Adobe Systems Incorporated

Reduces costs, improves efficiencies, and ensures compliance with regulations by automating business processes built around the Adobe® Intelligent Document Platform

Summary

Challenge
Adobe Systems needed to cut costs and improve internal efficiencies in order to increase shareholder value. To meet these goals, the company wanted to streamline everyday operations by automating company-wide processes, enabling employees to complete business forms quickly. As a public company, Adobe also needed to comply with government regulations that stipulate secure and auditable document review processes. To meet this goal, the company wanted to route forms automatically for approval with absolute security.

Solution
Adobe deployed the Adobe Intelligent Document Platform enterprise-wide, and improved everyday business processes by tying documents to processes. Adobe automated the completion, routing, approval, and processing of dozens of frequently used administrative forms as well as the approval processes associated with critical marketing documents. The solution integrated the Adobe Intelligent Document Platform with SAP applications for human resources and finance using mySAP Financials and mySAP Human Resources. The solution also enabled Adobe to streamline legal processes for stock option agreement and contract agreement forms by employing digital signatures in electronic documents.

Results
• Adobe significantly lowered costs in processing and handling invoices, purchase orders, expense reports, and employee forms.
• Adobe saved more than US$3 per invoice, US$12 per purchase order, US$28 per expense report, and US$150 per employee each month

Benefits of the solution
• Adobe reduced the administrative costs associated with processing forms throughout the company and improved efficiencies in the Human Resources, Purchasing, and Accounts Payable departments.
• Controlling document review routing makes it easier for Adobe to fully comply with the Sarbanes-Oxley Act.
Challenge

As the developer of world-leading document technology, Adobe had already converted many of its paper forms into electronic versions using Adobe’s industry-standard Portable Document Format (PDF). However, the company still needed to print or fax forms in many cases. Employees still had to fill out forms manually and enter data or convert data to move information to and from Adobe’s SAP back-end system.

Adobe wanted to use electronic instead of paper forms to avoid data entry and conversion. The company also wanted to automatically process the forms and integrate them with its information infrastructure. This would enable the company to supply forms to employees that were already populated with employee information. Employees could fill out the forms quickly from any location.

Adobe was spending too much time and money on straightforward tasks such as completing and processing purchase orders or expense reports. The waste was largely due to the errors and delays associated with manual, paper-based processes. Adobe also had trouble tracking and speeding up the approval process—forms could sit on busy executives’ desks for days or get misplaced as they moved from manager to manager for approval. Further problems arose if the processing staff manually typed data from paper forms incorrectly into back-end systems.

To gain insight into routine operations, Adobe needed to effectively track and route materials from originators and managers to staff for final processing. Rather than using manual processes that can route information incorrectly, Adobe wanted to implement electronic processes that could provide more control over who receives, reviews, and approves materials.

In addition, as a public company, Adobe has an ongoing commitment to its investors to deliver quality financial information in compliance with the Sarbanes-Oxley Act. The Act protects investors by improving the accuracy and reliability of corporate disclosures and mandates rigorous approval procedures for financial information.

Adobe is a software developer in a highly competitive market, and time to market with product information is critical. While the Adobe Intelligent Document Platform had already helped automate document and collateral production, Adobe still needed to implement a more efficient process for document review and approval, especially in marketing communications. Paper-based review cycles cost the company time and money—everyone, from the writer to the reviewers, was awash in paper. Obtaining handwritten signatures often resulted in the biggest delay in an agreement or transaction that was otherwise completely electronic. Reviewers in other countries or in other time zones added to the delays. And in-person meetings, faxes, and courier services contributed costs to the process.
Solution

Adobe integrated forms with business processes and streamlined document approvals by deploying the Adobe Intelligent Document Platform. The platform enables Adobe to manage and process dynamic forms enterprise-wide. The solution combines familiar-looking electronic forms with SAP applications for human resources and finance using mySAP Financials and mySAP Human Resources to put a friendly face on complex SAP routines.

Employees at Adobe can now access forms online as PDF files. Automated processes exchange data using the standard eXtensible Markup Language (XML). The forms include purchase requisitions, expense reports, and timesheets. Adobe employees can also use Acrobat software’s robust review and commenting features to accelerate collaboration and review cycles for critical marketing and engineering documents.

Integration with SAP

Adobe now leverages information in its back-end SAP system to automate the completion, routing, and approval of essential forms. The company uses the organizational structures defined in SAP, which outline virtually every company detail from vital accounting and cost center data to reporting relationships across job classifications. The Adobe-developed solution is now part of SAP NetWeaver.

When employees access online forms, Adobe solutions automatically fill in data such as employee location, cost center, and other details from SAP. Built-in validation features verify that employees enter the correct type of information into each field.

