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5 Unavoidable Risks of Manual Document Processing

Introduction

A volatile and unpredictable economic environment continues to be the norm for businesses globally. Manufacturers and distributors bear the brunt of these issues navigating the front line of ongoing disruptions to global supply chains. While B2B customers have always expected orders on time and in full, the past two years of disruptions make fulfillment an exceptionally tall order considering the scope and duration of inventory shortages and shipping delays. Customer tolerance for order issues is evaporating. Businesses hoping to stay profitable, retain customers, and continue to grow ahead of a looming recession will need to optimize any process that increases the likelihood of errors.

Happy customers are those who receive products quickly and without error, an outcome that starts with how you process orders. While buying through EDI and ecommerce platforms continues to gain popularity as customer-led alternatives, many B2B buyers still prefer to send orders over email.

A better way to accommodate your buyer's preference

Despite significant investments in creating an omnichannel experience, legacy purchasing behavior continues to hold your teams back. It's far less risky – and creates a better experience – to accommodate customers who'd prefer emailing orders than force them to order through an ecommerce platform or adopt EDI. Striking this balance leads many companies to task their customer-facing teams with manually processing emailed orders.

This leads to human errors that delay shipments, frustrate customers, extend the order-to-cash cycle, and reduce your team's time to build customer relationships and sell proactively.

While historically, manual processing was an accepted part of doing business, advanced automation solutions make it possible to extract information from purchase orders and send it directly to your system of record without involving any staff to rekey or validate data. Thus, eliminating manual processing and its risks.

In this ebook, we will explore the **top five risks** to your business if you continue to rely on manual document processing.

1 High Cost of Doing Business

2 Lost Customers and Revenue

3 Increased Order Processing Errors

4 Lack of Visibility for You and Your Customer

5 Employee Burnout

While these risks extend to any process involving manual data entry or a human-in-the-loop, we'll illustrate these risks using the order entry process as our primary example.

Are documents still being processed manually in your business?

When your operation relies on processing documents manually, it can look like this: your customer service or inside sales rep receives a purchase order and then must swivel between applications to rekey data into your ERP – keystroke-after-keystroke and line-by-line – all while doing their best not to make any mistakes while accounting for any urgent customer needs.

According to research by Sana Commerce, 45% of B2B customers like using email to place orders. That's a lot of keystrokes for your reps. This preference for email means the document types used to send purchase orders to your team will vary significantly across customers. An emailed order could arrive as a PDF, a Word document, a text file, or even an image.

When your team receives one of these unstructured documents (i.e., not a spreadsheet), an individual must manually enter every line item into your ERP. That process is inefficient, time-consuming, and increases the chance of delays. Another complication for your team is the likelihood of your customers using their unique order format for each document type.

And the problem isn't limited to purchase orders – manual document processing is also standard in supply chain and AP workflows.

In today's demanding and ever-changing business environment, relying on manual document processing is a barrier to your company's success. Instead, implementing technology that automates the processing of these documents enables you to increase efficiency, retain customers, and grow your business faster.

High Cost of Doing Business

During periods of economic uncertainty, companies must accelerate cash flow, increase profitability, and cut costs wherever possible. While spending money to make money is a famous truism, relying on manual processes costs you more than you might think.

Manual Order Entry is Expensive

According to research by the Hackett Group, the cost to manually process a purchase order can be as much as $9.05. And that's just accounting for your rep's keystrokes. If you factor in the rest of the typical workflow – collecting, sorting, verifying, archiving – manual processing can cost upwards of $30 per order, according to research by the consulting group, Zinnov.

Investing your team's time in rekeying data from a purchase order into your ERP produces little beyond moving data from one application to another and takes time away from building customer relationships and other revenue-producing activities.

As you can see, manual document processing costs your business a significant amount of money and time – especially when compared to a manufacturer or distributor that automates document processing.

Automated order entry decreases costs

Alternatively, companies that automate document processing only spend $1-3 to process a purchase order (Zinnov). That's about a 90% cost reduction from those businesses still relying on a manual process.

