

Leading Satellite Television Provider Automates and Standardizes Invoice Processing

Tata Sky solves accounts payable challenges with OpenText and Avaali, reducing invoice processing time by five days

Tata Sky Ltd. is a leading direct broadcast satellite television provider in India that was incorporated in 2001, and is a joint venture between Tata Sons and 21st Century Fox. Tata Sky endeavors to offer Indian viewers a world-class television-viewing experience through interactive services, as well as a variety of channels including entertainment, sports, movies, music, and news.

Addressing the Challenges of a Manually Intensive Accounts Payable Process

Tata Sky used to process all of its vendor invoices manually using the paper documents received from vendors. Its Shared Service Center (SSC) staff members routed the paper documents to various stakeholders in the organization via mail or fax for handling exceptions and for approvals. When finally approved, they manually entered the invoice data into the SAP system.

This manually intensive invoice processing system resulted in several business challenges, such as high invoice cycle times and late payments. Among other things, this resulted in poor vendor relations and the inability to leverage discount benefits based on the payment terms. There were also issues identifying and handling exceptions related to the three-way match—a payment verification technique matching the invoice, purchase order, and receiving report.

Additionally, there was a complete lack of visibility into current liabilities and process bottlenecks. The team was spending inordinate amounts of time replying to vendor inquiries, as there was a lack of visibility into the status of individual invoices. It was also challenging for the organization to store paper invoices and search for them later for audit or verification purposes.

Vikas Kapoor, VP of Finance at Tata Sky, summarizes the company's goal for accounts payable (AP), "We set out to optimize our procure-to-pay process and reduce our invoice processing time and costs. We were facing several issues due to duplicate and erroneous invoices, and manual processing of paper invoices."

INDUSTRY

Media and Entertainment

CUSTOMER

Tata Sky Ltd.

CHALLENGES

- Invoice processing took a long time and contained many errors
- No central and standard process
- Lack of visibility and no audit trail
- Manual routing of paper invoices

SOLUTIONS

- OpenText™ Vendor Invoice Management for SAP® Solutions
- OpenText™ Invoice Capture Center
- OpenText™ Archiving for SAP® Solutions
- OpenText™ Document Access for SAP® Solutions

BENEFITS

- Greatly improved turnaround time
- Reduced FTEs by three in one month
- Managing four times the number of invoices with no additional investments
- Implemented within 3 1/2 months
- Streamlined process with audit and liability reporting
- Complete visibility of all invoices throughout the process

To address its challenges, Tata Sky selected OpenText™ Vendor Invoice Management (VIM) for SAP® Solutions. Tightly integrated with SAP ERP, the OpenText VIM solution optimizes and simplifies the process of creating, managing, monitoring, and routing purchase orders and invoices for AP personnel and vendors. The solution enables Tata Sky to transition from manual invoice processing to streamlined invoice management for its Shared Service Center (SSC).

“We looked at several solutions and decided on OpenText Vendor Invoice Management for SAP Solutions due to the automated invoice capture capabilities and out-of-the-box business rules and workflows for invoice validation, exception handling, and approvals,” says Kapoor.

Partnering for a Short Implementation Process

For its implementation of OpenText Vendor Invoice Management, Tata Sky chose OpenText implementation partner, Avaali Solutions Pvt. Ltd. “We did an in-depth evaluation of implementation partners and chose Avaali as our implementation partner due to their process knowledge, deep expertise, and understanding of the OpenText VIM solution,” says Kapoor.

The implementation team from Avaali conducted detailed workshops with key Tata Sky business stakeholders to understand the current process in the SSC, their pain points, their requirements, and the roadmap. The workshops also covered the solution functionality in detail to help Tata Sky appreciate how it could put the solution to use in their SSC. The Avaali team created a detailed blueprint document covering process and sub-process flows to be implemented, and then gained the acceptance and complete buy-in from Tata Sky. Avaali also took ownership of educating the end users about the solution and thus eased change management and ensured acceptance at Tata Sky. Implementation was completed in just 3 1/2 months.

New Automated Digital Workflow Process Leads to Significant Business Benefits

Along with the OpenText Vendor Invoice Management solution, Tata Sky also implemented OpenText™ Imaging Enterprise Scan and OpenText™ Invoice Capture Center to digitize incoming invoices. This enabled Tata Sky to reduce errors and increase efficiency by using automated invoice data capture and routing to SAP applications automatically, without the need for human intervention. The VIM solution provides system-driven standardized business rules for each invoice type and allowed Tata Sky to handle exceptions and approval flows through workflow automation. Furthermore, the scanned copies of invoices are being stored in the OpenText™ Archive Server and linked to the invoice document in SAP for future reference.

Previously, the SSC team at Tata Sky had to follow up with different teams—such as procurement, vendor master, coders, and approvers—in order to process invoices and complete the payment. On

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average, it used to take more than seven days to process an invoice, not counting the days required for the paper invoices to reach the SSC from various locations. It now only takes an average of two days to process each invoice, and the AP personnel at the SSC no longer need to wait for paper invoices to arrive. They can start processing documents as soon as they are scanned at various locations.

Another benefit of its OpenText solution implementation is that Tata Sky has been able to reduce the number of resources required to process invoices. There are now only three FTEs (full-time equivalents) needed for processing due to automated data capture and system-driven business rule checks. Avaali also considered Tata Sky’s future growth requirements and designed the solution to handle a volume of four times the growth in invoices over the coming years—without the need for additional investments from Tata Sky.

The reports and dashboards implemented by Avaali provide the Tata Sky AP team with the status of invoices, along with a view of current processor, approver, or exception handler. Statistics now show how much time has been spent and whether the process step is within defined key performance indicators. Leadership at Tata Sky also now has clear visibility into current liabilities, as well as an overview of the productivity of the AP team and bottlenecks, if any.

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Collaboration in Action

Avaali Solutions (www.avaali.com) is a company that enables Enterprises to drive and deliver business results by leveraging digital technologies. Avaali has core strengths in powering upper mid-to-large enterprises with solutions in the areas of Enterprise Information Management and Enterprise Mobility. Avaali’s advisory, consulting, and implementation services have enabled enterprises to transform their business processes and engage better with their stakeholders including customers, employees, partners, vendors, and shareholders.

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