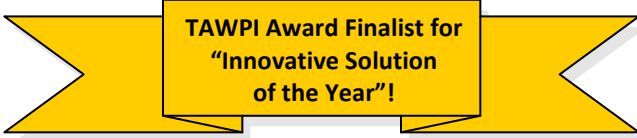# Energy Company Wields More Power with Invoice Capture

TAWPI Award Finalist for "Innovative Solution of the Year"!

About PPL Corporation

PPL Corporation (NYSE: PPL), headquartered in Allentown, Pa., controls more than 11,000 megawatts of generating capacity in the United States, sells energy in key U.S. markets and delivers electricity to about 4 million customers in Pennsylvania and the United Kingdom. More information is available at *www.pplweb.com*.

The Business Challenge

PPL Services is responsible for processing in excess of 1 million customer bill payments each month, as well as more than 150,000 vendor invoices annually. Like many other companies, they have traditionally processed receipts and disbursements in two distinct business environments—i.e. separate accounts receivable and accounts payable functions. Given the high-volume of PPL's bill payment processing, they utilize sophisticated equipment with digital capture technology to automate the processing of customer bill payments. What PPL wanted to do, however, was utilize this same equipment *and* the same work group to also convert paper-based vendor invoices into electronic images which could then be forwarded to the company's various front offices for processing. (While PPL has made great progress in promoting electronic invoicing, the company recognizes that paper invoice volumes will continue to be significant for the foreseeable future.)

This "digital mailroom" concept would not only yield operating efficiencies, it would also allow PPL's Treasury to significantly improve its short-term cash forecasting capabilities by capturing all of the company's upcoming vendor payment obligations before they were forwarded electronically to the various front offices.

PPL's first attempt at implementing a scanning and invoice processing system required templates to be built for every vendor and every invoice format used by the vendors, before the data could be recognized. Creation of these invoice templates was very time-consuming and labor-intensive. In addition, PPL needed to process three disparate types of invoices, including purchase orders, contracts and special approvals. Each of the invoices would typically arrive in different shapes and sizes, which required PPL staff to employ unique processing methodologies in order to handle the invoices. Over time, the system became very inefficient and ineffective.

The Solution

PPL executed an RFP process with an initial field of five vendors, finally selecting one to craft a solution that eliminated the system stability problems, streamlined and modernized the process, enabled future growth, and was lower cost to maintain.

The Cash Operations Team at PPL wanted to take advantage of existing high-tech OPEX mail opener/sorter equipment used to process accounts receivables in the mailroom. The equipment had excess capacity it could share. The problem was that no interface existed from the OPEX equipment to the robust Kofax Transformation Module (KTM) recognition engine needed to handle the document classification and data extraction process. With volumes exceeding 450,000 pages per year, this integration was key to the success of the project. INDICIUM Software, Inc., developed the **OPEX Import Utility (OIU)** to overcome this gap, enabling full access to Kofax's industry-leading forms recognition and highly accurate data detection capabilities.

Once the mail is opened and scanned, the OIU transfers the scanned images from the OPEX device, through Kofax Capture for preliminary data capture, and into KTM for form identification and intelligent data extraction. If necessary, the extracted invoice data is validated against the document images before being sent to the company's AP system. The document images are stored in PPL's FileNet system.

The Benefits

The solution has enabled PPL to electronically capture more information, more accurately and with much greater efficiency. The Cash Operations Team is pleased: even with the newness of the technology and the customization of the solution, the system is very stable, easy to learn, and requires much less data entry. Best of all, there are no templates to maintain.

Staffing Efficiency
– Increased staffing efficiency in the invoice processing and sorting functions
– Reduction of IT effort to support the new solution
– More work completed in the same shift at PPL

Reduced Paper Handling
– Invoices accessed by multiple users and locations simultaneously
– Fewer rejected documents

Increased Processing Speed
– Invoices scanned and processed on the day they are received, improving accessibility for management
– Early payment discounts able to be utilized
– Fewer errors allow for overall faster throughput

Advanced Reporting
– Reports to measure operator productivity and system throughput
– Reports to measure field accuracy and confidence metrics

Technologies Used

- Kofax Capture
- Kofax Transformation Module (KTM)
- Kofax Release Script to FileNet
- OPEX Import Utility (OIU) from INDICIUM Software, Inc.
- OPEX AS3690 high-speed color scanner with integrated mail extractor

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About INDICIUM Software, Inc.

INDICIUM Software, Inc. is a leading provider of document management and workflow software products and solutions to manage documents electronically and automate business processes. Its products are distributed through a network of solution providers to clients in financial services, healthcare, government, manufacturing, utilities, and other industries.

For more information, please visit www.indiciumsoftware.com.

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