After completing forms, employees initiate the routing and approval process by clicking a submit button. Expense requests and purchase orders progress through the management chain for approvals. Based on organizational data from SAP, the Adobe solution routes materials to designated managers for review. Approved forms are sent automatically to the appropriate departments for processing, with form data saved instantly to SAP or other back-end systems.

Invoices and expense reports

The Accounts Payable department automated the handling of two of its most important documents—invoices and expense reports—using Adobe Form Designer, Adobe Form Server, and Adobe Workflow Server. Previously, the department had made copies of invoices and routed them manually for approval—a slow process marred by shipping delays and lost paper copies. Now the department automatically routes electronic invoices to managers for review and approval using Adobe Workflow Server. Once approval is received, the system automatically sends a notification to the department staff that payment is authorized and automatically updates SAP.

Adobe employees can complete, route, and submit expense reports online, and Accounts Payable can process expenses faster than ever. Employees now take one-third less time to fill out expense reports, increasing productivity.
**Purchase orders and requisitions**

Adobe’s Purchasing department automated its purchase requisitions, purchase orders, and project approval forms using Adobe Form Designer and Adobe Workflow Server. The forms are designed to prepopulate automatically with information from SAP. Employees can quickly complete them without making errors or asking for support. For example, the purchase requisition form lets employees search SAP for the current list of approved vendors, speeding up purchase approvals.

Adobe Workflow Server uses organizational data from SAP to direct purchase requisitions to the appropriate managers for approvals. Documents associated with the form—for example, product specifications or contractual terms—can be attached and routed with the purchase requisition. Generating and approving a purchase, which used to take days, now takes only a few minutes.

**Human resources (HR)**

The main challenge in human resources is to keep information current. Adobe’s HR team handles a lot of forms—stock purchase plans, change of employee status, time off requests, and performance appraisals account for just a few. Streamlining form processing and routing is critical with the huge volume of constantly changing information.

To make it easier for managers to track employee performance appraisals and ensure that employees get better feedback, Adobe automated the employee appraisal process using Adobe Form Designer, Adobe Form Server, and Adobe Workflow Server. Managers can access the forms online, enter the requested information about their employees, and route the forms up the management chain automatically, ensuring compliance with company evaluation policies and minimizing errors on forms. Adobe LiveCycle Workflow Server uses the organizational structures in SAP to manage the routing of documents for approvals.

Adobe has also virtually eliminated the considerable processing time previously required to handle employee stock purchase forms, which used to take weeks and involved pulling data from SAP and mailing information to employees worldwide. The automated process lets employees fill out online forms that are prepopulated with data to minimize errors. The form data is automatically saved to SAP without rekeying, and HR can complete the entire process for an employee in less than two days.

Adobe’s Equity Compensation group uses Acrobat Self-Sign technology to allow employees all over the world to sign stock option grants digitally. The group e-mails the stock option grant agreement to the employee, who digitally signs it and then e-mails it back to Equity Compensation. A process that used to take several weeks and additional temporary help is now completed with a few clicks of a mouse, eliminating the costs of printing and mailing ten-page grant agreements.

**Marketing communications (Marcom)**

Marcom typically has to produce critical documents for product launches and obtain executive approval for them under very tight deadlines. The Adobe Intelligent Document Platform provides a rich set of review and commenting tools, and it does not require reviewers to have copies of various authoring applications.

Marcom saves time and money working with external vendors such as writers and graphics services by sending and receiving PDF files by e-mail. Marcom managers place draft PDF documents on a central server for review by editors and for executive approval. The automated approval process includes a personalized inbox and outbox that keep track of documents to review. This saves considerable time for reviewers in locating documents and reduces e-mail and information overload on desktops. Reviewers can comment on PDF documents using electronic sticky notes, the highlight pen and strikeout tools, and other familiar and easy-to-use Acrobat commenting tools. “Everybody can see everyone else’s comments, individually or sequentially, rather than in isolation or in parallel,” said Joan Delfino, vice president, marketing communications. “That way we make better, faster decisions.”

As the document is made ready for final layout, Adobe PDF lets the reviewers and the author see the document exactly as the designer sees it—no matter what fonts, illustrations, or software the designer used. This fidelity allows review comments to extend beyond content into design and layout, and it gets feedback to designers while there’s still time to make changes. This timeliness

“Everybody can see everyone else’s comments, individually or sequentially, rather than in isolation or in parallel. That way, we make better, faster decisions.”

Joan Delfino
Vice President, Marketing Communications
is especially important because of the impact that design has on content. Many reviewers don’t notice inaccuracies until they see the complete design of the piece. Acrobat brings content and design together earlier in the process, giving reviewers more time to comment.

Other groups within Adobe are seeing similar results as they use the Adobe Intelligent Document Platform throughout the enterprise for reviewing, approving, storing, and archiving documents; accepting resumes for job opportunities; and preserving Web site history and content.

