

CASE STUDY:

ADT & TYCO FIRE

IMPROVED ACCOUNTS

PAYABLE PERFORMANCE:

IMMEDIATE £400,000

ESTABLISHING A SHARED SERVICE CENTER (SCC) OPERATION WITH AN INVOICE AUTOMATION SOLUTION DELIVERED ADT AND TF&IS SIGNIFICANT COST REDUCTIONS WHILE INCREASING ACCOUNTS PAYABLE (AP) PRODUCTIVITY. INVOICE CYCLE TIMES WERE REDUCED BY 75% AND ANNUAL PROCESSING VOLUMES GREW FROM 10,000 TO OVER 40,000 PER FTE.



When Tyco International companies ADT Fire and Security plc, the world leader in electronic security, and Tyco Fire & Integrated Solutions, the UK's premier fire protection provider, set out to modernize their invoice handling, they faced a significant task.

Processing more than 250,000 invoices, across 20 regional sites in the UK, using decentralized ERP systems was creating significant visibility and control challenges. It was clear that unifying activity in its new Shared Services Center (SSC) in Manchester would not only address these issues, but would provide a significant opportunity to reduce costs and increase productivity.

The company had established a national best practices program, but without proper visibility, it was impossible to see how well these practices were being

adhered to. In addition, the requirements of the Sarbanes-Oxley Act and other regulations called for a significantly higher level of information visibility and control.

The challenge therefore was to increase visibility, cut costs and boost staff productivity by centralizing ADT and TF&IS's accounts payable function and moving from paper based accounting to a fully electronic system.

The use of multiple systems and a lack of a single point of control and reporting were at the heart of the business challenges. As such, it was imperative the eventual solution was capable of integrating seamlessly into ADT and TF&IS's disparate ERP environment.

"We had talks with a number of vendors but the Basware solution provided the best fit," says Steve Katona, UK Accounts Payable

CUSTOMER:

ADT *tyco*

ADT Fire and Security plc,
Tyco Fire & Integrated
Solutions

INDUSTRY:

Business Services

LOCATION:

Global

BASWARE SOLUTIONS:

Basware AP Automation

basware

Simplify Operations, Spend Smarter.

BEST FIT SOLUTION

Manager at ADT and TF&IS. He continues:

“WE CHOSE BASWARE BECAUSE OF ITS ABILITY TO ADAPT TO THE EXISTING PROCESSES AND ERP SOLUTIONS IN EACH OF OUR UK LOCATIONS AND ITS PROVEN COST SAVING ABILITY.”



STREAMLINING THE BUSINESS

The Basware AP Automation solution

that has been deployed in ADT and TF&IS's Shared Service Center automates the entire invoice-handling process. The business-rule based, automated matching of invoices and purchase orders minimizes the need for time-consuming and error-prone manual invoice

handling tasks, giving full visibility of invoices and allowing accounts payable staff to focus on more value-generating tasks.

As a result, AP performance has become more efficient. Improved visibility of invoices has helped reduce the number of inquiries received by the AP team and has significantly streamlined regulatory compliance and audit processes.

Productivity is also on the rise. “Managing the invoice process is now much more efficient for the Shared Services Accounts Payable team. We’re now processing 40,000 invoices for each accounts payable employee. Before we implemented the system we were only processing about 10,000,” said Steve.

“Basware has helped us to achieve a 75% reduction in invoice cycle time, down from four weeks to five days, so we are processing the 250,000 invoices we handle per annum much more efficiently.”

Adherence to best practices has also improved. Thanks to greater visibility, non-authorized spend

is measurably lower. And the incidence of POs not being raised or being raised retrospectively has been greatly reduced.

Most impressive, however, are the cost savings. In the first year alone ADT and TF&IS have realized a £400,000 direct cost saving, through centralization and greater efficiency – all without an increase in staffing levels.

“COST CUTTING IS A HUGE PRIORITY FOR ANY BUSINESS. WHEN YOU SEE NUMBERS LIKE THAT, IT REALLY HIGHLIGHTS THE EFFICIENCIES AND COST SAVINGS THAT AUTOMATING YOUR PROCESSING CAN BRING.”

Steve Katona
UK Accounts Payable Manager at
ADT and TF&IS



In all, the Basware solution has integrated seamlessly into ADT and TF&IS's company-wide strategic plan to automate workflow and centralize processes to achieve productivity gains and cost savings across the enterprise.



GOING GLOBAL WITH AP AUTOMATION

But it doesn't end there. As part of a larger global organization, ADT and TF&IS UK have deployed a solution that is flexible enough to accommodate any future changes to processes across international operations.

The company is currently exploring opportunities to increase the number of electronic invoices received and the need for supplier activation. As well, other branches of the company are giving serious thought to adopting the UK model after such clear success. Indeed, ADT and TF&IS business units in continental Europe and the U.S. are considering plans to either emulate the UK approach or, in some cases, integrate directly into it.

ABOUT BASWARE

Basware is the global leader in providing purchase-to-pay solutions, e-invoicing and innovative financing services. Basware's commerce and financing network connects businesses around the globe. As the largest open business network in the world, Basware provides scale and reach for organizations of all sizes, enabling them to grow their business and unlock value across their operations by simplifying and streamlining financial processes. Small and large companies around the world achieve significant cost savings, more flexible payment terms, greater efficiencies and closer relationships with their suppliers.

Find out more at:

WWW.BASWARE.COM



THE JOURNEY

PHASE 1: Increasing AP efficiency by eliminating expensive manual processing

AP automation reduced invoice cycle times by 75% and enabled accounts payable to increase annual processing volumes from 10,000 to over 40,000 per FTE.

PHASE 2: Direct cost savings through consolidation and integration

Increased A/P productivity, ERP integration and consolidation of multiple processing locations to a single Shared Service Center delivered direct cost savings in excess of £400,000 in the first year alone.

PHASE 3: Assuring AP best practice through increased visibility of the Purchase-to-Pay (P2P) process

From data capture of paper-based and electronic invoices through to order matching, review, approval and payment, ADT has gained a transparent and accountable solution – one that is flexible enough to accommodate all future P2P needs across its international operations.



ABOUT: TYCO FIRE & INTEGRATED SOLUTIONS

Tyco Fire & Integrated Solutions, a Tyco International company, designs, installs and services fire detection, protection and suppression systems, safety and control systems across Europe, the Middle East and Africa. With more than 6,000 employees, including engineering, design and service experts, Tyco Fire & Integrated Solutions serves the oil & gas, marine, traffic & transportation, commercial, education, healthcare and other industries. For more information visit www.tycofis.com.

ABOUT: ADT

ADT, a Tyco International company, designs, installs and services fire and electronic security systems for residential, business and government customers. In Europe, the Middle East and Africa, ADT's products include intruder alarms, closed circuit television, access control, electronic article surveillance, radio frequency identification, fire detection, fire suppression, integrated solutions and monitoring. They are used to deter thieves and protect people, goods and property. For more information visit www.adtemea.com.