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## Gulfstream Aerospace Corporation

// case study:

### ACCOUNTS PAYABLE AUTOMATION RESULTS IN PRODUCTIVITY GAINS OF MORE THAN 20 PERCENT

When an off-site relocation of the corporate Accounts Payable department of Gulfstream Aerospace Corporation threatened to cause further inefficiencies and increase costs, Gulfstream professionals knew they had to take action. As an organization dedicated to continuous improvement, Gulfstream operates under a lean environment, frequently implementing best practice and Six Sigma efforts. So Gulfstream management approved improving and consolidating Gulfstream's Accounts Payable operations as a lean initiative.

Gulfstream, a wholly owned subsidiary of General Dynamics (NYSE: GD), designs, develops, manufactures, markets, services and supports the world's most technologically advanced business-jet aircraft. Gulfstream has produced some 1,800 aircraft for customers around the world since 1958. The company also offers aircraft ownership services via Gulfstream Financial Services Division and Gulfstream Pre-Owned Aircraft Sales®. More than 9,000 people are employed by Gulfstream.

Prior to the implementation of the accounts payable automation project, incoming invoices were processed at seven different Gulfstream and General Dynamics Aviation Services locations strategically located throughout the United States. Each location

received incoming invoices from suppliers and vendors, and manually processed them by entering the invoices into the organization's accounting systems — Corridor®, an aviation service software provider, and Consolidated Application System (CAS). Invoices were then manually matched to purchase orders, routed for approvals and problem resolution, and for four sites, sent to the corporate Accounts Payable department in Savannah, Ga., for check processing and check auditing.

To further complicate matters, the relocation of the corporate Accounts Payable department from its main campus location to Gulfstream's Research and Development building in Savannah created even more logistical problems. The Savannah Accounts Payable staff had to rely even more on interoffice mail and individuals were not able to personally deliver urgent invoices for approval to Gulfstream's Research and Development building. "There were many challenges associated with our previous accounts payable environment," said Sheila W. Conyers, senior corporate accounting manager at Gulfstream. "It was often difficult to locate where a specific invoice was in the process. In addition, there was no visibility, meaning that the different divisions weren't able to view each others' invoices. Invoices requiring approval



of managers in a different location were sent back and forth via interoffice mail. And at times, invoices were even lost.”

And even though all checks were processed in Savannah, suppliers with contracts at more than one Gulfstream or General Dynamics Aviation Services division had to invoice each location separately. In many cases, vendors received four checks instead of one consolidated payment.

Increasing Productivity, Improving Satisfaction One of Gulfstream’s initial needs was an electronic workflow system. Accounts Payable needed a solution that would automatically post data to Gulfstream’s accounting systems, electronically route invoices for approval, validate data and handle exceptions. Front-end document capture and scanning were identified as additional important needs. The Accounts Payable staff needed to have the ability to quickly and easily identify where invoices were in the process and speed paperbound accounts payable processes. Another goal was to eventually centralize Gulfstream’s Accounts Payable functions, designating Savannah as the sole accounts payable office.

Gulfstream selected KeyMark Inc., an award-winning document management solution provider known for its expertise in engineering complex solutions and its high level of customer service, to help address its accounts payable needs.

KeyMark’s solution was designed to capture invoices when they first arrive and reduce the need for manual invoice processing. Today, invoice scanning is accomplished using a pair of Fujitsu 5650 scanners. In combination with the Kofax solution for accounts payable, paper-based and electronic invoices are captured and digitized at the point of entry and transformed into process-ready information so that invoices can be paid on time. Data from each invoice is automatically recognized, classified and extracted, making it simple to locate and retrieve a specific invoice.

OnBase imaging workflow provides a tool to track and manage approval processing of the invoice and invoice problem resolution. Automated messages are generated when specific actions are required (such as invoice approval), thus helping increase efficiency. KeyMark engineered the solution to seamlessly integrate with Gulfstream’s CAS and accounting systems. Once Workflow processes data to Gulfstream’s business systems in the correct format, invoices are electronically routed for approvals and problem resolution. Workflow interfaces with the accounting systems, so invoices can be easily matched. If there is an exception to an invoice, it is automatically

handled or routed to the appropriate Gulfstream personnel for resolution.

“Using the new solution to process invoices, Gulfstream’s productivity has increased in the number of invoices it can process each day by a conservative 20 percent,” said Conyers. “And now that incoming invoices are automatically captured, they are rarely lost or misplaced.” In addition, paper storage needs have been eliminated and retention control has been vastly improved. The system’s tracking and reporting capabilities have made it easier for problem resolution and approval, and more accurate reporting. Using a dashboard system, managers can easily pinpoint how many invoices are being processed, where they are in the process and how long specific tasks are taking. Employee satisfaction has greatly improved as the new solution has freed up employees to spend time on other important tasks. Supplier satisfaction has greatly increased, too. Suppliers no longer have to bill multiple divisions and they appreciate having one key accounts payable contact.

“We are very pleased with the results of the accounts payable automation project,” said Conyers. “KeyMark is wonderful to work with. The customer service and continued technical support they offer is top-notch.”

## Key Benefits

- Consolidation of Gulfstream’s accounts payable department
- Invoices are automatically captured and scanned – no need to manually separate and copy invoices
- Full visibility – dashboard enables pinpointing of specific invoices
- Data is automatically posted
- Improved cash forecasting
- Paper storage needs eliminate
- Seamlessly integrated with Gulfstream’s existing systems