Mondi Wrap Up Their Vendor Invoice Processing with OpenText

Automation, Audit, and Ease of Access Speed Up Invoice Processing Reducing Costs, Aiding Compliance and Reporting

Mondi Group is an international packaging and paper group, with production operations across 30 countries and over 25,700 employees. Key operations and interests are in central Europe, Russia, and South Africa, with over 100 operating sites.

The supply chain at Mondi South Africa Division (MSAD) involves numerous suppliers to many delivery points. With this comes a high volume of vendor invoices, around 120,000 each year. The volume of paper and the manual processes involved were highly distributed, repetitive, and labor intensive. This made it difficult to know where any particular invoice was in the inefficient processes, delaying supplier payments and impacting their inability to utilize early settlement discounts. MSAD needed to find a better, more streamlined, and automated way of working, against a backdrop of continual pressure to reduce costs.

Proven integration to SAP® a key factor in selecting OpenText

As with so many technology based solutions to business problems, there are numerous vendors purporting to offer the perfect solution. MSAD use SAP as their finance and ERP system, so this helped reduce the number of potential candidates, as the invoice processing solution would have to work closely with SAP. "We evaluated solutions from OpenText, ReadSoft® and Kofax®, but ultimately chose OpenText Vendor Invoice Management (VIM) as

the strongest solution with the best SAP integration," said Craig Barrett, Financial Accounting Manager, Mondi South Africa Division.

MSAD worked with a local implementation partner, Datacentrix®, for the deployment of VIM. The successful track record of integrating OpenText with SAP meant the implementation was swift, helping to keep project costs to a minimum, with cost control and reduction a key objective for MSAD.

Datacentrix, through their extensive experience with SAP and OpenText deployments, recommended that MSAD break their requirements down, with an initial project being to build a blueprint as a foundation that could be utilized elsewhere in the organization, again speeding up the time to value for the solution.

Implementation to strict timelines

With buy-in and support from the Executive Board, the green light to proceed was given with a self-imposed tight timeframe. Total commitment from all parties involved would be crucial to success. Working very closely with MSAD's business and technical teams, the implementation began;

INDUSTRY

Paper and Packaging Manufacturing

CUSTOMER

Mondi Group

PARTNER

Datacentrix

CHALLENGES

- Manual, paper-intensive invoice processing was slow and costly
- Compliance drivers placed additional strain on resources: checking VAT numbers, bank details etc.
- Lack of integration of business processes to SAP®, with low adoption of SAP best practice

SOLUTIONS

- OpenText Archive Server
- OpenText Vendor Invoice Management (VIM)

BENEFITS

- Improved compliance to South African Revenue Service requirements
- Seamless integration into SAP platform with access to both invoice data and documents speeding up enquiry handling
- Vendor invoice process automation leading to cost reductions

check pointing at each key stage to ensure the client was happy and ready to proceed to the next step.

Regular meetings involving all relevant stakeholders helped to ensure the project remained on track, with the project teams on both sides making themselves available whenever needed, a true partnership. By doing so, any decisions that were necessary were made quickly, without impacting the already strict timelines.

Implementation of the VIM solution took just 11 weeks, including two weeks of coaching and support following the go-live date. "Our accounts payable staff reacted positively to the solution once deployed, immediately seeing the benefits to themselves as well as the business," added Amy Nagiah, Accounts Payable Manager, Mondi South Africa Division. There would be far less manual data entry, and servicing enquiries would be much quicker and simpler as less time would be spent searching for invoices and establishing their status. Having invoices accessible within the familiar SAP environment, there was no new user interface to contend with either.

"It was extremely pleasing to work with a customer that saw the benefit of a great partnership between the two companies, which allowed us to break down the barriers of change and ensure the project was delivered on time and within budget," said Shakeel Jhazbhay, EIM Business Unit Manager, Datacentrix.

Improving compliance with South African Revenue Service (SARS) requirements

The VIM solution set out to enable a much higher degree of automation in areas of invoice matching and data extraction, including supplier company details such as VAT numbers and bank details. This was a key requirement following a South African Revenue Service (SARS) audit that insisted that these items be diligently checked on

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each and every supplier invoice. To do this manually had been time-consuming and very labor intensive, impacting MSAD's ability to take advantage of early settlement discounts with their suppliers and increasing operational costs.

Better reporting and analysis

From the outset of the project through to go-live and beyond, MSAD have worked to keep their staff informed, outlining the long term benefits of the VIM solution. In doing so, they have been able to bring staff on board with a high level of user adoption and little if any disruption to the business.

"We process around ten thousand invoices each month. Having more complete and accurate data not only reduces the time taken to process invoices by at least half, but opens up greater opportunities in the areas of reporting and analysis," added Craig Barrett. It's now possible to obtain a much more accurate picture of the current accounts payable status, drilling down into the detail for more in depth analysis.

A system for all users, regardless of location

Once invoices have been electronically captured, either by scanning physical paper or by processing invoices received via email, personnel in any office are now able to view the extracted invoice detail from their desk. They also have the ability to call up the invoice document on screen to handle more in depth queries.

With the head office in Durban and seven remote offices at locations such as Richards Bay, Hilton, and Piet Retief, it's not only the scanning clerks and accounts payable personnel who now have fast, accurate, and up-to-date information at their fingertips, but also purchasing, logistics, and other decentralized finance departments. This helps enormously with approvals and other notifications as there is no longer any delay in paper being processed and information being made available to others.

Streamlined operations lead to time and cost savings, now and in the future

The time to benefit of the solution was almost immediate, with invoices being automatically processed in the first month. Processing times are down, information is more readily available, early settlement discounts can now be realized, operational costs are down, SARS compliance has been improved and vendor relationships are also improving. "We're able to process the same volume of invoices each month, with a team half the size it was previously, having redeployed a number of staff to other areas of the business. The target for payback on the overall project of just 15 months is already on track and expected to be met," added Craig Barrett.

Many other benefits are also materializing, such as early detection and rejection of duplicate invoices and automated payment notification to vendors. This all paves the way forward for wider use of the OpenText VIM solution throughout MSAD as well as utilizing other capabilities of the solution, such as automating supplier reconciliations. ∎

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