

RELIEVE SALES ORDER PROCESSING HEADACHES WITH RPA AND AI



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Timely and accurate order processing is critical to the financial health of wholesalers, manufacturers, distributors, and other businesses. Cash is required for the purchase of products or raw materials, the creation and distribution of finished goods, sales and marketing, payroll and business administration.

Inefficient and ineffective sales order processing results in:

- Input errors
- Late deliveries
- Customer dissatisfaction
- Wasted employee time
- Slower cash flow
- Lower net profit margins

Moreover, manual sales order processing makes it difficult for stakeholders – whether they are executives, finance or shareholders – to know the exact status of the company's financial position.

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If you don't have the time to do it right, when will you have the time to do it over?

– basketball legend John Wooden

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Against this backdrop, sales order processing is increasingly challenging.

Businesses must manage stubbornly high volumes of paper sales orders, fragmented systems, and processes for generating customer quotes, receiving customer orders and fulfilling customer orders, ever increasing demands for real-time access to order information, myriad trade promotions and pricing programs, and unrelenting pressure to accelerate cash flow through faster customer billing.

Robotic process automation (RPA) with cognitive automation offers wholesalers, manufacturers, and distributors a solution. The technology empowers business users with software robots (bots) that automate business processes, such as order processing, to achieve operational and strategic benefits.

Using RPA with cognitive automation for order processing enables businesses to reduce order processing errors, ensures accurate and timely delivery of orders, eliminates wasted staff time redoing orders, speed up cash flow, enhances the customer experience, and helps your business to stand out from the competition.

This white paper explains how.

The Problem

Processing sales orders in a manual or semi-automated environment causes three big headaches:

1. Unhappy/frustrated employees:

In businesses that rely on manual and semi-automated approaches to sales order processing, customer service staff spend much of their workday on monotonous tasks such as keying sales order data, verifying order information, handing off information to downstream processes and system and resolving discrepancies.

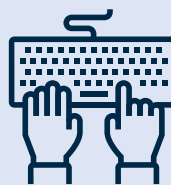
“

The majority of companies [manually handle] between **30 percent to 60 percent** of orders, but there are some companies that touch **90 percent to 100 percent** of orders,

according to Gartner's 2018 research study, *Maximizing Zero-Touch Orders to Drive Efficiencies and Improved Customer Experience*.

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Gartner's research is even more sobering when you consider that many large organizations receive thousands of sales orders each month. With most of staff time consumed by low-value work, and no clear path for career advancement even if they perform these manual tasks exceptionally well, it's not uncommon for customer service staff to feel unappreciated.



Mis-keyed data is a big problem in a manual or semi-automated order processing environment. Critical sales order information such as the product code, unit price, product quantity, and delivery address are frequently mis-keyed. These types of input errors can result in billing disputes, service level claims, payment delays, legal action, and a loss of customer goodwill.

2. Data-entry errors: Manually keying sales orders creates opportunities for human errors. Transposed numbers and other keystroke errors create tremendous downstream problems, including shipping delays, the shipment of incorrect items, too much inventory sitting unsold in your warehouse, inaccurate billing (from variations in the price and quantity, payment terms, conditions of sale, shipping costs, and sales tax), and payment delays. Making matters worse, resolving a sales order keying error can take weeks as staff verify adjustments, apply credits, put inventory on hold, and reship goods. But overburdened customer service staff don't have the time to adequately review every line of every sales order for accuracy.



Order processing errors can result in extra shipping costs and wasted materials.

3. Slow cycle times: Manually retrieving, processing and managing sales orders, and resolving the inevitable errors that come with these manual processes, creates significant delays across the order-to-cash cycle. For many B2B businesses, the order volume is usually lumpy with huge spikes during quarter and year end. This often requires hiring of temp workers to reduce delay. Whether the delay is in order entry, shipping, or billing, goods may not be received on time, customer relationships may become strained, inventory may pile up, and cash flow may be slowed down. All this impacts a company's ability to grow.



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A Better Approach to Order Processing

RPA with cognitive automation relieves the pain of processing sales orders.

RPA automates simple, repetitive tasks that can be

easily replicated by instructing a software bot to copy keystrokes or to follow a defined set of rules. Bots interact with IT systems and applications, just like humans. And the technology is largely plug-and-play and does not require changes to existing information technology systems, legacy applications or machines. This makes RPA ideal for order processing, where seamless integration with downstream systems such as an order management platform or ERP application is critical for streamlining operations and better managing receivables.

