

# AP Automation at Zurich North America

How People and Robots Work Best Together



## Key Facts About Serrala



2,800+

Customers globally, between SAP on-premise, in the cloud, and managed services



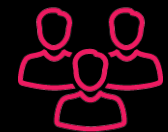
25%

Of Global Fortune 100 companies are our customers



30+

Years of experience with SAP Solutions



700+

People focused on O2C, P2P, Payments, Cash/Treasury Mgmt, and Data/Document Management



13

Offices worldwide (Europe, North America, Asia, Middle East)



## Our Functional Solution Expertise

### AP Automation

- Accts Payable Processing & Mgmt
- Supplier Evaluation
- Supplier Management

### Data & Document Mgmt

- Archive Service
- Data Volume Management
- Legacy Decommissioning
- Privacy and Compliance
- Audit Readiness

### AR Automation

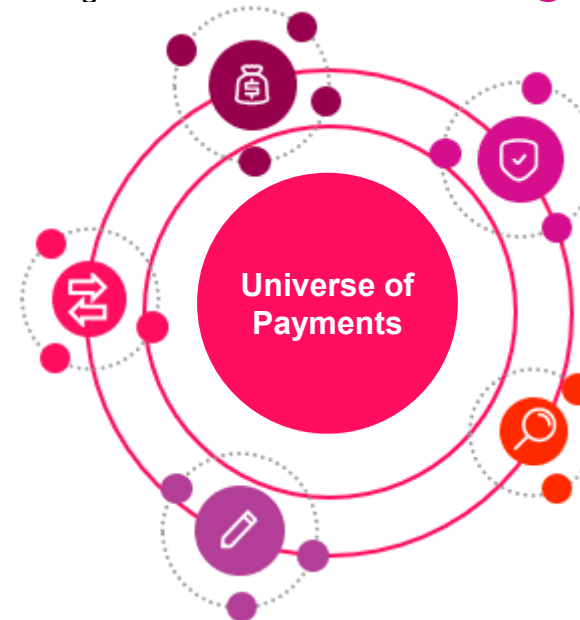
- Credit Management
- Cash Application
- Collections & Disputes
- Risk & Compliance

### Payment Management

- Payment Processing
- Global Payment Factory
- Connectivity & Formats
- Payment Compliance
- Fraud Detection & Prevention

### Treasury & Cash Visibility

- Cash Management
- Liquidity Planning
- Treasury & Risk Mgmt
- In-House Banking
- Bank Account Mgmt
- Bank Relationship Mgmt



Bringing Clarity to Complexity

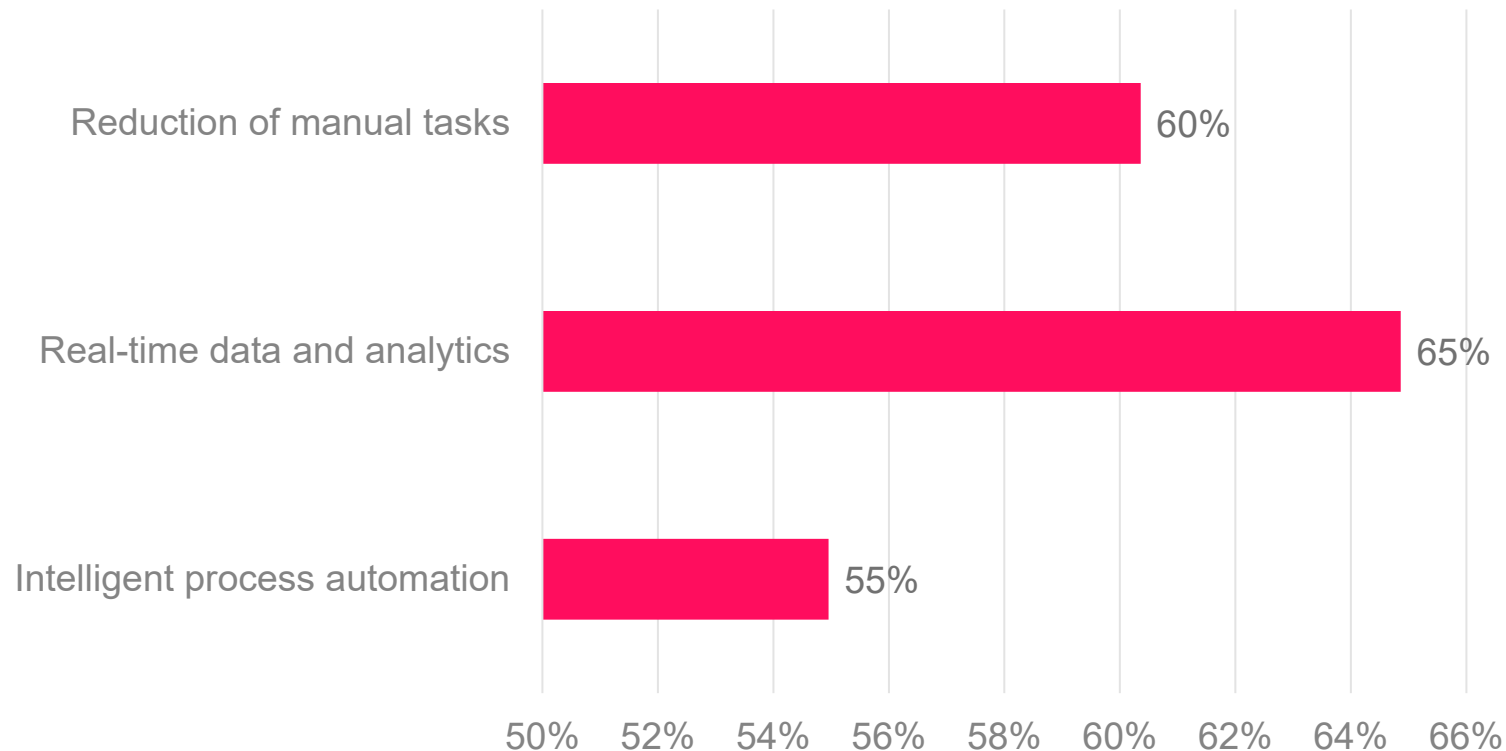
# Agenda

1. Digital Transformation Initiatives Drive AP Automation
2. AP Automation at Zurich North America
3. Wrap Up

# Digital Transformation Initiatives Drive AP Automation

# Real-time data & reducing manual work are essential for the future of finance

Which capabilities are essential for building a future-proof finance organization?



