

# KOFAX

## KBC

*As a bank assurance company, KBC's purpose is to help all its stakeholders realize their dreams and protect them. The digitization of accounts payable with Kofax ReadSoft software is part of this goal. KBC saw how the efficiency and transparency benefits of an automated invoicing system could deliver cost savings and happier suppliers.*

### CHALLENGE

Every year, KBC processes more than 90,000 invoices with approximately 15,000 potential users who are operational within these processes.

"This is sufficient reason to digitize your accounts payable (AP)," said Bart De Backer, SAP Logistics & Finance Lead Analyst at KBC. "Digital is the new normal as shown from the fact that many suppliers themselves came to us with the request to supply their invoices digitally."

In addition, existing invoicing processes at KBC had clear shortcomings and needed to be replaced. The AP department had moved from Belgium to the Czech Republic and sending paper invoices to Eastern Europe was not just expensive, but also increased the group's carbon footprint.

Meanwhile, it was not always clear where an invoice was or its status. Not all invoices were arriving, either. "There is a monster at the border that eats invoices," said a colleague once, despondently. It was also not always known in the Czech Republic which ledger account or analytical object should be used. Fraud was another issue, with KBC sometimes receiving invoices that had been intercepted in the mail and falsified to display a different receiving bank account.

### SOLUTION

KBC undertook an AP automation project and called in the assistance of Dynatos and Kofax for the implementation. Based on the aforementioned shortcomings, the company outlined several important requirements for the new solution.

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Bart De Backer, SAP Logistics & Finance Lead Analyst. KBC



KBC provides banking and insurance services to private clients and small- and medium-sized businesses. KBC serves 10 million customers in the core markets of Belgium, the Czech Republic, Slovakia, Hungary and Bulgaria, and employs approximately 36,000 people.

### PRODUCTS IN USE

Kofax ReadSoft Process Director™

### FOCUS

Invoice Processing

De Backer explained: "We naturally believed that Optical Character Recognition (OCR) was required, as it would allow us to automatically capture some fields on the invoice such as the amount, supplier, PO number and invoice date. Integration with SAP was important for an automatic transfer of the OCR data to SAP. It was also important for us to have an easily accessible workflow in view of the large number of people that enter, code, approve and return the invoices. We wanted a digital

archive that is in line with legislation and regulations and, last but not least, the option of end-to-end monitoring so that we could see where an invoice is in the process and why delays occurred.”

**“The most significant improvement is that invoices are immediately digitized, coded and sent for approval. This is a true change of the working procedure within KBC.”**

Bart De Backer, SAP Logistics & Finance Lead Analyst. KBC

At KBC, invoices typically arrive through several different channels. “It is not ideal but we have to deal with a language barrier in the Czech Republic,” De Backer stated. “If the invoice states an item like ‘paintwork’, we do not know to which supplier this is linked. It also isn’t clear where in the bookkeeping this must be entered either or where operatives must send their questions. We, therefore, also went for a decentralized reception channel in Belgium as a compromise.”

In partnership with Dynatos, KBC implemented ReadSoft software in just 11 months. The solution provides three input channels. There are two channels for decentralized reception in the Czech Republic, where invoices arrive via email as PDF files. Paper invoices are scanned and entered in the post room. Invoices with a PO number can be sent directly to AP to be entered and paid immediately. For non-PO invoices, teams can send a workflow with a question to a corresponding team in Belgium, who will subsequently reply in the ReadSoft web application.

Invoices also arrive by mail in the channel used for decentralized reception, and are forwarded by KBC employees. Processing is standard when the PO number is available. When there is no PO number, the invoice is uploaded into the web application together with the request that it be approved. Then it is sent to the AP department for payment.



## RESULTS

De Backer said: “The most significant improvement is that invoices are immediately digitized, coded and sent for approval. This is a true change of the working procedure within KBC. Anybody with knowledge of SAP can see that the invoice has been registered, its current

status; that is, whether it is being coded, data being verified, approved, entered or paid, and who is dealing with it.

“We can now follow every step in the process. Every workflow includes a history and, therefore, everything can be traced. Management wanted an overview of the entire AP process. That has been achieved! And what is very important, we can report about this.”

Digitization offers KBC even more benefits. As the coding sheet is imported automatically, the ledger account and analytical object do not have to be re-entered. This reduces the margin of error and the chance of having duplicate invoices. Approval in writing has been replaced by an electronic approval system and employees can easily share information through workflows where they can add notes for the invoice. “All in all this has simplified, sped up and improved processing,” De Backer said. “And that is not all. We make considerable savings on postal charges and reduce our carbon footprint with our digital archive. Our suppliers are more satisfied, and KBC itself can better meet payment conditions and profit more from early payment discounts.”

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De Backer’s tip to other companies that want to digitize their AP: Ensure that all involved departments and suppliers are on board, as this will help ease the transition. KBC organized webinars and issued one-page flyers with instructions for every process step.

“Also ensure that your SAP team is trained in advance,” he noted. “Let them know what the solution looks like and how it works. It is great that more and more employees see the efficiency of this new system. The number of believers is increasing all the time!”

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