



Work Like Tomorrow.[™]

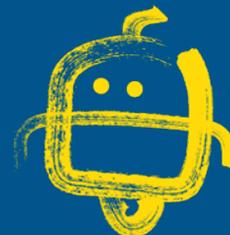
Power Your Financial Processes
Empower Strategic Processing Performance

How to maximize financial processing efficiency
with Robotic Process Automation

KOFAX

CONTENTS

The State of End-to-End Automation in the Digital Finance Revolution ...	4
The 80%: Powered by Financial Process Automation.....	5
Bridge the Gap: Robotic Process Automation.....	8
Opportunities for Complete Financial Process Automation with	
Robotic Process Automation.....	10
Power Invoice Portal Query.....	12
Power Sales Order Automation.....	15
Power Financial Close.....	16
Power Master Data Management.....	19
The Kofax Advantage: Integrated Automation Solutions from	
a Single Source.....	21







The State of End-to-End Automation in the Digital Finance Revolution

Digital transformation is changing the game for finance. As global business evolves and competition becomes fiercer, organizations that have not adopted digital processes will face significant competitive disadvantages as top performing finance departments leverage established and emerging technology to lower costs, speed processes, and achieve greater insight into their financial data to fuel more informed decisions across their business.



“Top-performing enterprises have taken their AP operations to the next level by leveraging technology to streamline the AP process, make it more efficient and enable more strategic activities to be carried out.”

- Source: Ardent Partners: The State of ePayables 2017

Organizations that embrace this digital finance revolution attain industry best-in-class status by implementing automation across all financial processes. End-to-end automation in areas such as procure-to-pay, order-to-cash and record-to-report not only improves visibility into operations but frees finance and accounting to focus on handling exceptions, gaining insight into operations and ultimately driving the business forward through process improvement.

The 80%: Powered by Financial Process Automation

Today, partial automation of financial processes has become the standard for most organizations and larger, midsize companies. By deploying financial process automation solutions such as advanced capture and workflow, organizations benefit from more efficient and more transparent processes, lower processing costs and optimized cash flow. For example, financial process automation solutions

can streamline invoice processing by intelligently capturing data from incoming invoices, automating classification and verification and using advanced workflow for routing and approvals.

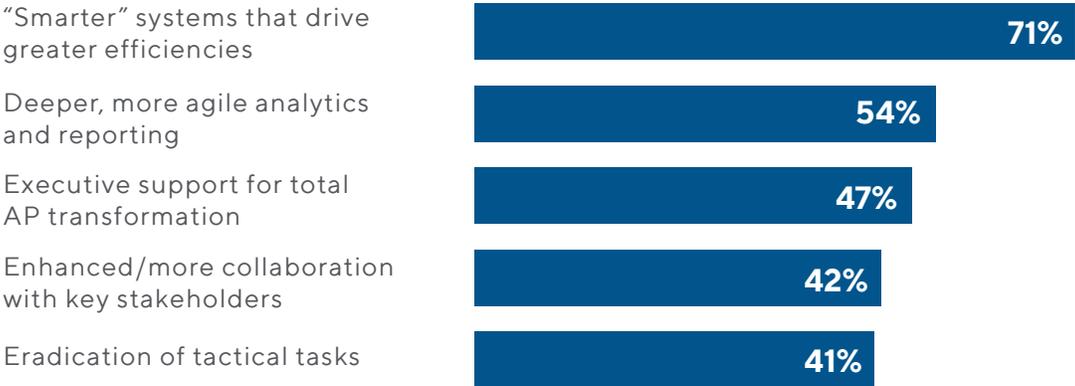
According to research from Ardent Partners, 51% of organizations already leverage this type of automation to reduce costs, save time and eliminate the need to manually process mountains of paper invoices every day. They report best-in-class AP teams achieve per-invoice processing costs that are 82% lower than their peers and invoice processing times that are 71% faster than all other groups.¹ But, even Ardent Partners admits, this is “simply a starting point in larger AP transformation.”

Financial process automation solutions integrate with enterprise resource planning (ERP) solutions or core business systems and tend to address about 80% of an organization’s needs for standard financial processing, typically around their core high-volume processes. However, every organization has unique elements to their business operations and oftentimes a number of process steps are performed manually. These may include uploading and downloading invoices and data from an ever-expanding number of supplier and customer portals or collecting data from diverse business sectors to prepare financial statements.

