

## ABBYY Solution Partner Automates Invoice Processing for a Large Housing Association

Adactus Housing owns and manages over 12,600 homes across 25 local authority areas in the North West of England. Comprising six independent companies the Adactus Housing Group has an annual turnover in excess of £45m. Recently Adactus set for itself three key operational goals - growing the organisation, increasing efficiency and improving service – which lead to the creation of an action plan to reduce the cost of back office services. Finance was identified as reaping the greatest rewards. Three main issues were to be tackled, all of which centred on invoice processing.

### Challenge

**Manual work:** Almost all supplier invoices were paper based. Approximately 40,000 – 60,000 invoices are received each year and handling them is a slow and labour-intensive process, prone to data entry error. The existing process was reactive and administrative rather than a proper financial control function.

*“The paper issue was hampering our ability to have effective financial control within the invoice.”*

*Kimberley Clarke, Operations Director*

**Service levels:** Document retrieval was seen as problematic. There was a constant risk of losing invoices and simply retrieving a document could be a lengthy activity. These were operational constraints dragging down service quality and overall office efficiency. Paper-based invoices are inherently slow to process and ready access to any document at any time would be a key win. Authorisation was on the physical document which has to transition along an approval route. This made for long payment times for suppliers.

**Control:** A sizeable number of invoices would be in flight at any time. These could be entering into the organisation, awaiting

approval with the relevant authoriser or with Finance for matching and coding against the purchase ledger. The company is spread over a number of different offices throughout the North West and paper invoices are distributed using internal post. This created limited visibility of the organisation’s overall exposure, poor control and slow processing. Adactus identified a clear need to gain sight of all transactions, a problem area compounded by disjointed systems. Strengthening internal control and enabling better decision making would be fundamental project aim. Auditing ability and reporting therefore featured high on the project requirements.

Over 700 firms supply goods and services, notably for property maintenance. Handling these transactions is estimated to “cost” 75% of all administrative work. 24 suppliers represent 50% of the transactions so streamlining invoice receipt, data entry, approval and payment authorisation for these would be a priority. Getting as close as possible to a friction-free invoice process would entail minimum manual intervention – invoice processing was estimated to account for the time of 4 full time staff. At the heart of the Finance issues was the cost of manually entering data from paper into finance systems.



**Name:** Adactus Group

**Headquarters:** Lancashire

**Industry:** Housing Association

**Products and Services:**  
Property Management

**Employees:** c. 550

**Web Address:**  
[www.adactushousing.co.uk](http://www.adactushousing.co.uk)

**ABBYY Solution Partner:**

**INVU:**  
[www.invu.net](http://www.invu.net)

### PROJECT OVERVIEW

#### Challenge

Improve costly, time-consuming, error-prone manual data entry and processing of invoices

#### Solution

Automated invoice processing, streamlined approval workflows, connected to QL Finance

#### Results

- Transparency and clarity
- Greater financial control
- Enhanced service levels
- Automatic escalation
- Accessibility to tenant and supplier info

## Solution

Adactus talked to a number of different solutions providers and ultimately chose Invu of Blisworth, Northampton. Invu's selection was clinched by the product's simple integration with the QLF finance software application. "We felt that Invu would meet our deadlines, work closely with us and our suppliers and meet our needs, like a genuine partnership," said Kimberly Clarke, Operations Director at Adactus.

The invoice authorisation process at Adactus has been transformed by Invu. When invoices arrive they are scanned and digitised by Invu Capture which is based on the powerful Enterprise Capture platform, ABBYY FlexiCapture. ABBYY FlexiCapture helps automate the capture and extraction of data from invoices. It is based on IDR (Intelligent Document Recognition) technologies that enable automatic invoice classification, country and language identification as well as supplier detection.

*"The solution has made a real difference to the finance department. It gives us complete transparency and enhanced control of all invoices and commitments."*

*Kimberley Clarke, Operations Director*

In the Adactus solution key meta data from incoming invoices is extracted automatically and validation of invoice data ensures the highest level of accuracy. The integrated rule-set allows checking the legal conformity of incoming invoices and ensures compliance with the invoicing practice of domestic invoices at Adactus. Whether invoices come in as paper documents or via email they are all captured and lodged against transactions in the finance systems.

The tight integration of ABBYY FlexiCapture with Invu also enables the solution to determine the correct budget holder based on information contained in the invoice, such as supplier and value. After successful extraction and validation the data and the invoice are routed to the Invu DMS for further processing. All budget holders have access to the Invu system and receive tasks for review and sign off of the invoices. The additional use of browser-based approval tools for remote staff and mobile workers also means greater access at any time.

The key integration is with the finance system. The Accounts Payable team accesses invoices and related documents directly from within QLF with all activities audit trailed and reports subsequently built to provide additional management information. QLF data is used to enable strong validation of

invoices as they are scanned. So, for example, maintenance orders can be matched against Purchase Orders. Invoices are registered in QLF once scanned and "parked" ready for payment by the finance team. All other processes are automated where possible. Invoices can also be called from the appropriate record in the general ledger so there's no need for users to swap out of QLF when processing.

## Results

The benefit of introducing this solution is a slicker way of working which limits the level of manual intervention. The solution eliminates the need to chase manual invoices around the organisation or to retrieve them from a physical filing system. Manual invoices are no longer pushed around the organisation, but automated workflows guide electronic versions for sign-off or escalation. The result is a quicker approval and resolution process and a smooth, uninterrupted workflow. Overall processing time and expense has dropped significantly due to the elimination of manual data entry. Additionally, because the entire process is digitised paper invoices are no longer lost or misplaced, resulting in lower incidents of missed payments and penalties.

"Taking Invu on has created a domino effect – there's a queue of other departments waiting to have it rolled out to them. Additionally, my experience within Finance departments in the sector means I know that other housing associations would greatly benefit from what we have implemented. It simplifies the process, speeds it up and provides much better control and management information."

### ABOUT ABBYY

ABBYY is a leading provider of text recognition and document conversion technologies and services. Its versatile product portfolio for document processing and information retrieval is available on various platforms and devices. ABBYY offers a broad range of solutions designed for specific business and industry needs. Organisations all over the world rely on ABBYY offerings to optimise their paper-intensive business processes. **More information at [www.ABBYY.com](http://www.ABBYY.com)**