

AMERICAN EAGLE OUTFITTERS

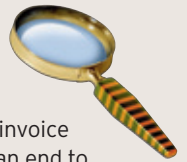


Automating Accounts Payable for Competitive Advantage

Prior to November 2004, American Eagle Outfitters' (AE) Enterprise Resource Planning (ERP) system did not satisfy the needs of a world class organization which processes nearly 100,000 invoices annually. Reflecting the industry norm, coding, data entry, paperwork routing, and other important steps were manual and time consuming. In anticipation of future growth, AE began to explore alternative solutions to improve efficiencies in the AP process. BasWare offered the best solution and BasWare Invoice Processing was rolled out in November 2004.

BasWare

▶ BasWare Invoice Processing



- is a cutting-edge electronic invoice processing solution that puts an end to manual processing of purchase invoices. It enables electronic workflow, revision, cost allocation, and approval of invoices as well as transfer to the accounts payable (AP) system. Versatile reporting provides complete visibility into all invoices, as well as spend analysis.



"BasWare Invoice Processing is helping AE's accounts payable department realize a long-held goal of becoming a more strategic resource for the company" says **Jeff Burns**.

BasWare

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Four companies were invited to AE's corporate headquarters outside of Pittsburgh, in Warrendale, PA, to demonstrate their solutions. Two finalists emerged from the in-depth demonstrations. "BasWare offered the best solution and support for AE, matching our pre-determined list of wants and needs" says **Jeff Burns**, manager financial systems.

"Among other considerations, we were particularly concerned with workflow, ease of use, the ability to pre-define approval limits, and the availability of powerful reporting tools for reports and queries. BasWare offered all of these capabilities and more. They could offer us direct expertise that translates into a complete solution providing all of the various components we were looking for."

Quick Implementation and ERP Integration

AE sought a quick implementation and a seamless transition. To make this happen, BasWare project managers met with AE accounts payable and IT staff to understand the scope of the project and to plan accordingly. The implementation began in August of 2004 and entered live pilot in early October. After a successful one-month pilot program, **BasWare Invoice Processing** was rolled out to the company in early November. The implementation went smoothly, with the new software integrating well with AE's main ERP System.

"The new system is efficient and fast," says **Tammi Bitzer**, AE's senior manager of disbursements. "With our old system accounts payable did not have visibility to invoices while in the approval flow, requiring us to track them down. Now, we quickly scan the invoice, verify its accuracy, and send it out for coding and approval with the push of a button. After approved, the invoice data is transferred to the ERP systems for payment. The process is electronic, meeting a key goal of creating a paperless AP Department at AE."

With operations in Canada and Mexico, it was important that AE choose a solution that could grow with the company and meet international needs. AE can process invoices in multiple currencies, an important consideration for companies conducting business or contemplating doing so in other countries.

A Competitive Advantage

AE is already realizing cost savings. "We are now able to take greater advantage of vendors' discount terms," says **Kelly Ferry**, AE's AP manager. "That is one early and important benefit." That's not the only benefit. "Automating our invoice processing system provides AE with a competitive advantage," asserts Bitzer. "By streamlining the process we've become more efficient." While some organizations have begun to automate invoice processing, many are proceeding in a piecemeal fashion, only scanning documents versus taking advantage of the entire solution. Another benefit is AE's ability to streamline job functions.

Looking ahead, AE's accounts payable team plans to leverage its new invoice processing system to continue to expand its analytical capabilities.

In the meantime, AE continues to press its competitive advantage. "The new invoice processing system is a critical component in our drive to develop a world class finance department," says Ferry. "A back-end operation that is efficient, cost effective, and minimizes resources enables American Eagle Outfitters to focus on merchandise and related matters."



American Eagle Outfitters (AE) (NASDAQ: AEOS) is a leading lifestyle retailer that designs, markets and sells its own brand of casual, fashionable clothing for 15 to 25 year-olds. AE is committed to expanding the brand presence and increasing market share. Sales for 2004 reached a record \$1.88 billion, an increase of 31.1% over 2003, with 846 stores in 49 states, Puerto Rico, and Canada. With continued rapid growth and expansion throughout the United States and Canada, AE is always seeking opportunities to advance business technologies and processes