Results: Quantifiable success
Adobe has significantly reduced expenses in invoice processing, purchase orders, expense reports, and employee forms. Adobe also cut operating costs considerably by enabling staff worldwide to complete and process forms electronically, saving employee time and increasing productivity.

The streamlining of invoice processing saved the company over US$3 per invoice. A company processing a half-million invoices a year might save as much as US$1.5 million on invoice processing alone. “Our department saved more than US$200,000 last year thanks to the efficiencies gained with automated invoice routing and processing,” said Tamara Braynin, manager in Adobe Accounts Payable. By automatically populating forms with information and saving data directly into SAP, the staff spends less time keying data into systems, eliminating the errors, costs, and delays that plague manual processes. Accounts Payable has also saved 15 hours of department employee time per week, eliminating the need to expand headcount.

In addition, automating expense report completion and processing saved more than US$28 per report, translating into a savings for Adobe of more than US$40,000 each month processing 1,400 reports. Before automating expense report completion, 10% to 20% of these forms contained errors and had to be returned to the originator. After automating the reports, the number of flawed expense reports dropped 90%, and Adobe estimates that it saved approximately US$150 in employee time for each rerouted form. Accounts Payable can now focus on other critical tasks because the expense reports are easier to fill out—they contain built-in verification features and standard employee information. And employees are happier because they spend less time entering information and receive reimbursements faster, improving efficiencies and increasing employee productivity.

Adobe has also saved more than US$12 per purchase order in the processing of more than 1,400 purchases each month. “Employees frequently called us with questions because they didn’t know what information to enter into fields on requisition forms,” said Samantha Brown, a buyer in Adobe Purchasing. “The newly automated processes eliminate common questions because forms are delivered with many fields prepopulated with data. This benefits everyone—employees complete forms faster and more accurately, and the Purchasing staff is free to focus on higher value-add activities.” In addition, Adobe can more easily consolidate purchase orders for vendors, reducing expenses and taking advantage of higher discounts.

<table>
<thead>
<tr>
<th>Result</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Streamlined invoice processing</td>
<td>US$3/invoice</td>
</tr>
<tr>
<td>Reduced time to create expense reports</td>
<td>US$150/employee</td>
</tr>
<tr>
<td>Automated expense report processing</td>
<td>US$28/report</td>
</tr>
<tr>
<td>Automated purchase order processing</td>
<td>US$12/purchase order</td>
</tr>
</tbody>
</table>

Business benefits
In addition to reducing costs and increasing efficiencies, Adobe also improved the quality of the business information in its back-end systems, reduced errors on forms, increased employee satisfaction, and gained greater control over form completion and processing. The latter benefit helps to ensure that employees follow proper protocols as they route documents for approvals.

The Adobe Intelligent Document Platform also now gives the company more control over tracking purchasing requests, because certain details are locked in the forms. For instance, shipping and billing locations are closely linked in the system, making it difficult for someone to ship a product to one region and bill it to another. Automated forms processing also
improves the company’s interactions with suppliers — purchase orders delivered electronically get much faster responses from suppliers than those sent by fax or on paper.

“The integration between Adobe solutions and SAP enables us to streamline our everyday operations by leveraging data and processes already defined in SAP,” said Gerrard Rutter, vice president of Information Services at Adobe. “Traditionally, this has been hard to do without extensive custom programming.” Adobe was able to implement and deploy its solution in weeks rather than months. Added Rutter, “Using Adobe solutions in combination with SAP allows us to automate key business processes. We can quickly move data to and from SAP, and complete, route, approve, and process business documents reliably enterprise-wide.”

Operational efficiencies derived from the use of Intelligent Documents help to reduce costs throughout the enterprise in unexpected ways. Digital signatures and authentication enable long-distance transactions in which parties are in different time zones or on different continents. Digital signatures, integrated with the electronic document approval process made possible by PDF, greatly reduce the amount of travel for in-person meetings, the number of telephone calls, the cost of courier service, and the number of days and salaried hours needed to complete transactions.

The operational efficiencies of Intelligent Documents also improve productivity. For example, by automating the employee performance appraisal process using Adobe forms, Adobe can track appraisals by managers and ensure that employees get better feedback on job performance. Adobe now enjoys 100% compliance from managers, who can complete forms accurately and route them to upper management in a timely manner.

As a public company, Adobe has always maintained its commitment to investors to deliver quality financial information. The Sarbanes-Oxley Act formalizes such commitments by public companies to protect investors by improving the accuracy and reliability of corporate disclosures. It is far easier now for Adobe to comply with the Act than it was before using the Adobe Intelligent Document Platform to control the routing and approval of financial information. The company can now set routing rules, for example, to prevent an employee from overriding who receives and reviews financial information.

Efficient information management means efficient business management. Adobe uses the Adobe Intelligent Document Platform to reduce the costs and headaches of forms processing company-wide. As a result, the company has dramatically improved productivity and is now able to focus on more opportunities for increasing growth and revenues.