

Brandywine Eliminates Manual Paper AP Process with AvidInvoice



Industry

Real Estate Investment Trust (REIT)

Accounting ERP System

Intuit (MRI) Real Estate Solutions

Geographies

30 U.S. markets

Challenges

- Too much paper, many filing cabinets
- Many people touching each invoice
- Cumbersome approval and coding
- Former process was inflexible, non-scalable, lacked workflow functionality
- Prevent duplicate invoices/payments
- Zero visibility to pending invoices

Solution

- Deploy AvidInvoice to manage over 12,000 monthly invoices across 300+ properties
- Leverage AvidXchange's on-demand, web-based SAS 70 audited AP workflow solution to create an automated invoice routing, coding and approval process
- Use AvidXchange's industry experiences to implement a "best practices" AP process

Results

- Immediate, anytime/anywhere invoice retrieval
- Paper-free invoice coding, routing and approval – No copying or filing
- Reduction in invoice approval cycle time – faster approvals
- Identifying duplicate invoices early in the process
- Adherence to SOX 404 compliance with SAS 70 audited process

“The amount of paperwork involved with our manual process was becoming unmanageable and the process had too many stopping points resulting in little visibility to pending invoices and delays in getting vendors paid. We found that **AvidInvoice streamlined our accounts payable process** and increased overall efficiency.”

Gary Hess

IT Manager of Business Services

Real Estate Industry Leader Streamlines AP Process

12,322... that's how many invoices are processed by Brandywine's AP department every month. Each invoice is handled several times – opened, copied, stapled, routed, scanned, filed, etc. Now imagine being able to handle all those invoices only once, scan the documents into a database, utilize a paper-free approval/coding process, organize the electronic images in a virtual filing cabinet and forgo the need to touch the paper invoice ever again. That describes the system for which Brandywine was searching.

Late in 2003, Brandywine Realty Trust initially began exploring automated payables solutions. After nearly three years of due diligence, Brandywine selected AvidInvoice, AvidXchange's flagship product, as their "payables" platform to process the invoices generated by 300+ office and industrial properties throughout the U.S. From the beginning, Brandywine had many requirements; some critical and played an important role in choosing the best partner for this business process.

Of foremost significance was the sheer volume of paperwork being managed and later stored that led to Brandywine's most daunting of challenges. Clearly this was a growing problem and more than justified their search for a solution in order to better manage their documents. "It's all about making the process less painful for everyone involved," stated Gary Hess, Commercial Systems Project Manager at Brandywine Realty Trust. "The amount of paperwork was becoming unmanageable and the process had too many stopping points."

Prior to AvidInvoice, Brandywine used an online imaging product that worked well but lacked bells and whistles such as approval workflow and reporting functionalities. With AvidInvoice, Brandywine would be able to store and retrieve all AP-related documentation in a "virtual filing cabinet" as well as customize an infinite amount of workflows. AvidInvoice was flexible enough to manage all the potential scenarios and nuances.

The current process inherently meant passing paper invoices from one person to the next. Brandywine's AP system could not control when, or if, invoices reached the next approver. Furthermore, invoices were routed through numerous hands and at least two systems prior to payment. Not only would AvidInvoice allow for greater insight into Brandywine's payables, but provide a history feature to permanently log and date-stamp each stage in an invoice's life cycle. With these system attributes, Brandywine could reestablish both accountability and trust within the organization.

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“ It’s all about making the process less painful for everyone involved. ”

Gary Hess
Commercial Systems
Project Manager

Real Estate Industry Leader Streamlines AP Process – continued

Secondly, given that Brandywine’s standard accounting platform is MRI-based (Intuit Real Estate Solutions/IRES) and AvidXchange has forged a deep partnership with Intuit, selecting AvidInvoice became an especially compelling incentive. The advantage of having both AvidXchange and Intuit performing joint testing, product development, end-user support and an ongoing commitment to client-driven functionalities was a key factor in Brandywine partnering with AvidXchange.

