



The Powerful Solution That Helped Canon Transform Its Planning, Procurement, and Payment Practices

CANON SOLUTIONS CASE STUDY

By transforming procurement, accounting, and planning processes, Canon was able to expedite projects, maximize resources, reduce costs, improve visibility, streamline compliance, and more.

GENERAL OVERVIEW

Canon U.S.A., Inc. is a leading provider of consumer, business-to-business, and industrial digital imaging solutions. In the Americas, Canon operations include over 20 subsidiaries and more than 17,000 employees.

CHALLENGES

For many years, Canon U.S.A.'s accounting, procurement, and planning activities generally ran smoothly. Over time however, principals noticed that many processes had become overly complex and inefficient.

Sourcing and financial personnel had to handle a growing number of purchase orders, contracts, suppliers, cost centers, budgets, invoices, and approval processes each day. None of this was simple—yet staff had to keep pace with a large workload, resolve exceptions quickly, and reduce processing costs. At a higher level, directors needed to expedite processing, facilitate better planning, and secure top-value resources for budget dollars.

Important projects could take weeks to review and approve—and there was no straightforward way to track progress on plans once they'd been submitted. Hard-copy documents, like invoices and purchase orders, also hampered productivity. Paper-based processes could be error-prone and often had to be handled manually, leading to more delays. And since critical information from these documents wasn't immediately captured and shared among enterprise systems, efforts were often duplicated by personnel in other departments.

These inefficiencies compromised Canon's ability to negotiate the most favorable terms with suppliers; in fact, without its normal speed and agility on which to capitalize, the company began to miss out on strategic market opportunities.





SOLUTIONS OVERVIEW

Canon leadership understood they had both the tools and expertise to resolve all these challenges. In fact, Canon professional services specialists had gained formidable accounting, procurement, and planning insights while delivering customized solutions *just like these* to business clients over the previous decade.

Management wanted to develop a simpler, more efficient standard for project planning, accounting tasks, and the procurement function. The goal was to implement a solution that would help resolve a wide range of inefficiencies, reduce overall costs, and help make the company more competitive while freeing employees to focus on more strategic activities.

The team set out to carefully evaluate, strategically assemble, and implement a suite of solutions that could help streamline and simplify processes across the organization.

To drive this initiative, Canon U.S.A. turned to its own subsidiary, Canon Information & Imaging Solutions (CIIS). As a services company, CIIS specializes in software engineering, workflow consulting, project management, systems integration, and IT infrastructure management.

CIIS Professional Services consultants noticed that nearly all challenges they set out to resolve had five elements in common: imaging, documents, data, workflows, and enterprise applications. It quickly became clear that existing Canon technologies could be combined with Oracle E-Business Suite to create a powerful, integrated solution that could help address those elements and more. Key solutions within Canon's technology portfolio help to deliver a range of powerful business capabilities, including intelligent capture, advanced information management, and enterprise application integration. Among these solutions are the following:

- 1. IRIS capture software:** This leverages optical character recognition technology to extract and intelligently process data from paper and electronic content in order to streamline and expedite business workflows.
- 2. Therefore™:** A comprehensive document and information management system, enables a business to leverage templates, gather project information, establish automated workflows, manage enterprise content, facilitate advanced planning, and more.
- 3. Enterprise Imaging Platform (EIP):** A middleware platform that enables various systems to exchange critical data in specific, practical, and meaningful ways. The business logic and processing capabilities of EIP—along with the recent development of dashboards that provide visibility to projects and metrics—make it a powerful, flexible tool for almost any complex business.

The extensive expertise Canon team members acquired while customizing integrated solutions for external business clients paid enormous dividends when it came time to design and implement this comprehensive initiative. They understood that, while no single software package would address all challenges, specific technologies could be carefully combined to form a comprehensive solution that would. In effect, the Canon team was able to customize a robust, fully integrated solution tailored to the specific needs of its organization.





SOLUTION BENEFITS

With the Canon solution in place, management gained dozens of new capabilities. Information and document-related workflow processes were centralized, standardized, and streamlined. Robust capture and indexing capabilities helped to eliminate redundancies, reduce errors, and expedite invoice processing across all business units.

With regard to the procurement function, intelligent automation paired with easy access to data from vital enterprise applications better positioned Canon teams to negotiate supplier contracts and finalize agreements quickly. Canon also began realizing significant savings by capitalizing on early payment discounts with suppliers. The quality of data captured from purchase orders, invoices, and contracts was greatly improved—and also helped to reduce any payment disputes.

With more intelligent processing in place, compliance became easier and automatic. Since critical data was now shared among systems and available to authorized personnel as needed, plans could be improved and critical decisions could be made faster.

The increased visibility into project spending and approval status enabled personnel among many different departments to streamline and maximize their resources.

Plan, Procure, Pay is not unlike any business process with inputs and outputs. The solution implemented by Canon includes online approval and management dashboards, consolidating information from various systems that capture key performance indicators.

Dashboards provide a quick insight into the progress of spending and where the spending is in the Plan, Procure, Pay path. The dashboards also facilitate metrics such as actual performance, targets, and variance to targets.

The solution enabled teams to automate Procure-to-Pay (P2P) processes, handle both paper and electronic documents in the same workflow, and verify seemingly minute details such as whether an invoice price is “correct” according to contract terms. For instance, the solution features an automated, three-way match system to verify invoice data with purchase orders and goods received notes.

The internal solution implemented by Canon includes analysis, measurement, decision support tools, and provides the capability to approve and review activity via mobile devices, supporting flexible work options.

BENEFITS IN NUMBERS

Canon’s Plan-Procure-Pay system provides quantifiable benefits.

With this solution, “walk-around time” and “manual query time” were reduced significantly. The solution supports paperless processing and approvals, which allow for real-time approval. The work effort was shifted from back-end accounts payable processing to front-end planning and requisitioning.

The amount of time and effort required for data collection and validation was significantly reduced. The automation reduction begins right from project planning and budget approval. For Canon, the cycle time reduction included project approval time as well as requisition to vendor invoice time.

Before Invoices per AP FTE Annual 10,227	After 14,891 (stabilization period) 27,682 (end state)
Before 11 days Project Approval 8 days Requisition to Invoice	After 5 days Project Approval 5 days Requisition to Invoice

The results were quite impressive. Project approvals that previously required 11 days to process are now approved within five days, and the time from requisition to invoice, which used to take eight days, has now been reduced to only five days. With automation, an average, full-time AP employee capable of processing about 10,000 invoices per year can now process nearly 27,700 invoices per year, which, for a large organization, can mean a huge boost in efficiency.



SUMMARY

As Canon's accounting, procurement, and planning processes started to become overly complex and less efficient, leadership looked for ways to comprehensively address these challenges and better position itself for the future.

By drawing on the deep expertise acquired and their own suite of unique, powerful technology offerings, Canon's professional services and software engineering personnel helped streamline and automate processes across the organization. This work resulted in an integrated solution that has helped to improve margin, boost working capital, optimize asset usage, and realize up to five million dollars in savings each year.

Advancements in document management technology are paving the way to greater profitability and productivity at Canon. If you'd like more information about how Canon's expertise can help your organization, please visit www.usa.canon.com.



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