IBM Consulting

GenAI for Backoffice Transformation

Source to Pay

> In many companies, Backoffice processes are still not optimized. AI and GenAI can dramatically transform Backoffice operations.

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Source-to-Pay (S2P) is at the heart of many enterprises… but in many organizations is still manual, prone to errors, and not efficient

- System Fragmentation
- High Complexity
- Significant Volumes

Sourcing issues:

- Limited tools for reviewing contracts
- Long contract finalization
- Manual T&Cs assessment
- Lack of CLM systems
- Limited contract standardization
- Complexity of terms
- Difficulty comparing RFI and RFPs
- No workflow, email-based process
- Issues tracking contract versioning

Purchasing issues:

- No standard purchasing system
- Limited coverage /suppliers
- Significant tasks outside system
- Poor user experience
- Limited customization possible
- Lack of integration across tools
- Long process cycle times
- Significant SW annual costs

Payables issues:

- No standard AP system
- Limited electronic invoices
- Limited accuracy from OCR (<50%)
- No line-item extraction
- Limited 2/3-way matching automation
- Manual processing of non-PO Invoices
- Manual routing for exceptions
- High cost per invoice
- Low number invoices/FTE per year
- High volume of suppliers' calls/tickets
- Duplicate payments, payments delay

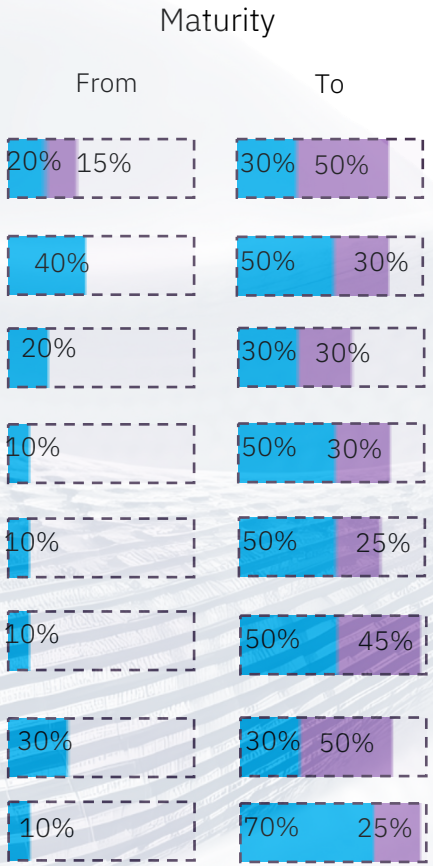
Streamlining, digitizing, and automating Source-To-Pay can drive significant benefits

Automation | AI & GenAI | Manual

Source-to-Contract and Procure-to-Receive

Selected Activity
Sourcing
Supplier Selection
Contracting
Ordering Process
Goods Receipt/Service Execution
Supplier Management
Procurement Analysis
Procurement Risk Management

Invoice-to-Pay and Supplier Lifecycle



Selected Activity
Data extraction
Business rules processing
2/3-way matching
Exception management
Tax prediction module
GL/Cost Center prediction module for Non-PO invoices
Query Management
Supplier Statement Reconciliation

Introducing IBM Intelligent Workflows for Source to Pay

Our world-class open & configurable platform to streamline, digitize and automate invoice processing and enhance finance & procurement activities

Immediately drive productivity
Automate and streamline repetitive tasks
Allow upfront digitization and reduce errors

Increase end-to-end spend visibility
Overcome system fragmentation
Provides insights to improve decision making

Improved user experience
Orchestrate work between people-tech
Enhance collaboration with Suppliers

Allow significant cost reduction
Reduce cost per invoice and processing time
Lower total cost of ownership

Improve governance & compliance
Allow end-to-end tracking of the processes
Strengthen compliance and controls

Up to:

50%+
Operating Cost Reduction

70%+
Cycle Time Improvement

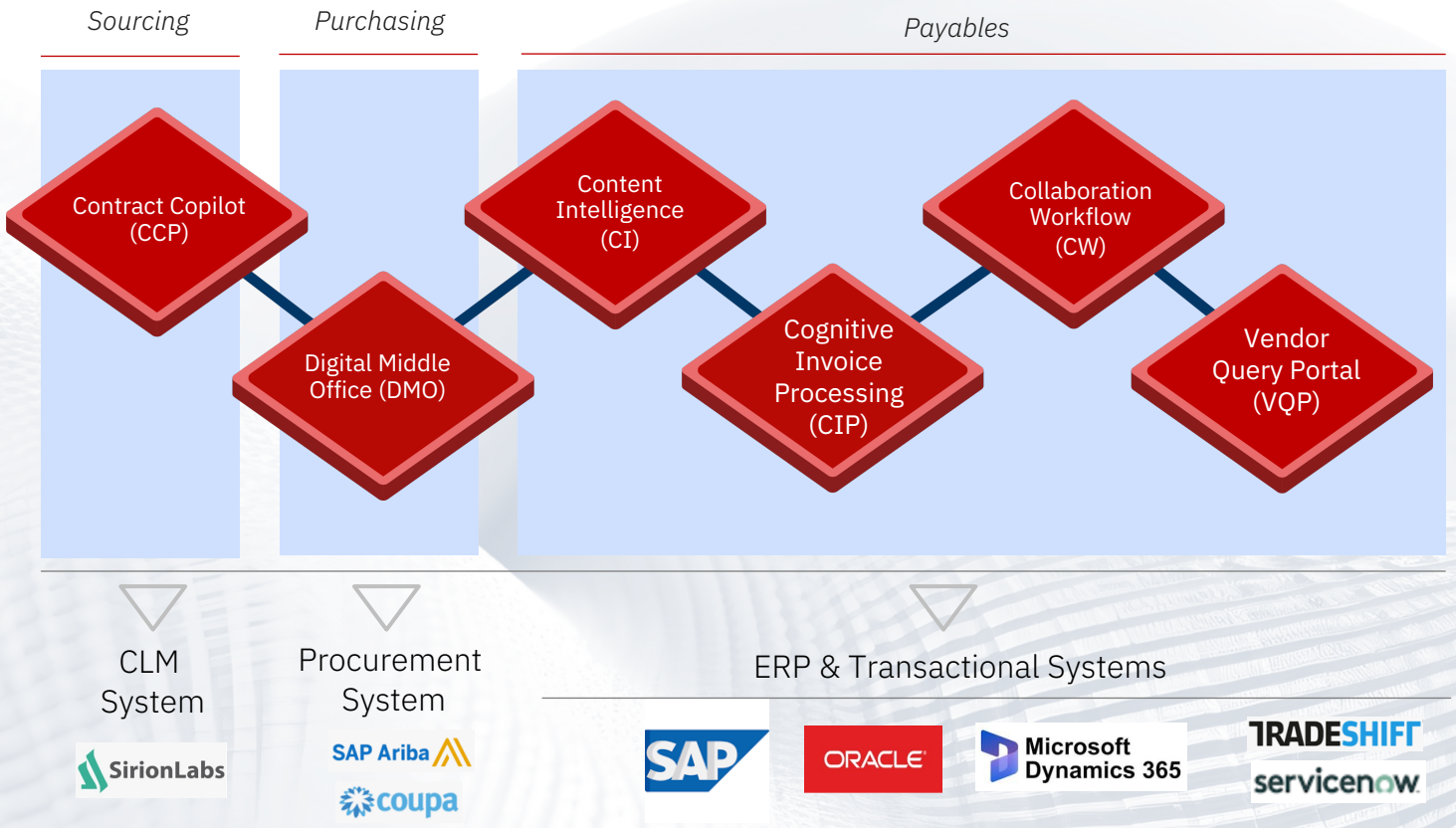
95%
Touchless Transactions

95%+
Payment on Time

<$2
Cost per Invoice

IBM Intelligent Workflows for Source to Pay (S2P Platform)

