


Factsheet: OCR vs. SmartPDF

Out with OCR. In with AI-Powered Invoice Ingestion.



According to Ardent Partners, an average enterprise receives 56% of its invoices as a PDF - and this number is growing fast!

basware
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In the 1980s, optical character recognition (OCR) technology provided relief from manual data entry challenges posed by paper invoices, automating the conversion into machine readable text. However, it had many limitations, necessitating manual corrections.

The introduction of PDFs in the 90's marked a shift, but OCR for PDFs brought new challenges, leading to continued manual validations. Over the decades, the need for a more efficient solution became evident, paving the way for an AI-powered financial revolution in invoice ingestion.

Basware streamlines invoice processing by allowing suppliers to send PDF invoices from various systems to a single email. These machine-readable PDFs are treated as electronic invoices, boosting automation rates and cutting costs.

Unlike the outdated technology of OCR, Basware's SmartPDF solution is specifically designed to ensure that data in PDF invoices maintains its original quality. The extracted data is then transformed and seamlessly integrated into the receiver's Accounts Payable or ERP system.

Even if suppliers send non-machine-readable PDF invoices (images as a PDF), it doesn't matter, Basware SmartPDF handles all formats. It detects the document type and automatically employs the right technology to convert all received PDF invoices into e-invoices.



Suppliers send PDF invoices to one email address.

SmartPDF collects data from the PDF invoice and turns it into an electronic invoice.

You receive the e-invoice and invoice image. The invoice data is now ready to be ingested into your AP or ERP system.

OCR = optical character recognition

SmartPDF

How invoice data is retrieved

Data interpretation of graphical elements from scanned paper or PDF image

Data extraction from original data embedded in machine-readable PDFs

Data quality

Poor: All electronic information is lost in the process

Excellent: 100% maintained original data quality from the supplier, even for line level data

Manual validation and correction are commonly required for most invoices

Supports over 32 languages

Cost-efficiency

OCR is more expensive, especially when not only header data, but line level data is required

Invoices, including both header and line-level data, are processed within minutes

High costs due to manual corrections and additional resources required

AI is trained - from over 20 million invoices from thousands of companies globally - to automatically recognize exception invoices

Free of charge for the sender

Suited for:

Basic print media conversion to machine-readable text documents, but there are modern technologies available for invoice processing

Organizations dealing with a large volume of invoices from a large volume of suppliers

Connecting the long-tail of suppliers

Numerous organizations partner with Basware to streamline processes, reduce manual interactions, and achieve ambitious e-invoicing targets.

RadNet successfully transitioned from OCR technologies, achieving a 77% processing rate of invoices through advanced methods supported by Basware SmartPDF. Furthermore, they've achieved a remarkable 85% touchless processing rate for their PO invoices.

The University of Oslo increased its e-invoice rate from 13% to over 60% within a year, and their current e-invoice rates stand at around 90%.

McDonald's Germany exemplifies the efficiency of streamlined processes. Not only does Basware generate the e-invoices and deliver them to McDonald's, a VAT compliance check also takes place. The result? A reduction of invoice processing time from 20 to 7 days.

Conclusions

Basware SmartPDF revolutionizes invoice processing by cutting costs, boosting accuracy, and facilitating efficient data extraction. It automates the conversion of PDF invoices into true e-invoices, unlocking benefits such as:

- Enhanced data quality
- Increased automation
- Improved supplier connectivity
- Seamless integration with existing systems



What is your next step to realize cost savings in your organization?

If your organization processes large amounts of invoices every month it's time to talk with Basware.

Contact our subject matter experts to find out how Basware can help you improve your invoice data quality, remove manual interventions from your invoicing process, and easily connect with your entire supplier base.

ABOUT BASWARE Basware is how finance leaders in global enterprises can finally automate their complex, labor-intensive invoice processes and stay compliant with regulatory change. Our AP automation and invoicing platform helps you achieve a new level of efficiency – in a matter of months – while reducing errors and risks. We bring a unique combination of true automation, complete coverage, and deeper expertise to make it all just happen for our customers. That's why the world's most efficient AP departments rely on Basware to handle millions of invoices per year. Basware. **Now it all just happens.** ©Basware 2023

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