

Global Logistics Leader Puts an End to the Paper Chase Using a Workflow Solution from OpenText

With a presence in over 220 countries and territories worldwide, this market leading global logistics provider turned to OpenText MBPM to solve invoice processing challenges

Paper, a German proverb says, is patient. It will accept anything written on it and will lie quietly on a desk waiting to be used. But paper and patience have little in common when that paper is a supplier's invoice. Questions such as: "Why hasn't my vendor been paid?" or "Where's that invoice I sent you three weeks ago?" and "How am I supposed to plan if I don't know what bills have been processed or not?" plague any paper-based accounting process.

Until a few months ago, the answers from the Finance and HR Services (FHS) groups might not always have been satisfactory due to an outdated invoice management process. "The Accounts Payable (AP) team had little to no visibility about where an invoice was in the process," explains one Business Analyst. "So the AP team couldn't provide our various business partners [other internal divisions] with the information they needed in a timely manner."

The FHS team received invoices either via email or as paper invoices, but even the emailed invoices had to be printed out, scanned, and fed into the system—a time-consuming process—as there was no way to enter them directly.

The issues didn't end there. With the old system, an invoice couldn't be traced, which made it difficult for the AP team

to pinpoint where an invoice was in the process. If a business partner or a vendor asked for information on an unpaid invoice submitted two months ago, the team had to do a significant amount of manual research to find out where the invoice was and why it had not yet been paid.

Know your flow

In 2011, an initiative was launched to standardize workflows and manage tools globally at FHS. The move was doubly important; not only was the old way of working causing problems, the software used was reaching its end of life and would no longer be supported by the vendor.

As part of the Global Workflow Solution (GWS) initiative, the team was tasked with implementing new software for its global business partners. "Our main goals were to standardize the end-to-end invoice entry

INDUSTRY

Logistics

CUSTOMER

Global logistics provider

PARTNER

Modus21

CHALLENGES

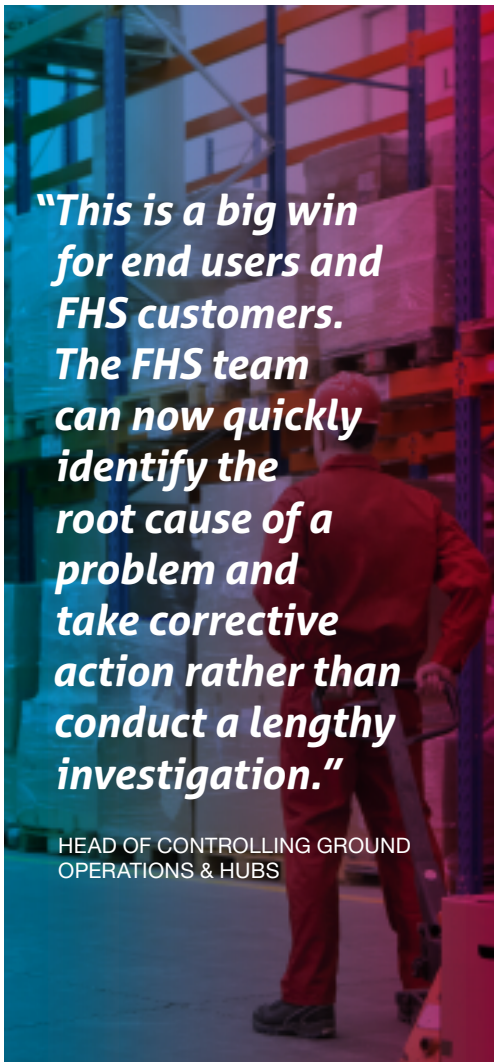
- Inefficient and outdated invoice processing system
- Costly delays in resolving invoice issues due to lack of visibility into the invoice process

SOLUTIONS

- OpenText MBPM

BENEFITS

- Full visibility into invoice processing permits speedy resolution of issues
- Transparency allows for improvements to invoice processing
- Reduced time spent on tax issues and significant reduction in tax liability



“This is a big win for end users and FHS customers. The FHS team can now quickly identify the root cause of a problem and take corrective action rather than conduct a lengthy investigation.”

HEAD OF CONTROLLING GROUND OPERATIONS & HUBS

process, provide complete integration with SAP® for both entities, and create a solution that could be easily implemented and used across our entire organization’s infrastructure, regardless of whether they use SAP or any another financial accounting backend system,” said the Project Manager for GWS and other Business Process Optimization efforts at the logistics provider.

In its search for a solution, the Global Business Optimization team evaluated 10 vendors in a worldwide RFP process. OpenText MBPM emerged as the clear choice—a solution designed to be flexible and adaptable to support new or changing business requirements and provide visibility into business processes.

The head of the Business Process Optimization team in the Americas describes the decision: “The main reason that we went with the OpenText solution was its flexibility. Its ability to create a workflow

across any process function was critical. It wasn’t just a purchase-to-pay workflow or a billing workflow or a customer workflow. We could configure it to be whatever we wanted it to be.”

