



Use Case:

How IDP Helps in Different Types of Documents

Intelligent Document Processing (IDP) leverages advanced technologies such as Optical Character Recognition (OCR), Natural Language Processing (NLP), and Machine Learning (ML) to automate the extraction, classification, and validation of key data from various types of documents. By handling a range of document types, IDP helps organizations streamline business processes, reduce manual labor, and improve data accuracy. Below is a detailed analysis of how IDP supports the automation of document-related workflows across various industries.

Invoices and Receipts - Finance

Challenges:

- Manual data entry from invoices is time-consuming and prone to errors.
- Reconciliation of payments with purchase orders and invoices is often labor-intensive.
- Managing receipts for expense reporting can lead to inefficiencies and errors in categorization.

Key Benefits:

- **Time Savings:** According to McKinsey & Company, automating financial operations can cut invoice processing times by 30-40%, freeing up valuable resources for other tasks.
- **Cost Reduction:** A Tungsten Automation whitepaper shows that automating invoice data entry can reduce invoice cycle times by 60-80% and minimize human errors by 90%, improving financial reporting and reducing labor costs.

How IDP Helps:

- **Invoice Data Entry:** IDP captures essential details such as vendor name, invoice number, date, amount, and line-item details directly from the invoice, eliminating the need for manual entry.
- **Accounts Payable Automation:** By integrating data capture and validation processes, IDP streamlines invoice processing, reducing the risk of late payments and overpayments.
- **Payment Reconciliation:** The system matches invoices with purchase orders and payment records, helping finance teams quickly identify discrepancies and resolve them without manual intervention.
- **Expense Management:** Receipts are scanned, categorized, and entered into expense management systems, ensuring accurate reporting for tax and compliance purposes.

Identity Documents - HR/Security

How IDP Helps:

- **Hotel Check-ins:** IDP captures and validates identity details from government-issued identification documents, allowing hotels to automate guest check-ins while ensuring security and compliance.
- **Employee Onboarding:** During new employee onboarding, IDP extracts and cross-references identity data, ensuring that names, addresses, and other critical details match company records and external databases.
- **Proof of Address Validation:** IDP automates the validation of proof of address by extracting and verifying data from utility bills or government-issued documents, streamlining the customer verification process for banks and financial institutions.

Challenges:

- Manual verification of identity documents is time-consuming and error-prone.
- The onboarding process for new employees can be delayed due to document validation.
- Security protocols require constant verification of identity and proof of address.

Key Benefits:

- **Fraud Prevention:** Onfido's 2020 Identity Verification Benchmark Report states that automated identity verification systems reduce fraud detection times by 70% and improve verification accuracy, significantly reducing the need for manual checks.
- **Compliance:** Gartner reports that AI-driven identity verification tools can enhance compliance by automating identity validation for onboarding, ensuring faster and more reliable customer verification processes.

Contracts - Legal

Challenges:

- Contract management and compliance can be challenging due to large volumes of contracts and documents that require careful tracking and attention.
- Expiry dates, renewal reminders, and detailed contract terms are often overlooked or processed manually, which can lead to missed opportunities or legal risks.

Key Benefits:

- **Cycle Time Reduction:** According to Forrester Research, companies using contract lifecycle management (CLM) software with AI capabilities have experienced a 50% reduction in contract cycle times, significantly improving deal speed and reducing legal overhead.
- **Improved Compliance:** Deloitte highlights that AI in legal services can cut contract review times by up to 75%, allowing legal teams to focus on higher-value tasks and ensuring better compliance with contractual obligations.

How IDP Helps:

- **Contract Classification:** IDP classifies contracts based on predefined types (e.g., lease, service, and non-disclosure agreements), making it easier for legal teams to quickly locate relevant contracts.
- **Expiration Date Tracking:** The system automatically extracts and tracks contract expiration dates, generating proactive reminders for renewals and ensuring that important deadlines are not missed.
- **Itemized Data Extraction:** IDP extracts itemized information, such as goods licensed under the contract, from complex tables and sections, ensuring accurate data capture and easy integration into management systems.
- **Signatory Identification:** The system identifies and records contract signatories, ensuring proper validation and compliance with legal standards.

