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Dear reader,

Here we are with the third Arco e-Newsletter of 2010. As promised in April, this Arco e-Newsletter is dedicated to Invoice.

Every day Arco continues developing new connectors, answering to the needs of the market. Read more about our new Invoice connectors in this e-Newsletter.

Wim Van Ginderen, IT Manager of USG People Belgium, reveals how he manages 50.000 invoices every year.

We will come back with more news early September. Then we will talk about paperflow and document management.

Best regards,
The Arco team

Customer testimonial: USG People scores with Arco Invoice

USG People, formerly 'United Services Group', is an international group of companies that provides a range of HR services. It is the second largest player in the Belgian market. In the area of temporary work placement, Start People and Unique are the best known names in the group. Their eight 8 sister companies provide specialist staffing solutions and HR consultancy to specific professions such as IT personnel, engineers, management assistants, receptionists, as well as legal, financial and medical personnel. Wim Van Ginderen is manager of the Accounts Payable department.

The accounting department within the shared back office – or shared service center – of USG People Belgium is divided into a number of sub-departments. There is the Closing & Reporting department that is responsible for yearly account closing and reporting, and the Accounts Payable department that handles all supplier accounting as well as all purchase invoices, bank records and expense forms.

Correctly processing 50.000 invoices

When Wim Van Ginderen started working at USG People Belgium in June 2007, he took on the challenge of finding a system to manage the invoice flow of all suppliers. "As shared service centre, we manage the accounting for no less than 27 companies," he begins. "That means 27 different entities that together represent a lot of invoices: 50,000 per year, to be exact. Try managing that! It is our task to ensure that no invoice gets stuck in the system, arrives late, or disappears in one way or another. I looked for the right tool to manage all of this."

A period of brainstorming preceded the actual search. "We first fine-tuned a number of internal procedures," continues Wim Van Ginderen, "such as mail flow. We previously found ourselves in a decentralized situation in which the mail arrived at the company headquarters of the different firms. After centralisation to the shared service centre, we asked ourselves how we could optimally handle the invoice flow. We contacted a number of players to see what they had to offer in the area of workflow and automatic invoice processing. This led us among others to Arco, which has a privileged relationship with Centric, the supplier of our accounting package."

Weighing the pros and cons

To make the right choice, Wim Van Ginderen assessed a number of aspects for the operational component of each system. "I wanted to know what precisely each system could do," he explains. "We weighed the advantages and disadvantages of the various suppliers. Of course, there were also budgetary considerations involved: because I wanted to know what quality we could receive, and for what price.

This decision-making process led us to Arco." What made Arco the best of the group? "No new interfaces were needed since there were existing links between the two packages. Thus, for example, the electronic processing of purchase invoices, or Invoice Management, was easy to integrate in the short term and we were able to initiate our workflow rather quickly. Given the number of invoices processed per year, it was extremely important for us to get this under control quickly."

No more searching

"With Invoice Management, it all revolves around workflow," says Wim Van Ginderen. "The process begins with the invoices being scanned. An electronic file with a unique barcode is created for each invoice. This then enters the workflow. Everything that follows – verification, adding additional needed data, booking and approval – is done electronically instead of manually.

This is the enormous advantage of the process. Previously, if someone wanted to consult an invoice, he or she had to go the filing cabinet in the accounting department to find a folder and locate the document. Now someone in Namur can call up an invoice in our system with a single click."

Planning, deciding and starting up

How much time did the entire process take, from conception to start-up? "The plan was on the table in the autumn of 2007," remembers Wim Van Ginderen. "A team of us then developed the necessary internal procedures. In July 2008, we decided to go with Arco. The functional analysis took the most time. I myself had a number of ideas concerning how we could optimally proceed. Consequently, I examined the extent to which our expectations were met by the Arco product, and vice versa: to what extent we could obtain a custom product that fits our organisation perfectly.

We finally opted for a standard package with a number of “bells and whistles”. For example, we added an option to the standard flow for receiving credit notes. The relevant parties electronically indicate whether or not they approve an invoice. However, we wanted to go a step further. If approval is not granted, we also want to know why. Thus, he or she can indicate the reason, and immediately add that we are expecting a credit note. Based on the expected credit note, this amount can be included in the accounting as a provision. This improves our monthly reporting, because all pending credit notes are taken into account. This was impossible in the past!”

