

ArvinMeritor, Inc.

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ArvinMeritor Purchase-to-Pay team lead



Business Overview

ArvinMeritor, Inc. (NYSE: ARM) is a premier global supplier of a broad range of integrated systems, modules and components to the motor vehicle industry. With 92 locations in 25 countries on five continents, and fiscal year 2009 sales of \$3.1 billion, the company serves commercial truck, trailer and specialty original equipment manufacturers and certain aftermarket, and light vehicle manufacturers.

Challenges

ArvinMeritor's accounts payable department was struggling with resource utilization and business process inefficiencies and inconsistencies, all exacerbated by their ongoing move to centralized operations. They knew they needed to optimize the process, from receipt of invoices, to approval and archiving.

The level of automation level was low. 12,000 invoices per month pertaining to 20 of ArvinMeritor's 35 U.S. facilities were received, manually sorted and individually scanned in the mailroom, and directed to folders corresponding to each facility. Processing was outsourced to a team of 20 data entry clerks located overseas, who pulled invoices from assigned folders, manually keying invoice data directly into the company's Oracle Financials™ system. Exceptions were manually logged and tracked through spreadsheets, and exception and approvals were loosely coordinated through email.

Manual data entry into Oracle Financials was error prone and costly. Of particular concern were the exception and approval processes, which created an invoice "black hole", offering no consistency, or visibility into the status of approvals.

The BRT APS Solution

ArvinMeritor's Purchase-to-Pay re-engineering team evaluated numerous firms to help them with the development, design and implementation of an automated AP solution, assessing both their ability to deliver and their proposed technology solutions. They selected BRT, Inc., embracing the flexibility of their Accounts Payable Solution (APS™) Framework approach, and the strength of the underlying technologies.



BRT's APS Framework is built on EMC's Captiva™ Advanced Capture and Documentum™ Enterprise Content Management software suites. The ArvinMeritor Shared Service team felt that the solution allowed them to support the immediate demands of the Purchase-to-Pay team, and offered the flexibility and scalability to service additional imaging, business process management and content management challenges across the enterprise. The APS framework would enable ArvinMeritor to rapidly configure and deploy an automated accounts payable solution tailored to meet their invoice processing needs, requiring fewer resources, and leading to lower costs per transaction and greater control.

Now, batches of invoices are scanned and the images are enhanced, separated and sorted automatically. Sophisticated Optical Character Recognition (OCR) technologies are applied to extract data such as purchase order number, invoice date, total amounts, line item data, vendor ID and more. Configurable business rules compare extracted data with the information in the Oracle Financials system, thus minimizing the costly, time consuming and error prone human keying of data. ArvinMeritor's deployment includes extensive integration with Oracle Financials, supporting automated vendor/PO/packing slip validation, 3-way invoice/PO line matching, queue based exception processing and the automatic generation and release of invoice transaction data to Oracle.

The BRT APS system streamlines both the purchase order and non-purchase order processing. Non-PO invoice approvals are now managed in a controlled, structured manner, and are routed directly to the appropriate line-of-business manager for coding and approval within a simple, browser based interface which presents all of the information necessary to make payment decisions quickly and accurately. APS stores all invoices and related documents associated with a transaction for quick and accurate search, retrieval, and reporting.

Successful Launch, Goals Met

ArvinMeritor launched the BRT APS solution on time and on budget, and the solution was an immediate success. Metrics indicate they have achieved their operational goals of improving efficiency and reduced overall costs, while receiving the strategic ability to better monitor and manage the overall AP business process and working capital.

"The BRT team took us from point A to point B at a professional, capable, deliberate, and cost/time sensitive pace. Their proven roadmap for success, aptitude for breaking apart the distinctive Accounts Payable details, and inherent ability to merge these harmoniously together into their adaptable APS solution has made this a very lucrative venture for ArvinMeritor, Inc." said Mark Brennan, Purchase-to-Pay team lead.

BRT's APS sets a new standard for rapidly building accounts payable solutions, by providing a single scalable platform with a complete, fully integrated set of enterprise scalable technologies: intelligent capture, content management, business process management, dashboard monitoring and reporting, which all lead to meeting compliance and financial objectives.

Benefits

- Reduces invoice processing time and increased throughput capabilities
- Better AP team utilization, specialization and workload management
- Immediate visibility of invoices and recognition of liabilities
- Built-in discipline, enforcing adherence to AP best practices and control over every step of the process
- Enterprise wide access for discrepancy resolution, invoice search/view and reporting