Top 3 priorities for the future of finance are:

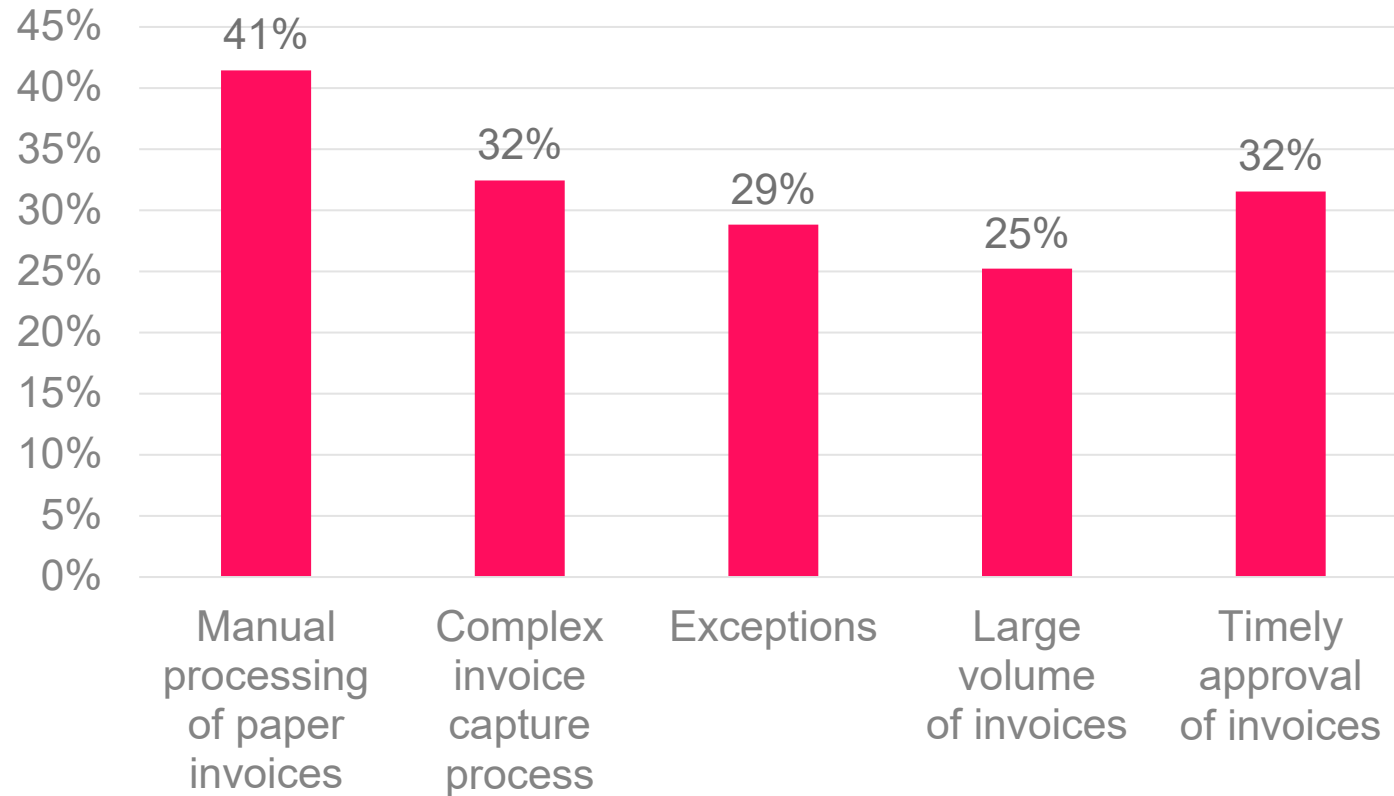
**66%** Real-time data and analytics

**60%** Reduction of manual tasks

**55%** Intelligent process automation

# AP Challenges: manual processes, complex invoice capture & timely approvals

What are your greatest accounts payable (AP) challenges?



**41%** indicate that manual processing of paper invoices continues to be a challenge in AP

**32%** find that capturing invoices and timely approvals are a challenge

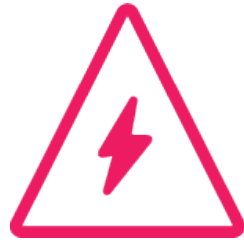
# Objectives: What AP Organizations Aim For