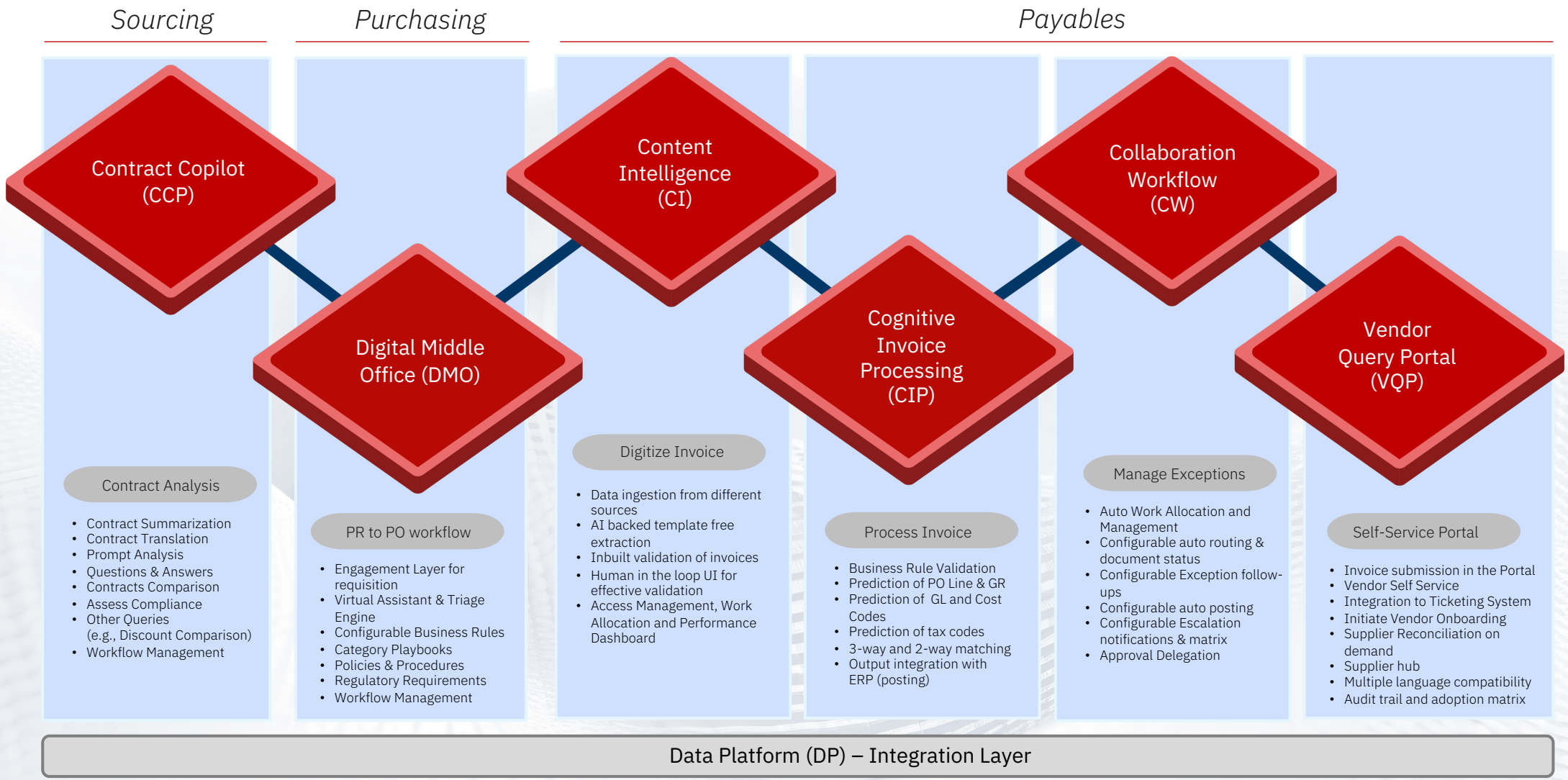
IBM world-class open & configurable platform to streamline, digitize and automate invoice processing and enhance finance & procurement activities



- Co-built with Microsoft and IBM BPO Team
- Completely modular, with 300+ state-of-the-art features
- Most advanced tech in AI, GenAI, Automation & Analytics
- Enhances, does not replace ERP and transactional system, based on ERP clean-core vision
- For BPO or transformational projects