Beyond that, your team can save thousands of hours annually that can be reinvested in the customer experience and proactive selling. According to Conexiom research with MDM, 95% of businesses believe the customer experience will significantly impact revenue, which brings us to our next risk.

Manual order entry not only wastes time but also wastes money. Instead of supporting your highest-value business initiatives, your employees spend countless hours entering data manually into your systems. Automating your order processing with Conexiom can increase cost savings and re-focus your employees on moving the needle for your business, not entering data.
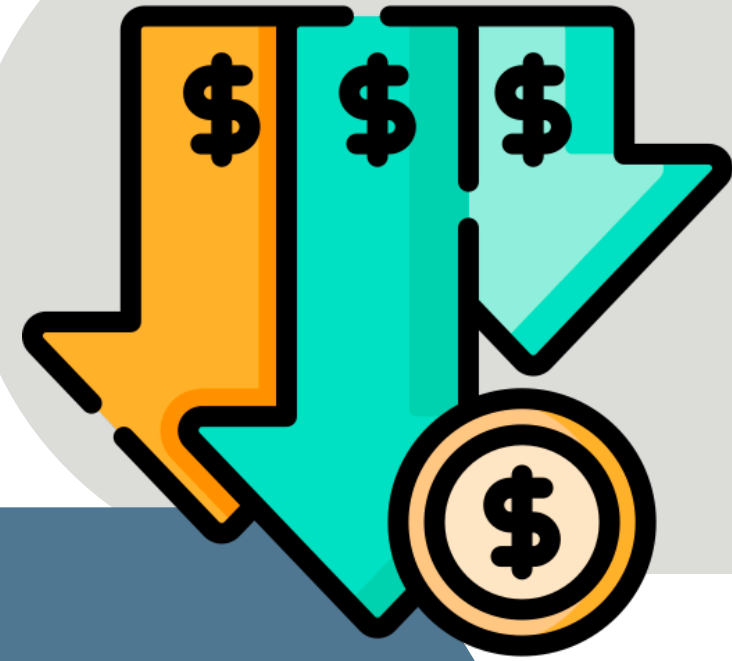
95% of businesses believe the customer experience will significantly impact revenue.

—Conexiom Research with MDM

RISK
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Lost Customers and Revenue

According to Deloitte, companies that focus on the customer experience are 60% more profitable than those that do not. It's hard to focus on the customer experience when facing a backlog of unprocessed purchase orders.

While it's critical for POs to make it to your ERP, relying on your customer-facing teams to facilitate that process does not leave much time in the day to build relationships or support a competitive customer experience. Instead, you're forcing your team to choose between order entry and customer satisfaction. Both are important, but whereas you can't automate relationships, you can automate order processing.

Manual Document Processing Devours Time

Customer relationships need time to develop. Successful teams can learn about their customer's business and identify ways your company can meet their current needs while also identifying solutions to problems they haven't noticed yet.

Businesses agree that spending more time being proactive with customers and less time being reactive is key to achieving best-in-class customer service. Despite that, most customer-facing teams only spend 40% of their day being proactive, while business leaders agree that spending 70% is the minimum needed to generate new revenue (MDM, Conexiom).

Where do customer-facing teams spend their time instead? Consider how many orders your business receives a day. It takes a CSR about 30 minutes to manually process a purchase order. On top of that, because manual entry is so error-prone, most CSRs spend 2-3 hours per day fixing mistakes in previous orders (MDM, Conexiom). The team responsible for ensuring a positive customer experience focuses more on data entry than delighting clients with solutions and white-glove service.
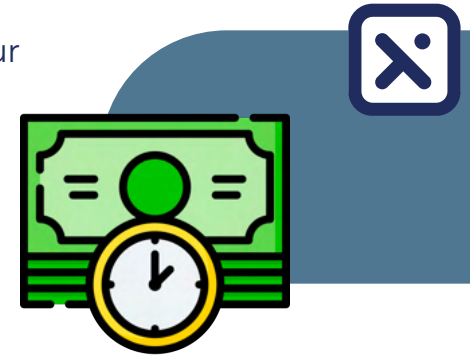
Customer Experience Protects and Increases Revenue

According to Indian River Consulting Group, at any given point in time, nearly 10% of your business is won or lost to competitors based on the customer experience you can deliver. When faced with a potential economic downturn, knowing how to keep customers is cheaper than finding new ones. Therefore, retention should be a top priority for all manufacturers and distributors.

