

Northeast Utilities Reduces Invoicing Time by 90%

Overview

Northeast Utilities operates New England's largest utility system. With over 7,000 employees, it serves more than 3.5 million electric and natural gas customers in Connecticut, Massachusetts and New Hampshire.

Northeast Utilities is a Fortune 500 company traded on the New York Stock Exchange under the symbol NU.

Problem

Northeast Utilities receives an average of 750 paper invoices per day and couldn't process this volume in a timely fashion. Due to an existing work backlog, it took an average of 22 days from invoice receipt to the time it was scanned. NU's standard payment terms are 30 days, but since no one could view the invoice status for the first 3 weeks, the process was frustrating to both NU personnel and their vendors. NU's ten-person accounts payable department was feeling additional pressure to make their team available to handle other tasks.

Solution

Northeast Utilities turned to DataBank to cut down on invoicing time and help employees get out from beneath the backlog. DataBank designed and implemented a system utilizing two products from AnyDoc Software, as well as a Kodak i840 production scanner. The combination of these products together eliminated manual data entry with data extraction and Optical Character Recognition (OCR) technology. Invoice data is first extracted from unstructured forms and then captured with OCR so that it can be verified against purchase orders and other entries in the accounts payable system. NU employees now only need to verify that the data captured is accurate.

Results

The backlog has reduced invoicing from an average of 22 days to an average of 1-2 days. This has enabled NU's vendors to access their invoice retrieval system to obtain invoice status information on a timelier basis. It has improved vendor relations and reduced the number of calls to its help desk as well. Five people from the Accounts Payable department have been reassigned to new duties, yet the department is functioning more efficiently than before.