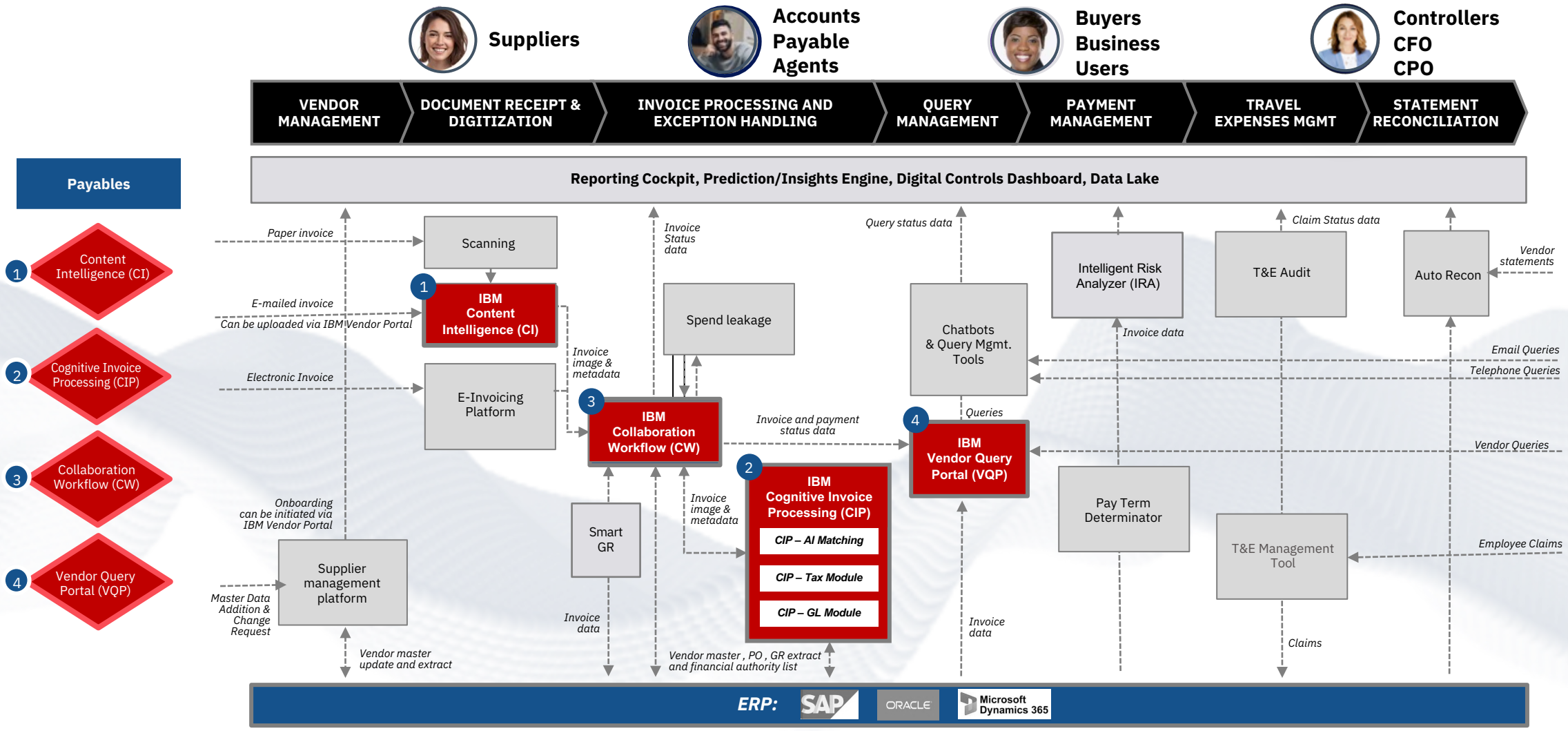
IBM S2P Platform

Six Modules, with over 300 state-of-the-art features powered by AI, GenAI and Automation



Its modular design enables deployment in any client environment

Illustrative: Invoice to Pay



Enhancing S2P: a major concern for many companies

Unilever

Challenges:

- Sub-optimal process with redundant steps across processes and resources overhead
- Lack of efficacy in managing operations, with increasing running costs
- Fragmented data from multiple suppliers

Solution:

- Complete invoice process automation back by AI and OCR technology, leading to 95% touchless transactions and a 66% reduction in headcount
- Decreased cost per invoice by 50% and reduced cycle time by 80%

reckitt

Challenges:

- Manual invoice processing with human intervention at each stage of the process
- Manual entry of tax inputs
- No easy way to manage and track invoices at each stage of the process
- Increased invoice receipt-to-posting timelines due to the manual nature of the process

Solution:

- Autonomous invoice processing
- AI engine to produce GL and Tax Code prediction based on history and AI algorithms
- Dashboarding and data insights to easily manage invoices throughout the entire process
- Reduces invoice receipt-to-posting timelines due to process automation

Amway

Challenges:

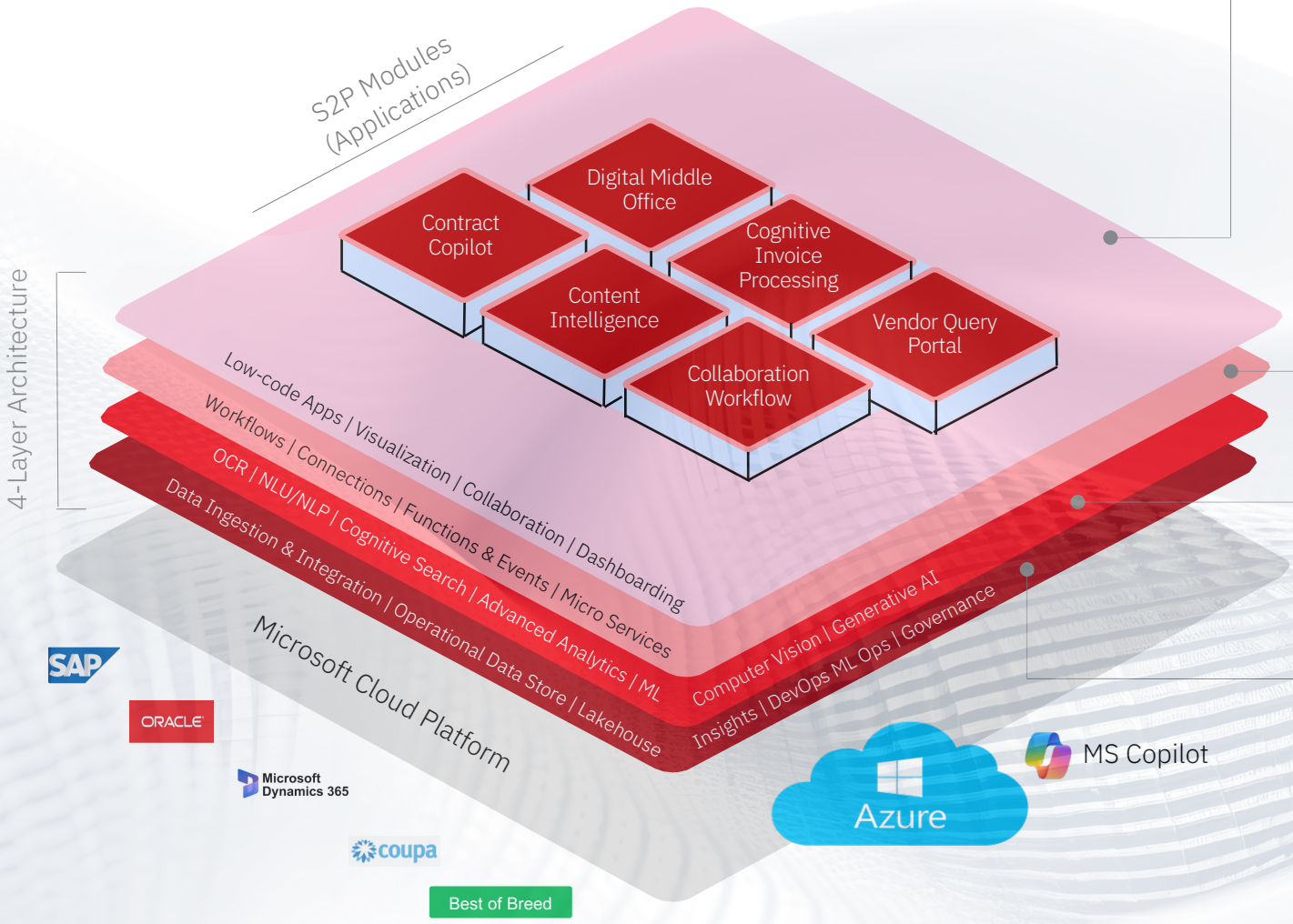
- Low-levels of automation throughout the entire invoice process life cycle
- Lack of capabilities in handling invoice exceptions causing high levels of human interaction
- Geographical availability of processing tools for global enterprise needs

Solution:

- Extreme automation leveraging Gen-AI and OpenAI's LLMs for highly accurate invoice processing
- Reduces manual effort and invoice processing by 20% and significant Cost-Per-Invoice reduction.
- Global deployment with extensive language support to enable processes and automation across the organization

Co-built with Microsoft

IBM Consulting Applications based on MS & 3rd Party Products



User Experience Layer

- S2P Application UI, Experience, Process Functionality. A consistent Power Apps + React & Angular user experience

