

Avnet, Inc. Case Study

Situation

Avnet's North American Financial Operations shared services center processes a high volume of receivables transactions and is tasked with continuously looking for ways to increase efficiency and decreasing transaction processing costs.

Goal

Due to the nature of the technology distribution supply chain, insuring accurate and timely posting of cash is critical to maintaining up-to-date credit lines, increasing customer satisfaction. Avnet's primary objective was to improve the productivity and efficiency of applying approximately 200,000 payments annually to SAP. They further intended to reduce operating costs by eliminating bank keystroke fees, shortening cash application time frames and improving data quality.

Solution

OPEN SCAN® Corporate A/R Remittance Processing Automation Software Solution



About Avnet

Avnet, Inc. (NYSE:AVT), a Fortune 500 company, is one of the largest distributors of electronic components, computer products and embedded technology in the world. Avnet accelerates its partners' success by connecting the world's leading technology suppliers with a broad base of more than 100,000 customers and providing cost-effective, value-added services and solutions. For the fiscal year ended June 27, 2009, Avnet generated revenue of \$16.23 billion. For more information, visit www.avnet.com.

Background

Over the years, Avnet had become more efficient in processing customer payments by outsourcing data entry to several banks, who communicated the check and remittance detail to the Accounts Receivable Application in SAP via web based lockbox imaging. They knew that there was a way to further improve this process. The banks were capturing only the minimal information from the remittance forms resulting in frequent exceptions requiring resolution in SAP. In an effort to contain costs in our uncertain economic environment, Avnet chose to reinvent the process rather than ask their bank to key more data which would result in higher fees.

The Solution

Open Scan Technologies, Inc. (OPEN SCAN®) develops enterprise receivables automation software for corporations. The software addresses the entire receivables function from image and data capture through remittance processing and receivables matching, including deduction / dispute resolution. In the case of Avnet, the solution integrated quickly with their existing bank lockbox process. The software reduced costs and labor by automating the extraction of payment data from

remittance images provided directly from the bank lockbox in an efficient and “real-time” manner. It eliminated the need for manual keying of data and exception handling by using proprietary point-and-click templates. The operator captures the desired data using their mouse in a matter of seconds. Each time a future payment from the same customer is received, the template is recalled and applied without operator intervention. Further, the software is able to increase posting accuracy by intelligently matching actual incoming customer payment data with existing open A/R data at the invoice level. This feature not only insures auto post rate improvement, but also the posting accuracy.

The Result

- Eliminated costs associated with capturing detailed remittance data.
- Invoice number and amount paid are captured and validated to open receivables in real time.
- In balance checks and remittances are processed untouched.
- Efficiency of exception handling increased over 25%
- Operations costs remained flat.
- One day Cash Application cycle times.
- SAP Business Analyst was able to successfully implement the interface from Open Scan to SAP.

“The OPEN SCAN solution has provided real value at a time of expense control pressure while allowing us to continue improving accuracy and data integrity. The software performs flawlessly day in and day out and has enhanced operational efficiency in our SAP environment making it a critical component of our overall credit to cash process,” said Jim Strand, Vice President of Financial Operations for Avnet, Inc.

Contact OPEN SCAN today and find out how we can help you reduce costs while improving the efficiency of your receivables process.

**www.openscan.com
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About OPEN SCAN

Open Scan Technologies, Inc. (OPEN SCAN®) develops enterprise receivables automation software for corporations. The software addresses the entire receivables function from image and data capture through remittance processing and receivables matching, to deduction / dispute resolution, to cash application. Corporations, financial institutions and government agencies that receive either electronic or paper payment and remittance realize the highest levels of automation, data accuracy and operational savings for their receivables processing environments.