Auto-posting of  
PO invoices



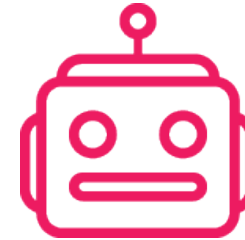
Increased  
Visibility



Enhanced  
duplicate  
handling



Improved  
supplier  
communication



Automatic  
coding of non-  
PO invoices



Standardized  
handling of  
supporting  
documents

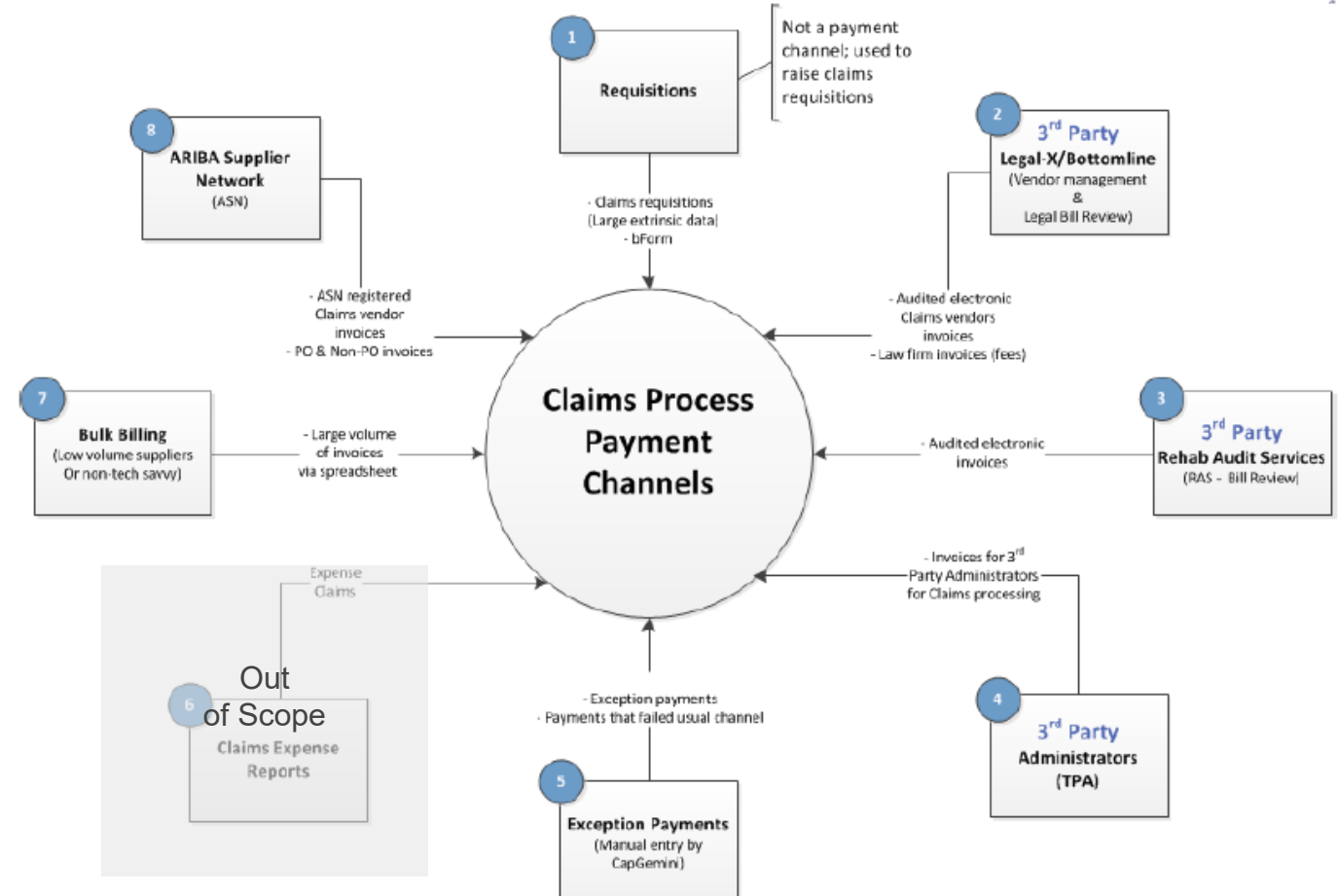
# AP Automation at Zurich North America



# Business Drivers for AP Automation at Zurich North America

Move to SAP S/4HANA, spurred improves processing for a high volume of claims:

- Switch to a new **procurement solution**
- Increase **transparency and control** for Non-PO invoices & expenses
- Enable **touchless processing** for seven unique claims payment processes
- Enable **field claims agents** to approve invoices or send for additional processing
- Enable **visibility** into invoices across shared services locations



# Complexity of Claims Payment Processing at Zurich

- **High volume** of claims invoices each month: 65-70K
- **Large Number of Requisitioners/Approvers:** 950 people across AP team, Business Process Outsourcing provider, field agents
- **Multiple types/sources:** legal services, rehabilitation services, claims administrators, exceptional payments, small vendors
- **Multiple formats:** PO flip / PO cXML, Excel/CSV uploads, Manual entry, Bulk cXML
- **Complex process:** Validations, Business Rules and Controls for each unique process
- **Integrated systems:** External suppliers plus ZNA back-end systems SAP (payment), eZAccess (claim validation & funding), FAST (TPA status)

