

TDG Accounts Payable Automation

TDG is one of Europe's leading supply chain management companies with over 6,500 employees across the UK and Europe.

From their shared service centre on the outskirts of Manchester, TDG handle the majority of the back office functions for the group across the UK and Europe.

With around 8,000 suppliers submitting in excess of a quarter of a million invoices each year, the accounts payable workload is substantial and any efficiencies will have a significant effect on TDG's costs.

Back in 2006 solutions were beginning to appear that integrated optical character recognition technology with workflow management and it became clear to the senior management at TDG that such a solution could provide them with the efficiencies and cost benefits that they were looking for as they continued to expand their business.

Nigel Rouch, senior project manager with TDG, was tasked by their Accounting Services Director to project manage the selection, procurement and implementation of a solution to automate the accounts payable workflow.

"It took over 12 months to go from the initial invitation to tender through shortlisting potential suppliers, selecting the preferred supplier, negotiating contracts and defining the actual statement of work."

"We selected Bottomline because they had all of the infrastructure in place to support our operation from day one, as well as having a history with us through our extensive use of their payment and print management solutions."

Of the 250,000 invoices TDG receive each year, about 60,000 don't have purchase orders and the automated processing of these invoices was implemented in October 2007.

This enabled the team to get used to the concepts involved before the more complex automation of the purchase order management system.

July 2008 saw the start of the full implementation with automated validation against purchase orders.



"When the service went live we had 7,500 invoices awaiting resolution, just over a year later we have only 180..."

Nigel Rouch, Senior Project Manager TDG

Summary

TDG has implemented Bottomline's Transform Intelligent Capture Services to automate its accounts payable process.

Over the first 15 months they have seen their backlog of invoices awaiting resolution fall from around 7,500 to under 200.

The percentage of invoices that are processed without manual intervention (Straight Through Processing) has grown from under 20% to nearly 60% with scope for further improvement in the coming months.

Their accounts payable team has been reduced from 22 people to 14 and the individual contribution of each team member has increased in value to the business.

The time taken for invoices to become visible to the business has reduced from 6 days to 24 hours and those invoices are now visible to all relevant staff wherever they are geographically.

From the outset, TDG was seeing between 15% and 18% of invoices go through the system without any need for intervention. This was greeted with enthusiasm but as a result of ongoing work both within the TDG team and in conjunction with Bottomline, the straight-through processing rate has increased to nearly 60% in just over 12 months.

Whilst 100% STP rates are unrealistic for anyone, TDG is currently working with Bottomline on the way that maintenance invoices are processed having identified that their STP rate can be improved by a further 10% to 15%.

What this means in real terms is that the accounts payable team has reduced in size from 22 people to 14 and the roles that remain are of greater value to the business. The individual team members are no longer just sorting paper but are valued members of the business, contributing to its success and growth on a daily basis.

TDG operates over 133 sites and, in the past, invoices would be physically moved from one location to another. There was, typically, a 6 day delay between receiving an invoice and it being available to be processed. Today it is only 24 hours.

About Bottomline Technologies

Bottomline Technologies (NASDAQ: EPAY) provides collaborative payment, invoice and document automation solutions to corporations, financial institutions and banks around the world.

The company's solutions are used to streamline, automate and manage processes and transactions involving global payments, invoice approval, purchase-to-pay, collections, cash management and document process automation.

Organisations trust these solutions to meet their needs for cost reduction, competitive differentiation and optimisation of working capital.

Headquartered in the United States, Bottomline also maintains offices in Europe and Asia-Pacific.

“The beauty of the system is that all users see a single version of the truth.”

Nigel Rouch, Senior Project Manager TDG

All staff that need access to the invoices simply log into the system through their web browser.

They see a scan of the original invoice together with all the extracted data, the status of the invoice and a history of actions taken.

Amendments, approvals and any other activity all takes place through this single interface and staff members are notified by email of any actions they need to take.

Nigel Rouch says, “We have about 500 users of the system with between 50 and 100 on line at any one time.

The beauty of the system is that all users see a single version of the truth”.



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