An Introduction To Outsourced Invoice Scanning and Data Capture
Increasingly, AP departments are turning to outsourced solutions to grow their invoice processing capacity without increasing staff. How does outsourced scanning and data capture or invoice virtualization work, and what benefits can companies expect to see when they outsource front-end invoice virtualization or back-end scanning and data capture?

**INVOICE VIRTUALIZATION**

Today’s AP departments are buried under paper: both supplier invoices and paper copies routed from approvers. A high volume of paper can trigger a host of budget-draining issues: increased data-entry errors, misplaced or lost documents, increased incidence of fraud, labor-intensive storage and retrieval processes, and increased hard costs for printing, storage, and retrieval of all that paper.

When a company outsources invoice virtualization, they pass their invoices through an invoice virtualization center, either at the front-end, before the invoices are processed, or at the back-end so that the invoices can be virtualized and stored off-site during or after processing.

**PO BOX MANAGEMENT**

To maximize the cost and performance benefits of invoice virtualization, consider using a provider that manages PO Box(es) at the front-end of your Accounts Payable process. By routing your invoices through a PO Box, your AP department is able to complete virtualized invoice processing from end-to-end.

Here’s how it works. Your suppliers will send invoices directly to the virtualization center rather than to your AP department. Paper invoices are sent to a PO Box, where the center performs scanning and data capture. The center also receives and virtualizes invoices that are faxed and e-mailed. And finally, those suppliers that are already integrated into a virtualization system can simply submit electronic invoices. Regardless of the supplier’s invoice submission preference, the virtualization center will accommodate it.

**SCANNING AND CAPTURE TECHNOLOGY**

As invoices are received in various submission formats, they are virtualized through scanning and data capture. Data capture extracts core data from each invoice, including fields such as the invoice number, date,
amount, PO number, and other essential identifiers. Line item fields can also be extracted, such as item codes, descriptions, quantity, and so on. The technology used to extract these values includes Optical Character Recognition (OCR), and online data validation.

Once the invoices have been digitized, the center sends you the invoice images and data, which you can utilize for the invoice approval or matching process, and integrate into your ERP or AP system after approval.

**INVOICE VIRTUALIZATION BENEFITS**

Using invoice virtualization confers a range of benefits compared to manual processing or in-house virtualization systems. For maximum benefit, AP departments should look at front-end virtualization. Mid-flow or back-end virtualization tends to incur the same costs without offering the same level of cost and time savings.

With a complete PO Box management and virtualization solution, AP departments can:

- Avoid the cost of installing and maintaining scanners and OCR software
- Avoid the cost of training staff to use and troubleshoot complex scanning and data capture technology

Using invoice virtualization confers a range of benefits compared to manual processing or in-house virtualization systems.

- Avoid the cost of offsite paper storage, lost paper invoices, and photocopies required for audit requests
- Access invoice scanning and data capture expertise for greater accuracy and peace-of-mind
- Free up staff time and energies for more strategic activities
- Integrate practices that are SAS 70 level II certified and PCI compliant

**About Corcentric**

Corcentric is a leader in financial process automation, specializing in Accounts Payable automation, PO requisitioning and imaging, and workflow solutions. More than 3,000 companies rely on Corcentric to automate their business commerce needs. To learn more call 888.525.7677 or visit corcentric.com.