

NYC Department of Education

Cutting invoice processing time by 75% with Esker DeliveryWare

Case Study



The New York City Department of Education faced the same kinds of invoicing and payment problems that plague many buying organizations and their vendors: costly inefficiencies as a consequence of manual handling of paper invoices, labor-intensive account processing, and slow payment for goods and services.

CHALLENGE: STREAMLINE THE ACCOUNTS PAYABLE PROCESS

“The New York school system is a big operation, and our purchasing process is complex,” said Richard Carlo, deputy administrator in the New York City Department of Education Office of Fiscal Affairs. “With 1,200 schools, we spend almost \$1 billion a year on goods and services from thousands of vendors.” The Department maintained 40 financial management centers where personnel handled paper invoices, manually keyed-in invoice data, and processed accounts individually.

SOLUTION: ESKER DELIVERYWARE PLATFORM

To automate the billing process for the benefit of sellers and purchasers alike, the Department implemented a powerful Esker DeliveryWare invoice-to-payment solution. Staples, McGraw-Hill, Dell, Apple, Verizon, and other vendors email invoices directly to Esker DeliveryWare, which intelligently extracts invoice/account data, converts it to XML, and sends it to the Department’s mainframe-based accounting system — all via rules-based intelligent automation to eliminate paper-based invoicing and manual entry of invoice data.

For example, on a weekly basis Esker DeliveryWare receives over 350 invoices with more than 1,600 lines of detail from one of the Department’s vendors. Esker DeliveryWare recognizes the data, converts it, and routes it to the accounting system in only 4 minutes, dramatically streamlining a complex business process that previously took 48 hours.

“With our new solution, we’ll centralize operations, eliminate paper handling, and — most important — realize tremendous labor savings by automating a major part of our accounts payable process.”

– Richard Carlo, New York City DoE Office of Fiscal Affairs

BENEFITS/FUTURE IMPROVEMENTS

The Esker DeliveryWare solution provides significant, mutual, quantifiable benefits by reducing the invoice-to-payment cycle from over 30 days to about 7. When all vendors are online, the Department will reduce invoice processing time by 75%, accelerate payment to vendors, earn fast-payment discounts, and realize substantial labor cost savings.

“The solution provides a direct and immediate cash benefit to our vendors and to ourselves,” said Carlo. By reducing the time between receipt of invoices here and delivery of payment to the vendors, we improve their cash flow. When we pay them faster, we — like any buyer — earn better discounts.”



With its Esker DeliveryWare implementation, the Department successfully automated its accounts payable process and expedited vendor payments. They continue to bring more large and mid-sized vendors online with the solution, and they are looking ahead to even greater savings by expanding use of Esker DeliveryWare to automate presentment of status reports back to vendors, delivery of other reports to government agencies, and centralized purchase order processing and transmission.

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