Microsoft Power Apps · Microsoft PowerBI · Microsoft Teams

Intelligent Workflow Orchestration Layer

- Top Level Orchestration Flow development from ingestion to calling specific services
- A low code workflow layer based upon MS Power Platform to easily configure & orchestrate invoice processing workflows as well as enable new ones

Microsoft Power Automate · Azure Logic Apps · Azure Kubernetes Services · Azure Functions

AI-ML Layer

- A collection of pre-packaged AI and Automation capabilities such as the invoice processing model to accelerate implementation and significantly reduce training time
- Integrated OpenAI capabilities to drive higher accuracy of extraction and enable future Co-Pilot use cases

Azure Document Intelligence · Azure Machine Learning · Azure Cognitive Services · Azure OpenAI

Data Layer

- A modern Data Platform that integrates operational and analytical data from ERP as well as non-ERP
- API layer and Prebuilt connectors to enable batch and event-based integration with SAP

Azure Data Lake · Azure Data Factory · Databricks + Unity Catalogue · Synapse Data Warehouse · Microsoft Purview · MongoDB

How to start: Rapid Process Discovery

Data Gathering & Design Thinking Workshop (Elapsed: 1-2 Weeks)

Information about S2P process, pain points, KPIs and volumetric data, System Landscape, Invoice Analysis

Availability of S2P stakeholders (Process Owners/ SMEs, IT application owners etc) for workshop / discussion

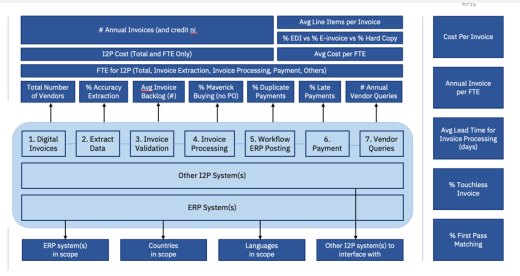
Final Report

- Final Report Preparation
- Business Case
- Final Presentation

Availability of S2P stakeholders (Process Owners/ SMEs, IT application owners etc) for workshop / discussion

Data Gathering

1. KPI And Volumetric Data

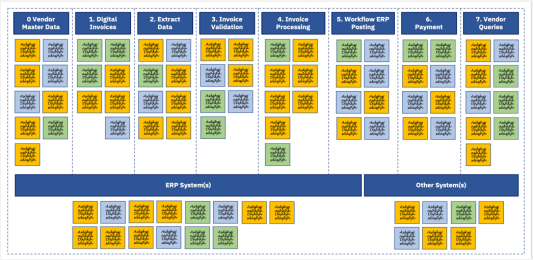


2. Documents Analysis

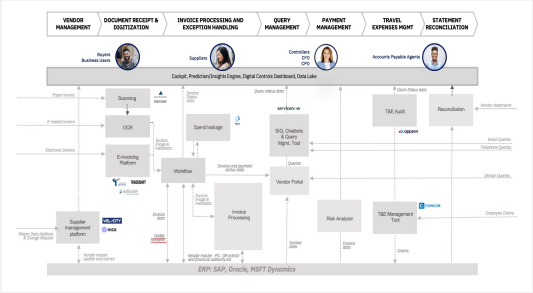
	NUMBER OF INVOICES			
ERP SYSTEMS	Country a	Country B	Country C	Total
JDE	xxxxx	xxxxx	xxxxx	xxxxx
BU 1	xxx	xxx	xxx	xxx
BU 2	xxx	xxx	xxx	xxx
SAP ALFA	xxxxx	xxxxx	xxxxx	xxxxx
BU 3	xxx	xxx	xxx	xxx
SAP BETA	xxxxx	xxxxx	xxxxx	xxxxx
BU 1	xxx	xxx	xxx	xxx
BU 3	xxx	xxx	xxx	xxx
Total	xxxxx	xxxxx	xxxxx	xxxxx

Design Thinking Workshop

3. Process Pain Points

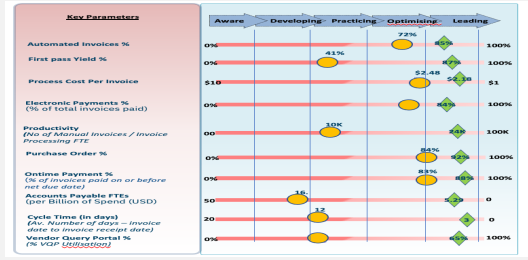


4. System Landscape

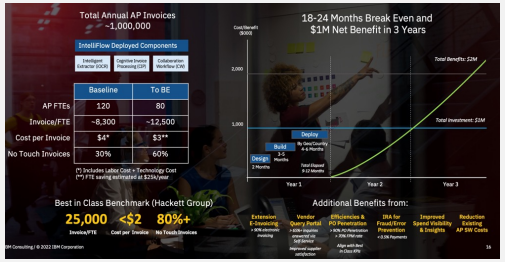


Deliverable

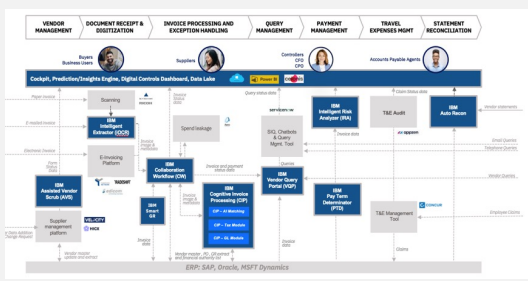
Benchmarking



High Level Business Case



Proposed System Landscape



- Debrief report on qualified S2P sub-processes with automation opportunities
- High level solution recommendations with technology interventions to automate prioritized S2P sub-processes

Three Elements of Innovation of our S2P Platform

Next-Gen S2P Digital Solutions

Leverage AI, GenAI and Automation

- Improve accuracy and touchless operations, enhance user experience, and reduces costs
- Completely modular and open, with 300+ state-of-the art features
- Include a collection of pre-packaged AI and Automation capabilities from Microsoft
- Co-developed with IBM BPO SMEs and deployed in multiple clients thanks to S2P Global CoE

Co-Developed with Microsoft

IBM IP on Microsoft Azure, Open AI & Power Apps

- Exclusively available on Microsoft, only with IBM
- Published on the Microsoft Solution Marketplace
- No additional software required, leverage existing investment with Microsoft
- Scalable for other user cases in Finance, Procurement, HR and more

Based on ERP clean-core vision

Extend and innovate ERP core with differentiated business capabilities and new insights

- Provides orchestration layer of intelligent workflows on top of existing ERP environments
- Decouple the core ERP system with a pre-built data platform to “extend and innovate”
- Provides low-code capability based on Power Platform, to rapidly expand to other use cases

Appendix
(do not share with Clients)

