

CDIT Solution Success Story

Western Forest Products Improves Productivity and Harvester Savings through an Automated Accounts Payable Solution

Western Forest Products Inc. is an integrated Canadian forest products company and the largest coastal British Columbia woodland operator and lumber producer. Western's principal activities include timber harvesting, reforestation, sawmilling logs into lumber and wood chips, and value-added remanufacturing.

The Challenge

Western Forest Products' Vision statements include "Be Environmentally Responsible" and "Be Profitable Throughout the Market Cycle", so even within a depressed forestry market, Western sought to introduce technology into the organization to promote internal efficiency and reduce its operating costs. And, like in many large organizations, the Accounts Payable department was a logical area to explore for improvement.

Every day, more than 700 invoices are received by Western from the various suppliers of the company. With a head office in Duncan, British Columbia and more than 25 remote offices and sites located throughout the BC coast, Western's A/P process faced numerous challenges. Hardcopy invoices often had to be copied and mailed between remote site offices for review and approval and then copied and mailed again to the head office for final entry into the organization's JD Edwards Financial System. This manual, time consuming, process was subject to coding and approval errors and long payment cycles for the organization, often resulting in missed discounts and late payment fees. With long cycle times and high manual labour costs tied up in the invoice approval process, Western engaged Xerox Canada and CDIT Inc. to improve and streamline the process through enabling technologies.

"It was clearly recognized that continuing with our existing manual processes was no longer an option if we wanted to stay competitive in today's markets," said David Byng, Chief Information Officer at Western Forest Products. "Finding the right partner to implement proven solutions that enable us to eliminate manual efforts was critical for the company's success, and our partnership with Xerox Canada and CDIT has definitely allowed us to take a positive step in the right direction."

"CDIT was instrumental in helping us to define a much improved A/P process and was then able to provide a technical solution that enabled these improvements."

- David Byng, Chief Information Officer,
Western Forest Products

Industry:

Forest Products

Organization:

Western Forest Products

Application:

Accounts Payable

Challenge:

To improve the A/P process by automating the capture of invoice documents and data and streamlining the invoice review and approval process.

CDIT Solution:

Document Imaging
Document Management and Workflow

The Solution

The Accounts Payable Automation Solution for DocuShare® CPX includes Kofax Capture, the world's leading automated information capture platform, Kofax Transformation Modules (KTM), which streamlines the transformation of business documents into structured electronic information, and Xerox's DocuShare® CPX Document Management system combined with CDIT's AP-FLO Workflow System. AP-FLO is a CDIT-designed and developed solution that automates the manual tasks inherent in the traditional paper-based Accounts Payable process, such as invoice review and approval and payment processing.

Through the solution implemented at Western, hardcopy invoices received at the head office are batch scanned into the Kofax Capture system using a production scanner. Invoices received at remote sites are scanned, upon receipt, using Xerox multi-function devices. All invoices, whether received in the mail, via fax or through e-mail, are automatically imported into the Kofax Capture system. All invoices are then automatically classified by vendor, and relevant information, such as Invoice Number, Total, Taxes, etc. is extracted from each invoice using advanced Optical Character Recognition technology, eliminating the need for manual data entry of this information. Once extracted, this information is used to automatically access Western's JD Edwards system to retrieve specific vendor information, such as payment terms and discounts, as well as assignment information, which facilitates the automatic routing of invoices to the responsible Western site office contact for coding through the AP-FLO system.

Once an invoice enters the AP-FLO system in DocuShare®, the responsible site contact is automatically notified by e-mail. Through AP-FLO, Western staff are able to review and code assigned invoices and then route each invoice to the appropriate approver, based on vendor and site rules. All invoices are prioritized based on vendor payment terms and available discounts. Once an invoice is approved in AP-FLO, all invoice and coding information is automatically transferred to the JD Edwards system for vouchering and payment. Payment status information is then transferred from JD Edwards to AP-FLO to update the documents in DocuShare®.

Western Forest Products' Accounts Payable process has transformed from a highly manual, paper-based process to one that is highly automated, efficient, and has resulted in significant cost savings for the company.

CDIT Inc.

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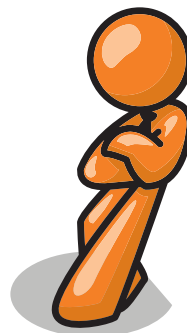
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Business Benefits

With the implementation of the Accounts Payable Automation Solution for DocuShare® CPX, Western is realizing significant improvements in productivity, efficiency, accuracy and cost savings across its Accounts Payable process. The solution has enabled Western to centrally manage the entire process, while enabling staff at remote sites to easily track invoices, seek approvals, and settle accounts.

"It has definitely exceeded our expectations!" said Byng. "The A/P solution is showing an excellent return on investment and with DocuShare as the back-end distribution and workflow system we now have an ECM solution we can leverage to drive improvement in a number of other areas."

About CDIT Inc.

CDIT Inc. is Canada's leading Enterprise Consultant/Integrator. We are focused on accelerating the CAPTURE, TRANSFORMATION, DELIVERY and EXCHANGE of critical information that is an essential part of every organization.

For more information on CDIT, please visit us at www.cdit.com

