Touchless data capture gives BestStart control over their accounts payable process.

BestStart is one of New Zealand's largest providers of early childhood education with over 260 childcare centres from Kaitaia to Invercargill. The company has seen rapid growth since it began operating (under its former name, Kidicorp) in 1996 and was experiencing problems with outsourcing their invoice receipting process. It was proving costly, time consuming and slow

By integrating Xtracta's data capture technology with their accounting system, BestStart have brought their outsourced invoice receipting process back in-house and dramatically improved precision and control of their accounts payable process.

With BestStart growing, its manual accounts payable processing was under pressure and faced with the possibility of extra headcount to manage the increased workload. "Receipting hundreds of invoices each week and manually keying them into the accounting system was proving a laborious task," says Claire Hunt, BestStart's Accountant. "We tried to solve that issue by outsourcing our invoice receipting to a third party. They would receive the invoices, check them, enter missing information and send them to our accounts payable team for further processing." However, while outsourcing helped ease the workload internally, Hunt says, it came with its own issues around precision and control.

"Because they were outside of our organisation the third party didn't know all the ins and outs of our operation, and as a result sometimes things didn't run that smoothly. If an error was made it took time to contact them and correct it. There could be a delay of up to 12 hours depending on how busy they were – because, of course, we were not their only customer." She comments that when those knowledge gaps are off-site, it is harder to fix them. "Every time we contacted them to query an invoice or adjust a setting, there was a cost associated with it," says Hunt.

Greater order and accuracy with Xtracta

Their IT Partner suggested replacing the third party outsourcing provider with Xtracta's data capture functionality. Hunt, says the integration of Xtracta's leading edge technology within BestStart's accounting system helped it automate accounts payable processing, and provided greater order and accuracy to what was once a convoluted and time consuming process. "With Xtracta we have been able to bring the process back under our own control. We have systemised receipting and an approvals routine that allows us to handle over 4000 invoices each month."

Affordable and easy to use

BestStart began using Xtracta's artificial intelligence-powered technology in 2014. "Third party data extraction tools were expensive and difficult to integrate at that time," says Hunt. "Xtracta was different. It offered an affordable, accurate and easy to use tool and its AI technology meant it learnt through use." Xtracta's AI technology can recognise virtually all supplier invoices. Its machine learning and validation functionality helps it recognise patterns and undertake checks to ensure data accuracy. "That type of automation is invaluable because it speeds up processing. It knows exactly what information to capture and where to take it from in the document."

Even better, says Hunt, Xtracta can capture information off an image file. "That was one of the things that attracted us to Xtracta. Other data extraction tools could only read data rich information from original PDFs. Xtracta can deal with copies and image files. We often receive non-original invoices and low resolution scans, it is sensitive enough to read the data correctly."

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Claire Hunt
Accountant, BestStar

Unified paperless accounts payable and approvals

The integrated solution unified their accounts payable process. "We have a user friendly web interface that gives staff easy access to the invoice and all the relevant supporting information," says Hunt. In addition, BestStart's existing invoice approval workflow was incorporated into the solution. Suppliers send their invoices to a dedicated BestStart email address and Xtracta extracts the creditor name, invoice number and dollar amount. Xtracta sends this information directly into the accounting system where an appointed 'gatekeeper' staff member checks the information and that it appears correctly. Accounts payable then code against the general ledger and once coded, it's sent to the correct daycare centre for payment approval.

"We have control of the whole process in-house. Because our 'gatekeeper' knows the business intimately, she knows the typical mistakes that occur and rectifies them at the source. Xtracta's ability to learn has made this process more efficient - allowing our gatekeeper to be more involved as work increases." Says Hunt, "Xtracta is integrated within our accounting system seamlessly. The information is imported automatically and that cuts down time spent on manual data entry, giving us time to perform more valuable business tasks."

"With Xtracta we now have total control over accounts payable and are processing over 4000 invoices each month. Xtracta is integrated within our accounting system seamlessly. It knows exactly what information to capture and where to take it from in the document. The information is imported automatically giving us time to perform more valuable business tasks."