spend rates and sourcing options require a thorough understanding of the underlying costs of doing business across all operating units,” said Michael Glim, VP of Procurement & Strategic Sourcing for the Bank of Montreal. “This is simply not feasible with multiple systems and modes of conducting business. To meet our core objectives, we needed anywhere, anytime access to comprehensive, enterprise-wide accounts payable data that uncovered the trends, costs and opportunities within our business in infinite detail.”

New Standardized Accounts Payable Processes Address Strategic Needs

Prior to moving forward with their plan, the BMO Procurement and Strategic Sourcing team first implemented a single accounts payable system for all processes and data. With one platform and one approach to conducting business, BMO successfully eliminated redundant organizational costs – from implementation and maintenance to training and software upgrades – associated with supporting multiple systems.

- From a strategic perspective, BMO’s next goal was to deliver consistent, enterprise-wide data collection, management and approval processes that would:
- Automate the accounts payable and expense management lifecycle
- Enable enterprise-wide learning and strategic decision making through increased visibility, transparency and accuracy of data

- Provide instant, drill down access to detailed accounts payable data and supporting documentation
- Reduce costs and improve the speed of accounts payable and expense processes
- Increase accountability and access to audit information
- Reduce resource requirements and paper handling costs

To reach these objectives, the team decided on a single, “big bang” implementation approach that would deliver immediate cost savings and efficiency benefits to the organization and, through continuous improvement and iteration, grow to provide valuable insights into the very core of its business.

Oracle Integration Provides Foundation for Success

Careful planning and in depth research led the team to decide on an enterprise-wide solution comprising the Oracle E-Business Suite via Oracle On Demand (deployed from 2000-2004) and Kofax’s MarkView for Accounts Payable, MarkView for Asset Management and MarkView for Expense Management applications, also available via Oracle On Demand. The seamless integration between MarkView and Oracle would provide BMO with the functionality it needed to ensure the long term success of the project, and Kofax’s status as an Oracle Certified Advantage Partner provided BMO with the confidence to select their solution. By layering best of breed financial applications on top of its ERP system, the company would be able to maintain its single-platform approach, while gaining robust invoice management, expense management and approval capabilities.

The Results Are In – Enhanced Processes, Visibility and Transparency Pay Dividends for All

Today, BMO is reaping the benefits of its ambitious accounts payable improvement and standardization project. With MarkView, BMO has complemented the ERP’s native capabilities and fully automated the complete, end to end accounts payable cycle. MarkView’s workflows now manage the invoice review, exception management and approval processes, leveraging the ERP’s approval hierarchies and materiality limits.

Invoice and payment processing have seen dramatic changes. In the year since implementation, approximately 40% of the invoices from 20,000+ vendors now arrive directly to one of the centralized processing centers, where they are scanned into the automated system and routed for approval. The remaining invoices are currently received in the field and submitted to Accounts Payable as preapproved transactions; these as well over time will be redirected to the centralized processing centers. At any given moment in time, questions ranging from where money is being spent, how much is outstanding, upcoming liabilities and expense trends across the organization are immediately visible. Furthermore, invoice and expense report processing times and costs have been greatly reduced.

MarkView’s direct integration with the ERP has provided Finance management and staff with greatly improved visibility into all transactions – with invoice images and a complete record of all interactions – so that they can manage aging,

details, accruals, etc. The enhanced visibility into the transactions and transaction sets provides key information that the Procurement and Strategic Sourcing team uses to further fine tune their processes.

Others involved in these processes are benefiting, as well. Employees can easily track the status and receipt details of their expense reports, while departmental managers can easily drill down into cost details and manage ongoing spending. And, accounts payable employees are being relieved of tracking down signatures or missing invoices, responding to status requests or pulling paper documents for auditors, while decision makers have the information they need to quickly respond to trends and leverage opportunities to negotiate better agreements.

“With one footprint, everything looks the same, providing a level of visibility and transparency into our financial operations that has been invaluable for planning and operations purposes,” Glim said. “For the first time, all of our operating divisions are truly working from the same page, enabling a state change in organizational learning and enhanced strategic spend management. At the end of the day, we know more about our business than we ever have before.”

Five years ago, the BMO management team envisioned a single, unified system that would provide an unprecedented level of visibility and transparency into its financial operations across all operating divisions. Today, BMO has put in place the enabling technologies to support the high level of strategic decision making that is the hallmark of its success.

About Kofax

Kofax plc (LSE: KFX) is the leading provider of document driven business process automation solutions. For more than 20 years, Kofax has provided award winning solutions that streamline the flow of information throughout an organization by managing the capture, transformation and exchange of business critical information arising in paper, fax and electronic formats in a more accurate, timely and cost effective manner. These solutions provide a rapid return on investment to thousands of customers in financial services, government, business process outsourcing, healthcare, supply chain and other markets.

Kofax delivers these solutions through its own sales and service organizations, and a global network of more than 700 authorized partners in more than 60 countries throughout the Americas, EMEA and Asia Pacific.

For more information, visit www.kofax.com.

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