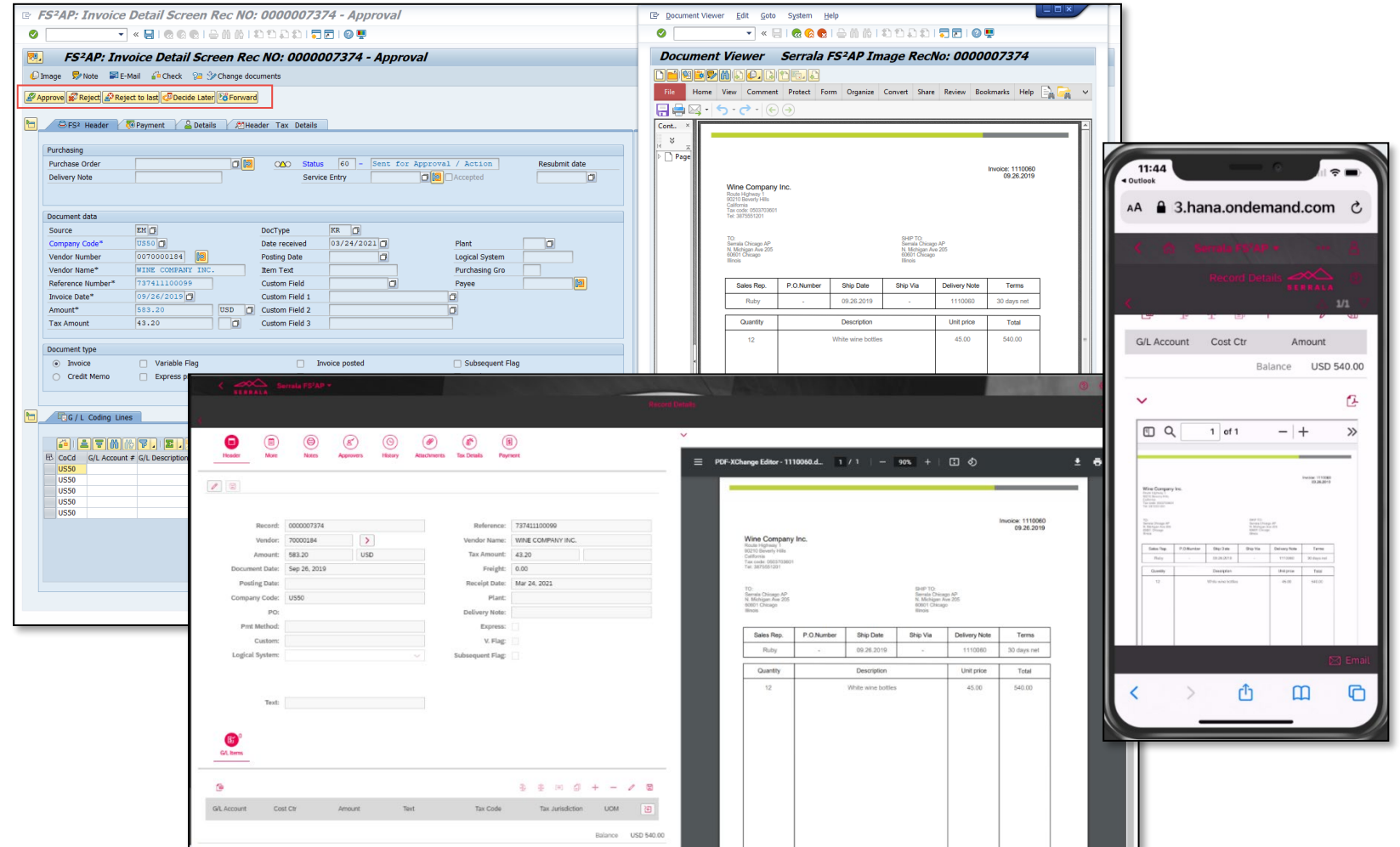


# Objective: Single View and Control Over Claim Payments

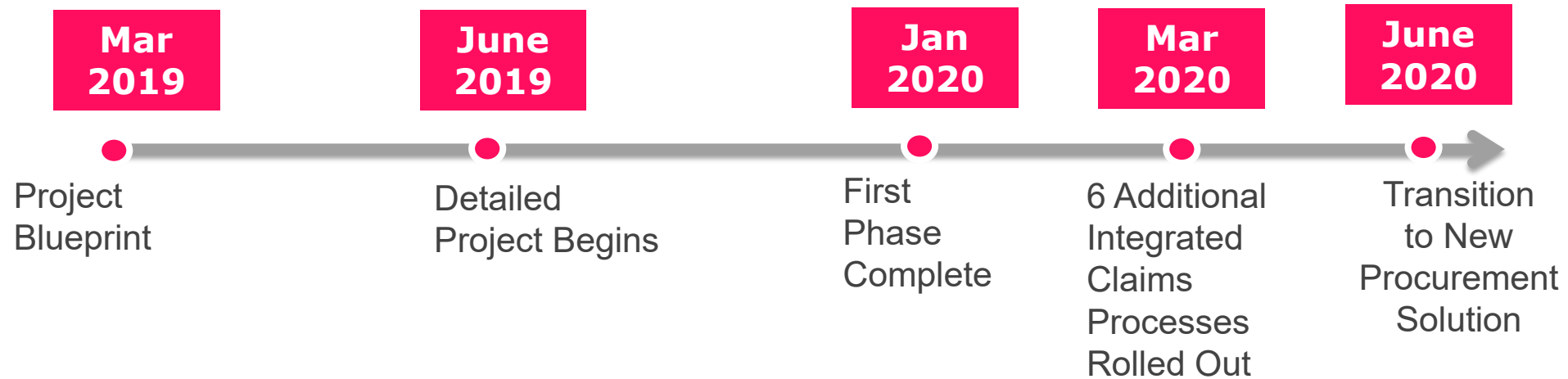
Serrala FS<sup>2</sup>

AccountsPayable provides:

- Single view of all PO and Non-PO invoices
- Intelligent capture of all formats and sources
- Flexible requisitions, approvals and exception handling
- Archive of supporting documents and audit support



# AP Automation Project Timeline

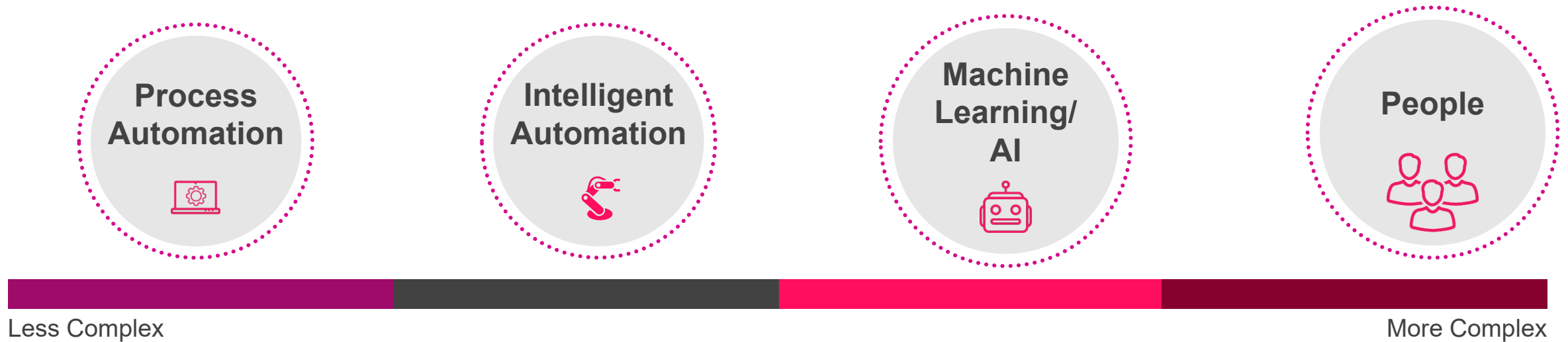


## Integrated Systems

- SAP
- Supplier Network
- eZAccess (for claim validation & funding)
- FAST (TPA status)
- Legacy Mainframe