These manual steps introduce gaps that prevent an organization from achieving true end-to-end automation and typically require a decision to be made: continue slow manual processing, invest in expensive custom workflow or integration development or look to higher risk outsourcing. This is where organizations embracing the digital finance revolution are beginning to leverage smarter technologies such as cloud-based solutions, robotic process automation and even artificial intelligence to fill gaps at a lower cost and with more control.

¹Ardent Partners: The State of ePayables 2017

Figure 1: The Essential Elements of AP's Future Success



© Ardent Partners 2017

Finance and AP leaders believe these elements will help their teams make over and craft a next-generation approach to talent, operations and systems.





Empower Complete ERP Optimization with Financial Process Automation

While they are often the financial hub of an organization, ERP systems are not optimized for the complex activities of today's financial processes. Financial process automation solutions are made up of [OCR or intelligent data capture technology](#) combined with advanced process and workflow technology to transform common operational accounting and financial transactions. These solutions work seamlessly with and within ERP systems, such as SAP-certified [Kofax ReadSoft Process Director®](#) and Oracle-certified [Kofax MarkView® for AP](#) to:

- Increase visibility into financial data
- Unify processes and information
- Unlock information trapped in unstructured content
- Enhance the functionality of your existing systems

Bridge the Gap: Robotic Process Automation

Robotic Process Automation (RPA) solutions offer a significant increase in the areas where automation can be applied for an organization and are a perfect fit to bridge the gaps that remain after implementing even the most powerful financial process automation solutions. RPA uses intelligent software robots to assume repetitive rule and data-driven tasks that would otherwise be performed manually by employees. These robots interact with existing applications or websites exactly as a person would do to accomplish the same task but in an automated way. RPA solutions can compare and verify information, log into website portals to retrieve or update information, extract data, update CRM, ERP and other systems and prepare data for further downstream processing. Software robots can be designed and deployed quickly to automate time-consuming, high-cost, error-prone manual operations, making RPA an ideal fit to extend end-to-end automation across all financial processes.



“In essence: simple automation, while useful, will not be enough to drive AP forward and to higher ground. Next generation, smarter technologies have been identified as the number one catalyst for future success.”

- Source: Ardent Partners: The State of ePayables 2017

The use of RPA generates noticeable gains in efficiency, particularly in the area of financial accounting, but hundreds of businesses use RPA successfully for automating banking and insurance operations, customer on-boarding, logistics and supply chain management and collecting market and competitive intelligence, as well as automating many other business processes.

Because RPA solutions allow robot designers to iterate quickly on the robot during design, reuse common robot process components and interact with applications in real-time, it's easy to design the initial robotic process and make modifications to the robot processes as business needs change. This is where robots show their true value in the area of speed and flexibility—while complementing other financial automation technologies like traditional invoice capture solutions.

Organizations deploying RPA in accounting and finance power digital transformation and, in turn, empower direct operational advantages with downstream business impact.



“Top-performing organizations with best-in-class financial processing capabilities are most likely to be early adopters of RPA-based capabilities and are 3.2x as likely to have robots perform repetitive rules-based processing than all other organizations.”

- Source: Aberdeen Group: The Financial Close: Automation Efficiency and the Emergence of RPA, April 2017

Digital Transformation	Operational Advantages	Strategic Business Outcomes
	24/7 Automation of Processes	Cost Reduction
	Prompt, Error-Free Processing	Improved Customer Satisfaction
	Pre-defined Rules and Workflows	Maximized Transparency and Compliance
	Fast, Coding-Free Robot Creation	Flexible Processes, Scalable Enterprise-wide
	Staff Freed to Focus on Value-Added Tasks	Strategic Value Driven from Finance

Bridging the Integration Gap

Because at least 50% of the ERP market is made up of smaller or custom-built ERPs, RPA solutions can be used to integrate financial process automation solutions with unique, homegrown and custom ERPs in a cost-effective and flexible manner. Organizations can eliminate the need for costly and fragile integrations between products at the IT level with RPA solutions that create integrations in a fraction of the time.



