



Case study

**OPEN SCAN® Corporate A/R with *a2ia CheckReader*: A More Cost-Effective Alternative to Lockbox Data Entry, Showing an ROI in Less Than 12-Month**

## Overview

For more than 10 years, A2iA, Artificial Intelligence and Image Analysis, and Open Scan Technologies, Inc., have partnered to deliver a best-in-breed solution to the distributed payment and receivables market within the United States and Canada. Nadine Lange, President of OPEN SCAN, explains, “Partnering with A2iA was easy from the beginning. A2iA was willing to work with OPEN SCAN to meet our technology requirements, and today, the two organizations have a solid, quality relationship.”

Seamlessly integrated into OPEN SCAN Corporate A/R product, an accounts receivable (A/R) process management solution that combines electronic check deposit, remittance processing, forms processing and cash application, *a2ia CheckReader*<sup>™</sup>, a comprehensive check-image processing toolkit, is designed specifically for organizations that process business-to-business (B2B) wholesale payments.

The resulting solution is proven to automate the reconciliation and cash-application process, and is not only suitable for the commercial market, but can even be well-matched for the government space.

This integrated solution boasts more than 50 installations, all in Fortune 1000 organizations with more than \$1B in revenue, and has been especially successful for organizations focused in the following sectors: Building Supplies, Communications, Distributors, Financial Services, Insurance, Manufacturing, Pharmacy, Rentals, Transportation/ Delivery / Carriers, and Government Health and Human Resources (State Child Support Enforcement Divisions).

OPEN SCAN Corporate A/R with *a2ia CheckReader* typically provides an ROI in less than 12-months and offers a more cost-effective and efficient alternative to lockbox data entry.

## Challenge

As organizations become more and more diverse in how they receive and process receivables transactions, the solutions that they utilize must be just as nimble and adaptable to changing times. It is not uncommon to receive payments at more than one location of business – the headquarters, branches, and third-party processing centers to name a few.

Organizations are seeking to streamline their receivables process by ousting inefficiencies that are costly in both time and money. Since a level of risk is assumed in the receivables market, organizations looking for a more cost effective, intelligent solution must employ one that also helps to mitigate risk.

This proven B2B wholesale payment solution automates the **reconciliation & cash-application** process within the commercial & government markets, & typically provides an **ROI in less than 12 months**

## Solution

OPEN SCAN Corporate A/R utilizing *a2ia CheckReader* works seamlessly as an add-on to A/R systems. This robust application allows organizations to capture and integrate images from financial institutions or remote deposit locations, and fully automates the data capture, intelligent A/R matching, deduction handling and cash application process. The solution leverages the existing relationship between the user and their bank, creating a more efficient receivables environment.

For especially distributed wholesale B2B receivables environments, OPEN SCAN Corporate A/R's queue-based workflow eliminates many of the time-consuming steps involved in current remote deposit capture systems and manual cash application processes. When an envelope is opened, checks and remittance documents are scanned together rather than separately. *a2ia CheckReader* then locates and reads key information from the check-images including CAR (Courtesy Amount Recognition) and LAR (Legal Amount Recognition), date, payee and payor name, and detects the presence of a signature.

The check amounts are compared to the amounts on the remittance documents in order to cross-reference for improved accuracy. To ensure the validity and accuracy of the data before post, the remittance data is again matched against the receivables system. In cases where the system cannot automatically validate the check amount, payment amount or other remittance data, the transaction is presented to an operator for verification. Invoice amounts are totaled automatically from the remittance and balanced against the check amount. The transactions are balanced in real-time, which allow the operator to recognize any errors or missing information immediately, and manually correct the values if necessary.

Validated information is then exported to the A/R system in the required file format. Through OPEN SCAN's Check21, deposits are made electronically in batch fashion and posted the same day, allowing users to achieve higher data quality for their accounting, credit/collections and customer service systems.

Users see same day cash applications and deposit, a 30-40% reduction in FTEs, a reduction of keystrokes, elimination of check float, increased cash flow/liquidity, & improvements to their data quality and customer service.

## Results

With successful installations across a variety of markets, OPEN SCAN Corporate A/R with *a2ia CheckReader* is delivering measurable savings and further automating the reconciliation and cash application process. Users benefit from same day cash application and deposit, a 30-40 percent reduction in FTEs (full-time equivalent), reduction of keystrokes, elimination of check float, increased cash flow / liquidity, and improvements to their data quality and customer service.

Part of the solution's achievement lies in the seamless integration of *a2ia CheckReader* into OPEN SCAN Corporate A/R and the packaged solution has targeted effectiveness for the payment receivables environment. "We respect and appreciate the relationship we have with A2iA," said Nadine Lange, "They are easy to do business with and are extremely responsive to our needs and requests. The flexibility of *a2ia CheckReader* has allowed us to advance our own solution to address the complex needs of our clients".

## Successes

*OPEN SCAN Corporate A/R* with *a2ia CheckReader* was first installed over 10 years ago in a state child support remittance solution after the Federal government mandated that all states implement a centralized solution. Today, the integrated solution is installed at Health and Human Services Agencies in 17 states, and processes over 86,000,000 transactions related to child support payments, equating to \$14.5 billion in payments. The states use this type of automation to achieve court-mandated, same-day posting of payments to custodial parents' bank accounts, and have recorded an average accuracy rate of 99.997%.

The integrated solution automates the processing of child support payments including:

- Correspondences
- Payroll deductions
- Multiple checks
- Electronic file conversion
- Imaged-based exception handling
- Electronic deposit via Check 21

For one client, the centralization of the cash application process, combined with the use of the OPEN SCAN system, has resulted in a reduction of FTEs from 29 to 13 and an annual savings of over \$400,000.

Other results of the solution include:

- For a medical supply distributor, the time required to handle exceptions has been reduced by 75%.
- A major Maintenance, Repair & Operations supply distributor has eliminated the cost of keystrokes in addition to 50% of their in-house labor required to process open A/R data. They are saving at least \$70,000 per month.
- Throughput productivity rate doubled from 34 – 68 envelopes per hour, per user for a national transportation company.
- Reduction by two days in the time it takes to apply cash to the ERP system is typical.
- A transportation client showed a 57% increase in productivity in one year.

## About A2iA

A2iA, Artificial Intelligence and Image Analysis ([www.a2ia.com](http://www.a2ia.com)), is a software company that operates one of the world's largest research centers focusing on ways to extract information from everyday paper documents, with a focus on handwritten contents.

A2iA's Document Classification, OCR, ICR and IWR technologies do not contain any third-party technology and are available in 42-country versions and 7-languages. A2iA's proprietary toolkits have been reducing data-entry costs and improving business process automation for over 25 years, and are used to enhance the forms-processing, transaction-processing, content management, document management, and knowledge management systems from leading vendors.

For more information, visit [www.a2ia.com](http://www.a2ia.com) or call +1 917-237-0390 within the Americas, or +33 1 44 42 00 80 within EMEA or Asia.

## About OPEN SCAN

Open Scan Technologies, Inc. (OPEN SCAN®) develops accounts receivables process management 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 documents realize the highest levels of automation, data accuracy and operational savings for their receivables processing environments. OPEN SCAN can address the needs of companies with centralized or remote payment environments, or both and can work with lockboxes or without.