

CASE STUDY:

Wholesale and retail

API AUTOMATES ACCOUNTS PAYABLE OPERATIONS TO MANAGE BUSINESS GROWTH AND INCREASE VISIBILITY



WITH A GROWING NETWORK OF RETAIL STORES UNDER THE 'PRICELINE' BRAND, COUPLED WITH ITS WHOLESALE DISTRIBUTION BUSINESS SUPPLYING PRODUCTS TO MORE THAN 4,000 PHARMACIES ACROSS AUSTRALIA, THE WORKLOAD IN API'S ACCOUNTS PAYABLE (AP) DEPARTMENT WAS INCREASING. BY TURNING TO BASWARE AND ITS INVOICE AUTOMATION SOLUTIONS, API WAS ABLE TO TRANSFORM ITS ACCOUNTS PAYABLE PROCESSES, GAIN SIGNIFICANT COST SAVINGS AND BENEFIT FROM VISIBILITY INTO ITS SPEND CORPORATE-WIDE.

MANUAL PROCESS NOT SCALABLE FOR BUSINESS GROWTH



Previously, API was using manual methods to annually process nearly 1.1 million invoices. These were received in its stores and 14 warehouses

spread throughout Australia. The AP department would receive – and need to manually process – about 40 boxes each week of invoices and related materials, such as claims, proof of delivery, and purchase orders.

This process was laborious, painfully slow and timeconsuming. It was not only very costly, but also made it nearly impossible for API to have visibility

into its invoices or control over AP operations.

Raymond Walker, Group Accounts Payable Manager, realized that if they maintained existing processes, the company would soon need to increase its AP department of 44 employees and contractors to keep up with future growth. API desperately needed better processes, visibility and control over its invoices.

BASWARE WAS THE CLEAR CHOICE



Walker determined that API needed an invoice automation solution and conducted a well thoughtout business case as well as

CUSTOMER:

api

INDUSTRY:

Wholesale and retail of health and beauty products

LOCATION:

Australia

BASWARE SOLUTIONS IN USE:

- Basware Invoice Automation
- Basware anyERP middleware

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a rigorous review of solutions. Walker explains their findings:

“Basware Invoice Automation stood out head and shoulders above the other solutions – no other was even a close second in terms of functionality and ease of use.”

SMOOTH IMPLEMENTATION IN A COMPLEX AP ENVIRONMENT

The implementation with Basware went very smoothly and within three months, API found the new solution easily addressed their complex AP needs. The Basware solution seamlessly integrates with the Epicor ERP system to handle payment for retail invoices, and Movex ERP systems for pharmacy wholesale invoices.

STRAIGHT-THROUGH PROCESSING SAVES TIME, EFFORT AND MONEY

Nowadays once an invoice is scanned, it is automatically routed by the system to the correct business unit: to pharmacy wholesale; retail; or sundry or miscellaneous for non-stock items, such as rent and utilities.

The system conducts straightthrough processing of purchase order (PO) based invoices within set tolerances,



for example within 2% of the PO value – sending them from scanning through to payment without any human intervention. This capability drastically reduces the time, effort and cost to process invoices.

Now, less than 30 percent of PO-based invoices require any person to review them. Similarly, non-PO-based invoices that fit within the tolerances of API's contracts also flow automatically through the system without any human intervention.

API was able to achieve payback of its investment in Basware Invoice Automation in just 10 months, and it reduced the manpower required for invoice processing by nearly 25 percent.

VISIBILITY BENEFITS AP, PROCUREMENT AND FINANCE DEPARTMENTS



The benefits of Basware Invoice Automation have reverberated throughout API. Audits that used to take AP staff several days are now conducted directly and effortlessly in a fraction of the time by auditors using the invoice automation solution. Accruals are now based on actual information in the system instead of guesswork. Walker explains:

“Basware Invoice Automation has truly transformed the way we do business. It has opened up everyone's eyes to information that we didn't have before,

and enables us to really take control of our AP operations. Thanks to Basware, we are benefitting from improved processes, increased accuracy and significant annual savings.”

Both procurement and finance department heads are using information from the Basware system for budgeting, claims, and identifying trends and patterns in merchandizing based on past purchases.

In addition, the company is realizing tremendous savings by identifying volume discounts, and has strengthened supplier relationships and avoided late fees through timely invoice payments.

PLANS TO EXPAND INTO OTHER SOLUTION AREAS

API is planning to extend the benefits by considering the implementation of Basware’s Travel & Expense and Basware’s Purchase Management solutions for establishing a group-wide procurement policy and for better controlling the company spend.

ABOUT API:

API is one of Australia’s leading health and beauty companies. API’s Pharmacy business provides wholesale distribution, business and marketing services to community pharmacies across Australia. The Retail division is a leader in the health and beauty market through its retail brand ‘Priceline’. The Consumer division is a niche player in over-the-counter pharmaceuticals and is based in New Zealand. API is listed on the Australian Stock Exchange (Code API).

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Raymond Walker,
Group Accounts Payable
manager at API

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 organisations 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.

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