Opportunities for Complete Financial Process Automation with Robotic Process Automation

Where should organizations use RPA in finance and accounting? Wherever there is a productivity gap that involves manual rule-based and repetitive tasks like keying or extracting data and validating information. These tasks often require a human worker to act as a conduit between several systems, moving back and forth between applications—often referred to as “swivel chair automation.” Picture a worker rotating back and forth in their chair re-keying or copying information from supplier portals, Excel spreadsheets or ERP systems.



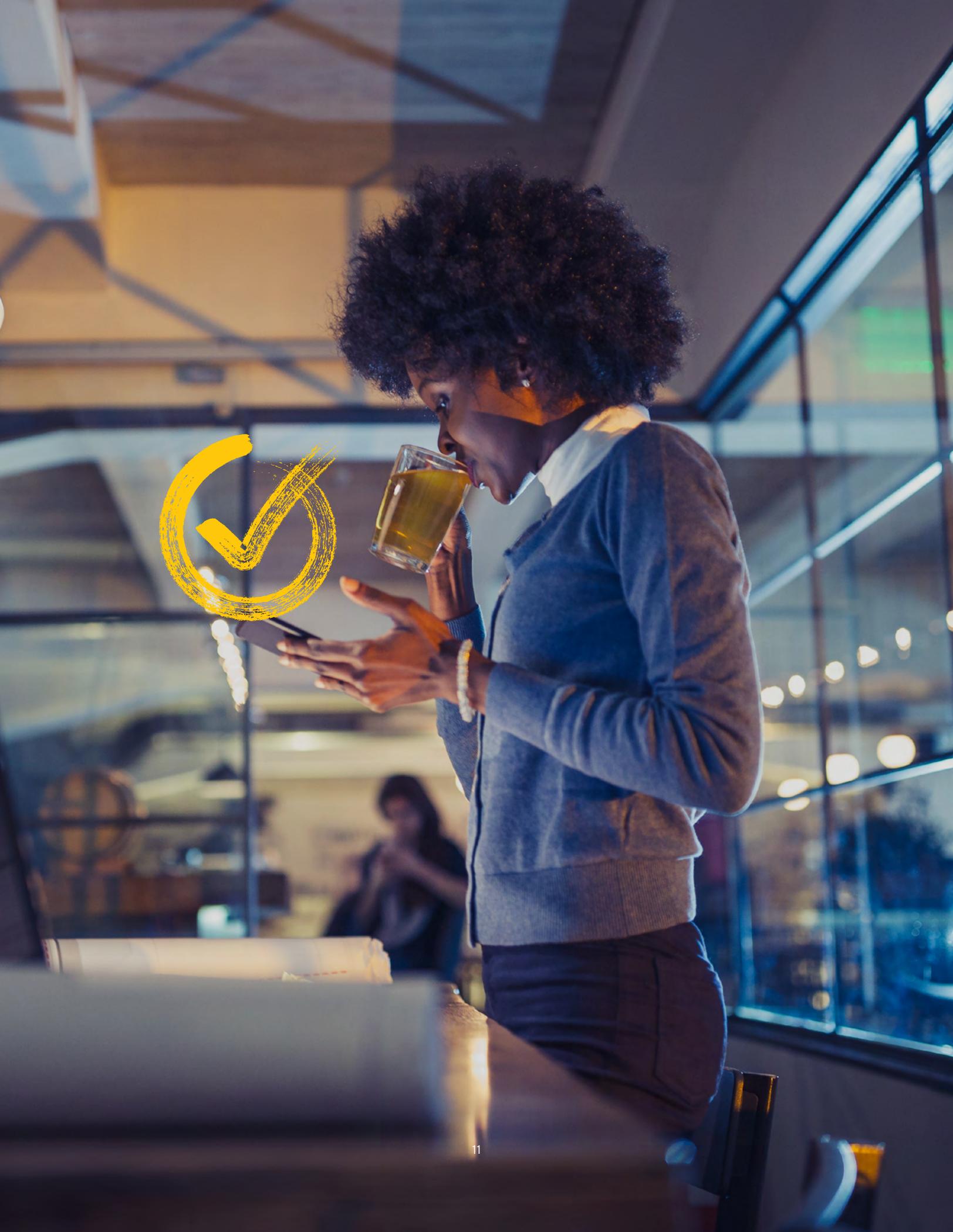
“Enterprises are under immense pressure to digitize operations and they see a future where routine operations are fully automated. These enterprises see RPA as part of their automation strategy.”

