

Animal Supply Co.

Leading Wholesale Pet Product Distributor Modernizes Invoice Processing with Neudesic's Document Intelligence Platform, Powered by AI & ML from Microsoft

Using Neudesic's Document Intelligence Platform solution, Animal Supply Company achieves 50% labor savings.



The Challenge:

- Decrease the time required to process invoices
- Reduce human error
- Let vendors take advantage of payment term discounts
- Lower the threshold for auto approvals
- Provide analytics for invoice processing



The Solution:

- Extracts and stores email invoice attachments
- Compares invoice data to ERP data
- Displays comparison information to AP users
- Creates payment vouchers in the ERP system for invoices that are within tolerance



The Benefits:

- In addition to immediately experiencing a more streamlined, quick vendor invoicing cycle, ASC, for the first time, has a Document Intelligence Platform in place to enhance productivity and efficiency gains by removing manual document processing tasks from their workflows.
- Because the process is less time-consuming, the company has been able to reassign employees to higher-value tasks who previously had to process these invoices manually.

“Now that we've automated invoice processing on Azure using Neudesic's Document Intelligence Platform solution, we're able to reduce the cycle time, improve quality, and boost throughput capability. Ultimately, it makes it easier to do business with us.”

— Jerry Walker, Chief Financial Officer and Chief Information Officer, Animal Supply Company

The Client

Animal Supply Company (ASC), a leading wholesale pet product distributor, transformed its invoicing process with data and AI solutions from Neudesic, a 20-year Microsoft partner. ASC's manual systems were occupying valuable employees with tedious work. After transitioning to Microsoft Azure, the team decided to accelerate their business transformation by processing invoices through the Document Intelligence Platform, powered by analytics and AI from Azure. Just 12 months in, ASC has already exceeded the return on investment with help from Neudesic. Now, ASC is looking to bring automation to its largest distribution centers.

The Challenge

Shifting from transactional to relational accounting

ASC has a national presence, with its 900 employees delivering to all retail channels and over 10,000 locations. After growing through acquisitions, the company set out to modernize a host of legacy systems so that it could ship innovative, healthful products at scale while building robust relationships with over 150 vendors.

In ASC's legacy invoicing process, analysts had to complete a three-way match with a mix of electronic and paper documents, as well as digital images sent as PDF invoices. "It was very difficult to do all that in a consistent time frame," says Jerry Walker, Chief Financial Officer and Chief Information Officer of ASC. Moreover, the laborious nature of finding a match meant that the team had to tolerate invoicing discrepancies that increased their costs. With 4000 monthly invoices and over \$500 million in inventory purchases annually, even a small amount per order translated to a considerable sum.

Moreover, manual processes were keeping the invoice processing team in a transactional mode of operation. Team members had to communicate extensively with vendors to verify details and find a three-way match on every order. This constant back-and-forth ate away at the time needed to resolve genuinely complex issues like disputes or exceptions on invoices. It also eroded the basis of a positive relationship: the ease of doing business.

The Solution

Enhancing productivity with Microsoft Azure

After assessing the options, ASC chose to adopt Neudesic's Document Intelligence Platform (DIP) solution, which makes it simple for nontechnical users to apply AI and intelligent optical character recognition to replace the manual, time-consuming process of extracting data from business documents. Neudesic's DIP solution runs on Microsoft Azure cloud computing and uses Azure AI.

This wasn't the first time ASC and Neudesic had worked together. In fact, they had a six-year history of collaboration, including the development of services to and monitor applications to enterprise resource planning (ERP) solutions on Azure. In 2020, the two teams took the same approach to the business intelligence space. "We now have full data lake data warehouse capability on Azure," says Walker. The focus on invoice processing is just the first part of a new modernization drive that ASC and Neudesic launched together.

The mission was clear. Walker says, "The goal was to have AI read 80 percent of the invoice dollars that we process." ASC uses Neudesic's DIP solution to meet this mandate by comparing invoices to ERP data and matching invoices, orders, and receipts. In turn, this frees up employee time and makes it easier to focus on higher-value tasks. "Within 12 months, we are exceeding the expected return on investment," says Walker.



The Benefits

Automating incrementally with the Document Intelligence Platform

The project's return has come in many forms. By extending AI to automate routine tasks, the development team has improved quality and systematically reduced tolerances, delivering over \$500K annually in cost savings as invoicing becomes more precise. The reduction of low-value work has also freed up 50 percent of ASC's invoicing experts, allowing them to focus on working through exceptions and building stronger relationships with vendors. "The invoice processing team members are really excited about the Document Intelligence Platform solution from Neudesic. I can hear it when I talk to them," says Walker.

As the project started, Neudesic recommended an incremental approach in which the ASC team would first automate the invoicing process for high-volume vendors with more simple billing processes and then move on to vendors with more complex documentation. With this step-by-step strategy, ASC adapted flexibly to the diversity of its suppliers.

Every vendor has its own invoicing and exceptions process, so ASC had to adjust to each unique relationship. "As team members became more experienced, they had more confidence, making it easier to implement new vendors as time went on," says Walker. Now, ASC is within several months of hitting its goal of having AI read 80 percent of its invoice dollars.

Applying Azure AI across the distribution process

As ASC nears its goal with the DIP from Neudesic, it is looking to reap similar benefits at all phases of the distribution process. With a range of sensitive food products, ASC needs to ensure the quality and safety of each delivery. The company plans on using Azure AI to increase the efficiency of logistics systems, by reducing cycle time and bringing fresher products to pets all over the nation. Both mechanical and software automation are on the table for the next phase of ASC's utilization of Azure tools.

Reflecting on the effort, Walker says, "Now that we've automated invoice processing on Azure using Neudesic's Document Intelligence Platform solution, we're able to reduce the cycle time, improve quality, and boost throughput capability. Ultimately, it makes it easier to do business with us." That brings ASC one step closer to being the distributor of choice for its vendors and retail partners.

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