Most businesses agree, believing customer service is the most important factor in differentiating from the competition (MDM, Conexiom). And they're correct. According to Sana Commerce, 84% of B2B buyers would still choose a supplier they have a great relationship with even if a competitor could offer them a better deal.

Having strong relationships with customers helps offset unexpected issues beyond your control. This is particularly critical during this era of persistent supply chain disruptions. Maintaining a proactive relationship with your customer means you can offset the frustration of an incomplete order, an unanticipated delay, and other common issues. By automating document processing, you can free up thousands of hours – as much as 95% of the time previously spent on order entry – to deliver the exceptional customer experiences necessary to compete.

Your customers are happy when they receive their orders on time and in full, mainly when so many market forces work against manufacturing and supply chain timelines. By automating order processing with Conexiom, you can ensure that every customer feels confident in your ability to get all their orders fulfilled fast with 100% accuracy.

"Customer service is the most important factor in differentiating from the competition."

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Increased Order Processing Errors

To err is human, and your team of humans produces a lot of errors when they spend most of their time manually processing documents.

Errors are unavoidable with manual entry

According to previous research by Conexiom, manual data entry has an average accuracy rate of 70%. That's a lot of incorrect order data in your ERP, potentially creating future inefficiencies and frustrated customers. While an error is often identified before it can cause too much trouble (as noted earlier, CSRs spend 2-3 hours daily fixing these mistakes), they're a guaranteed part of manual document processing. If you rely on people for order entry, you'll continue to have data errors that slow your business down and waste time and money.

Dealing with errors is not a minor issue. For example, our research found that 80% of manually processed orders contain a mistake that would require some future intervention to fix. If you catch the errors quickly, you're still wasting time redoing old work and delaying new tasks. If you don't see the error, but your customer does, you've become part of the supply chain disruption instead of a trusted provider helping them navigate it.

Eliminate Human Error with Touchless Automation

Removing people from the workflow is the only way to eliminate order processing errors. When businesses adopt touchless automation like Conexiom, they can process as much as 80% of the orders they receive with 100% accuracy without ever involving a human. This ensures customers receive orders on time and in full (or receive the proactive communication that would prepare them for missing items) and eliminates the time wasted on correcting past mistakes.

Conexiom removes your reliance on manual data entry with 100% accurate Touchless Automation across your critical document types. You can fulfill orders faster and more accurately by removing the human element to order entry.

No Manual
Data Entry

100% Accurate
Touchless Automation

Fulfill Orders Faster
and More Accurately

Lack of Visibility for You and Your Customer

Modern supply chains and their supporting processes weren't designed for the inconsistency and disruption emerging in the wake of COVID-19. With economic instability likely to continue, businesses should focus on implementing solutions to help them spot and communicate supply chain issues before they impact customers.

Help Your Customers See Through Supply Chain Disruptions

If customers can't receive their orders on time and in full, they want to know about it sooner rather than later. The rate of weekly order errors has increased significantly since the beginning of the pandemic (Sana Commerce), and customers feel the burden of solving these problems has fallen on them. The lack of order accuracy and reliability impacts buyers' productivity and company efficiency. According to research from Sana Commerce, 39% of B2B buyers say they work longer hours to fix issues stemming from order errors, while 33% said the increase in mistakes had caused problems within their company.

While automating document processing can't fix the supply chain, it can enable you to provide insight and status updates for emailed orders on par with what's available to buyers using EDI or ecommerce platforms.
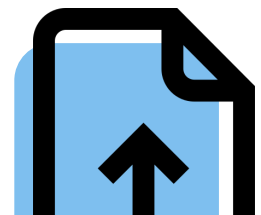
Instantaneous like Amazon

Suppose your customer-facing teams constantly work through purchase orders that need to be manually processed. In the best case, they don't have time to quickly acknowledge customer orders (especially compared to the "instantaneous" standard set by companies like Amazon). In the worst case, they aren't acknowledging they've received an order.