# Who Does What? People or Robots?

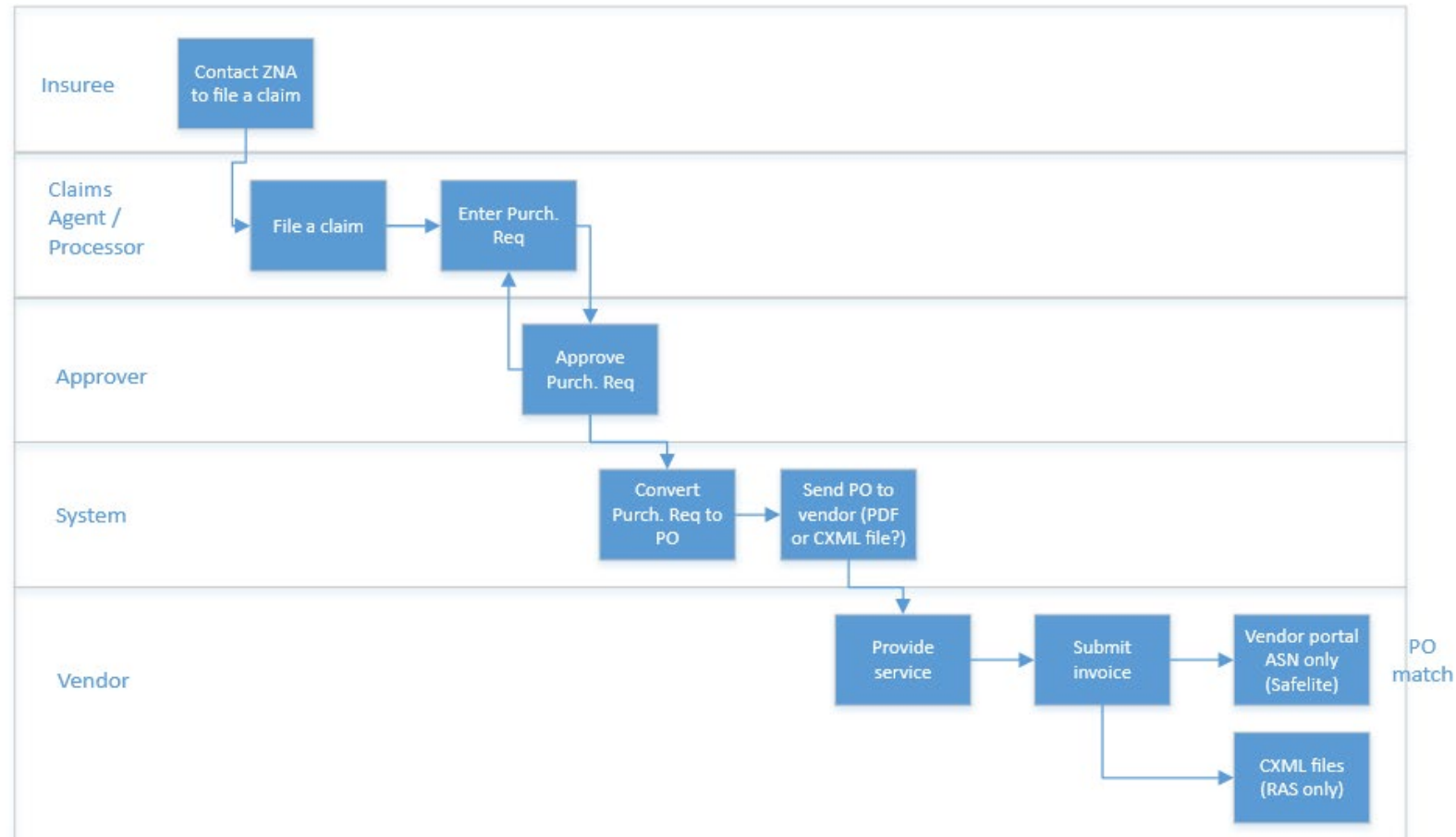
For process efficiency had to balance the amount of automation with tasks that humans could do more efficiently.



*The key is to understand where the application of technology really leads to superior results*

# Improve Controls: Validate Requisitions/Invoices Against Back-end Systems

- **Agents** create a requisition for vendors that provide nurse care services to claimants – like a PO.
  - Claim Number,
  - Claim Sub Number
  - VAL ID
- Relevant claim data pulled from eZAccess
- Notification is sent out to the Vendor.
- **Vendor** flips requisition to submit an invoice for services based on vendor's catalog.



**EXAMPLE: Rehab Audit Services Process Flow**

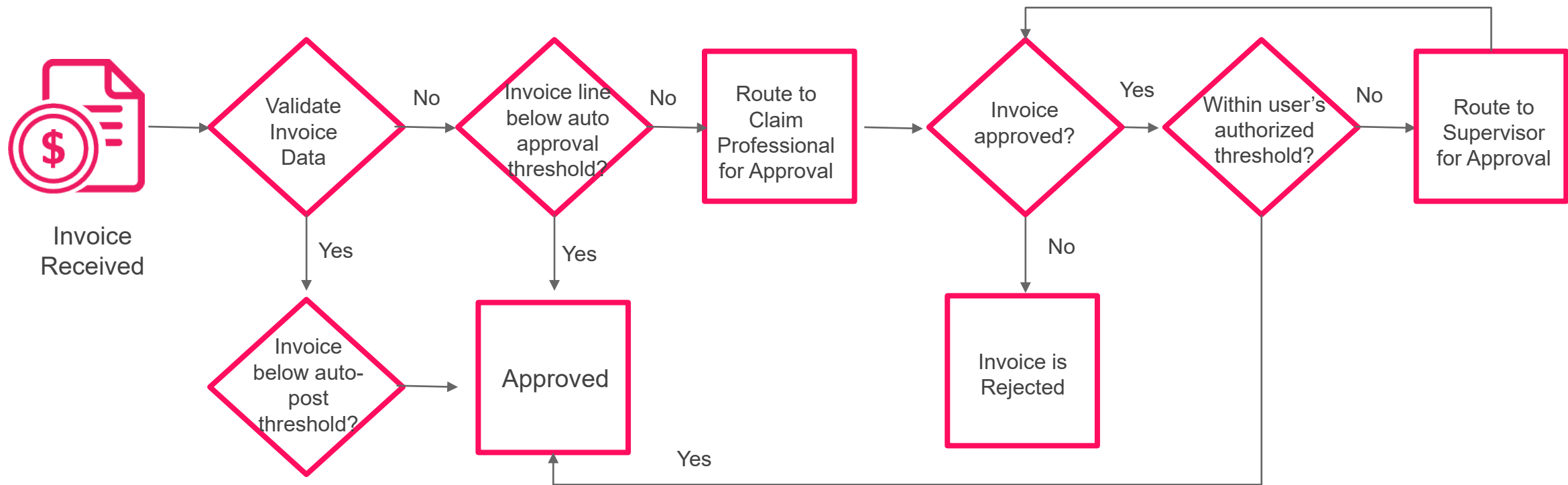
# Improve Audit Retention: Processing Legal Bulk Invoices

