

Novartis's Prescription for Invoice Processing

What do you do when you have more than 600 business units operating through 360 independent affiliates in 140 countries around the world—processing complex invoices in various languages and currencies? You seek out the best technology solution to make the job easier.

At global pharmaceutical giant Novartis, the IT department is a strategic resource, a community of 2,000 people serving 63,000 customers in 200 locations and 25 data centers. Because most of the company's invoices come from international suppliers, they have differences in design, language, taxes, and currency.

Consequently, many ended up as “query items” requiring manual resolution by Novartis accounting staff—which delayed payments and made those invoices extremely costly to process. In fact, finance personnel spent so much of their time resolving queried invoices that other work suffered. A solution was badly needed. To maximize its investment, Novartis needed a flexible solution that would meet its current and future needs and function in other business departments in a variety of geographic locations. It should provide fast, accurate document capture and multi-language support, and should extend to other types of information—such as faxes and electronic data—in addition to paper documents. Finally, in order to obtain financing for the project, return on investment (ROI) was required within nine months of project implementation.

InputAcce/ for Invoices from EMC/Captiva was the answer. The software extracts data from paper documents, applies intelligent document recognition (IDR) technology to convert them to digital images, and sends relevant data to enterprise resource planning, accounts payable (A/P), and other back-end management systems. The specialized InputAcce/ server manages output by recognizing and avoiding holdups in the workflow process. It also

ensures if a server goes offline, others will carry on functioning, thus avoiding downtime.

Now Novartis scans incoming invoices at a centrally located site, and the images are transmitted to the InputAcce/ for Invoices server for image improvement. Invoice data is then extracted and validated against supplier information. Most invoices are transferred directly for payment, with relatively few invoices requiring transfer to one of three accounts payable clerks who deal with queries manually. Novartis is a global leader in the research and development of products that improve health issues. InputAcce/ was selected by Novartis to be part of its accounting system.

Thanks to IT, overall efficiency has increased, processing errors are reduced, and accounting personnel can use their time and expert knowledge for more meaningful tasks than resolving invoice errors. For Novartis, it is “mission accomplished.”

Critical Thinking Questions

1. What factors contributed to Novartis’s invoice processing being so complex?
2. How did IT help the company solve that problem?
3. What other uses and functions does InputAcce/ serve, and how will this be useful to Novartis over the long term? (You may want to visit the EMC/Captiva website, <https://www.ecmconnection.com/doc/emc-captiva-inputiacceli-0001> (Links to an external site.) , for more information on InputAcce/s)