Not only does automation provide your team with the time it needs to communicate with customers proactively, but the reduced processing time and 100% accuracy make it possible to create an Amazon-like experience for your buyers who still want to email their orders.

The faster you can process your orders and deliver data directly into your ERP, the quicker you can provide updates to your customers and gain visibility into the status of an order. By automating your orders with Conexiom, you can create a speedy and transparent process that equally serves your business and customers.

Automation provides your team with the time it needs to communicate with customers proactively, while reducing processing time with 100% accuracy.

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Employee Burnout

Between COVID-19, the Great Resignation, and ongoing supply chain issues, many of your employees are probably starting to feel disengaged and a little burnt out. While automation can't solve every consideration of keeping employees engaged, it can help eliminate unnecessary drudgery from their daily work.

What people need to connect with their work

During a webinar focused on mitigating the effects of the Great Resignation, transformation consultants from Korn Ferry shared the five things they've found people need to connect to their work:

01

To play for a winner; **people want to feel they are aligned with a strategy that makes sense**

02

Opportunities to grow and develop

03

A fair exchange; reasonable compensation and benefits for their efforts and skills
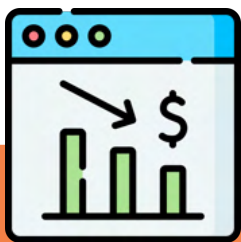
04

A sense of **influence**

05

A positive environment with efficient processes and collaborative culture

While not immediately apparent, eliminating manual document processing from your business would help you deliver an employee experience aligned with what your employees need to connect with their work.

Manual processing discourages employee engagement

Manually processing documents doesn't make sense. While it was necessary for years because no viable alternatives exist, that's no longer the case. Automation solutions like Conexiom make it possible to eliminate manual order entry so that your teams can focus on work that helps them grow and develop in their careers.

On paper, your customer-facing teams are responsible for delivering a competitive experience, building relationships that encourage retention and helping customers solve problems. This is how they can influence the positive trajectory of your business – by investing their time, energy, and product knowledge into customer relationships, not data entry.

When your team is tasked with manual order entry, arguably one of the most inefficient legacy processes, they don't have time to develop relationships with customers, let alone their coworkers. Your employees want to solve problems beyond moving data from documents to databases.

Manual order entry not only wastes money and time but also wastes employee potential. Instead of empowering your team to work on high-value initiatives, they spend most of their time on manual data entry. By automating your order entry process, you can increase employee engagement by reinvesting their time towards work that drives tangible value for the business and its customers.

Conclusion

It's difficult to predict the full impact of the looming recession or if one will develop. However, increasing productivity and eliminating inefficiency through automation are evergreen goals for business leaders in manufacturing and distribution. Manual document processing is a standard approach but does not support strategic initiatives toward business resilience and agility – both necessary traits to endure an economic downturn while ensuring success on the other side.

By eliminating manual document processing from your business and investing in touchless automation like Conexiom, you:
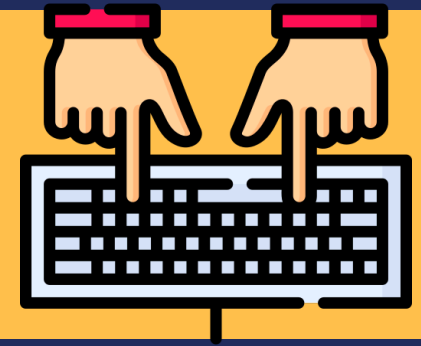
- Lower the cost of doing business by decreasing resources spent on document processing

- Improve your customer experience while creating opportunities for new revenue

- Eliminate order errors and other data issues that result from manual entry

- Provide increased visibility into order status for your customers, reducing anxiety about supply chain disruptions

- Increase employee engagement by enabling them to reinvest time towards doing strategic work that solves customer problems and leverages their product knowledge

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