



“Xtracta has an inherently better OCR capability and a better learning process.”

ApprovalPlus Solution Manager,
Bevan Wright, Fusion5

Data extraction smarts provide added power to accounts payable solution

When it comes to running a successful business, automation and control are vitally important. Automating labour intensive duties frees up personnel to work on higher value tasks. Tight control over spending minimises the possibility of unforeseen surprises at month end. When done well, they have a positive effect on an organisation's bottom line, and it is the reason why New Zealand software provider, Fusion5, uses automated data entry software from Xtracta in its 'procure to pay' solution, ApprovalPlus.

Constantly evolving its functionality over the last 18 years, Fusion5's ApprovalPlus is an accounts payable workflow solution that helps customers streamline the intake and processing of invoices, purchase orders, credit card statements and expenses. ApprovalPlus Solution Manager, Bevan Wright, says Xtracta's data automation tool, which is powered by artificial intelligence tools, is a natural fit for the application.

“We have used a number of other data extraction products in conjunction with ApprovalPlus over the years, but most of them required some sort of coding to make them work better. Xtracta automatically detects more invoices right from the start and thanks to its machine learning capabilities it is easier to teach it to spot them in the future.”

Like OCR, but better

Traditional data entry automation software focuses on optical character recognition (OCR) as the centre piece of data extraction. This often requires experts to manually create layout templates and rules outlining the data extraction patterns for each different document.

Wright says Xtracta's artificial intelligence (AI) engine is much more sophisticated.

“When we first started, we had photocopier companies come in and do the OCR element of the implementation. It was often time-consuming and fiddly to get it integrated and working correctly. Four years ago we switched to Xtracta and the setup is so simple. There are no templates required.

Now that Xtracta is part of the offering, every deal has the data extraction element in it, prior to that only around one third of our sales included the OCR component."

Xtracta makes its automated data capture functionality available for other software providers to use via an API. The API can be branded and incorporated into ERP, workflow, accounting line-of-business software or virtually any application for efficient approval-ready and payment-ready invoicing.

"We do it slightly differently in that we don't brand it or integrate it completely within our own software," says Wright. "We use the Xtracta interface and have built our own workflows inside of it, but we use the Xtract API to push and pull data between the two systems."

Easing procurement pain

Customers implement ApprovalPlus to drive efficiency in their 'procure to pay' processing. The solution sits between Xtracta's data automation tool and the finance system. It helps customers code incoming invoices correctly or matches them to existing purchase orders. It then puts the invoices through an approval workflow after which they are sent to the finance system for payment.

"If there are extra charges on an invoice that weren't expected, it isolates those and sends them off to the appropriate person for reapproval," says Wright. "It also identifies freight or other charges that need coding."

Staff also use it to create purchase orders for non-stock items as well as entering credit card transactions or expense claims, which the software routes to the right manager for approval and then payment.

"Our customers typically process around three or four thousand invoices a month each," says Wright. "Processing that many manually is not a cost effective use of resources, and with Xtracta data entry is eliminated. It is all about capturing the information automatically and passing the invoice through the process efficiently. The speed of turnaround is much quicker, which means people get paid sooner. Having the data captured automatically also allows us to automate more of the process within ApprovalPlus."



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Look and learn

By looking at and understanding language, document types, context and the details of how various documents are structured, Xtracta's engine autonomously builds a deep understanding of a customer's documents and the data within them. It is a 'set and forget' engine as it self-learns new document designs without the need for new templates.

Wright says the invoice intake process is simple. "Invoices are automatically forwarded to an Xtracta email address. In most cases Xtracta grabs all the data it needs and sends it to ApprovalPlus without anyone touching it. If some items are missing, such as an invoice date or a number, the Xtracta workflow stops and an accounts payable person can jump on and 'teach' it."

This is where Xtracta's machine learning smarts set it apart, says Wright. "We try and discourage customers from manually adding data. We want the system to learn, so it gets better at spotting where the items are on a particular invoice next time round."

"To teach it to find an invoice number, you highlight the invoice number field you want the information to end up in and then simply click into the image of the invoice and drag a box around the invoice number and it learns by example."

Xtracta looks for words and characters and matches them to its in-built library of OCR terminologies, which for an invoice number might be the word 'invoice' or a 'hash' symbol or a mixture of characters and numerals.

"When you teach it you are adding a new one that is specific to the style of that invoice, and because all organisations design their invoices slightly differently the ability to learn is an extremely valuable feature."

Working hand in glove

ApprovalPlus analyses the information Xtracta has provided – the name of the supplier, whether there is a purchase order associated with the invoice – and automatically executes the next step in the process.

"Where everything matches, the invoices get sent straight to the finance system. However, if, for example, an invoice has a purchase order against it, but it hasn't been receipted, ApprovalPlus sends an email off to the supplier telling them to receipt it."

Wright says if a customer had Xtracta on its own or ApprovalPlus without Xtracta they would still gain some benefits. "But the real advantages come from having the data extraction and approval processes all working together. It makes it easier for a business to manage and expedite all the actions around payments."

Costs down, efficiency up

One of the most obvious benefits of using Xtracta is the upfront expense savings, says Wright. "It is a cost effective tool. The ongoing service charges for a customer would be cheaper than just the annual maintenance for one of the other OCR products – and that is before the customer pays for the OCR product itself. I estimate it is probably 10 percent of the price of the old way of doing things."

Deployed in the cloud, ApprovalPlus customers pay an annual SaaS fee upfront for access to the software and the Xtracta tool. "They get support and all the software updates for both ApprovalPlus and Xtracta."

While reducing headcount can be one of the short term benefits of adopting ApprovalPlus and Xtracta, Wright believes it is the control over spending that is much more important in the long run.

"It enables organisations to set parameters on their procurement. Prior to adopting ApprovalPlus many of our customers didn't enforce purchase orders, now they do. When you have controls around how things are procured and paid for, the whole process becomes more efficient."

"The old paper way of doing things took too long and created a churn of activity with people chasing approvals after procurement was initiated and suppliers chasing payment. Handling all those enquiries was a lot of work. ApprovalPlus cuts that down to the bare minimum."

Wright says using Xtracta and ApprovalPlus allows companies to speed up month end, so they can report sooner, and it also ensures they have an unchallengeable audit trail.

"Every single invoice goes through a proper process and has an audit trail stamped against it. It also simplifies things for business users. They can raise purchase orders directly in ApprovalPlus rather than in their ERP system which tends to be much more complicated for staff to use. When you consider all the data entry time that is saved with Xtracta you have a powerful solution that promotes best practice and saves time and money."