

Accounts Payable for Automotive Parts Supplier



Industry

Automotive Parts Supply

Overview

Geographical diversity in the automotive parts supplier industry leads to non-standardized finance processes, voluminous paper-based work, manual processes and delays.

Streamlined Workflow to Enhance Efficiency in the Accounts Payables Process



Client

A large US based automotive supplier and a global leader in automotive safety systems, modules and components for automotive original equipment manufacturers.

- Multiple ERP systems with no synchronization of information for payables reporting/ageing
- Delayed monthly closures due to processing delays
- Maintenance of business continuity during transition and stabilization

Business needs

Optimization of account payables operations for processing & disbursing 150,000 invoices annually whilst improving quality of processing.

Datamatics' Solution

- Developing a new workflow and managing documents received at the SSC through a document imaging solution, thus eliminating paper invoice routing
- Effective query resolution through workflow
- Process analysis, benchmarking and flow-charting with detailed risk monitoring & mitigation strategies at every stage of the project
- Efficient transition tool kit and domain expertise

Challenges

- Multiple locations and accounting units resulting in decentralized Accounts Payable management
- Manual Routing of invoices with loads of paper work causing loss of invoices & delayed payments due to lengthy processing cycles
- Inefficient query resolution process resulting in loss of processing time

Datamatics' Advantage

- Global Information Technology (IT) & Business Process Management (BPM) organization taking you forward on your route to Digital Transformation
- Trusted partner to several Fortune 500 companies globally
- Capabilities built around technology, domain expertise & knowledge of business processes
- Alliances with global technology leaders such as Microsoft, IBM & EMC²
- More than 7,500 employees globally
- Certified for SEI CMMI Level 4 V1.3, ISO 27001:2013 & ISO 9001:2008
- SSAE 16 compliant processes
- Global presence: U.S., UK, Australia, Dubai & India

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Approach

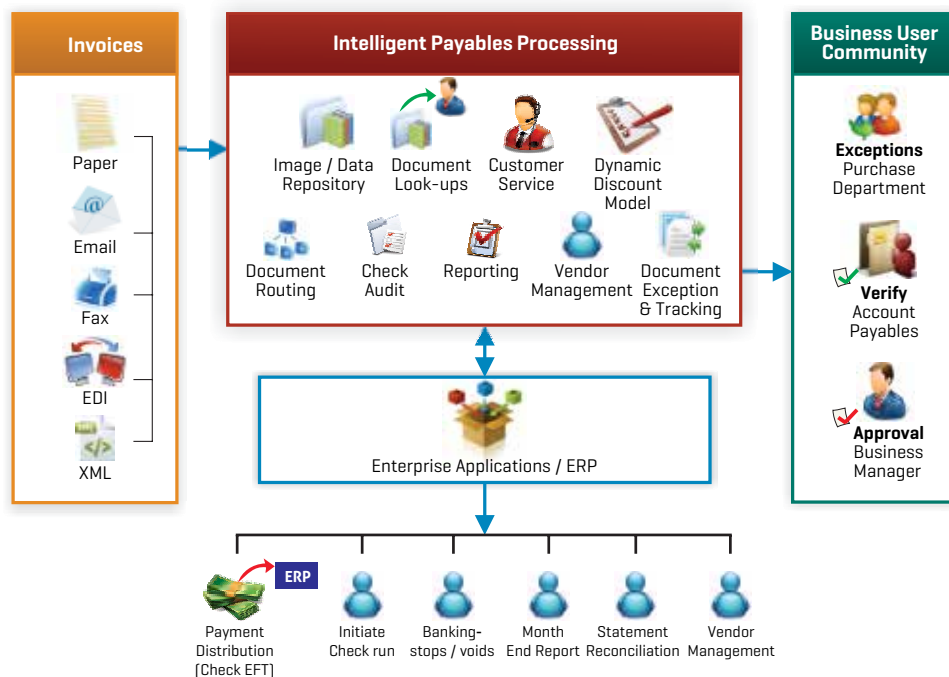
- Consultants with in-depth domain knowledge carried out a detailed study and created blueprints of the existing business processes
- Deployed Datamatics' IQ [in-house] tool to capture the invoice information
- Incorporated email upload tool in ePM to reduce the scanning cycle time
- Developed aRobokey tool to automatically update the invoice information in to SAP & QAD which led to reduced manual efforts in the process
- Incorporated an escalation matrix in ePM to speed up the invoice approval & NC resolution process
- Evolved a duplicate-auditing tool to track and fix potential duplicates in the workflow

- Automated the IXOS attachment process to attach the invoice copies & approvals in to SAP

Benefits

- Centralization of AP operations led to speedy process completion and reduction of the month closure cycle thus providing greater satisfaction to Suppliers
- Reduced paper work by 80% and complying with SOX requirements by providing audit trails to each electronic document
- Synchronization of non-standard processes across the group, providing more visibility to the management in the process

Process



Result

The streamlined workflow enhanced the efficiency of the process leading to headcount reduction by 40% and reduction in disbursement cycle by 50%.