RPA automates sales order processes such as:

- Retrieving orders from a portal
- Collecting orders from email attachments
- Validating captured sales order information against databases and business rules
- Calculating promotional discounts, sales tax, shipping charges and other fees
- Routing orders to the appropriate staff
- Delivering data to an order management platform or other downstream system
- Posting order information to an ERP application or other system of record
- On-demand scaling to meet temporary spikes in demand

The technology eliminates physical sales order tasks that do not require knowledge, understanding or insight – the tasks that can be done by codifying rules and instructing the software how to act.

Taking Order-to-Cash to the Next Level with Cognitive Automation

Cognitive automation enhances RPA with the ability to process and analyze unstructured and semi-structured documents such as sales orders, correspondence, invoices and proof of delivery receipts.

Traditional RPA only handles structured data – the kind of data that comes from electronic spreadsheets, databases or standardized forms. But sales operations are drowning in unstructured data. Many ignore this data because of the complexity in processing or analyzing it. In fact, this data is referred to as “dark data” because organizations simply don't know what it contains.

Cognitive automation applies artificial intelligence (AI) technologies that imitate the way the human brain works – technologies such as image processing,

pattern recognition, contextual analysis, natural language processing, and machine learning (ML) – to help bots make decisions or complete tasks.

RPA solutions with cognitive capabilities have built-in domain expertise to find unique, process-specific data that is required for highly specialized processes, such as sales order processing. A combination of computer vision, cognitive data capture technology and fuzzy logic automatically extracts and enriches data from purchase orders (documents) while ML improves the accuracy of captured data. Cognitive automation ensures that the solution extracts all the unstructured data. Once the data from documents has been captured, deciphered and converted into the structured form, it can be used by RPA bots for rule-based automation.

The result is significantly higher straight-through processing rates for sales orders.

A Process that is Streamlined, Frictionless and Service-Oriented

RPA with cognitive automation transforms sales order processing. Here's how:



Businesses without automation spend \$1.64 per \$1,000 revenue to manage sales orders while businesses with automation spend just \$1.11 per \$1,000 in revenue, AQPC's 2018 Transform Customer Service and Operations Through Order Automation report finds.

1. Reduced costs and smoother operations: RPA with cognitive automation eliminates the manual, repetitive tasks that drive up operations costs and hamper staff productivity and morale. RPA bots can monitor an accounts receivable portal or corporate e-mail box for new sales orders. The cognitive technology then processes the sales orders, extracts and validates the information from the order in accordance with pre-defined business rules and converts it into the structured form, e.g. CSV file. RPA bot then takes this structured data and electronically routes the data downstream to the appropriate individual or order management systems, and uploads the sales order data to the company's ERP application. As a result, the order-to-cash process

becomes more cost-effective and efficient. Streamlined sales order processing also improves the order-to-cash function's standing and level of collaboration with key stakeholders such as sales, production planning, and logistics.



The ability to create, modify, and fulfill sales orders without human intervention improves the most relevant Key Performance Indicators across order management, AQPC's 2018 Transform Customer Service and Operations Through Order Automation report finds.

2. Fewer errors: RPA with cognitive automation eliminates sales order keying errors. The technology automatically collects sales orders from e-mails and customer portals so that no orders are missed, extracts key data from sales orders (i.e. customer name, product unit price and quantity, delivery address and purchase order number) based on configurable business rules, validates extracted sales order data against information stored in the supplier's ERP application or other system of record, and verifies that the sales tax and shipping charges are calculated correctly. With RPA and cognitive automation, suppliers can rest assured that orders are fulfilled error-free. For instance, the technology can extract the manufacturer's number on a sales order and validate it, as well as its price, against the customer's contract. Reducing sales order entry errors enables businesses to accelerate their product delivery times, increase the percentage of sales orders that are fulfilled correctly, bill customers more quickly and accurately, and increase profitability by eliminating the need to redo sales orders.



Businesses that measure, track, and reward first-time order processing accuracy are 2.8 times more likely to find order management extremely effective at improving order fill rates and on-time delivery compared to their peers that don't engage in these practices, according to AQPC's 2018 Transform Customer Service and Operations Through Order Automation report.

3. Enhanced customer experience:

Businesses thrive when their relationships with customers are strong. RPA with cognitive automation improves customer satisfaction by helping to ensure that customers receive the goods they want, on time, delivered to the right location and billed at the right price. Perfecting sales order processing can drive revenue growth. Businesses with a high percentage of sales orders that require no human operator intervention are achieving nearly twice the percentage sales growth among their top 20 percent of customers than businesses with a lower percentage of sales orders that require no human operator intervention (15 percent annual growth versus 8 percent annual growth), per APQC's 2018 Transform Customer Service and Operations Through Order Automation report.



Businesses with a higher percentage of sales orders that are created, modified or fulfilled without human intervention deliver more orders correctly than their peers, APQC's 2018 Transform Customer Service and Operations Through Order Automation report finds.

