

Scottish & Newcastle

Industry Sector | Retail Client



Helping the UK's leading brewer to automate the processing of over 180,000 invoices a year - reducing costs and maximising efficiency

Scottish & Newcastle (one of the top four brewers in Europe) is the UK's leading producer of beer and cider, with well-known brands including John Smith's, Foster's, Kronenbourg and Strongbow. With a share of some 23% per cent of the overall beer market, Scottish & Newcastle continues to grow thanks to investment in its leading brands and the development of closer relationships with both customers and suppliers.

Invoices worth over £1bn

In 2002 Scottish & Newcastle was receiving in excess of 180,000 purchase invoices a year from approximately 3,500 suppliers, valued at c£1bn. Historically, the management of those invoices involved accounts payable staff manually sorting and matching them to relevant purchase orders and goods received notes and keying in data to the company's SAP enterprise resource planning (ERP) system.

Scottish & Newcastle therefore decided to move towards an outsourced purchase invoice processing service to improve efficiency and reduce costs, and selected Graphic Data Online (GDO) [Swiss Post Solutions acquired Graphic Data in April 2008], a leading provider of document and data management solutions, as its services partner.

GDO immediately addressed the company's manual, paper-based processes by providing a Post Office box address to which supplier invoices could be sent. Once received, GDO scans the invoices and delivers invoice images to Scottish & Newcastle, thereby dramatically reducing the company's paper handling. Graham Cameron, Purchase Ledger Manager at Scottish & Newcastle, explained: "GDO filters and deals with all our purchase invoices according to specific business rules. Invoices are scanned and images are loaded onto a CD, ready to be processed by us utilising software developed by GDO. Any invoices that have information missing, such as purchase order numbers, are automatically returned by GDO to suppliers with a standard covering letter, while other non-invoice mail (such as statements) are forwarded to us."

Data extraction

Due to the success of this process Scottish & Newcastle decided to take advantage of the more extensive invoice processing services provided by GDO. Invoices are received, prepared and scanned as before, and in addition data is extracted from each invoice and verified for accuracy from vendor information supplied by Scottish & Newcastle. The invoice images and associated data are then loaded onto GDO's Web-based electronic document management (EDM) and workflow system, where checks are made on import (e.g. completeness, duplication, etc.) and simple workflow is invoked to route invoices to specific category queues.



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“Our invoice processing staff can view invoice images by selecting from these queues via a Web browser and take the appropriate action,” added Cameron. “Images are viewed alongside our SAP registration and matching screens, with the header data extracted by GDO made available for input into SAP. The SAP ID is then entered in an image data field to complete the transaction.”

The timeliness of this process is critical since the majority of Scottish & Newcastle’s invoices are processed by an evening shift, requiring availability of invoices before each shift commences.

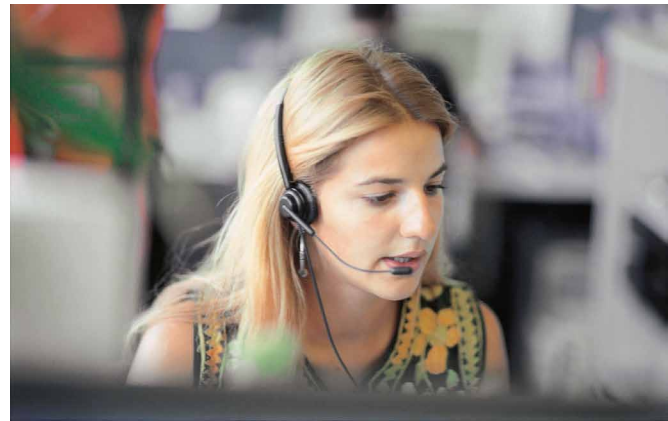
Speeding up processing

“After the initial start-up learning curve, the service is consistently providing increased transaction throughput,” said Cameron. “Not only does this latest upgrade to GDO’s service speed up the processing of purchase invoices, but the expansion of the service provides staff at our company’s locations, from Inverness to Southampton, with equivalent access to the system via a Web browser. This has been particularly beneficial where credit notes need to be matched and approved at our depots.”

GDO’s service has also speeded the resolution of supplier queries and provided a more flexible response to fluctuating workloads and emergency

conditions. “In order to seriously reduce costs in our purchase ledger operations, we will need to automate the process further,” added Cameron. “The next stage involves taking the data that GDO already extracts from the invoices and loading that directly into the SAP system.”

“Today we’re putting things in place to provide better workflow management, better reporting tools and better archiving,” concluded Cameron. “We are very happy with GDO, who provide the services we want to the standard we require. We’re benefiting from fewer purchase order-related queries, improved staff productivity and instant availability of vital management information. We’re confident about asking GDO to work with us on the next stage.”



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