Additionally, Brandywine is a publicly-held company with three separate auditing committees. As such, it was critical that their partner performs an annual SAS 70 Type II audit of their applications. This review would verify that AvidXchange’s applications (AvidInvoice, AvidBuy, AvidContract, AvidSync and AvidReports) along with its Bill Processing Center and hosting environment meet or exceed the audit standards established by the American Institute of Certified Public Accountants (AICPA).

Creating and Implementing a “Best Practice” Payables Process

How do you go about creating and implementing a new “best practices” payables management process? Brandywine’s senior project team along with AvidXchange’s account manager created a detailed plan and scheduled roll-outs across their portfolio of properties. Ultimately, this initiative would mean eight regions covering 30 markets would

process invoices electronically. At the conclusion, this project will represent the largest software implementation in the company’s history.

The first step was for Brandywine’s project team to work closely with AvidXchange’s product specialists in order to design and configure approval workflows for each property location and business scenario. Next, the system is fine-tuned

Sample – Pending Invoices

Welcome, Brandywine! [Logout]

BrandywineRealtyTrust

Home | Batching | Users | Vendor List | Properties | Workflow | Reports | Org Admin | Portal Admin | My Profile

Aug 21, 2006

Quick Search

Pending Approval Queue

These invoices are pending Jeff Sigmon's approval. Please click any invoice to manage it.

Invoice # Vendor Invoice Date Amount Ordered By Property Action

Invoice #	Vendor	Invoice Date	Amount	Ordered By	Property	Action
0804-017	FIR020 FIRE DEFENSE SERVICES INC	Aug 5, 2006	\$3,077.76	-Construction Contract - ARBORETUM VI	Step 1	
0804-018	FIR020 FIRE DEFENSE SERVICES INC	Aug 5, 2006	\$3,446.92	-Construction Contract - ARBORETUM I	Step 1	
7786789632-08/06	VER950 DOMINION VIRGINIA POWER	Aug 9, 2006	\$3,601.11	-Utilities WorkFlow-	ARBORETUM VII	Step Two
1262024	TRAL13 TRANE COMPANY	Aug 11, 2006	\$602.50	-Property WorkFlow-	ARBORETUM III	Step Ten

Invoice Search

Use this form to enter invoice search criteria.

Invoice Numbers: []

Additional Filter Options

Buyers: Brandywine Realty Trust

Vendors: []

Requisitioners: []

Dates: []

End Dates: []

Purchase Orders: []

Type: All

Invoice Status: All

Property: []

[Search] [Clear]

to incorporate “best practices” and shared experiences from the AvidXchange project team, allowing for procedures that are Brandywine-specific. To support the process, a Brandywine specific user manual is created for both field “approvers” and regional accounting teams.

In order for system users to take ownership in AvidInvoice, Gary Hess along with the Brandywine project team were able to highly configure the application to accommodate all the nuances and business rules that Brandywine had already adopted. The application is also “branded” with Brandywine’s corporate logo, look and feel.

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“I logged onto the Internet and approved invoices during the cab ride from the airport!”

Shari Sears
Regional Controller

Creating and Implementing a “Best Practice” Payables Process – continued

Leveraging Brandywine’s regional accounting teams, each territory will implement a scanning system, into which paper invoices will now be uploaded, converted to electronic files and indexed into the AvidInvoice system. After an invoice is entered into the system, it immediately begins to progress through its pre-assigned workflow until it becomes fully approved. Along the way and when the need arises, invoices can be moved into disputed status until a resolution is reached either internally or with the respective vendor. Next and at a predetermined time, the approved invoice is batched with other fully approved payables. Batched invoices will flow into the MRI system where checks are issued and mailed to the appropriate vendors. One popular feature within AvidInvoice is the ability for associates to view, either real-time or for historical purposes, every single step in an invoice’s life cycle as well as any comments made along the way. With AvidInvoice, accountability is always in tact because all the data and information captured can neither be erased nor edited by anyone – consider it documented!