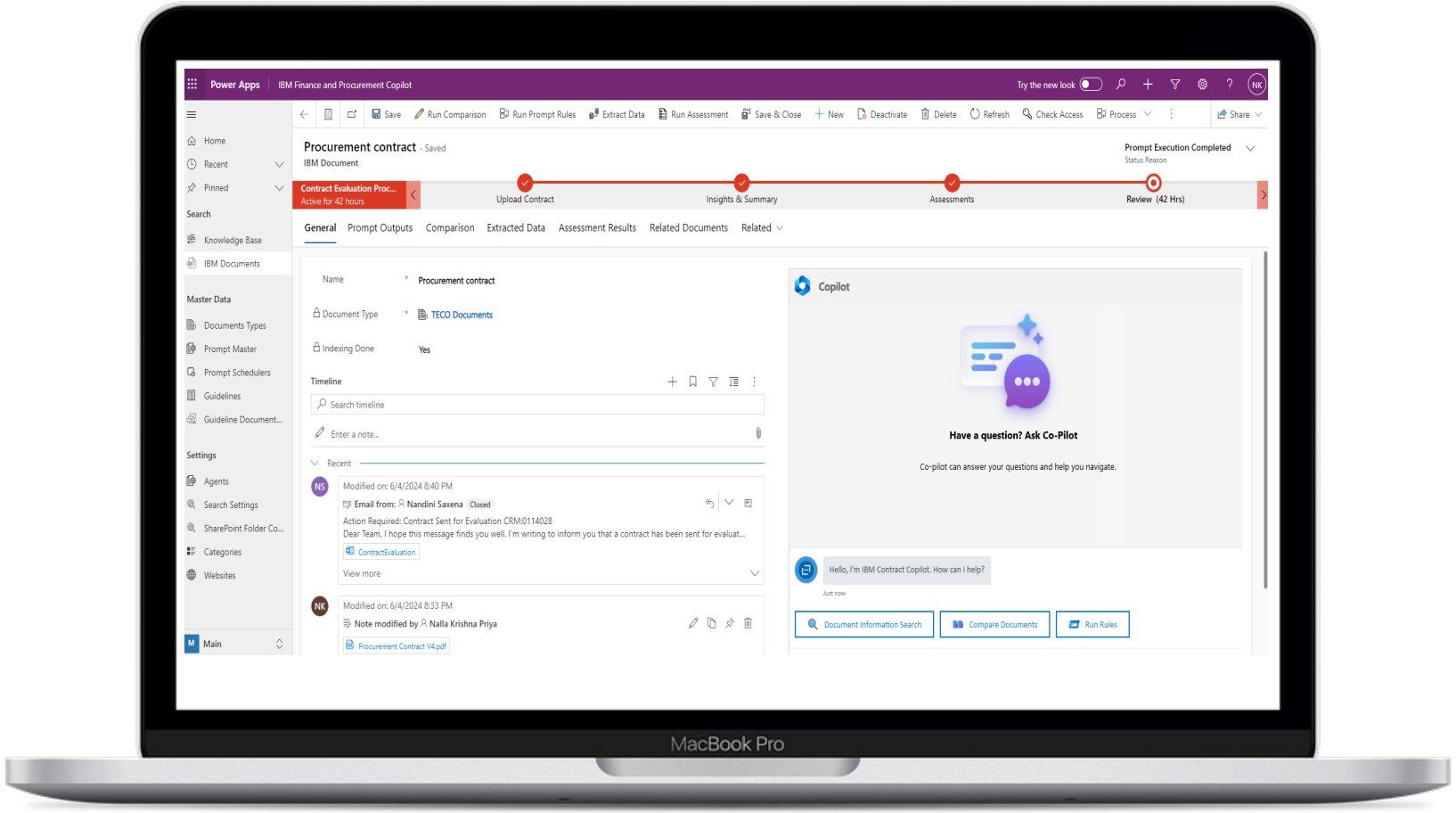
Contract Copilot (CCP)

Built with Azure Open AI and Power Platform to enable Procurement & Legal departments to extract valuable insights from contracts and streamline contract management processes

Up to

85%
Reduction in time spent reviewing contracts

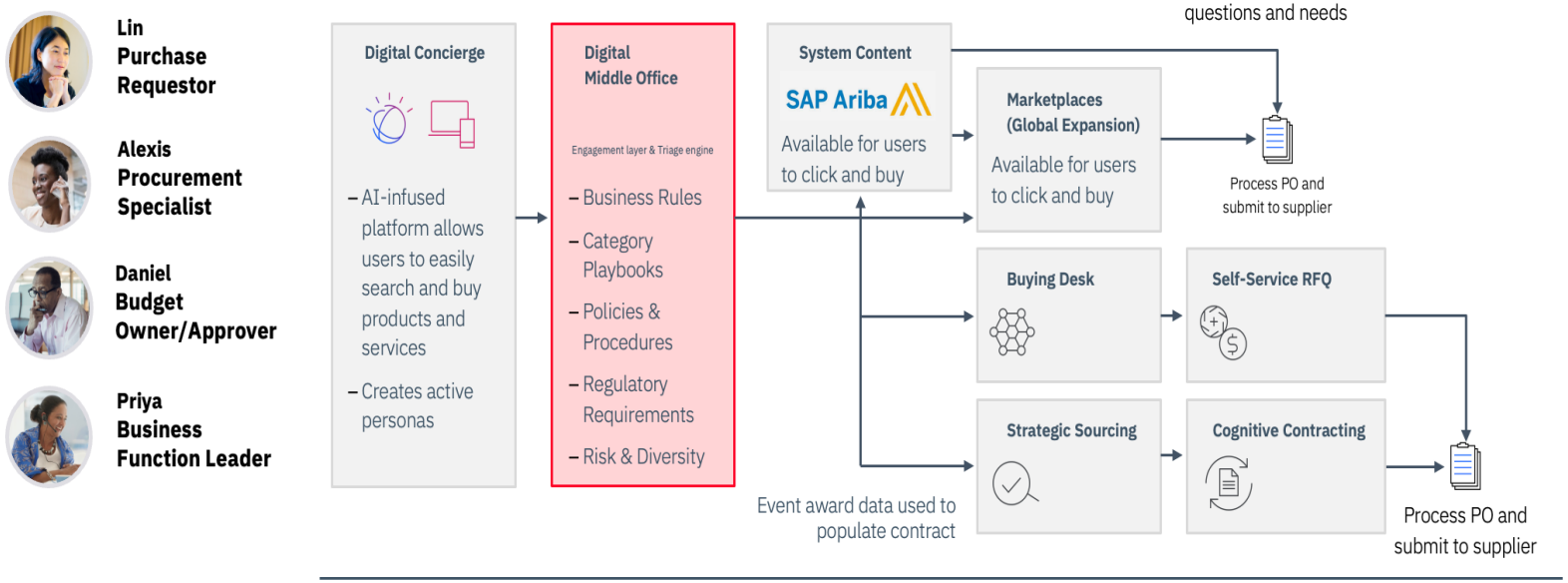
40%
Reduction in Human Error Related Liabilities



- **Ingest Contracts** from the user interface or automatic workflow
- **Summarize, translate, compare** contracts and different versions
- **Intelligent chatbot** to respond to queries ‘on the fly’
- **Prompt master** to execute relevant prompts based on document types (contract review checklist), with flexible scheduling options
- **Conduct thorough assessment** of contracts in alignment with established guidelines to identify deviations or discrepancies
- **Generate reports automatically**, including Summary, Insights, and Assessment Results.
- **Automatically send emails** to the appropriate users or teams based on predefined configurations.

