



**HOW DOES SCANNING  
COMPLEMENT ELECTRONIC  
INVOICING?  
THE AMERICAN AIRLINES  
EXPERIENCE**

- Best solution for invoice paper elimination is supplier created electronic invoices
  - Most cost effective
  - Provides two way communication for issue resolution
  - Provides suppliers with on-line payment status
  
- Reality is that not all suppliers will be willing or able to submit invoices electronically
  - Technology limitations
  - Supporting documentation requirements that cannot be addressed with invoice attachment functionality
  - Refusal



- American Airlines currently receives:
  - 25,000 invoiceWorks invoices/month
    - 15,000 non-PO
    - 10,000 PO
- American Airlines still receives:
  - 8,000 paper invoices/month
    - 5,000 non-PO
    - 3,000 PO



- Implemented Scanning solution for non-PO invoices in early 2006
  - Re-contacted paper suppliers to re-emphasize the preferred invoicing solution
  - Selectively targeted suppliers for imaging solution
    - Established a unique mail address
    - Advised supplier that future invoices should be sent to the new address, instead of to the field location previously billed
    - Advised suppliers that invoices would require a vendor number and requestor number
      - We provided suppliers with their vendor number, frequently used requestor numbers, and procedures to obtain other requestor numbers
  - Upon receipt of the invoice, Disbursements forwards it to DIT, via mail or e-mail.



## - Benefits

- Internal users see all of their electronic invoices in the same format.
- Cost saving thru elimination of data entry and storage of paper invoices.
  - August imaging volume 1,450 invoices

## - Challenges

- Supplier compliance has been difficult
- Department reluctance to have invoices go directly to Disbursements

## - New initiatives

- Identified locations with larger volumes, and established procedures for invoice preparation and routing directly from the department to DIT
  - Eliminates changing the supplier billing instructions
  - Improves compliance

## - Next steps

- 4Q06 implementation of PO invoice processing via DIT, with matching to PO

