

J.P.Morgan

J.P. Morgan's DocManager SolutionsSM offers a cost-efficient suite of services for end-to-end enterprise document management. From converting paper documents, to managing document workflow to long term archival, DocManager SolutionsSM eliminates the need for costly warehousing yet, offers the highest levels of disaster recovery protection and is available online 24/7.

Getting the Paper out of Accounts Payable

By Jeff Schor

How much money and paper are trapped inside your typical 30-120 day order-to-pay cycles? According to recent estimates, the annual figure totals as much as \$40 billion for U.S. transactions. Not surprisingly, this does not account for the time and resources most organizations spend managing their financial supply chain and accounts payable (A/P) processes (e.g., supplier relationships, document compliance and document printing, routing, conversion and storage.)

For most organizations, document management brings its own challenges and costs as creating, distributing, filing and destroying documents account for up to 30% of an average organization's overhead.¹ The logical solution here is to adapt an eco-friendly imaging solution, which would not only eliminate costs for creating, filing and managing extensive paper files, but would improve audit trails and produce quicker document access.

But the question remains: How can I get the paper out of my accounts payable processes? The key is to consolidate payables functions by combining imaging with document management, A/P and enterprise resource planning (ERP) processes.

ERP systems have proven quite successful in helping automate the physical supply chain. Order-to-pay extends an ERP system to help automate the financial supply chain and A/P operations. Ideally, the right order-to-pay solution will pick up once procurement has occurred, automating the functions of the business settlement process. These processes include order delivery, invoice receipt, validation, routing, dispute management, approval, payment, posting, and discount management.

J.P. Morgan offers a premier order-to-pay solution that achieves these goals by automating all business settlement activities. J.P. Morgan's Order-to-Pay service connects buyers with their suppliers across a secure settlement network, automating transaction processing and expanding early payment discount opportunities to help optimize working capital. J.P. Morgan's shared network of tens of thousands of suppliers is a major advantage, allowing clients to transact immediately with any of these suppliers with no enrollment effort. J.P. Morgan can recruit additional suppliers for clients on demand.

When coupled with J.P. Morgan's Document CaptureSM service, Order-to-Pay is the perfect choice for organizations that must accommodate suppliers that refuse network enrollment and insist on mailing paper invoices.

The efficient process can be explained in only a few steps.

- Instruct your suppliers that do not enroll into the J.P. Morgan Business Settlement Network to send all paper invoices to a J.P. Morgan P.O. box.
- J.P. Morgan opens the mail, separates the P.O. invoices and then prepares and images all invoices using high-speed scanners and image capture software. Indexes can either be single or double keyed or created by utilizing OCR/ICR technology.
- Invoices follow a final quality assurance process before they are transmitted to J.P. Morgan's Order-to-Pay system. Invoices may be provided via e-mail attachment, fax, direct transmission or on CD-ROM.
- As an optional service, J.P. Morgan will match invoices to P.O.s. If there is a match, the invoice will be paid automatically. If the P.O. is for more items than what was on the invoice, J.P. Morgan will provide a reconciliation and leave the P.O. open for the remaining items and pay the invoice. If the invoice is for more items than what was on the P.O. or the invoice pricing was wrong, J.P. Morgan will put the invoice into an exception queue for the client to handle.

Jeff Schor is a senior product manager at J.P. Morgan. He can be reached at 212-552-0440 or jeff.schor@jpmchase.com.

¹ From "Why Go Paperless?" – virtuant.com