Digital Middle Office (DMO)

Re-engineer workflows and deploy AI across the enterprise
to gain intelligent insights, reduce cycle time, and modernize the user experience



- AI-infused platform allows users to easily search and buy products and services
- Enable frictionless process by eliminating manual touch points and disparate processes
- Creates a unified experience, seamless engagement, and one stop for all users' questions and needs

Up to

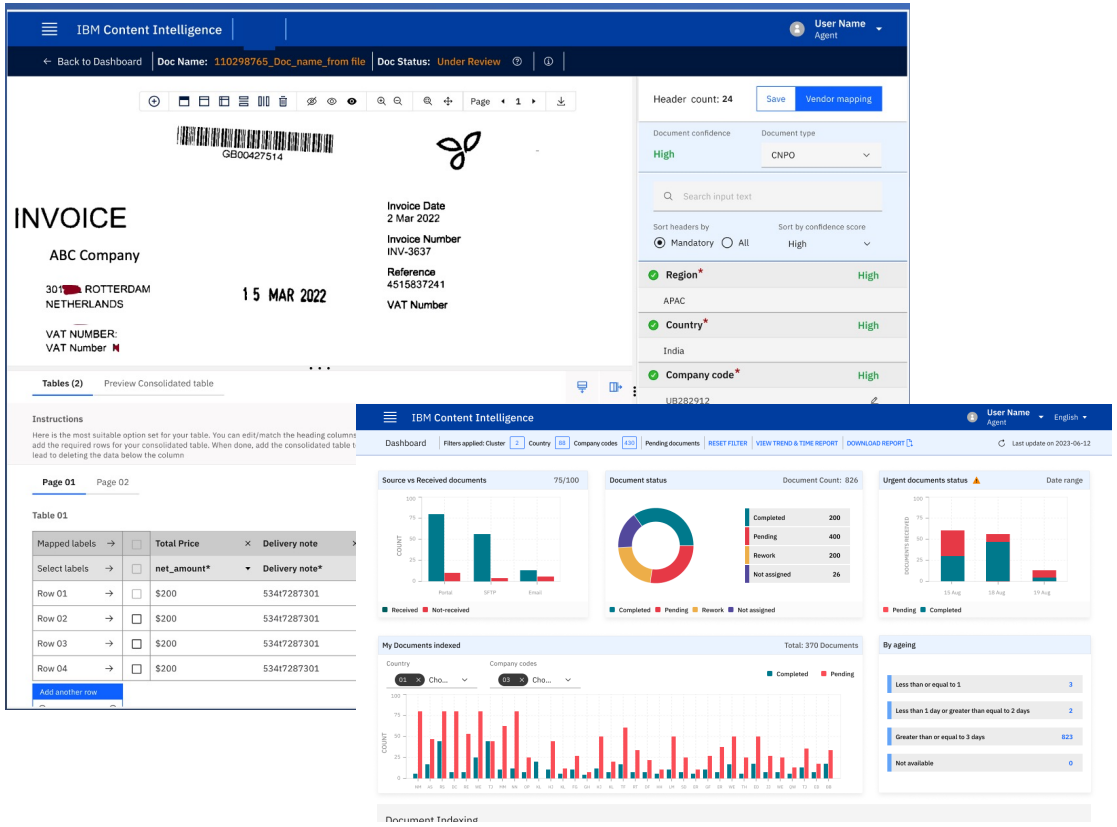
70% Reduction in cycle times

60% Reduction in manual activity

+50% Managed spend through automatic channels

Content Intelligence

Extract, validate and digitize information from invoices and documents, using OCR, GenAI and Machine Learning to radically shorten processing time, improve accuracy, reduce cost and increase data visibility.



- Multichannel ingestion
- Pre-trained template-less extraction, 40+ fields, 6 doc type
- Header and Line-item extraction, using AI and GenAI models
- Confidence score and autocompletion (Touchless)
- Inbuilt validation rules, and configurable validation rules
- Human in the loop UI for effective validation and edits
- Access management, work allocation & dashboarding

Up to **99%** **Extraction Accuracy**

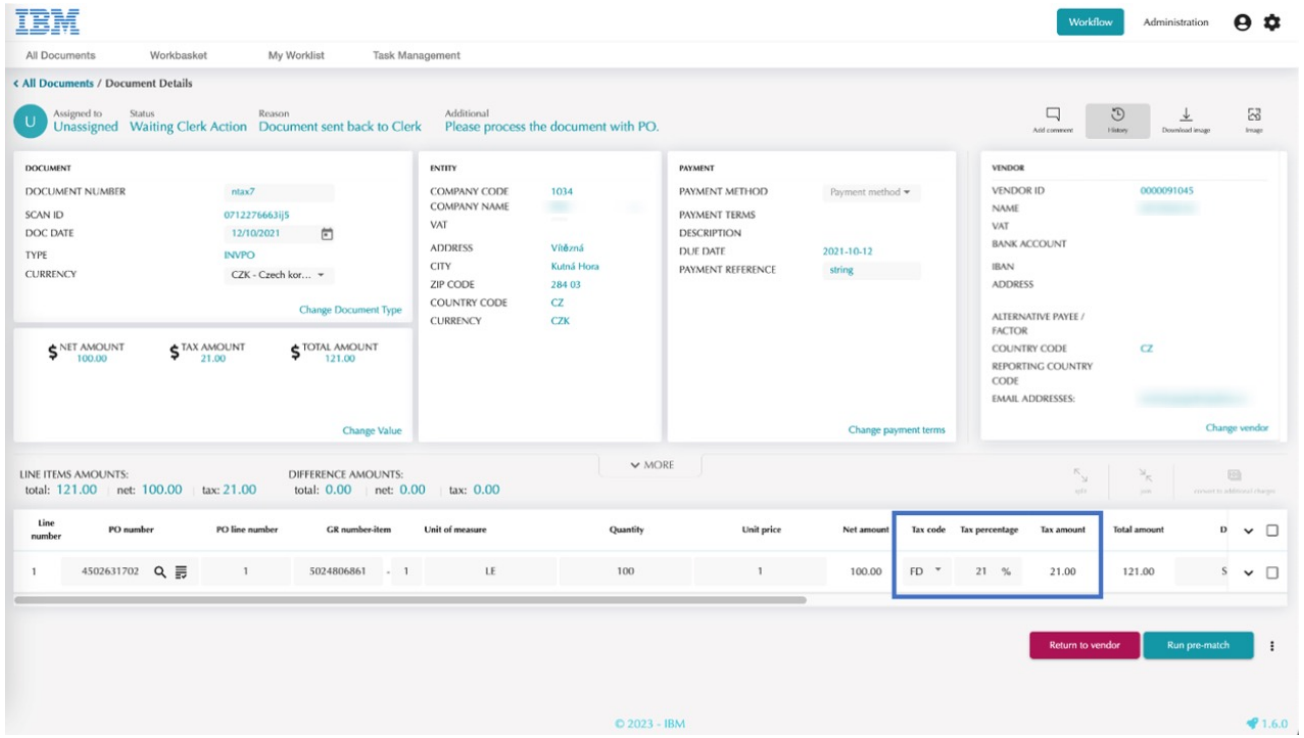
40 **Languages Supported (*)**

75% **Reduction Handling Time**

(*) https://learn.microsoft.com/en-us/azure/ai-services/document-intelligence/language-support-prebuilt?view=doc-intel-4.0.0&tabs=languages%2Cthermal

Cognitive Invoice Processing

AI-powered tool for extracting relevant data from invoices and validating it against predefined rules and vendor information. Enabling fast and efficient processing of invoices, reducing manual errors and increasing overall productivity.



