

## FACT SHEET

OCR vs. SmartPDF /  
e-invoicing with PDF

basware

Simplify Operations, Spend Smarter.

# MAKE THE „O“ IN OCR OBSOLETE WITH BASWARE SMARTPDF

According to a 2017 Billentis study, 20-30% of all paper invoices processed via OCR typically require some form of manual correction, leading to process inefficiencies and higher costs for the Accounts Payable department.\*

Optical Character Recognition, or OCR, has been the technology of choice for organizations to rapidly become paperless in their invoice processing without having to connect suppliers electronically. OCR is also often used to process accounts payable invoices sent as PDFs. Here it is fair to ask why one would apply a method that delivers reduced data quality from suppliers at the gates of the invoice handling process. Especially since there is a better way available.

With Basware, **all** suppliers can send invoices generated in their ERP, billing system, or office programs as PDF documents at no additional cost. These machine-readable PDF invoices can be processed as if they were electronic invoices in the accounts payable. This improves automation and reduces costs.

The main difference between OCR and Basware's e-invoice receiving services is that with Basware, the data in PDF invoices are extracted at its

original data quality. The data is then converted into the desired format and passed on to the receiver's Accounts Payable or ERP system for processing.

Some of your suppliers might still send you PDF invoices that are not machine-readable - think them as images in PDF format. With Basware you need not worry about them either. We'll detect whether a PDF is machine-readable or not, and automatically select the right technology to create e-invoices for all PDF invoices you receive.



Supplier registers in Basware Portal  
**OPTIONAL**

Supplier sends a PDF invoice by email

Basware maps predefined invoice fields and generates an e-invoice

The e-invoice is sent to you. **No need for OCR**

You receive the e-invoice and invoice image

\* [www.billentis.com/einvoicing\\_ebilling\\_market\\_report\\_2017.pdf](http://www.billentis.com/einvoicing_ebilling_market_report_2017.pdf)

## SMARTPDF AT A GLANCE: THE SMART ALTERNATIVE TO OCR

	OCR = OPTICAL CHARACTER RECOGNITION	SMARTPDF
<b>HOW INVOICE DATA IS RETRIEVED</b>	<ul style="list-style-type: none"> <li>Data interpretation of graphical elements from scanned paper or PDF image</li> </ul>	<ul style="list-style-type: none"> <li>Data extraction from original data embedded in machine-readable PDFs</li> </ul>
<b>DATA QUALITY</b>	<ul style="list-style-type: none"> <li>Poor: all electronic information is lost in the process</li> <li>Manual validation and correction for up to 20-30% of invoices is common</li> </ul>	<ul style="list-style-type: none"> <li>100% maintained original data quality from the supplier, even for line level data</li> </ul>
<b>COST-EFFICIENCY</b>	<ul style="list-style-type: none"> <li>OCR is more expensive, especially when not only header data, but line level data is required</li> <li>Higher costs due to manual corrections</li> </ul>	<ul style="list-style-type: none"> <li>More cost-effective than pure OCR process for the receiver</li> <li>Free of charge for the sender</li> </ul>
<b>SUITED FOR:</b>	<ul style="list-style-type: none"> <li>Starting point for companies that require an immediate shift to paperless invoice processing</li> </ul>	<ul style="list-style-type: none"> <li>Organizations with large volume of incoming invoices (&gt;50.000 p.a.) from a large number of suppliers</li> <li>Ideal to connect also the long-tail of suppliers</li> </ul>

Many organizations work with Basware to achieve faster processes with fewer manual interactions. Partners like the University of Oslo, McDonalds in Germany and many others are achieving ambitious e-invoicing targets:

- The University of Oslo** was able to go from only 13% to over 60% e-invoice rate in just a year with the help of Basware's E-invoice Receiving and Supplier Activation Services. Since then, they've improved further and are currently enjoying e-invoice rates of around 90%
- McDonald's in Germany** is a great example of how much faster invoices can be processed. Not only does Basware generate the e-invoices and deliver them to McDonald's, also a VAT compliance check takes place. The result: A reduction of invoice processing time from 20 to seven days.

### CONCLUSIONS

- Improved data quality means less errors and fewer exceptions to manage.
- That in turn means improved automation and faster invoice processing
- With faster processes, you're able to capture more early payment discounts. The easiest way to do so if you work with Basware is with Dynamic Discount, which comes fully integrated with Basware Purchase-to-Pay.

### WHAT IS YOUR NEXT TO STEP TO REALIZE COST SAVINGS IN YOUR ORGANIZATION?

If your organization processes large amounts of invoices every month it will make perfect sense to work with Basware.

**Contact us** for a non-binding and free consultation call with our subject matter experts to find out how Basware can help you to remove manual interventions from your invoice reception process and easily connect your complete supplier base.

All suppliers

can send invoices as PDFs

Improve

automation and reduce costs

Keep

the original data quality

### ABOUT BASWARE

Basware is the global leader in providing purchase-to-pay solutions, e-invoicing and innovative financing services. Basware's commerce and financing network connects businesses around the globe. As the largest open business network in the world, Basware provides scale and reach for organizations of all sizes, enabling them to grow their business and unlock value across their operations by simplifying and streamlining financial processes. Small and large companies around the world achieve significant cost savings, more flexible payment terms, greater efficiencies and closer relationships with their suppliers.

Find out more at:

[WWW.BASWARE.COM](http://WWW.BASWARE.COM)

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