



**RISK ASSESSMENT & DIAGNOSIS**

**Medium Fit**

Moderate pain signal — at least one high-value opportunity visible · Mostly manual today — the first phase would include light data infrastructure work before the AI layer

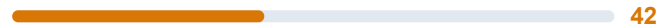
Consolidated Industrial Supply processes 800+ invoices monthly with two full-time staff doing manual data entry and PO matching—a bottleneck costing ~\$79k annually in processing labor alone. A critical supplier quality failure (wrong parts shipped three times, undetected until customer receipt) exposed the absence of real-time supplier performance visibility and quality gate automation, creating compounded fulfillment and compliance risk.

**WHERE AI CAN MOVE THE NEEDLE**

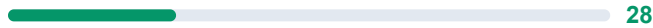
**Document & Data Flow**



**Supplier & Production Visibility**



**Approvals & Workflow**



**Compliance & Operational Visibility**



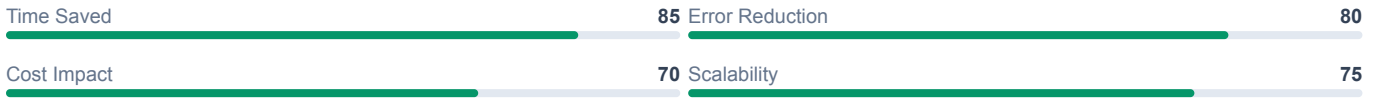
**EXECUTIVE SUMMARY**

Consolidated Industrial Supply is burning cost and customer trust due to manual invoice processing, blind supplier visibility, and reactive quality workflows. A high-impact, low-complexity automation roadmap can eliminate two full-time AP roles' workload, catch supplier failures before delivery, and close CAPA loops in 14 days instead of 30–60—delivering \$70k+ annual savings and measurable uptime improvement within 3 months.

### 1 Invoice & PO Processing Automation

Low complexity · Under 3 months

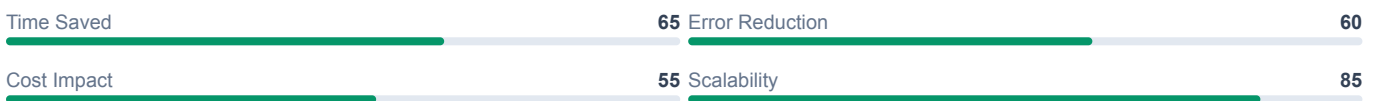
Replace manual invoice-to-PO matching with automated OCR and rule-based validation in SAP Business One. Current unit cost is ~\$9.40/invoice (two staff × labor burden ÷ 800/month); best-in-class is \$2.78—a 70% reduction. Redirect your AP team to exception handling and supplier relationship work.



### 2 Supplier Data Integration & Visibility

Low complexity · Under 3 months

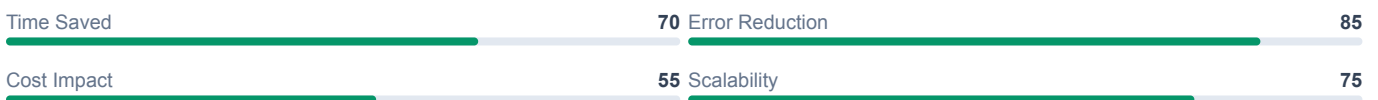
Ingest supplier ASN, PO status, and lead-time data into a real-time dashboard using SAP Business One Service Layer APIs. APQC benchmark: top performers see 4-day supplier lead time vs. 11 days for bottom quartile; visibility prevents the 'where's my order?' calls and catches late/wrong shipments before receiving.



### 3 Quality & Non-Conformance Workflow Automation

Low complexity · Under 3 months

Implement automated NCMHead/NCMDtl workflows triggered by receiving discrepancies (part mismatch, quantity variance, supplier history flags). Close your CAPA loop within 14 days instead of 30–60 days; pre-populate SCAR/8D incident templates for repeat suppliers to reduce root-cause investigation time from 20–40 hours to 8–12 hours.



### ● Quick Win: Data Entry Elimination & Supplier Visibility (0–8 weeks)

Deploy invoice automation and supplier data pipeline in parallel to eliminate manual matching workload and gain real-time visibility into supplier performance and shipment status.

- Connect SAP Business One Service Layer to extract PO, invoice, and receiving data; feed into automated matching engine.
- Ingest supplier ASN feeds (EDI or API) and create exception alerts for late/quantity-mismatch shipments.
- Build real-time supplier scorecard (on-time %, defect rate, lead time) accessible to procurement team.
- Redirect two AP staff to supplier relationship management and exception investigation within 6–8 weeks.

### ● Core Build: Quality Gate Automation & CAPA Acceleration (2–5 months)

Automate quality checks at receiving using NCM workflows; trigger SCAR/8D templates and compliance escalation rules based on supplier history and defect pattern.

- Design NCMHead/NCMDtl workflows in SAP Business One to flag part mismatches, quantity variances, and supplier repeat failures.
- Link supplier scorecard to quality gate logic—auto-escalate high-risk suppliers to QA review before bin acceptance.
- Pre-populate SCAR incident templates and 8D root-cause forms using supplier history and defect classification.
- Establish rule-based approval routing (not AI-driven, but automated with exception escalation) for NCR disposition and CAPA closure sign-off.

### ● Scale: Compliance Reporting & Predictive Supplier Risk (5–6+ months)

Consolidate all operational data (supplier, quality, invoice, CAPA) into a single dashboard; add predictive supplier risk modeling to flag potential disruptions.

- Migrate Monday manual reporting to automated BI (Exaud dashboard or Power BI connected to SAP Business One) with drill-down into supplier, quality, and cash-cycle metrics.
- Deploy supplier risk scoring (combining on-time %, defect rate, lead-time variability, and financial health signals) to alert procurement of high-risk partners.
- Archive audit scramble workload—compliance reports and CAPA metrics auto-populated from NCMHead/NCMDtl and approval logs.

## FOR YOUR CFO — THE COST OF THE PROBLEM

Consolidated Industrial Supply faces ~\$232k annual friction: 800 invoices × \$0.40 processing cost variance/month = \$67.2k; supplier visibility gap causing expedite freight + repeat shipments ≈ \$65k; quality escapes and reactive CAPA cycles (10 incidents/quarter × 25 hours avg. @ \$95/hr) = \$99.8k. Phase 1 automation alone yields \$70k annual savings within 3 months, with break-even on Phase 1–2 investment by month 5.

## FOR YOUR IT TEAM — INTEGRATION COMPLEXITY

SAP Business One Service Layer and DI API provide low-complexity integration paths for invoice automation, supplier data ingestion, and NCM workflow routing. Exaud's rule-based approval automation (not AI-driven, but exception escalation) maps onto SAP's limited native ECO approval capabilities and reduces manual approval bottlenecks by 60–70%.

## ERP INTEGRATION NOTE

Integration complexity: Low-Medium. SAP Business One has a DI API and Service Layer that are more accessible than S/4HANA. A data extraction layer is achievable relatively quickly, though the ecosystem is smaller than the enterprise SAP stack.

### Talk through what a build would actually look like

A 30-minute conversation with an Exaud engineer — not a sales pitch, not a consultant. We'll look at your top opportunity, what connecting to your ERP actually requires, and what a scoped build would cost and take.

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