Living the Paperless Process – Results

After a few months of training and final system modifications, everyone got into the “paperless” mode. Even Jeff Sigmon, Senior Property Manager at Brandywine Realty Trust, was a bit skeptical at the beginning, but realized that this could actually work and quickly recognized the benefits of a paperless process. “I was so accustomed to the manila folder filled with invoices and handwritten notes, that I questioned how this new application could possibly be an improvement,” said Sigmon. “The transition went really well and I will never go back to the manual paper process.”

So how is AvidInvoice making life easier for Brandywine’s property managers and accounting professionals? To better manage their payables, users will receive an email alerting them that invoices are pending their approval.

Users can access the system at anytime, but the notification will serve as a reminder to approve or dispute open items thereby preventing delays. Users can also precisely identify where any bottlenecks are occurring that may be outside of their control. “It’s a ‘virtual filing cabinet’ that can be accessed from anywhere as long as you have an Internet connection,” said Sheri Sears, Richmond Regional Controller at Brandywine Realty Trust. “As an example, when I flew to the New Jersey office for an AvidXchange training session, I logged on to the Internet and approved invoices during the cab ride from the airport!”

Sample – Invoice View

The screenshot displays the AvidInvoice system interface for viewing an invoice. The top navigation bar includes buttons for Back, Save, Approve & Comment, Approve, Void, Dispute, and Print. The main content area is divided into several sections:

- Invoice Header / Distributions:** Contains fields for Invoice # (0806-017), Status (Pending Approval), Invoice Amount (\$877.76), Invoice Date (8/2/2006), Invoice Due Date (9/1/2006), Memo (max 38 chars), Vendor Name (FIRE DEFENSE SERVICES INC), Vendor ID (FDR020), Customer Acc # (Richmond), Original PDI, Ordered By, Work Order # (max 28 chars), and Batch Names.
- Invoice Detail:** Shows a table with columns for Vendor, Line Items, Workflow, History, Log Comment, and Attachments.
- Vendor Information:** Displays the vendor name (FIRE DEFENSE SERVICES INC), Vendor ID (FDR020), Customer Acc # (Richmond), Original PDI, Ordered By, Work Order # (max 28 chars), and Batch Names.
- Invoice Body:** Shows the invoice details, including the Fire Defense Services logo, contact information (10400 Chester Road, Suite 203, P.O. Box 3375, Chester, VA 23831), phone (804)796-FIRE, fax (804)796-4757, and website www.firedefense.net. It also includes a RECEIVED stamp dated AUG 14 2006 and the service location (Brandywine Operating Partnership, LP, 300 Arboretum Place, Suite 330, Richmond, VA 23236).

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“ The transition went really well and now I would never go back to the manual paper process. ”

Jeff Sigmon
Sr Property Manager

Living the Paperless Process – *continued*

Another benefit, realized particularly at the corporate level, is that all invoices are now reflected in the system without delay. The former process allowed for invoices, typically high-dollar and construction-related, to be submitted on a cost basis allowing property managers to delay payment and better control their individual budgets. However, at the corporate level and regardless of available funds, the AP department considers these expenses as “already incurred.” In order for AP to generate exact and real-time accrual reports, all expenses need to be recognized immediately and without exception.

The search and reporting capabilities are also great features and probably the most popular among Brandywine associates. *AvidInvoice*’s “online filing cabinet” means users can easily glean information and run reports on specific invoices by using category searches such as by vendor, by property, by date range or a combination of the above.

In addition, the archive functionality is extremely useful at year’s end when property managers must generate CAM (common area maintenance) reports for tenants that require back-up information on such expenses. With *AvidInvoice* for CAM, the process today means paper filing cabinets and copying machines are eliminated not to mention a significant reduction in time and labor. Users can now sort property expenses by general ledger account codes and associate images to the underlying invoices.

The Brandywine team has had a busy training schedule in rolling out *AvidInvoice* to each of their 30 markets, however, as Jeff Sigmon experienced early on, “The transition went really well and now I would never go back to the manual paper process.” As the *AvidXchange* project team likes to say, “*Goodbye to Paper – and Save Some Trees!*”