Also important to FHS was the ability to support the workflows within its own group without having to rely on the IT department whenever they needed an update to the solution. The Americas BPO head explains, “OpenText provided the ability to train our internal team members to support the workflows, update the workflows, and to make rules within the workflows. The end goal was that we could support 60 to 70 percent of our issues internally without having to contact IT, wait for them to respond, and pay a cost to make updates to the system.”

Deploying the solution with Modus21™

To implement the solution, OpenText called upon trusted delivery partner Modus21™ to provide its expertise in business process analysis, design, systems, and engineering with the OpenText Business Process Management (BPM) platform.

The project was rolled out in two phases, with first phase going live in July 2012 and the second phase following in September 2012. The Modus21 team leveraged their proven implementation and project methodology in close collaboration with the global IT and business teams to deliver an invoicing solution that integrated multiple disparate systems, including BPM, IBM® CommonStore, and SAP.

The system includes several new functionalities available to different entities depending on their needs. A mailroom application was provided to the scanning team, for example, allowing them to load emailed invoices directly into the workflow without printing and rescanning. Also, the management of special handling events was identified prior to entry into the SAP system, and those discrepancies identified after entry into SAP were included.

Delivering visibility and insight

Now, if an internal business partner asks FHS Americas about a particular invoice, the AP team and process owners can check the history of each invoice, easily identifying when it was received, scanned, and processed for payment, and provide the right answers in real time.

If there is a discrepancy, such as issues with taxes, procurement, or compliance, the AP team can also identify what the issue was and where the invoice currently is in the process. When implementing the solution, an additional function was included to reflect the one division’s “four-eye” approval process.

“The GWS solution is a great improvement that allows us to see the transparency in the whole process. This will lead to a far more stable process and a massive reduction towards future tax liabilities,” said the Head of FHS Americas

Now, approximately 190 approvers across the U.S. are using the GWS solution to complete the approval process for invoices. Additionally, the SAP archive link was enabled for the Global Mail SAP system, allowing those team members with access to the SAP system to view the images directly linked to their respective entries in the SAP system.

“The ability to track invoices from scanning to posting with a step-by-step status and audit trail has provided strong value to business partners, enabling both AP and FHS management to provide quick and accurate responses for vendor and business partner inquiries,” adds the Senior Director of Finance.

Further, enhanced visibility into processes has allowed the team to streamline its workflows. In the past, the AP team would perform data entry of an invoice and then send it out for approval. Typically, it would then get sent back to AP because either something was wrong or they had to attach more information. The Americas BPO head explains, “We were getting 80 to 90 percent of our invoices back from that team to be reprocessed and then resubmitted for approval. Now, we’ve opened it up so that they are actually the ones responsible for coding the invoices. They have the relationships and understand how to code the invoices. So we’ve eliminated that back and forth.”

In addition, FHS has implemented an automated posting process on the approval side. If the invoices are correctly coded up front and users make the approvals that are necessary, the invoice automatically gets posted. “Even if both approvers approved it, the AP clerk would still have to pull up that file and complete the process in the SAP system, which is about 15 to 30 seconds’ worth of activity—depending

upon if they had to make updates or not. So we're saving that for every invoice that goes through the process without having to be updated," explained the Head of BPO Americas.

More effective, end to end

This new efficiency has not gone unnoticed by FHS business partners. "The Global Workflow Solution (GWS) has proven to be one of the most effective processes I've seen at our organization," commented a Tax Manager that uses the solution extensively. "The ability to know where an invoice is at each stage of the process has reduced the number of status questions I've received from both vendors and users. The automated process has reduced the amount of time the tax department spends on logging and resolving tax mismatch issues."

With this increased overview of where invoices are, FHS can now tackle other problems more easily as well. "With the new GWS system in place, FHS can now identify the source of a problem and take the necessary steps to resolve it," explained the head of Controlling Ground Operations & Hubs. "This is a big win for end users and FHS customers. The FHS team can now quickly identify the root cause of a problem and take corrective action rather than conduct a lengthy investigation."

The system is able to pinpoint exactly what problems are causing delays on payment, even identifying whether the issue is related to the original receipt of the invoice from the business partner or lack of information being provided for processing. With the new transparency into the process, FHS is

able to identify areas of improvement and provide immediate action to resolve the issues, which was not possible with the previous system.

Building for the future

Looking ahead, FHS would like to bring other groups within the organization into the same approval matrix system that has been put in place for their U.S. operations, to ensure the correct approvers and the correct level of authority are enforced for each invoice. With the success of the OpenText solution, the global logistics provider is considering making the U.S. solution a standard for all regions. ■



Modus21 is a business consulting firm that helps customers realize operational excellence by providing a targeted range of services, from comprehensive process analysis to the innovative application of technology. Our goal is to help you solve problems. For more information, visit www.modus21.com.

www.opentext.com ■ sales@opentext.com ■ 800 499 6544

