



CASE STUDY: RETAIL VENDOR NETWORK

OVERVIEW

This \$1 billion+ retailer has more than 1,200 locations and 1,000 vendors that supply their retail stores. They understood the drastic cost savings of moving away from paper, and had established electronic invoice delivery with a handful of larger vendors. However, due to the time and costs involved with creating independent connections with all 1,000 vendors, they had simply chosen to continue accepting paper invoices.

To help deal with the massive amount of paper they still received, they invested in a document management system with sophisticated scanning capability. It could capture data on the paper invoice via Optical Character Recognition (OCR), but it wasn't 100% accurate. Plus, they still had to handle paper invoices coming in the mail.

SOLUTION

They decided to move to UniLink e-invoicing. We were tasked with contacting the remaining vendors, establishing the electronic connections for them, and managing the delivery of electronic invoices to the customer's accounting system. The client provided a specification of how they wanted to receive data into their accounting system and a contact list for each vendor.

Then, they sent a letter to their vendors letting them know of the switch to the electronic system and asking for their participation. Since there are many benefits to the vendor as well as the customer, acceptance has been very high, with the ultimate goal of having all vendors online well on the way to becoming reality.

BENEFITS

The customer is now realizing numerous benefits, including:

- Reduced operational costs
- Fewer personnel involved in invoice processing, data entry, etc.
- Fewer scanned invoices
- Reduced human error—data is delivered exactly how it's sent from the vendor
- Fewer processing days (elimination of mailing times, time to get data entered into the system, etc.)
- More efficient payments, taking advantage of early payment discounts and reducing late payment penalties

Even though the primary goal was to streamline invoicing for the customer, the system is also providing benefits to the entire vendor network, including:

- Faster customer payments, reducing receivable days outstanding
- Fewer delays caused by manual invoicing errors
- Lower postage costs