4. Faster cycle times: Manual tasks such as keying sales order data create opportunities for delay across the order-to-cash cycle. RPA with cognitive automation eliminates repetitive, error-prone tasks that delay the order management process. The technology automates tasks such as retrieving sales orders from e-mails and customer portals, extracting sales order data, and routing orders to individuals and systems for management. Eliminating manual keying with RPA and cognitive automation reduces the time wasted correcting inevitable input errors, such as transposed numbers. And the technology enhances workflow efficiency by delivering information downstream more quickly. For instance, urgent orders can be identified and handled based on pre-set rules. RPA and cognitive automation also support on-demand scaling to meet spike in demand due to seasonality or unexpected events. By accelerating order processing, suppliers can increase their percentage of on-time deliveries, head off customer frustration caused by sales order processing delays, and bill customers more quickly, in turn, accelerating cash flow.



Businesses with a lower percentage of orders that require intervention have a lower DSO than businesses with a higher percentage of orders that require intervention, per APQC's 2018 Transform Customer Service and Operations Through Order Automation report.

5. Better staff morale and lower turnover:

To be sure, RPA with cognitive automation performs simple, repetitive tasks more quickly, accurately, and diligently than humans. But the technology is not about replacing humans with software robots it is about refocusing humans on activities that require ingenuity, judgement, creativity and client interaction. With automation, staff have more time to focus on value-added, revenue-driving activities such as building customer relationships and proactively upselling along with cross-selling customers.



A poor customer experience can lead to lower profits and a loss of repeat business.

6. Improved corporate agility and decision-making:

Accelerating the capture and delivery of sales order information with RPA and cognitive automation provides decision-makers with the critical metrics they need to drive business growth. The technology empowers decision-makers with data such as the number of orders that need to ship, rejected orders, cycle times, top-selling products, rush orders, and the performance of different individuals plus teams.



Reducing Day's Sales Outstanding is a key driver for sales order automation.

Each of these benefits of RPA with cognitive automation is compelling.

Together, they transform sales order processing into a cost-effective, streamlined function that delivers an exceptional customer experience and helps to get cash in the bank more quickly.

Case Study

A Silicon Valley-based Fortune 500 technology provider with approximately \$6 billion in revenues and 10,000 employees is one company that is benefiting from RPA with cognitive automation.

The company's sales order process used to be extremely complex. The process involved more than 16 validations against quotes in the company's ERP application, highly variable order-to-cash volumes that surged at the end of each quarter, and more than 50 full-time equivalents (FTE).

Like many other large corporations, the Fortune 500 company first tried to automate its sales order process by deploying a traditional intelligent optical character recognition (OCR) system from a prominent vendor to extract and validate information from sales orders. But the company quickly discovered that the system resulted in much higher setup costs than expected, required the creation of templates for each customer's order form, delivered inconsistent data capture results, and was extremely difficult to troubleshoot. Making matters worse, the vendor of the solution provided poor support. As a result, this company could not provide the level of customer service that is wanted.

After an extensive evaluation of order-to-cash solutions, the company's management decided to deploy RPA with cognitive automation. Within a span of two quarters, the technology significantly improved the efficiency and effectiveness of the Fortune 500 company's sales order processing, while enhancing its service to customers. RPA with cognitive automation enabled the company to:

- Setup automatic purchase order processing four times faster compared to the traditional OCR system
- Post more than 60 percent of its sales orders with no human operator intervention
- Save more than \$3+ million annually in operations costs
- Redeploy 30 FTEs to higher value activities
- Scale its operations on-demand to meet volume spikes without onboarding temporary staff
- Deliver an exceptional customer experience as part of the sales order process

RPA with cognitive automation has worked so well for this company that it plans to use the technology to automate more of its order-to-cash process. The company also is extending the RPA infrastructure that it created to corporate tax, procure-to-pay, revenue accounting, and reporting.

Conclusion

Businesses have too much riding on the efficiency and effectiveness of their sales order process to rely on antiquated technologies and approaches that cost too much, take too long, generate too many errors, and frustrate stakeholders and suppliers. RPA with cognitive automation transforms the order process by eliminating manual, repetitive tasks such as order keying while processing and analyzing unstructured and semi-structured sales order information. RPA with cognitive automation empowers wholesalers, manufacturers, distributors, and other businesses to create a sales order process that is streamlined, accurate, customer-centric and better positioned to support strong business growth.

About Automation Anywhere

This white paper was sponsored by Automation Anywhere.

Automation Anywhere empowers people whose ideas, thoughts, and focus make the companies they work for great. We deliver the world's most sophisticated Digital Workforce platform making work more human by automating business processes and liberating people.

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