Letting go of paper

How easy was the transition? “There was scepticism in the beginning, which is quite normal,” says Wim Van Ginderen. “I was convinced that we needed to abandon the paper flow, something that is no longer appropriate to a modern organisation like ours. When I spoke with the various department heads, they realised that there was room for improvement.

Yet I noticed that people didn't want to give up paper. And that was our greatest challenge: convincing all the departments to abandon paper invoices! Not to put them in the drawer, but rather to give them to accounting so that we can return them in electronic format. This was a huge mental click that needed to be made throughout our entire organisation. However, once you have the people on your side, the process takes care of itself because they notice the benefits immediately.”

27 companies in just a few months time

In January 2009, Wim Van Ginderen initiated the rollout of the system for just one operating company in the shared service center where the internal accounting takes place. “We were able to use feedback from these first users to fine tune the system,” he says. “After all, it would be impossible to tackle 27 companies all at once. We then quickly rolled out all the other firms in groups of 4 or 5 companies. It was a success; the comments received were positive. And at the end of June, the entire group was on the new system.”

Transparency, control and timesaving

What according to Wim Van Ginderen are the greatest benefits of Invoice Management? "The transparency of the system," he says convincingly. "Previously, discussions were always possible: "I sent the invoice, so it must be with you." Or: "I didn't receive the invoice." This can no longer happen, because it is possible to know the exact status of the invoice, from the moment it is scanned through its settlement. This is an enormous improvement for accounts payable. Discussion is no longer needed, and everything proceeds more smoothly.

Plus, the online consultation possibilities are a major benefit. There is also a link to Finacc, the accounting package. You can immediately view a document, without needing to leave your chair to find a file in the cabinet.

For us it was also important to have a product that our sister companies were satisfied with. No one needs to worry; the administrative process is under control. The hassle of caring for a document disappears. Thus, people can focus more on their commercial activity and less on the administration.

Facing the future with Arco

Wim Van Ginderen is already busy with the next phase: project procurement. "We intend to also work with electronic order forms. This system is fully compatible with Arco Invoice Management, including automatic matching of an electronic order form to an electronic invoice. This is easier for the approving parties, because once an invoice meets the requirements of the order form, the invoice can be automatically processed in the system. This allows us to work with unique purchase orders, which is a great help with respect to budget monitoring."

First prize for Arco

At the close of our conversation, Wim Van Ginderen told us of an internal contest at USG People Belgium in 2009 related to the most innovative and progressive projects. "All departments were invited to submit projects. More than 30 participated. And our Arco project won first prize! The voting included all of our sister companies. Clear proof that everyone at USG People Belgium views the electronic processing of our invoices as the most important improvement in recent years!"

Arco Invoice Accounting Connectors

Arco Invoice is meant to implement flexible invoice approval processes and to book invoices automatically in the ERP package. Besides ERP-packages, accounting packages are also supported.

Recently, standard connectors were added for several local accounting packages, including:

- Vero Count (Kluwer)
- Expert M (Kluwer): based on a technology exchange with Kirean.
- Coda (Unit 4)
- Cubic Pro (Exact)
- Bob Software (Sage). Developed in collaboration with IBGraf

Customers can use Arco Invoice for approval but add OCR-technology and legal store for extended Return on Investment.

Several customers do not only use an accounting package, but they also have other software for ordering, reception of goods, material and warehouse management. Arco Invoice can be used for comparing invoice values with order information and goods reception in the specific package and finally the results can be booked in the Accounting package.

Arco LegalStore certified by the Belgian Government

Arco LegalStore was developed to deliver legal archiving of electronic documents based on the electronic signature. The scenario based on integration in Kofax Capture for incoming invoices has now been certified by the Belgian Ministry of Finance. This means that Arco Legal Store is confirmed to be fully compliant with the circulaire of the Belgian Ministry of Finance of May 2008.

For customers this is an additional assurance that they can replace their paper archive with a full electronic archive without any risk.

The new more flexible definitions for electronic invoicing that are applicable since January 2010 in Belgium have no influence on incoming paper invoices. They are only valid for electronic incoming invoices.