### **CASE STUDY**





#### **Processes Automated**



Invoice Validation



Vendor Reconciliation



Bank Reconciliation

# **ABOUT**

Air India, a major airline headquartered in Gurgaon, India, operates with a vast network of offices and branches globally.

Its extensive network of flights covers over 85 destinations across the globe, including 46 domestic destinations and 39 international destinations in over 27 countries.

#### **Business Benefits**

70%

Reduction in the time required for invoice validation & reconciliation **3X** 

Increase in productivity

100%

Accuracy & zero data entry errors

70%

Total Cost of Ownership

### **CHALLENGE**

The accounts payable department was burdened with the tedious task of manually validating invoices. This process involved significant effort in reconciling vendor accounts and bank statements, leading to delays and potential inaccuracies:

- Processing Delays: Manual validation extended the time required to process each invoice, delaying payment cycles and potentially affecting vendor relationships.
- High Error Rates: The manual process was susceptible to errors, leading to inaccuracies in financial records and necessitating frequent rework.
- Resource Intensive: The manual effort required for validation and reconciliation placed a significant burden on the accounts payable team, limiting their capacity to focus on more strategic tasks.
- Cash Flow Management: Delays and errors in invoice processing impacted the company's ability to manage cash flow effectively.

Specifically, the accounts payable department struggled with the validation of invoices for services such as hotel accommodations, airport charges, transportation, ground handling, and catering. Additionally, the reconciliation of vendor and bank accounts was a complex and errorprone process, further complicating the department's operations.

# **SOLUTION**

Air India partnered with Supervity to implement the AI Agent for invoice validation leveraging Generative AI (GenAI). This solution was designed to automate the validation of invoices against predefined business rules for various services, including:

- Hotel Accommodations: Ensuring compliance with contracted rates and services.
- Airport Charges: Verifying charges against agreed tariffs and usage.
- Transportation: Validating transportation costs based on usage and rates.
- Ground Handling: Checking invoices for ground handling services against agreements.
- Catering: Cross-referencing catering costs with service contracts.

Additionally, the Gen AI solution handled complex tasks such as vendor reconciliation and bank reconciliations, ensuring accuracy and consistency in financial records.

#### **Implementation**

The AI Agent utilized advanced Gen AI and machine learning algorithms to:

- Automate Excel & SQL Validations:
   Perform up to 10 different types of validations for each invoice, ensuring they met all business rules and compliance requirements.
- Reconciliation Processes: Automate vendor and bank reconciliation processes, reducing manual effort and enhancing accuracy.
- Real-Time Processing: Provide realtime validation and reconciliation, speeding up the accounts payable process and reducing delays.

# BEFORE AND AFTER WORKFLOW WITH GENAL ACTIONS

#### **MANUAL**

#### **Invoice Submission**

Invoices are manually collected from vendors via email, post, or other channels.

#### Invoice Validation

Accounts payable team manually validates invoices against business rules using Excel and SQL scripts.

#### **Vendor Reconciliation**

Reconciliation of vendor accounts is manually conducted by matching invoices to payments.

#### **Bank Reconciliation**

The team manually reconciles bank statements with the company's financial records.

#### **Payment Processing**

Payments are manually approved and processed after reconciliations are complete.

#### **AUTOMATED**

# Automated Invoice Submission

The invoice is received electronically or scanned into the system. The AI Agent downloads the invoice from the email.

#### Al-Driven Invoice Validation

The Invoice AI Agent uses GenAI to automatically validate invoices against business rules. This includes cross-referencing data such as amounts, dates, and vendor information with the company's internal databases and contract terms.

#### Al-Powered Vendor Reconciliation

The GenAl system automatically reconciles vendor accounts by matching the validated invoices with payment records. It identifies discrepancies, such as missing payments or overcharges, and either resolves them or flags them for review.

#### Al-Powered Bank Reconciliation

The AI agent uses GenAI algorithms to reconcile bank statements with the company's internal financial records. It automatically matches transactions, identifies any inconsistencies, and updates the financial records accordingly.

# Automated Payment Processing

After the invoices and reconciliations have been validated, the GenAI system automatically processes payments based on the approved and reconciled data. The AI system ensures that payments are made according to the

# **BUSINESS IMPACT** & OUTCOME



## **JOURNEY**

After implementing the Invoice AI Agent, Air India experienced a transformative journey in their accounts payable operations. The AI agent seamlessly integrated with existing systems, enabling real-time processing and validation of invoices. The automation of Excel and SQL validations for various services ensured that invoices met all business rules, significantly reducing manual effort and errors.

The AI agent's ability to handle vendor and bank reconciliations in real-time improved the accuracy and consistency of financial records. This automation not only streamlined the accounts payable process but also allowed the team to focus on more strategic and value-added tasks. The reduction in processing time and the elimination of errors led to faster payment cycles and better vendor relationships.

Moreover, the increased efficiency and accuracy translated into significant cost savings, allowing Air India to reallocate resources more effectively. Employee satisfaction improved as the workload of routine tasks decreased, and the team could engage in more meaningful and productive activities.



# **WAY AHEAD**

Encouraged by the success of the GenAl-powered Al Agent in the accounts payable department, Air India plans to expand the use of Al across other financial and operational processes. The company aims to leverage Al for more advanced analytics and decision-making, further optimizing their financial management and operational efficiency.