- Legal invoices are processing in bulk with 100 – 10,000 invoices in the CXML file.
- Each invoice needs to be validated and processed separately.
- Validates incoming file for the vendor has not already been submitted.
- Duplicates are rejected with notification to both vendor and ZNA contact.
- Invoice ID will determine a new FS2 record creation.
- Human readable PDF generated and retained for audit purposes.

```
Multi_invoice_cXML_sample.txt
1  <?xml version="1.0" encoding="UTF-8"?>
2  <fileHeader identifier="AllegientPropertyAcct.20120524" xmlns:n1="http://www.w3.org/2000/09/xmldsig#" xmlns="http://uri.etsi.org/01903/v1.1.1#">
3  <CXML xml:lang="nl-NL" timestamp="2012-05-24T22:30:15-05:00" payloadID="AllegientPropertyAcct.xml-13638340@2012-05-24T22:30:15-05:00" version="1.2.008">
4  <Header>
5  <From>
6  <Credential domain="NetworkID">
7  <Identity>D453332</Identity>
8  </Credential>
9  </From>
10 <To>
11 <Credential domain="NetworkID">
12 <Identity>AN01000057917</Identity>
13 </Credential>
14 </To>
15 <Sender>
16 <Credential domain="NetworkID">
17 <Identity>Allegient</Identity>
18 <SharedSecret>--DELETED--</SharedSecret>
19 </Credential>
20 <UserAgent>Allegient</UserAgent>
21 </Sender>
22 </Header>
23 <Request deploymentMode="production">
24 <InvoiceDetailRequest>
25 <InvoiceDetailRequestHeader invoiceDate="2011-07-13T00:00:00-05:00" operation="new" purpose="standard" invoiceID="22201100773/119848">
26 <InvoiceDetailHeaderIndicator/>
27 <InvoiceDetailLineIndicator isDiscountInLine="yes" isTaxInLine="yes"/>
28 <Extrinsic name="ClaimNumber">5730039115</Extrinsic>
29 <Extrinsic name="ClaimSubNumber">001</Extrinsic>
30 <Extrinsic name="ClaimVALID">EQTE</Extrinsic>
31 <Extrinsic name="NatureOfPayment"/>
32 <Extrinsic name="DateOfLoss">2011-03-11T00:00:00-05:00</Extrinsic>
33 <Extrinsic name="Preparer"/>
34 <Extrinsic name="Requester">UAJMRR1</Extrinsic>
35 <Extrinsic name="OriginalInvoiceAmount">14112.93</Extrinsic>
36 <Extrinsic name="ServiceStartDate">2011-03-29T00:00:00-05:00</Extrinsic>
37 <Extrinsic name="ServiceEndDate">2011-07-02T00:00:00-05:00</Extrinsic>
38 <Extrinsic name="Comments"/>
39 <Extrinsic name="PaymentRecommendationID">13638340</Extrinsic>
40 </InvoiceDetailRequestHeader>
41 <InvoiceDetailOrder>
42 <InvoiceDetailOrderInfo>
43 <OrderIDInfo orderID=""/>
44 </InvoiceDetailOrderInfo>
45 <InvoiceDetailItem quantity="1" invoiceLineNumber="1">
```

