Case Study

Sonic Drive-In

Cruising to success with Basware.

basware

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✓✓ **We are very pleased with the visibility and control achieved in Accounts Payable. We are particularly impressed with the cost savings and efficiencies we've been able to achieve, as well as our ability to pay invoices promptly and close our books faster and more accurately."**

Karen Higdon,
Director of Accounts Payable, Sonic Drive-In

Read the full story

Industry: Food & Beverage

Regions: North America

Solutions: Basware AP Automation

Introduction

SONIC® is the largest chain of drive-in restaurants in the US. With over 3,500 company-owned and franchise locations from coast to coast, it's known for its quick and personal Carhop service and made-to-order fast food.

In its accounts payable (AP) department, however, SONIC's manual invoice processing operations were less efficient than desired, and identified a need for improvement.

To address this need, SONIC set its sights on achieving the same degree of excellence and efficiency in AP as it had accomplished in its restaurant operations.
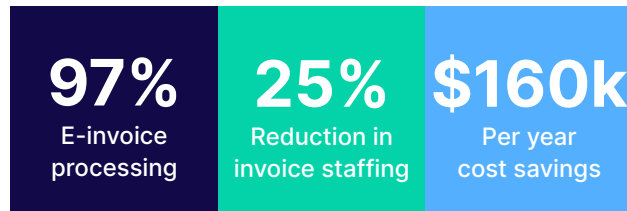
Challenge

The company's previous manual AP processes were arduous and time-consuming. Each of the over 450 company-owned restaurants across the US individually received invoices from suppliers.

Twice monthly, these restaurants sent a batch of invoices to headquarters in Oklahoma City via UPS (United Parcel Service). The AP department had to key in each invoice manually.

Compounding these issues was the manual handling of 450,000 invoices annually. Each invoice required manual entry and subsequent review for accuracy, further extending the handling process.

SONIC conducted a comprehensive technology selection process, sending RFIs to 15 companies before narrowing the field to three.

> √√ **One of the biggest selling points of Basware AP Automation was that it offered robust functionality right out of the box. The fact that we were able to hit the ground running with the breadth and depth of functionality that we needed was important to us."**
>
> Karen Higdon,
> Director of Accounts Payable, SONIC

A fast-paced, service-oriented company, SONIC Drive-In required an invoice automation solution to support its values and provide greater efficiencies and control. Basware AP Automation is driving down the time, cost, and effort associated with invoice processing while improving supplier satisfaction.

Optimizing the process

97% E-invoice processing	25% Reduction in invoice staffing	$160k Per year cost savings

Solution

SONIC chose Basware AP Automation for its out-of-the-box functionality and set several goals for its automated system. The company wanted to reduce the time and effort involved in processing invoices, gain efficiencies, improve control over invoices, and decrease late payments.

The implementation process went very smoothly. SONIC is "very pleased" with Basware and has created a true partnership. Higdon notes that "The Basware team has communicated frequently, effectively and is always available to come on-site on an as-needed basis."

The implemented solution supports electronic workflow, revision, cost allocation, approval of invoices, and transfer to the organization's Infinium ERP.

Once invoices are in the system, Basware AP Automation's autoflow capabilities route them to the appropriate approvers and reviewers within the company. To ensure that invoices are processed promptly, the Basware system sends out reminders and escalates approval to the next level if someone does not respond within a specific timeframe.

The system accommodates SONIC's business rules by setting dollar limits on corporate approvals and establishing the approval chain for invoices. It also integrates seamlessly with SONIC's Infinium ERP.

The solution provides complete access and display for all invoice information and spend analysis with its versatile reporting. SONIC also implemented Basware Scan & Capture (now sold as SmartPDF) to automate the conversion of paper invoices to electronic.

Results

SONIC has experienced substantial benefits through the use of Basware AP Automation. The organization has saved significant time, money, and resources while reducing the number of late payments.

The digitization of AP processes has increased significantly, with approximately 97% of invoices now being processed electronically. The integration between Basware and SONIC's Infinium ERP has been seamless.

The implementation of invoice automation has led to a reduction in the need for storage. For seven years, the company stored all invoices in paper format at an off-site facility, incurring an annual cost of $160,000. The removal of this activity has resulted in a significant cost-saving for SONIC.

Take-outs

- Significant time and cost savings
- Universal E-invoice adoption
- Seamless integration with ERP
- Improved auditing

Overall, SONIC has reduced the AP resources dedicated to invoice processing by over 25%, resulting in a decrease in the staff required for this task from 19 to 13. This change has allowed restaurant management to allocate more time to focus on their core business, leading to increased supplier satisfaction.

✓✓ **Transferring information between Basware and our ERP is a smooth process. We transfer information to our payables ledger several times a day and also send data to the general ledger once a week and it all happens very easily.**

Ronda Boles, Supervisor of Payables at SONIC

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