Resumes - HR

How IDP Helps:

- **Resume Classification:** IDP classifies resumes based on job role or required experience level, enabling HR teams to filter candidates more effectively.
- **Data Extraction:** The system extracts key data points from resumes, including employment history, education, skills, and certifications, and organizes them in a structured format for easy review.
- **Job Role Alignment:** By analyzing the extracted data, IDP identifies candidates whose qualifications match specific job requirements, improving the chances of selecting the right candidates.

Challenges:

- Manually reviewing resumes is time-consuming, especially when dealing with large volumes of applicants.
- Identifying the right candidates for specific job roles requires analyzing multiple data points, including experience, education, and skills.

Key Benefits:

- **Efficiency:** PwC reports that AI recruitment tools can reduce recruitment cycle times by 50%, allowing HR teams to focus on strategic tasks such as candidate engagement.
- **Improved Candidate Matching:** SHRM found that AI-based tools can improve recruitment efficiency by 20-30%, enhancing the match between candidates' skills and job roles and reducing hiring biases.

Bill of Lading - Logistics

Challenges:

- Manual handling of bills of lading (BoL) is error-prone and inefficient.
- Tracking shipments, managing delivery dates, and ensuring payment accuracy can be cumbersome without automation.

Key Benefits:

- **Operational Efficiency:** Capgemini reports that automating logistics documents such as BoLs can result in a 40-50% improvement in supply chain efficiency, allowing for faster and more accurate shipments.
- **Data Accuracy:** McKinsey & Company notes that AI-driven logistics solutions can reduce manual data entry by up to 80%, ensuring accuracy in shipment tracking and improving operational effectiveness.

How IDP Helps:

- **Shipment Details Extraction:** IDP extracts key details, such as the origin, destination, and cargo description, from the BoL to facilitate accurate record-keeping and shipping operations.
- **Cargo Classification:** The system classifies different types of cargo, ensuring that shipments are accurately documented and processed according to their specific requirements.
- **Shipper and Receiver Information:** IDP identifies and extracts details about shippers and receivers, ensuring accurate communication and seamless operations throughout the shipping process.
- **Payment Terms Extraction:** By capturing payment terms directly from the BoL, IDP ensures financial accuracy and automates invoicing and payment processing.

Other Documents - General

How IDP Helps:

- **Bank Statements:** IDP captures and processes bank statement details, creating searchable digital archives for financial analysis and reporting.
- **Tax Forms:** The system automatically extracts and processes data from tax forms, ensuring compliance with local regulations and facilitating easy reporting during tax season.
- **Inspection Forms:** IDP captures data from inspection forms and integrates it into reporting systems, ensuring timely and accurate compliance reports.
- **Certificates of Compliance:** IDP captures relevant details from certificates of compliance, streamlining regulatory adherence and reducing the risk of non-compliance.

Challenges:

- Managing various document types, such as tax forms, bank statements, inspection reports, and certificates of compliance, can overwhelm traditional document management systems.
- Manual processing of these documents often leads to delays, errors, and difficulties in compliance reporting.

Key Benefits:

- **Cost Savings:** IDC's study on automated document processing shows that companies can achieve 30-50% savings in operational costs by automating document handling. This improvement comes from reduced manual work, increased accuracy, and better integration with enterprise systems.
- **Regulatory Compliance:** Aberdeen Group reports that automated document management systems can reduce document processing costs by 20-30% and ensure compliance by reducing manual errors in data entry.

Conclusion

Implementing IDP technologies significantly boosts efficiency across document types, reducing processing times, costs, and errors. Studies show it enhances compliance, speeds operations, and drives substantial cost savings, proving IDP's value in real-world business outcomes.

Next Steps: Getting Started with IDP

Near-Term Steps:

- **Assess Document Processing needs:** Identify areas for automation (e.g., invoices, contracts).
- **Pilot a Document Type:** Start with one document type to measure results.
- **Choose an IDP solution:** Select a platform that fits your needs (e.g., Kofax, ABBYY).
- **Train Teams:** Ensure staff is prepared for the transition to IDP.

Long-Term Steps:

- **Expand Automation:** Roll out IDP to additional document types.
- **Integrate with Existing Systems:** Connect IDP with ERP, CRM, etc.
- **Measure Performance:** Track key metrics to optimize efficiency.
- **Explore Advanced AI capabilities:** Leverage machine learning and NLP for further improvements.



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