

Five Ways to Get the Most from Automation with Optical Character Recognition (OCR)

For multinational companies, automation allows a business to standardize each process, such as invoicing, cash applications, disputes and collections. Since many countries possess varying business practices and currencies, technology can serve as a means to better streamline the global business to business (B2B) partnership. Automation is the driver of increased value, effectiveness and efficiency, providing the ability to eliminate manual tasks and allow a company to focus resources on other, more important assignments, explained Jay Tchakarov, associate vice president of marketing for HighRadius Corporation.

“The value of automation, when you look at the day-to-day manual tasks that a team performs, 80-90% of those can be fully automated,” Tchakarov said. “That means the resources can be focused and this is what drives real improvement in KPI [key performance indicator]—things like DSO [days sales outstanding] reduction and reduction of bad debt. Now you can actually grow the business, grow the amount of payments that process, without actually growing the team.”

It is also important to understand optical character recognition (OCR), Tchakarov explained, which is technology that can convert text on paper or in an image into electronic text. He lists five ways to get the most from automation with OCR.

- 1. Know what technology can and cannot automate for you**
When you are looking at your process, understand the steps that the technology will handle for you completely, as well as the steps that you will keep doing for yourself.
- 2. Understand and avoid new work introduced by technology**
When automating a new system, you need to make sure the system is efficient for you. This usually means performing setup or maintenance, and managing the settings.
- 3. Look for native no-touch automation of electronic remittance from email or web portals**
As electronic payments become increasingly popular, many companies are moving away from paper checks and paper remittance. It is important to understand what OCR can and cannot do for you in electronic remittance. Be sure to look for solutions that handle this natively; meaning they are built from the ground up to support electronic remittance.
- 4. Evaluate different technologies**
Do not look at just one type of technology, look at several. Make sure to understand its pros and cons. What does it automate? What does it not automate?
- 5. Quantify return on investment (ROI) of solution up front and seek vendor insurance**
When looking for or working with a vendor, understand what they can and cannot do for you. Be sure to know the actual, concrete number you want—in terms of savings or ROIs—and make sure that the vendor is firmly on board with that number.

Source: NACM Webinar: Five Ways to Get the Most from Automation with OCR