**Example: CXML invoice format**

# Increase Process Speed: Touchless Invoice Processing



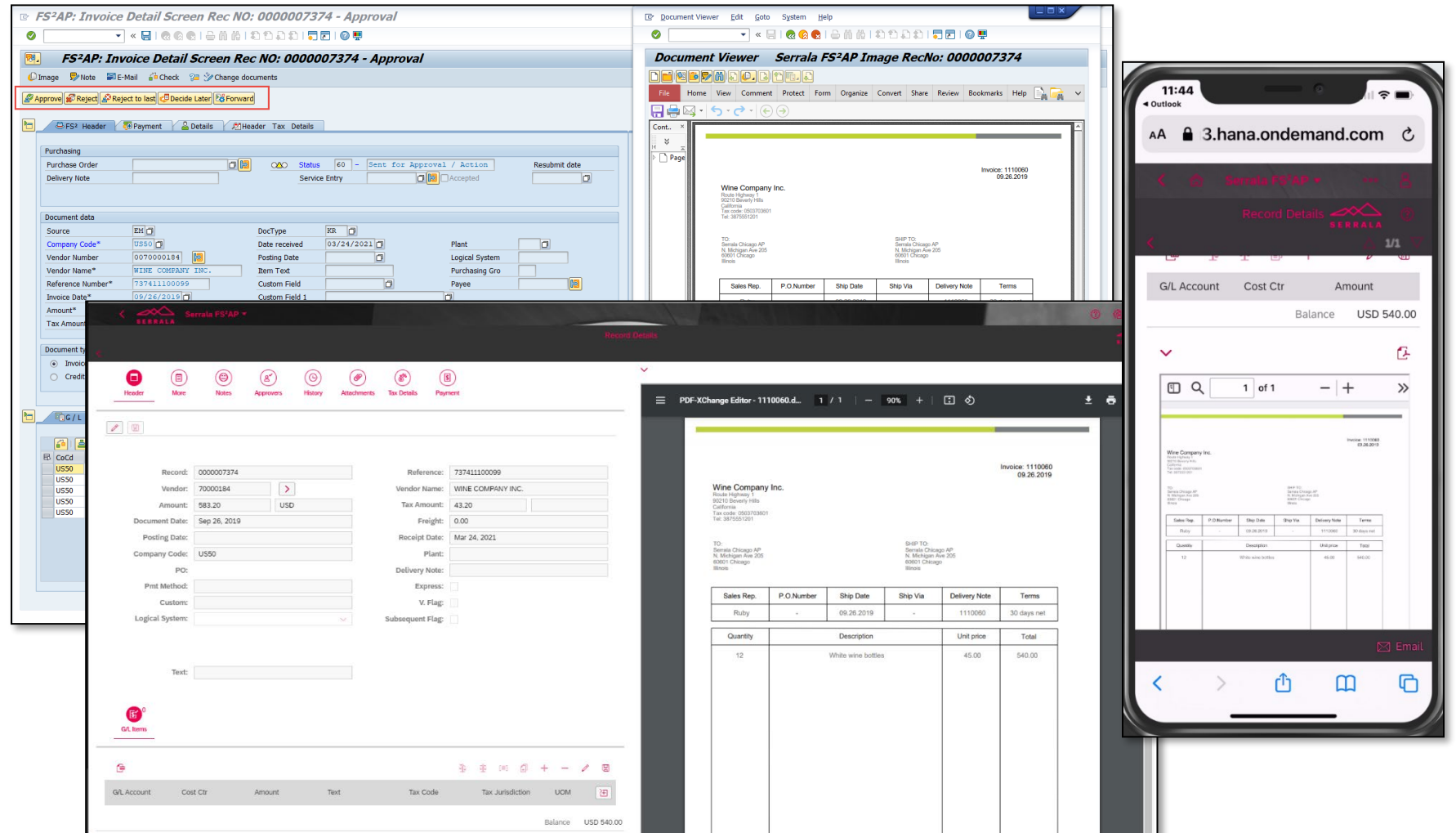


# Zurich-Specific Data Validations

- Claim number is missing from incoming invoice
- Claim number is not 10 digits
- Claim number is not numeric
- Claim office (2nd and 3rd digits of the Claim number) is 49, 59, or 69, indicating a TPA
- Claim sub number is missing from incoming invoice
- Claim sub number is not 3 digit
- Claim Val ID is missing from incoming invoice
- Claim Val ID is less than 5 upper case alpha characters
- Service Start Date is missing from incoming invoice or is not a valid date)
- Service End Date is missing from incoming invoice or invalid date.)
- Date of Loss is missing from incoming invoice or is invalid date.
- Service Start Date is before Date Of Loss
- Service Start Date is greater than current system date)
- Service End Date is before Service Start Date
- Service End Date is greater than Current system date
- Supplier missing
- Invoice date missing
- Commodity code missing
- Original invoice amount is missing from incoming invoice
- Original invoice amount is less than the Net amount subtotal
- Zero Quantity
- Incorrect math - The sum of (Quantity \* unit price) in the detail order doesn't match value of Net Amount
- Currency not USD or CAD

# Faster, More Efficient Processing with Business Approval

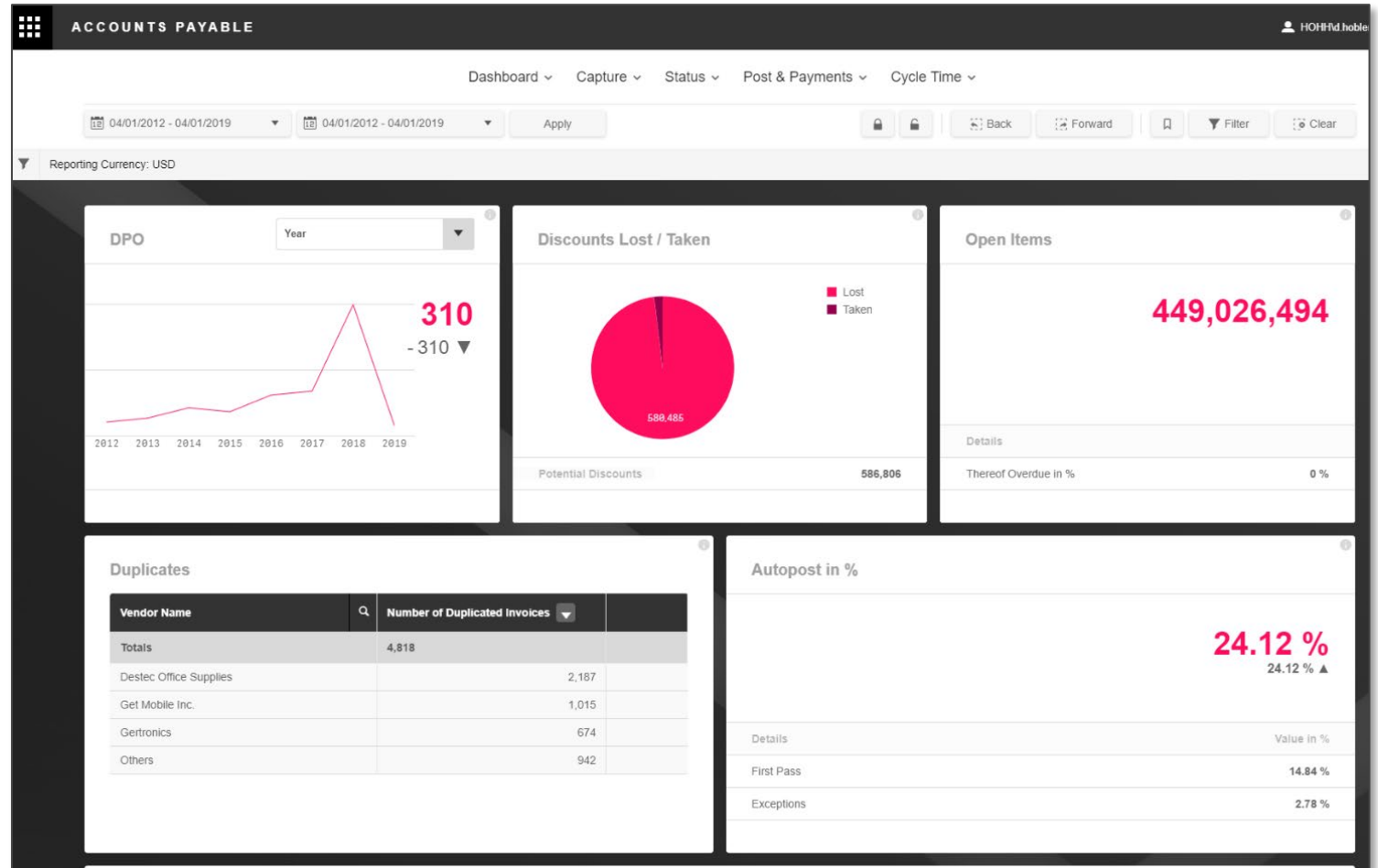
- Choice of user interface:
  - SAPgui
  - Email
  - Fiori
  - Mobile
- Autocoding of non-PO invoices using machine learning or predefined coding matrix