– Source: The Forrester Wave™: Robotic Process Automation, Q1 2017

Ideal processes for RPA involve data extraction, searching, collating, updating, accessing multiple systems, applying business rules and making simple decisions. Processes that require the integration of information from multiple screens, as well as self-service inquiry resolution and processes that require multiple software applications to execute different repeatable activities and tasks are prime targets for RPA. According to the Hackett Group, “The key is that RPA is best deployed in a stable environment where no changes to the processes are on the horizon.”²

Among swivel chair processes in finance, RPA is a particularly logical fit for closing common automation gaps in semi-automated processes for invoice portal queries, sales orders, financial close, AP integration and master data management.

² The Hackett Group: What Source-to-Pay Leaders Need to Know About Robotic Process Automation, October 2016

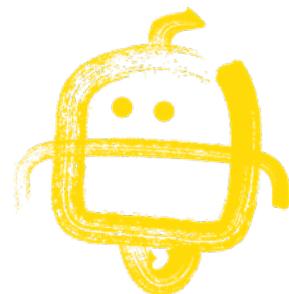


Power Invoice Portal Queries

With the increase in E-Invoicing in recent years, more companies have introduced their own web-based selfservice portals to share information with customers and suppliers, including invoices, orders, order confirmations, receipts and more. Even for organizations that have already automated their paper-based financial processes with data capture and workflow solutions, there remain several manual tasks to be performed. For example, employees may still need to log into many different portals to check whether up-to-date data or documents are there for further processing or upload documents into web forms. Among international companies and shared services centers, repeated delays in the handling of financial processes occur because of differences in time zones.

Until now, businesses have had to program and install appropriate interfaces to automate the data transfer between portals and their own systems. Given the steadily growing number of customer and supplier portals, this can still be accomplished, but only at a high cost in personnel, time and money.

Robotic process automation offers a flexible, economical solution that can be quickly integrated at a manageable cost. Organizations can create software robots without specialized programming knowledge to assume the exact tasks that a human employee would carry out in the same process. And, they can be iterated upon to interact with different portals using just the web interface, overcoming the complexity of building custom integration for the different portals.



How RPA Powers Invoice Portal Queries

- #1** The robotic process can be executed in a few different ways: It may be prescheduled to perform a task at a certain time of day or may be called from another system or workflow. The robotic process receives information on which portal it should log into as well as the data required for login (URL, username, password).
- #2** Data/documents that the robotic process should look for are also specified, including navigation to relevant new documents and fields of interest for data entry or indexing.
- #3** The robotic process receives instructions on what to do next with the data/documents found. For example, forward a PDF to the capture solution, forward to specific email address, enter directly in another application or discard a particular work list in the financial processing software.

Software robots can be created for the following tasks and others like them:

- Retrieve incoming invoices
- Upload outgoing invoices
- Report up-to-date currency exchange rates and enter them into the ERP system
- Transfer data for travel expense reports from portals

RPA solutions complete these tasks quickly, reliably and with audit-proof and error-free results. Aside from incoming and outgoing invoices, robots can be applied to access documents such as orders, proposals order and purchase confirmations and more. Faster processing of receivables and payables optimizes cash flow by enabling more discounts, reducing days sales outstanding (DSO) and reducing delinquent accounts.

Organizations benefit from economical, efficient and transparent processes as well as the ability to make important process-related information available, such as cross-organizational audit and login data.

Power Portal Queries, Empower Strategic Processing Performance

Digital Transformation	Operational Advantages	Strategic Business Outcomes
	24/7 Processing	Cost Savings
	Centralized Data Storage	Universal Availability of Data
	Prompt, Rapid Processing Procedures	Reduced Receivables and Optimized Cash Flow
	Clearly Defined Processes	Minimize Error Rate and Increase Customer Satisfaction
	No Programming Required	Processes Fast to Deploy and Scale

Power Sales Order Automation

In today’s competitive landscape organizations can’t afford to lose customers to the competition because of slow service or errors in product delivery. That is why it’s not surprising that top-performing organizations have begun automating sales order processing to better serve their customers.

