

# Automated A/P Invoice Workflow Solutions at King Ranch

## About King Ranch

Founded in 1853 by Captain Richard King and covering over 1300 square miles, King Ranch is one of the largest working ranches in the United States today. While continuing to advance cattle ranching, today's King Ranch has diversified and grown into a major agribusiness corporation, with interests in cattle ranching and feedlot operations, farming, citrus groves, commodity marketing and processing, and recreational hunting. Its retail operations include luggage and leather goods, farm equipment, commercial printing and tourism. (Source: [www.king-ranch.com](http://www.king-ranch.com))

## The Business Challenge

For over 153 years, King Ranch has served as the agribusiness epicenter for some of the nation's most vital farming, ranching and commodities operations. Successfully running such a diverse organization across multiple states and more than 900,000 acres requires an intense amount of expertise, coordination and leading-edge technology. In 2005, the ranch embarked on a project to reduce the inefficiencies and costs associated with its paper-based Accounts Payable (AP) process. By implementing a system that captures, routes and stores digital images of paper invoices, King Ranch's goal was to automate and streamline their AP process in order to:

- Eliminate the need to mail paper invoices back and forth between its AP department and remote offices
- Lessen the number of manual steps required to process invoices
- Diminish their dependence on paper documents and audit trails
- Reduce the amount of float time between invoice receipt and payment

The technology partner they engaged to solve these challenges? Digital Designs.

## Following the Paper Trail

With Houston as its executive hub, the day-to-day ranch operations reside within numerous field offices located in multiple cities across the Southern United States. Prior to the implementation of their AP imaging system from Digital Designs, the ranch relied on the distribution of more than 3000 monthly invoices to and from these field offices as a critical step in its vendor payment process. When an invoice was received in its Kingsville, Texas-based AP department, the invoice was sent via overnight mail to the appropriate field office executive for approval. "That's where our inefficiencies really started to snowball," noted Ken Clonts, Director of Information Systems, CPA, CITP. "The clerical staff in each field office would receive invoices and place them in the appropriate executive's inbox for approval. If the executive was in the field, the invoice would sit for a couple of days while the clock was continuing to run for getting a timely payment back to that vendor."

*"The process that used to take days can now be accomplished in a matter of minutes. That's a huge impact to our efficiency goals and our bottom line."*

After reviewing the invoice, the executive would sign the paper copy to indicate approval. The clerical staff would then access the ranch's Infinium Payables Ledger (PL) system via dedicated terminals running over its Wide Area Network (WAN) to enter the invoice information. They would also package up the approved invoices and send them by overnight mail to the ranch's centralized AP department in Kingsville. When the invoices reached Kingsville, the AP staff would then match the invoices to the data that the field clerical staff input into Infinium PL. If

## Targeted Applications:

- Vendor Invoice Workflow

## King Ranch

[www.king-ranch.com](http://www.king-ranch.com)

## Challenge

- Eliminate the inefficiencies and reduce the costs of shuttling paper-based invoices through a multi-step approval process across numerous geographic locations.

## Solution

- Utilize Digital Designs' DocAgent for Web and its Workflow module to transform more than 3,000 monthly, paper-based invoices into scanned images that can be submitted and approved within minutes.

## Benefits

- Eliminated mail and overnight charges incurred when submitting invoices for approval and payment
- Reduced document storage costs by lessening the reliance on paper-based invoices and audit trails
- Dramatically decreased late payment fees by reducing the float time between invoice receipt, approval and payment



800.948.6293 · 704.289.4696 · 704.283.6991-Fax  
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everything matched and was approved, the AP department cut a check for payment. This process typically took several days from the time an invoice was received, to the mailing of payments.

According to Clonts, "We knew this process was time consuming and inefficient but we didn't realize the extent until we started analyzing the number of invoices we were paying late and the reasons behind these delinquent payments. That was really the impetus behind our decision to pursue a paperless AP solution."

## Streamlining Processes and Eliminating Inefficiencies

The foundation of King Ranch's new paperless AP process is Digital Designs' DocAgent for Web solution and its Workflow module. Using the solution's Web-based user interface, the ranch now has the ability to:

- Scan invoices at the point of receipt
- Electronically route these electronic images and their associated general ledger (GL) details to the appropriate executive for approval
- Automatically submit approved invoices for payment
- Upload invoice and payment details directly into Infinium PL
- Digitally archive invoice images and their processing details for convenient storage and easy retrieval

When King Ranch receives a new invoice, the ranch's clerical staff immediately scans the invoice instead of mailing the hard copy to the appropriate field office. DocAgent uploads the image for storage and based on pre-defined rules, automatically routes the image to the electronic inbox of the appropriate AP clerk for processing. Using a Web browser such as Internet Explorer, the AP clerk logs on to DocAgent and accesses her electronic Inbox to view a list of pending invoices for processing. The clerk uses the system's highly intuitive graphical user interface to enter the GL codes for each invoice, which are automatically validated and linked to the invoice image. When the AP clerk clicks "Submit", DocAgent uses pre-defined routing rules to send the invoice and its associated GL details to the appropriate executive for approval.

Like the AP clerk, the executive can access DocAgent from any location via an Internet connection to open his electronic Inbox and obtain the invoice image and its associated details. After reviewing the information, the executive clicks "Approve" to automatically route the invoice to the AP department for payment. If there is a problem or question with a particular invoice, it remains in the executive's Inbox until resolved.

"The process that used to take days can now be accomplished in a matter of minutes," explained Clonts. "That's a huge impact to our efficiency goals and our bottom line."

## Committed to Our Success

"When we analyzed the market, we found few vendors that matched our exact needs," noted Clonts. "We had vendors that wanted to come in and reengineer our entire process, replace our AP system or recommend a new customer master. We weren't interested in those options."

A client of Digital Designs since 1997, the ranch uses the company's digital forms and checks to eliminate the need to stock pre-printed forms and checks. They also use Digital Designs electronic W2 forms in their year end processing. "We selected Digital Designs as our partner for this project for several reasons," explained Clonts. "First, we've had a very positive relationship with them and have always found them to be responsive and committed to our success. Second, we liked their web-based imaging solution and third, they were very experienced with our iSeries platform and in particular, our Infinium PL system. That was important to us as we've embraced those platforms. There's no doubt that Digital Designs is committed to our success."

## Realizing the Benefits of Paperless Accounts Payable

Digital Designs' DocAgent for Web solution not only eliminates the need to distribute large amounts of paper, but reduces the amount of human intervention required to insure timely vendor payments. By automating most aspects of the invoice receipt, routing, and approval processing, King Ranch has been able to:

- Eliminate overnight courier costs associated with sending paper invoices between multiple locations
- Lessen their dependence on paper archives and their resulting document storage costs
- Reduce the float time between invoice receipt and payment, resulting in faster invoice processing and reduced late fee penalties

## Learn More

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