# Real-Time Invoice Information

Use analytics & reporting to stay in control of spend:

- Measure DPO
- Monitor supplier spend
- Identify exceptions
- Detect duplicate or fraud



# Wrap Up

# Zurich North America Digitizes Claims



## Needs

- **Automate processing** of Non-PO invoices and expenses
- Enable **touchless payment processing** for seven unique processes
- Enable **field claims agents** to approve invoices or send for additional processing
- Enable **visibility** into invoices across shared services locations



## Results

- Reduced **cost** of processing invoices
- Increased **accuracy** of financial reporting and reconciliations
- Almost **eliminated** out-of-balance **errors** saving time and effort re-processing
- Added ACH payments to the claims process in **only 6 weeks**
- **Easy to train** field agents

# Why S/4HANA & Serrala

## Global Business Needs

- Serrala focuses on optimizing SAP
- Serrala provides real global and scalable business applications



## ERP & Process Standardization

- S/4HANA move is fully supported
- Serrala applications support global standardization



## Transition to Cloud

- Multiple cloud services can seamlessly be integrated
- Hybrid approach is supported to accommodate customer needs



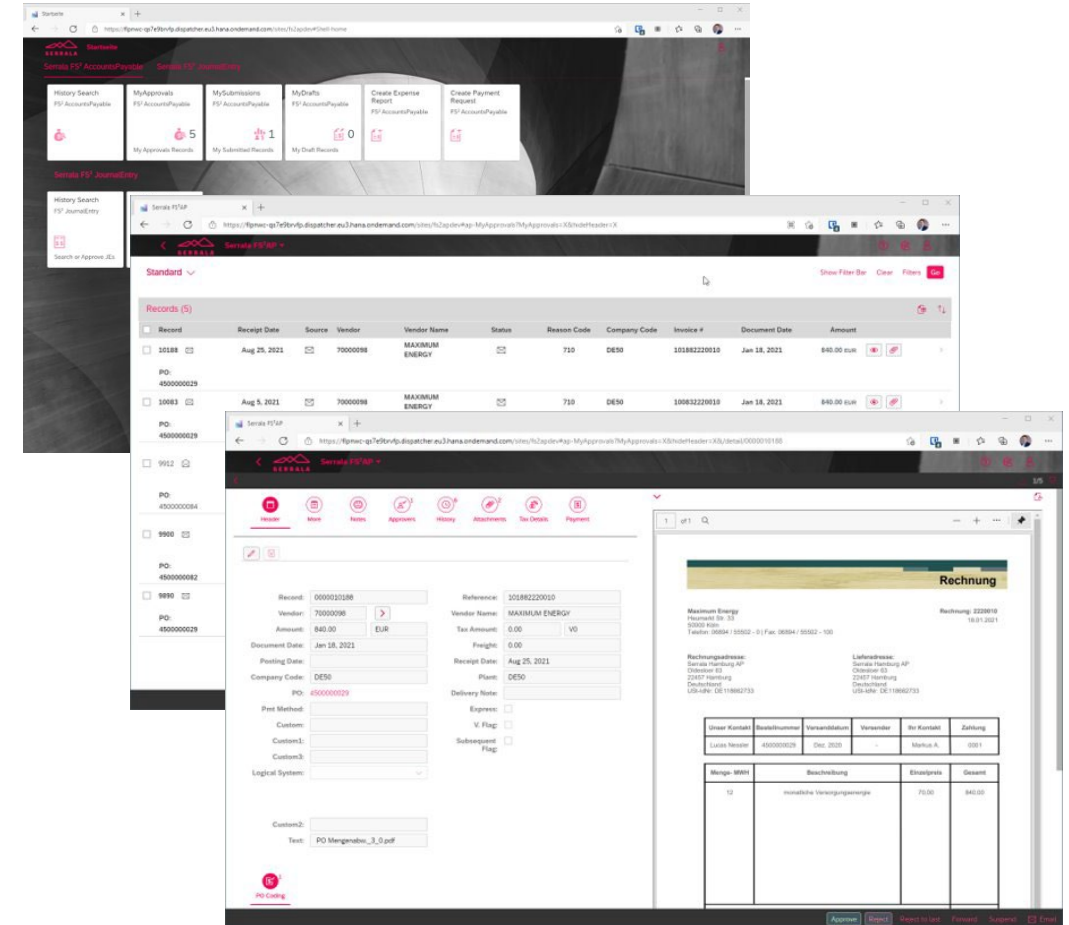
## Digitization & Innovation

- Serrala provides innovative finance solutions
- Benchmarking with the best



SAP S/4 HANA

SERRALA



# Contact us about a demo

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