Financial process automation solutions are typically used to automate the core tasks of sales order processing, from capturing order data, to workflow, collaboration, ERP integration and finally storage. Order processing teams often need to work with a wide variety of third party system to validate sales order information for processing. These systems include price and quote tools or reseller price lists. Although much of the order management process is automated, these tasks remain manual and can delay order entry and ultimately extend the cash cycle. Besides delaying order processing, manual validations can lead to more errors and return costs- and worst of all, poor customer service as deliveries are delayed or wrong.

Robotic process automation can fill the gaps in sales order automation by integrating with any system seamlessly as part of the process, reducing order processing time.

How RPA Powers Sales Order Validation

- #1** An incoming purchase order is captured and interpreted by intelligent OCR technology.
- #2** The purchase order data is integrated into a sales order in the ERP.
- #3** The robotic process checks to see if goods are available in the logistics system and confirms best ship-form location.
- #4** The robotic process receives information on which data source it should access a reseller price list or internal pricing and quote data (and the necessary login/ authentication data where applicable).
- #5** The data the robotic process should look for is specified—price, product number, availability, etc.
- #6** The robotic process is instructed on the next step for the data that it has found. For example, copy the data into a specific field of an internal database or, in the case of discrepancies, to initiate a workflow clarification by email.

Digital Transformation	Operational Advantages	Strategic Business Outcomes
	Fast Order Processing and Fulfillment	Improved Customer Satisfaction Lower Days Sales (or Inventory) Outstanding Shorter Cash Cycle
	Reduce Order Error	Lower Costs Fewer Concessions or Incorrect Pricing Discounts
	Reliable Pricing Validations	Optimized Order Value

Power Financial Close

Publicly listed organizations and businesses that operate in international or strongly-regulated markets must manage hundreds of tasks every month in order to properly prepare their monthly, quarterly and annual statements. Depending on requirements, copious amounts of data and information is required from different departments and subsidiaries. Additionally, preparing disclosures for such statements requires more information—such as leasing and rental obligations—that often cannot be derived directly from accounting.

Many of the required tasks build on one another, so that specific process steps can only be performed if the preceding tasks have been completed. This added complexity is particularly noticeable when it comes to preparing a comprehensive annual statement. Often additional challenges arise, such as diverse ERP landscapes or complex SAP infrastructures within a company.

As part of the financial close process, an RPA solution makes it possible to create task chains that execute very quickly and in the correct sequence. This enables organizations to save valuable work time, focusing on critical tasks and hopefully reducing the duration of the close process.

Software robots can quickly and automatically perform the following financial close tasks error free and regulation compliant:

- Check account balances and other data
- Collect and check data from highly diverse systems and data sources
- Transfer specific data from one defined source to another (for example: ERP reports, web lookups or desktop documents such as field-based data in Excel spreadsheets)
- Automatic notifications as needed for clarification
- Automate the triggering of follow-up processes within financial process automation software

How RPA Powers Financial Close

- #1** At month end, a number of tasks must be completed across the finance and accounting organizations. Workflow tools capture these tasks and present them to knowledge workers.
- #2** Supporting information is captured from end users and stored in a collaboration system to enhance knowledge worker decisions.
- #3** Close tasks are highly cross-dependent. As tasks are completed, software robots instantly go to the ERP system and perform closing tasks, accelerating the close and reducing manual effort or human errors.
- #4** After the close, workflow analytics can be used to measure the process and identify bottlenecks, further reducing close time.

Power Financial Close, Empower Strategic Close Confidence

	Operational Advantages	Strategic Business Outcomes
Digital Transformation	Fast, Efficient Automated Tasks	Time and Cost Savings
	Simplified Reconciliation and Closing Tasks	Eliminate Bottlenecks and Overnight Delays
	Defined Rule-Based Workflows and Automated Compliance	Audit-Proof and Rule-Compliant Processes
	Automated Data Checking	Optimal Data Quality for 100% Close Confidence
	Integrate Numerous External and Internal Data Sources (ERP, Merchandise Management, CRM, External Databases, Excel Data, etc.) without Programming	Increased Process Flexibility and Scalability

Power Master Data Management

Many companies do not routinely vet and update their master data to the degree that is necessary. Software that checks for consistency and duplicates is a standard feature and is used when creating or changing master data. Most companies lack the time and personnel to routinely check whether commercial registry entries, addresses and the like are up to date without a good reason. Ultimately, master data systems rarely syndicate to every application required for validation, with many organizations only having budget to focus on updating their core applications.

