



## The Bureau of Engraving and Printing Prints Paper with Less Paper

When Len Olijar became the Bureau of Engraving and Printing's (BEP) CFO six years ago, his primary focus was "doing more with less." Today, his focus hasn't changed. So it's not surprising that the BEP, which prints billions of dollars each year for delivery to the Federal Reserve System, was one of the first agencies to adopt IPP and move to electronic invoicing.

### Challenging Paper-Based Processes

Bob Deans, Manager of Financial Systems at the BEP and IPP project leader, recalls some of the challenges that prompted the agency to participate in the first IPP pilot and then adopt IPP in 2007.

"Before IPP, invoices came in the mail. Someone in the mailroom would pass them along to the people in Accounts Payable to be analyzed and verified. If it was clear that a PO had been attached correctly and if everything matched, the invoice would be scheduled for payment. But errors were frequent, because either the unit pricing was incorrect or a vendor sent us too much or too little of something. Then it was up to the accounting technician to research the error, follow up with the vendor and fix the problem. Errors like these could take days to resolve."

Complicating matters further was the fact that invoices sent via U.S. mail were sometimes difficult to read. Irradiation of mail—a legal requirement in Washington, D.C.—sometimes made the invoices fragile and more susceptible to tearing by the time they reached the BEP Accounts Payable department.

Faced with approximately 9,000 invoices a year, the BEP found it increasingly difficult to manage them efficiently with existing processes. Its tight budget meant the agency could not afford to spend precious resources "chasing paper," as Olijar explains. And meeting the government's Prompt Payment rule, which requires federal agencies to pay a vendor within 30 days of receiving an invoice or incur penalties, was another key challenge.

### Choosing IPP

Yet the BEP's motivation to adopt IPP went beyond compliance with Prompt Payment requirements.

"We enrolled in IPP because it was clear this is the way the world was headed," Olijar explains. "A paperless process was very enticing and, with the Federal Reserve Bank and the Department of the Treasury involved, we knew we could trust that it would provide the security the BEP needed."

### IPP Fast Facts

**Agency:** The Bureau of Engraving and Printing

**Invoices Processed Per Year:** 9,000

**Year Adopted IPP:** 2007

#### Key Results:

- Reduced late payment penalties by 75 percent.
- Reduced the cost to process an invoice by 63 percent.
- Reduced the cost of resolving disputed invoices by 58 percent.
- Reduced vendor paperwork and lost invoices.
- Increased transparency in invoice processing.
- Improved the BEP's customer service.



IPP's ease of use also appealed to the BEP. For example, the BEP was able to implement IPP without needing to reprogram its core financial system. User training also proved remarkably simple, thanks to a very attentive IPP Help Desk and support team at the Treasury's Financial Management Service, which offers IPP, and the Federal Reserve Bank of Boston, which manages its implementation and operations.

"The support team has been outstanding," Deans says. "They've bent over backwards to help us."

The BEP's vendors are equally thrilled with IPP because it's helped reduce their own paperwork and virtually eliminated lost invoices. In addition, vendors who use IPP's Payment Notification Service have found they can better manage their cash flow. Olijar explains that vendors used to call every week to check on payments, but, with IPP, they can see all payment information online using the system's self-service features.

"There's no paper to chase down," Olijar says. "It's a wonderful process for everyone because we don't have to field as many calls and our vendors don't have to waste their valuable time making them. IPP gives transparency to the process, and, as a result, we're able to provide better service."

## Tracking Success

Since going live with IPP in November 2007, the BEP has experienced significantly fewer disputed invoices and freed up resources to focus on other operational tasks. Before using IPP, it cost the BEP \$95 to process an invoice. Today, it costs \$35—a 63 percent cost savings.

Similarly, it used to cost the BEP \$158 to resolve a disputed invoice. Now it costs \$66. IPP also helped the BEP simplify compliance with the Prompt Payment rule, reducing BEP's late payment penalties by 75 percent.

"We were successful because of the support from management," Deans explains. "Someone had to say, 'Okay, let's do it.' It also helped that the BEP was treated as a partner throughout the development of IPP. We explained what we needed and the result is a system that works seamlessly for us and our vendors."

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## Looking Ahead

The BEP would like to see IPP adopted government-wide so it becomes another standard business process. In the meantime, the BEP will participate in a 2012 pilot of IPP's new Intra-Governmental module, which promotes more efficient and transparent buy/sell processes between government agencies.

Olijar supports the Treasury's decision to move toward electronic invoicing and has high hopes for other agencies and vendors that are on the brink of automating their manual, paper-based processes. "With IPP, invoicing is a breeze," he says. "Just wait and see how easy things are. You'll never want to go back to using paper."