- Intelligent document scanning of invoices to accurately extract key invoice data points
- Configurable business logic for customized rules and policies
- Touchless invoice automation resulting in faster cycle times and reduced labor
- Perform real-time validation and verification of extracted data
- Dynamically route invoices to the appropriate personnel or workflows for review, approval, and payment processing

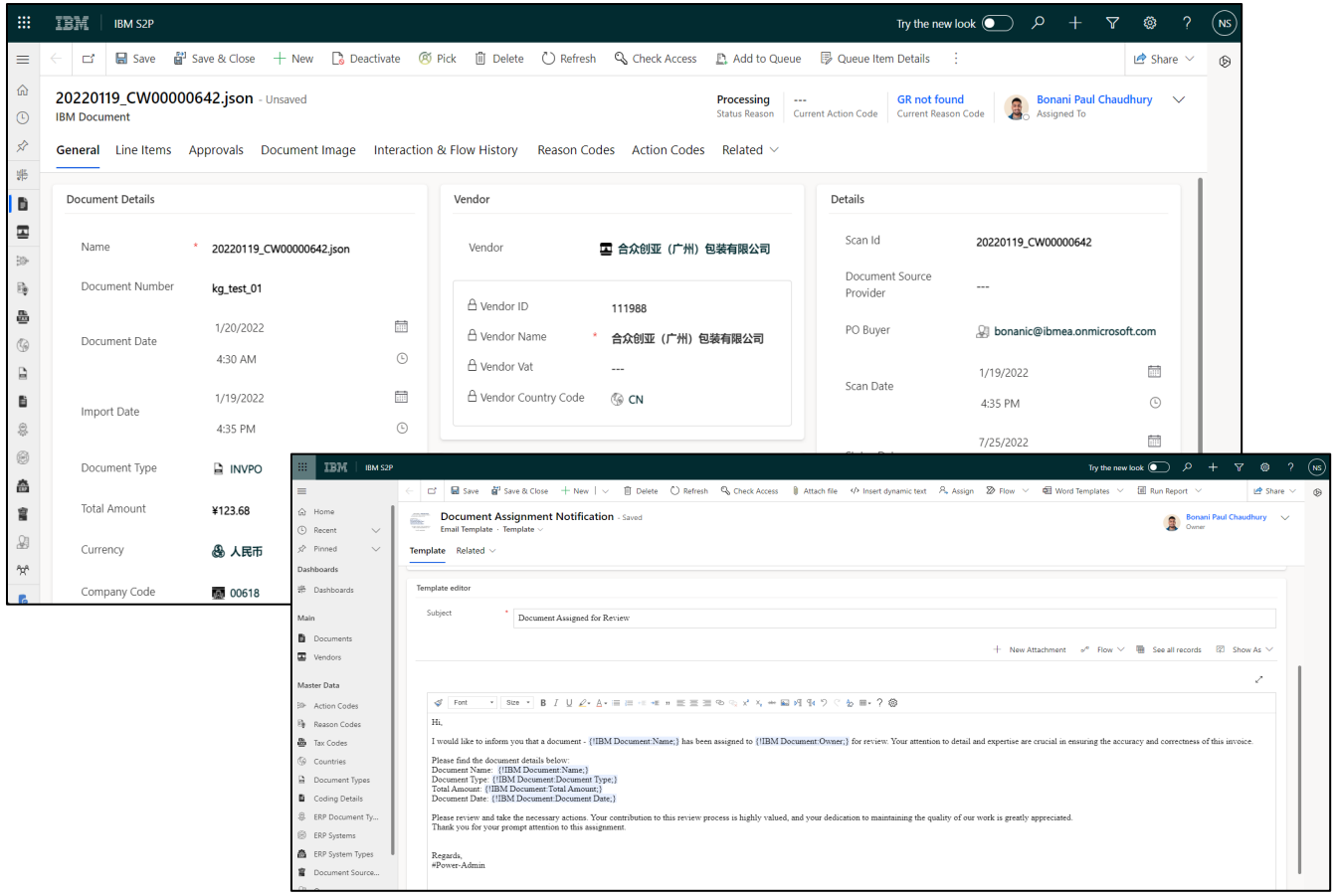
Up to **75%** **Reduction in handling time**

90% **Handling Time Reduction**

50% **Cost Reduction**

Collaboration Workflow

A comprehensive cloud-based solution with rule-based validations, manual invoice processing, configurable workflows, and a user-friendly interface.



- User Dashboards
- Transaction screen with exception handling capabilities
- Reason code and flow history
- Auto and manual routing
- Configure exception queues
- Approval flows and escalation matrix

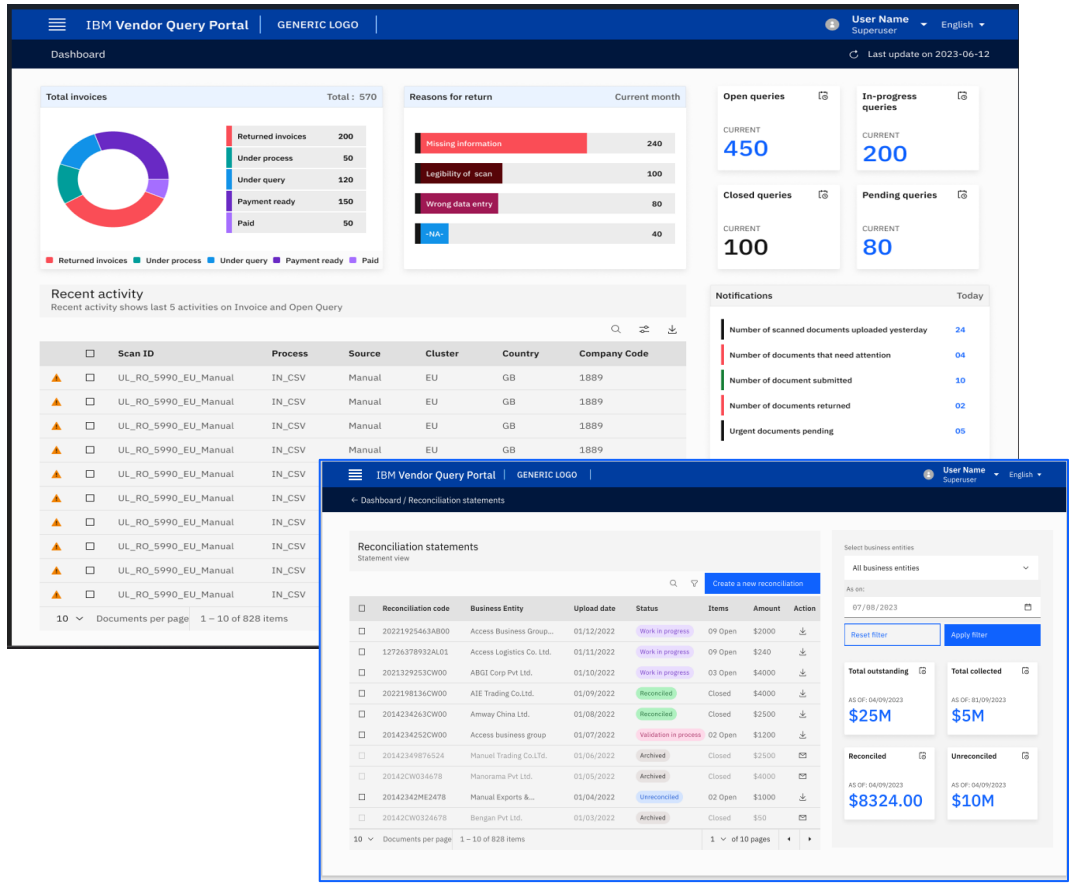
Up to **75%** **Reduction in handling time**

