A journey to effective travel expense administration

Lexmark integrated Perceptive Content with SAP to streamline the management of travel expenses and gain greater control of costs

Like most global organizations, one of Lexmark’s largest expense categories is travel and related costs. Lexmark relied on SAP to effectively manage its global supply chain and financial processes, but also needed a way to manage the volumes of unstructured content—such as the 5,000+ travel receipts processed each month—that begins its life cycle outside of SAP. In 2012, after several acquisitions and global growth, the organization had outgrown the capabilities of the content management solution and were experiencing numerous issues that included less financial control along with too many bottlenecks and lost receipts. Here’s how we integrate our own technology to eliminate these challenges, enabling us to streamline the management of travel expenses and gain greater control of costs.

Challenge

The process to capture receipts was cumbersome, slow and error-prone. To complicate matters further, “it didn’t offer visibility and often didn’t catch issues. It generally required users to alert administrators that they had scanned receipts and then they couldn’t find them,” says Matt Montgomery, Manager of Global Procure to Pay Operations and North America Indirect Purchasing during the implementation.

To submit travel receipts for reimbursement, users needed access to a Lexmark multifunction product (MFP). As Lexmark’s remote employee base increased, many didn’t have access to an MFP and had to fax, email or physically mail receipts to a Lexmark facility and then rely on administrative staff or co-workers to scan their travel receipts. After the receipts were scanned on an MFP, it often took the legacy solution up to 24 hours to match them to the right expense report with an estimated 20% of receipt submissions failing. And all this without notifications or an easy way to check on the progress.

It was all too common for “travelers to rush to scan receipts after returning to the office with their managers on standby to approve the expenses. But the receipts weren’t available for 24 hours or never showed up. It was just really painful,” explains Montgomery.

Employees often incurred late fees because reimbursement wasn’t received in time to meet the credit card payment deadline. Administrators ran daily integrity reports and conducted manual audits to locate and fix the errors, but this was labor intensive and time consuming.
“Even when the process was working as expected, users often thought there was a problem because they couldn’t access their receipts right away, so they submitted Help Desk reports,” Montgomery continues. “We had an avalanche of reports coming in, and it was difficult to identify which were real problems. Users were often asked to wait a day to see what would happen. That is never something you want to have to tell a user.”

The result was bottlenecks for all involved: Lexmark administrators were maintaining a limited system and fixing errors; managers were constantly looking for receipts and reports to approve; and employees were trying to confirm that receipts had been successfully captured into the system.

There were also higher costs associated from credit card late fees, reduced financial control and visibility into expenses and out-of-policy expenditures, as well as user dissatisfaction.

Solution

The First Customer team was tasked with improving the global travel and expense administration (TEA) solution by integrating our own leading enterprise content management technology, Perceptive Content, with SAP.

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Matt Montgomery
Industry Manager for Finance and Accounting
Lexmark

A phased implementation and updated policies

The First Customer team met an aggressive five-month timeline to plan and implement the new TEA solution for the global workforce. The original implementation scope included employees from five organizations that Lexmark had acquired, as well as integrating three years of historical data housed in the legacy content system. The email and mobile data capture elements were added in a second phase of the project that was completed five months later.
The launch of the new solution also provided an opportunity to streamline and improve our travel and expense management policy and communicate it to the organization during the implementation.

**New innovations**

The team developed several innovative enhancements for this implementation, including XML wrappers to improve the connectivity between MFPs and storage servers. The wrappers enable a live “bounce” so documents are not uploaded until error checks are complete, increasing visibility for any errors that do occur.

The team also developed a migration process for three years of TEA documents stored in the legacy content management system. The migration process moved the legacy content to Perceptive Content and re-linked it to the corresponding trip records in SAP, so the First Customer team could shut down the legacy system.

**Convenient and simple receipt submission**

The new solution allows travelers to submit receipts via three options:

- Scan receipts on a Lexmark MFP
- Email receipts from any device
- Send receipts through an application on an Android or iPhone mobile device

In addition to accepting PDF, TIF, JPG or PNG files submitted through an MFP or email, the solution accepts pictures of receipts taken with a mobile device camera. “With mobile capture, it’s tremendously more efficient than what users had before. You can take pictures of receipts as you go and submitting them is much easier,” Montgomery points out.

The integration of Perceptive Content and Lexmark MFPs with SAP gives travelers multiple options to submit receipts quickly and easily, enhances visibility and accelerates reimbursement.
Automated processes and data sharing
Submitted receipts are captured into workflow in Perceptive Content where metadata is retrieved from SAP and assigned to the images. The images are then routed and stored according to defined business and policy rules.

From there, Perceptive Content passes information to SAP where the receipt images are posted to the corresponding trip record, creating a direct link between the images in Perceptive Content and the TEA review and approval screens in SAP. SAP then handles the notifications and workflow for approvals.

User notifications and easy access to information
Within minutes of submitting receipts, a user receives an email notification that the receipts were successfully processed. Or, when an issue occurs, the user quickly receives a notification that a correction is required.

"Now we have visibility when something is stuck or when there is an issue. Problems are rare, but the solution sends email notifications when issues occur, so we can quickly resolve them," Montgomery says. Errors are handled through workflow in Perceptive Content and an intuitive, user-friendly interface for correcting the issue.

Users can easily access the information they need, as anyone with access privileges can open SAP to view the receipts linked to the associated trip record. A user can also view receipts through the Perceptive Content Web client.

Results
Since implementing the new solution, Lexmark has experienced significant efficiencies that will scale with the organization, along with greater visibility and control over travel expenses.

Streamlined processes and enhanced visibility
End users, administrators and process owners have all noticed the results, explains Montgomery. "Using the new solution to capture and process travel receipts eliminates a 24-hour delay and provides a significantly higher success rate over the legacy solution. User satisfaction has gone way up, and Lexmark has more visibility into the TEA process," says Montgomery.

Employee reimbursement through the payroll system is automated, and validation and payroll audits are now more simplified with easy access to receipts. Additional acquired companies can also be brought into the new solution more quickly.

Insightful collaboration
After implementing the solution, the development team found the First Customer team’s feedback invaluable for making enhancements to several products, including the Perceptive Content Web client and Connector for SAP ArchiveLink.

The solution additionally provides insightful product knowledge so Lexmark teams can better consult and collaborate with customers on their own travel and expense processing needs.

Gartner Magic Quadrant for ECM
Analyst firm Gartner placed our enterprise software technology (formerly Perceptive Software) in the Leaders Quadrant for Enterprise Content Management, recognizing its ease of implementation, capabilities, and overall responsiveness to customer needs. Get the report at www.lexmark.com/analystinsights
Looking ahead

The existing TEA implementation relies on Lexmark Distributed Intelligent Capture to extract key information from the travel receipts, and the solution sparked considerable interest in how Lexmark can further embed this functionality into Lexmark MFPs. The Research and Development team has set a three-year roadmap to make this a reality.

“In a situation where the travel agency and expense systems are independent, and credit card information stands off to the side, it’s a great opportunity to use Perceptive Content and Lexmark Distributed Intelligent Capture to better understand the data that’s found within the receipts and expense reports. It can provide further visibility and actionable reporting,” Montgomery explains.

Results at a glance

- Convenient ways to submit receipts, including from mobile devices
- Receipts are automatically posted to SAP and travelers quickly receive notifications
- Improved productivity and user satisfaction, as well as accelerated reimbursement
- Enhanced enforcement of TEA policies and greater control of expenses

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