PETS CORNER

CASE STUDY

Established in 1968, Pets Corner has grown to 180 stores nationwide. Highly committed to the environment and animal welfare, Pets Corner have a strong team of experts in animal care, nutrition and husbandry and ensure their staff are given the best training in the industry. Pets Corner's core values endorse the provision of best possible service to their customers at all times.

> "With the business growing rapidly, we knew that it was essential for the Accounts Payable team to be utilising the latest, most innovative technology. We knew that the business would be receiving around 3,000 more invoices every month and we need to have systems in place to deal with them."

Iain Dougal
Financial Director
Pets Corner

ANALYSIS

With significant growth expected, Pets Corner looked to Outsourced Business Processing provider YourBPO to look at options for handling growth within their current Accounts Department. Pets Corner had been using Invoice Processing and Document Management solutions, provided by YourDMS, the sister company of YourBPO, since 2009. With the business expansion and a considerable increase in the amount of purchase invoices being received, Pets Corner Financial Director, Iain Dougal, wanted to ensure that his back office solutions were able to keep pace.

The key requirements were simple: provide an effective solution that would include the current validation, verification and notification provided in-house by a combination of systems and manual efforts by staff, and build this into an outsourced solution.

The solution had to ensure that invoices were checked both at header and line item level, providing a match to goods received from authorised suppliers and, where this wasn't the case, generate automatic "Credit Requests". The user interface needed to be simple but effective allowing verification to take place quickly and easily.

YourBPO SOLUTION

With clear requirements identified, YourBPO designed, built and implemented a cloud based Outsourced Invoice Processing solution. The solution uses innovative technology provided by Cumulus Pro, a leading digital transformation company with cloud BPM platform for rapid enterprise process & business transformation, to enable the quick, secure and automated processing of invoices in the cloud.

Automating Key Processes

The solution combines established applications with intelligent custom-written components. One of the key requirements for the project was that the Accounts Payable team would only need to manually amend/update an invoice with missing or incorrect information. Invoices with all the correct information would pass through the processing and validation workflows automatically with no user intervention.

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The solution 'checks' the invoice data in a variety of Pets Corner's existing systems in order to validate it. This includes purchase order data, including quantities, part codes and expected line totals; product lists, including price points and pack quantities; goods-received entries, including quantities, locations and part codes; Supplier Names and Codes; nominal codes and descriptions; store names and codes.

The solution automatically monitors specified email inboxes for new messages which may contain an invoice. Hard copy invoices, and invoices sent to unmonitored email addresses are captured via 'dragging and dropping' onto the system or scanning.

A range of data is captured from incoming invoices including header and footer information, and line-item details such as quantities, part codes, unit prices, discounts, VAT rates and amounts, and non-VAT items. This data is then transmitted to cloud hosted servers.

Once all invoice data has been captured, invoices enter a processing and validation workflow. To ensure a high success rate, YourBPO took time to communicate with Pets Corner's suppliers and explain the correct way to format invoices, allowing them to be processed and paid promptly.

To date, over 99% of invoices received meet all the requirements, the most basic of which is to include a PO reference on every invoice.

This means that they don't require any manual processing from the Accounts Payable team

in the data capture stage. Staff are automatically notified of any 'problem' invoices, which they can correct or return to a supplier.

When the validation process is complete, invoice data can be imported into Pets Corner's accounting system.

Invoices now enter a sophisticated line-item evaluation process to ensure that the unit amounts stated match the goods received. Accurate invoices progress through the workflow automatically, while invoices with queries can be manually reviewed. Requests for Credit Notes can be automatically generated when they are required.

Data is automatically updated into Pets Corner's reporting systems allowing them to review their financial position at a particular point in time.

RESULT

The business benefits to Pets Corner have been significant. An increase in store numbers from 100 to 180, along with an increase in products, suppliers and invoices, has required no increase in administration staff.

Before the introduction of the new solution, Pets Corner's Accounts Payable team were processing around 2,000 stock invoices per month. They now process around 5,000 invoices per month. One of the benefits of the scalable solution is that it will grow with the business and easily handle any increase in the number of invoices received.

They are able to process invoices more quickly than before - invoices are processed and data is entered into the system ready for validation within 24 hours. Paying invoices promptly has allowed Pets Corner to further strengthen their supplier relationships.

By eliminating 99% of the manual data entry, Accounts Payable staff are able to focus their time on strategic business activities.

The current realised savings and ongoing for Pets Corner are estimated to be in excess of £40,000 per year.

The solution has allowed Pets Corner to retain accurate control of their purchases and payments, giving them better visibility of their financial obligations, essential in a competitive and fast moving market.

FUTURE STEPS

YourBPO are developing a real-time reporting system based on live invoice processing data which will provide Pets Corner with an up-to-the-minute overview of their financial position.

> "We worked in partnership with YourBPO to develop an outsourced invoice processing solution that meets our needs now, and in the future. The new solution allows us to automatically process our invoices faster than ever before. Staff now have the time to focus on core tasks within the business."

Iain Dougal
Financial Director
Pets Corner