



## RPA in Real Estate: Global 1000 Developer Achieves 50% Touchless AP

### Client Profile

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*A worldwide fully diversified real estate developer that also owns and operates on behalf of third parties. The company has a strong Asian presence in Hong Kong, Mainland China and Singapore. Within the US, the group has a strong footing in Miami Florida, where it has developed multiple properties, including most recently larger scale mixed-use projects that combine real estate and residential space.*

### Technologies Used

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*Ephesoft's Intelligent OCR (Optical Character Recognition) technology*



*UiPath's RPA Software*

### BUSINESS CHALLENGE

Robust and volatile growth presents new challenges, especially in cyclical type industries with high degrees of operating leverage and fixed costs, which carefully need to be managed in concert with the ebbs and flows of that growth. The real estate industry is a clear example of this challenge, and the kind of high growth rates can present problems to functional areas like Accounts Payable departments. AP is a business function whose operation tends to grow linearly in complexity with the growth of the business.

Conversely, the opposite is also true and flat or downward trends in growth also creates significant management challenges as the organization needs to deplete and let go of resources quickly. The real estate industry also experiences this challenge, and it can happen quickly, for example the impact COVID-19 has had on commercial real estate. This ever changing "new normal" often leads to stranded costs and can be quite taxing for functional areas such as Finance & Accounting (most notably AP & AR), HR and IT.

Our client's AP team was experiencing the effects of this volatility and engaged Auxis to explore how automation could be used to deliver a flexible solution. This would allow them to scale and adjust to changes in volumes, complexity and regulations. Specifically, several pain points emerged from our discussions:

- The reliance on manual labor as a means to scale upwards and adjust downwards in response to fluctuating real estate development activity
- The increased complexity and strain on the HR department resulting from the need to quickly hire or reduce headcount in response to demand changes
- The volatility in invoice volumes received due to development, maintenance, repair activity and tenant onboarding
- The intricate Legal Entity Structure that required a flexible solution to address complex intercompany invoicing relationships between the parent and affiliate companies as projects come on/off-line
- The variances in invoice types, as some require special allocations based on a set of criteria, while others are less structured and informal (e.g. maintenance expenses)



## THE SOLUTION

With an understanding of this challenging circumstance, Auxis embarked on a detailed analysis of the company's invoicing process to identify opportunities to increase efficiency and productivity through automation.

Auxis employed a structured approach based on two key criteria: business impact/value creation vs. complexity. The Auxis team quickly identified invoice coding/indexing as an area that would benefit the most from the implementation of RPA (Robotic Process Automation). Additionally, it was determined that a small portion of vendors were responsible for a disproportionate amount of invoice volume (the old "80/20 rule"), revealing a key insight that further enhanced the business case for automation.

A combination of Ephesoft's Intelligent OCR (Optical Character Recognition) technology and UiPath's RPA was implemented to create a design that enabled the automatic receipt and indexing of vendor invoices as they came in through the AP inbox without requiring any interaction from a user. The team needed to configure specific vendor templates to address those high volume vendors in order to ensure zero touch processing for the majority of the invoice volume received from these suppliers.

The new process successfully accomplished the following:



As emails with invoice attachments are received in the AP inbox, key invoice information was extracted via Ephesoft's Intelligent OCR technology, in order to effectively index these invoices



A validation is performed to understand if any of the required fields for indexing are missing (and if so, an additional validation by the processor is required, and the invoice remains in the application in suspense until the user validates the document and moves it to the next step of the workflow)



Ephesoft then identifies the invoice type based on a set of predefined rules, understanding if the invoice requires any special treatment or allocation (invoices that require allocations are treated as an exception, which then flow to the processors for manual indexing)



Ephesoft then generates an XML file with the key invoice details based on the extracted information (vendor name, date, amount, Invoice number and Legal Entity Routing Group)



A UiPath RPA robot then **takes** the generated XML, **logs** into the company's ERP, automatically **inputs** the key invoice information and **indexes** the invoice to the correct department for subsequent validation



## RESULTS

Upon implementing the solution, our client was able to achieve no touch indexing of over 50% of all invoice volume received. The remaining percentage required significantly less time for manual indexing since many of the details were already compiled and only the missing data inputs were needed.

This permanently resolved the need to balance the resource capacity of the department in tandem with transactional fluctuation of the real estate industry by solely relying on labor and staffing. Furthermore, there were additional qualitative gains in the form of **improved** payment accuracy, **less** reworks, and **freed up** resources that could now dedicate more time to higher value adding activities. Some other, less obvious benefits included:

- The extraction of key information across each invoice, whereby creating a digital record of all processed invoices by the robot **enhancing the visibility** of this section of the process by understanding % outstanding vs % completed
- The development of an automation mindset that has driven further exploration of other parts of the process that can be automated in pursuit of additional efficiencies

Moreover, an increase in employee satisfaction was observed, as employees rallied behind the automation and appreciated the efficiency gains that now allowed them to focus less on mundane and repetitive tasks.