90% **Handling Time Reduction**

50% **Cost Reduction**

Vendor Query Portal

Allow vendors/suppliers to access and manage their own information, transactions, and interactions with a buying organization, performing various tasks, such as submitting invoices, viewing purchase orders, and tracking payments, without the need for direct communication with the purchasing organization.



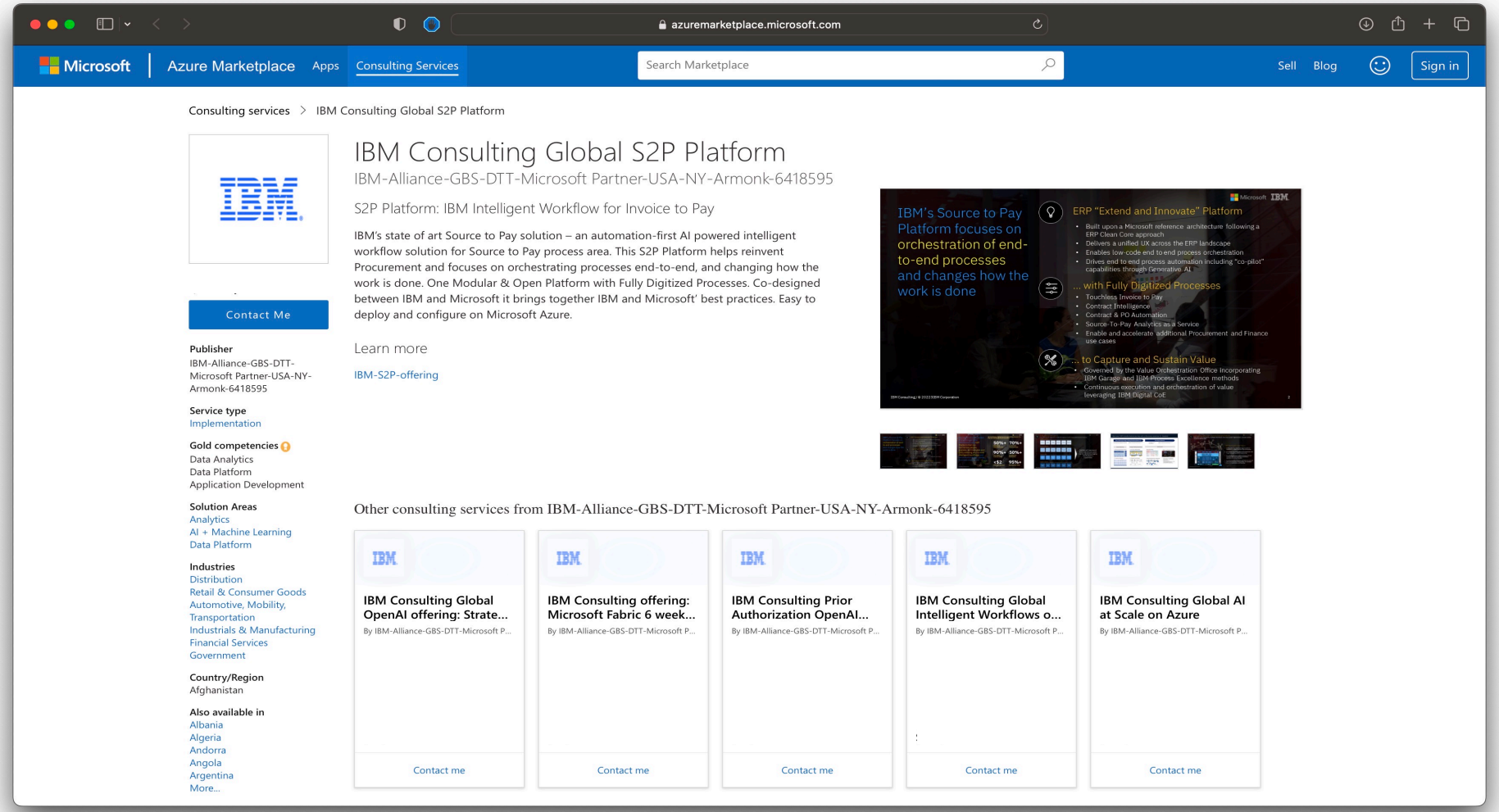
- Vendor Dashboard
- Invoices and POs status
- Invoice Submission
- Create new request (ticket)
- Supplier Reconciliation submodule
- Reporting
- Vendor onboarding
- Audit Trail and Help

Up to **70%** **Query Reduction**

90% **Handling Time Reduction**

50% **Cost Reduction**

Published on MSFT Marketplace



AUTOMATION

PRODUCTIVITY

USER EXPERIENCE

INSIGHT

COMPLIANCE

https://azuremarketplace.microsoft.com/en/marketplace/consulting-services/ibm-alliance-usa-ny-armonk-dtt-6418595.s2p_platform

Microsoft and IBM Consulting

Microsoft 2023 Global Partner of the Year – Migration to Azure

Gold Microsoft Partner | Azure Expert MSP

NEUDESIC An IBM Company

18x Microsoft Partner of the Year winner
12 Microsoft Gold competencies
#1 IP co-sell Partner

2022 Global Modernizing Apps Partner of the Year
2022 Global AI Partner of the Year Finalist
2022 US AI Partner of the Year Winner
2021 US Partner Award for Financial Services
2020 US Partner Award for Customer Experience
2019 US AI/ ML Partner of the Year
2018 US Modern Data Estate Partner of the Year
2017 US Country Partner of the Year
2017 Global Cloud Apps Partner of the Year
2017 National Solution Provider Partner of the Year
2016 US Data Analytics Partner of the Year
2015 Big Data & Analytics Partner of the Year

26,112+
Azure certifications

5000+
Microsoft practitioners globally

30+
Global delivery center with 24/7 support

1,000's
Applications migrated / modernized for Azure in the last 12 months

40,000+
Certified cloud consultants - globally (Azure, AWS, Bluemix, GCP, IBM Cloud)

17
Gold Certifications

+5
Advanced Specializations

14,000+
Successfully delivered Microsoft projects
Azure Expert MSP

Acquisitions:

bluetab an IBM Company
Nordcloud an IBM Company
boxboat an IBM Company
NEUDESIC an IBM Company
taos an IBM Company
DIALEXA

IBM Intelligent Workflows for Source to Pay

Contacts

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