



PARTNERSHIP PAYS OFF FOR FIS AND LOMBARD

A co-created AI solution is set to transform invoice-to-pay workflow and the customer experience in asset finance

Fintech is at its finest when it solves real-life business problems. By teaming up with NatWest Bank's asset finance specialist, Lombard, FIS is helping digitalize and automate a process that's long held back the leasing industry – bringing concrete benefits to Lombard and its customers.

Too many invoices, too little time

Digitalization has already made vast improvements to the automation and efficiency of the leasing life cycle. But as FIS has recognized, there's still always a point where paper and unstructured data can disrupt and slow down a critical business process like the receiving and paying of invoices.

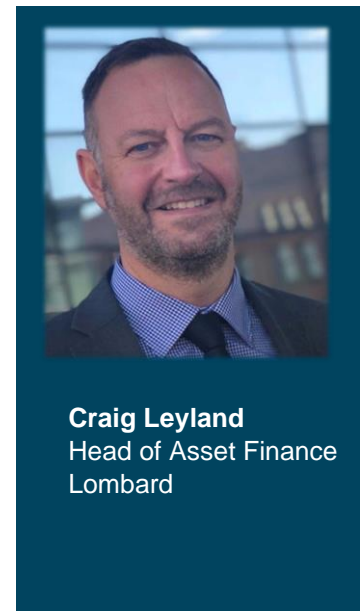
"It's a common problem in the asset finance industry," says David Woodroffe, Senior Vice President of Solution Management, Asset Finance, FIS. "Before suppliers or dealers can be paid, the finance provider has to process invoices in many different layouts and enter the details into FIS Asset Finance.

"Although vehicle related invoices often have repeatable information, such as vehicle identification numbers (VIN), there's much less standardization for general equipment."

This is a familiar issue for long-time FIS client Lombard, the U.K.'s largest asset finance company, which funds multiple asset types from thousands of suppliers using FIS® Asset Finance.

As Craig Leyland, Lombard's Head of Asset Finance and Transformation, says, "There's a big variance in the types of invoices provided to us by suppliers and how they are broken down. The assets are described differently; some don't have VAT; others are supplied by companies that auto-produce their invoices; many come from small businesses some of whom still write out invoices by hand.

"So, we needed a digital solution that could handle invoices in very different formats and with varying information and structures."



Craig Leyland
Head of Asset Finance
Lombard

Hi-tech, high touch, low carbon

Lombard prides itself on being both a relationship-led asset finance business and digital innovator with a “hi-tech but high-touch” approach. As part of NatWest, the firm is also passionate about reducing its carbon emissions and helping customers meet their own low- or zero-carbon objectives.

But on all three of these counts, Lombard’s invoice-to-pay process was falling short. Highly manual, it took time that would be better spent serving customers.

“At Lombard, we were looking at how we could use existing solutions, as well as new and innovative technology, to deliver on our strategic goals,” says Craig Leyland.

“We’d looked at generic products that used optical character recognition (OCR) to automate data capture but hadn’t found the right solution. As our long-term strategic software partner, FIS was always the natural choice for us to co-create a new solution with.

“FIS has a really clear understanding of our hi-tech/high-touch strategy and we’ve been working together for a number of years to reimagine our customer journeys. That means FIS is perfectly placed to design a solution that’s specifically for the asset finance industry and complements our existing workflows.”

An innovative solution, developed together

FIS’ lending innovation team had been aware for some time of the invoice processing challenges that its asset finance clients were facing. So, it had already started building a prototype solution, which Lombard liked and agreed to help develop.

The result, FIS® Invoice Manager, uses artificial intelligence (AI) to accurately capture data from invoices, and is specifically trained for the AP workflow in vehicle and equipment finance. It integrates seamlessly with FIS Asset Finance as well as existing invoice-to-pay processes.

Collaboration between FIS and Lombard has been central to the solution’s success. Working quickly and iteratively throughout 2022, the partners have been running “sprints” across both their businesses to test Invoice Manager against Lombard’s requirements.

“We’ve been running invoices through the tool and learning from the results,” says Craig Leyland. “At every sprint, we’ve also been increasing the variety and variability of the invoices and then training the AI engine to improve the accuracy rates and remove a lot of the rework we do today.

“Now we’re in the position where we can see Invoice Manager being a real benefit to us as an asset finance business and, most importantly, to our customers.”

Faster processes, happier customers

For Lombard, the customer experience has been the top reason to develop Invoice Manager.

“Automation initiatives are usually focused on cost cutting,” says Craig Leyland, “but that wasn’t our objective here. What our customers want most is speed to cash – and this solution will definitely increase our speed by eliminating a lot of manual keying.

“Clearly there will be efficiency gains, but we see that as an opportunity to reinvest our time in speaking to customers and finding better solutions for their business. It’s not about taking costs out, it’s about increasing our support at a time when customers need it most – and being able to pay suppliers faster will help their cash flow, too.

“Ultimately, we also hope it leads to a fully digitalized invoicing process, which has got to be good for the environment. It will mean less paper being used and less carbon involved in moving invoices around the country.”

Team spirit, people power

As Invoice Manager hurtles through the agile design phase of its development, more Lombard business users have come on board to test and work with the solution. “Our users been really impressed by the accuracy rate of the OCR and the AI tools,” says Craig Leyland, “and the user-friendly way that documentation is presented.

“Not only can Invoice Manager read the invoice, consume the information and prepopulate all the fields in our core system, but it also stores the documents for them, saving a lot of work.”

With the solution set to go live at the start of 2023, FIS is already considering where to take the technology next.

“One possibility,” says David Woodroffe, “is for suppliers or dealers to operate in more of a self-service capacity and submit invoices straight to Invoice Manager. But we’re also looking at other use cases in lending, such as capturing unstructured data in interim financial statements to populate risk rating and credit spreading models.”

Further collaborations with clients are sure to follow. “The development of Invoice Manager has been exactly how partnership should work,” says David Woodroffe. “The feedback from the Lombard team has been fantastic, as it’s helped refine our thought

processes, especially about how the user interface should work or different ways in which the process could fail.

“This kind of collaborative innovation has been really valuable to the design process.”

“That’s the strength of co-creation,” says Craig Leyland. “You take different strengths from different specialists across financial services to create a great solution for customers and colleagues.

“Lombard has got huge experience of asset finance processes and FIS has the technology and the innovation. When you bring those two things together with a common aim, you get powerful results.”

FIS® Invoice Manager cuts invoice-to-pay time and expense by eliminating tedious manual data entry so you can redeploy resources and maximize your ROI. It reduces the time to payment by deploying intelligent document processing specifically trained for auto and equipment finance. Invoice Manager mitigates risk with built-in fraud and quality checks and easily embeds within self-service portals.

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