

## Freedom Communications Uses XenDocs AP Invoice Module to Centralize and Streamline Invoice Approval Process

Freedom Communications, Inc. (Freedom) is a national, privately owned information and entertainment company of print publications, broadcast television stations and interactive businesses. Headquartered in Irvine, California, the company's portfolio includes more than forty business entities spread out across the country.

### CHALLENGE

Freedom desired an automated workflow solution that would allow them to centralize and more easily manage the invoice review, approval and payment process for its multiple businesses.

Under the current system, vendors send invoices to the individual business locations. The invoices are manually approved at these remote locations without any oversight by FSI, Freedom's corporate shared services accounting department. Once approved, each remote site scans the invoices, which are then digitally routed to the corporate AP department for payment.

With the existing system, invoices are slow to be processed, often sitting for days on someone's desk awaiting approval. It is not uncommon for Freedom to be 15 to 30 days behind scheduled payment by the time the FSI receives an approved invoice. When this

### Case Study Overview

#### Freedom Communications

##### Problem:

- Slow, inefficient invoice approval process
- Inability for FSI to track process and insure invoices are properly approved

##### Solution:

XenDocs AP Invoice Module working in tandem with existing Ascent Capture software and Great Plains accounting system

##### Benefits:

- Fewer lost/delayed invoices
- Ensure that only valid invoices are being paid
- Invoices are paid more quickly
- Detailed audit trail, tracking and compliance

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- Bob Ganley  
Director of Systems and Accounting

happens, not only does Freedom miss out on early payment discounts, but they also can incur late payment fees. What's more, the manual routing of invoices at the entity level can easily result in lost invoices; Freedom unable to track where an invoice is in the approval process, as well as how an invoice is approved.

"Our corporate AP department basically functions as a check-writing organization without any control over how invoices are actually approved for payment," said Missy Tougas, Enterprise Accounting manager for Freedom. "We must trust that the business entities have properly reviewed the invoices that are approved for payment."

### REQUIREMENTS

Freedom required a solution that would enable them to centralize the invoice workflow, allowing the corporate office to function as the "bill to" address for vendors, rather than the individual business entities. While Freedom's corporate office would initiate the workflow, the solution needed to be flexible enough to allow each business entity to retain the review/approval process to which it was accustomed.

To prevent lost/delayed invoices, the system needed to allow for paperless document handling at the corporate and entity levels. FSI needed



visibility into the approval process for better tracking purposes.

Finally, the AP workflow system had to integrate with the Freedom's invoice data capture and accounting software.

## **SELECTING HERSHEY TECHNOLOGIES**

In 2005, Freedom began searching for an automated workflow solution. The company worked with two other vendors prior to Hershey, but the projects never got off the ground.

"Working with the other vendors, we found a high-level of frustration in the process," says Bob Ganley, Director of Systems and Accounting. "The providers lacked flexibility, were unresponsive and were overall not a good fit."

In 2007, Freedom approached Hershey Technologies. Hershey proposed a solution, based on the XenDocs content server using Windows Workflow, which was more powerful than the workflow product Freedom purchased initially. Working in collaboration with Freedom, Hershey provided a detailed Solution Design Document, which explained the full scope of the project.

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## **SOLUTION**

The new system allows all invoices to be sent to FSI. Invoice images and data are captured using Kofax Ascent for Payables software and are then released to the XenDocs content server where the workflow process is initiated.

Once in the XenDocs system, invoices are routed to the remote entities for review and approval. The workflow process is customized based on complex business rules required by FSI. For example, XenDocs AP module allows for multiple GL distribution codes to be assigned to each invoice. Each GL item can then be routed individually (and in parallel) to different users for review and approval.

At any point in the process, AP managers can access an invoice to determine its current state, expedite the invoice or route it to another user. Once the workflow is complete, data from the invoice is made available to Freedom's Great Plains accounting system for payment.

## **RESULT**

Hershey's XenDocs solution provides increased visibility into the invoice process at both the entity and corporate levels. FSI can better manage the invoice approval process, making sure that only valid invoices are being paid and that invoices are attended to in a timely manner. What's more, the system provides a detailed audit trail, which allows FSI to ensure that the approval process for each invoice is in compliance with their business rules.

Since FSI has knowledge of all invoices in the workflow system, they can provide vendors with the current status of their invoices within minutes. From an accounting standpoint, they can also better match revenue to expenses.

"Thanks to Hershey, our corporate headquarters can now be an all-encompassing AP department from electronic capture to processing and approval," said Missy Tougas.

Freedom is already planning to roll out the XenDocs workflow system to other areas in their business, such as travel expense processing.

### **For More Information:**

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