RPA solutions make it possible for customers, suppliers and partners to check a company's available master data for accuracy across systems and against external data sources without incurring the costs of additional personnel. As a result, delays in bill runs and additional costs of correcting incorrect documents (invoices, bills of lading order and purchase confirmations, etc.) as well as inefficient procedures (deliveries to incorrect addresses) can be avoided.

Tax authorities require the validation of tax identification numbers (TIN) not only when the master data is created, but validation has to occur periodically in order to assure that the TIN declared on invoices is always correct and current. Exporters, international companies and financial institutions must ensure compliance with laws and government provisions related to the prevention of money laundering and the financing of terrorists, as stipulated in the Office of Foreign Assets Control (OFAC) Sanctions List, UK Anti-Money Laundering Act, EU money Laundering Directive (4. EU GWRL) and Foreign Trade and Payments Act (AWG). Organizations are obligated to check business partners against sanctions lists that are increasing all the time and becoming more complex, a task that cannot be done manually. Software robots can be created quickly and affordably to reliably conduct audit-proof checks and comparisons against relevant sanctions lists and databases.

How RPA Powers Master Data Validation

- #1** The robotic process receives information on which data source (e.g., vendors, material, cost center, general ledger, etc.) it should access (and the necessary login/ authentication data where applicable).
- #2** The data the robotic process should look for is specified. For example, in the case of vendor master data the robot accesses the vendor’s commercial register number, sales tax identification number, address data etc.
- #4** The robotic process is instructed on the next step for the data that it has found. For example, in step 2, copy the data into a specific field of an internal database or, in the case of discrepancies, to initiate a workflow clarification by email.

Power Master Data Validation, Empower Strategic Processing Performance

	Operational Advantages	Strategic Business Outcomes
Digital Transformation	Fast, Efficient Automated Processes, without Additional Resources	Time and Cost Savings
	Automated Checks for Consistency and Duplications	Minimized Error Rate, Optimal Data Quality
	Periodic Verification	Current Data At Any Time
	Rule-Based, Document Workflows and Automated Sanctions List Checks	Audit-Proof Processes and Compliance-Oriented Data Storage
	Integration of Internal and External Data Sources (Commercial Registries, Credit Agencies, Blacklists, Etc.)	Greater Flexibility without Costly Programming



The Kofax Advantage: Integrated Automation Solutions From a Single Source

Robotic process automation is undeniably one of the biggest trends in the global business world. It comes as no surprise that more and more companies are introducing an increasing number of automation solutions, often from multiple suppliers. With decades of experience automating financial processes at more than 12,000 companies worldwide, Kofax is one of the few companies that offers uncomplicated, fully integrated solutions for automating complete financial processes. Our customers leverage proven capture ERP-based workflow and RPA technology to automate all financial process steps—from a single source. The result? Organizations power financial operations with greater speed, accuracy and transparency—driving down costs and influencing more strategic business outcomes from their finance organizations.



“Automating processes wherever possible is one of the simplest ways to improve accuracy and increase efficiency [...] The future of automation, specifically robotic process automation (RPA), will further increase process improvement.”

- Source: Aberdeen Group: The Financial Close: Automation Efficiency and the Emergence of RPA, April 2017

Kofax Robotic Process Automation

[Kofax RPA](#) is a robotic process automation platform that offers users a quick and simple way to build efficient software robots without special programming knowledge. The software robots process information from virtually any application or data source, including websites, portals, email systems, company applications and other enterprise systems.

Interested in learning more about how financial process automation solutions combine with RPA to power digital transformation in finance?

Visit www.ofax.com or contact us at info@kofax.com

WORK LIKE TOMORROW.™

kofax.com

© 2019 Kofax. Kofax and the Kofax logo are trademarks of Kofax, registered in the United States and/or other countries. All other trademarks are the property of their respective owners.

KOFAX

