

Despar: Accounts payable invoice processing time cut by more than 50%



The EMC Captiva solution is the basis for the new accounts payable invoice management process operated by Aspiag Service, a Despar group company. It ensures speedier processing, optimal use of resources, economic advantages, quicker and simpler problem identification and solving, and better cooperation and interaction between company departments.

Spar International began as Despar in Holland in 1932, a consortium of wholesalers and independent retailers whose aim was to compete with the food store chains that were springing up throughout Europe. Today it is the world's biggest retail food chain, with in excess of 17,500 stores in 28 countries on 5 continents.

The meaning of the name Despar, which stands for "Door Eendrachtig Samenwerken Profiteren Allen Regelmatig", or "Close cooperation to the advantage of all", is still the guiding force behind the company, which is an association of wholesalers and retailers offering consumers the best products and services available.

The brand has been present in Italy since the end of the 1950s, and is currently managed by 12 different companies on the domestic market.

Each of these companies manages direct branches under the Interspar, Eurospar and Despar brand names and supplies associated independent retailers.

The 12 companies together form a limited liability consortium (Società Consortile a Responsabilità Limitata) which is based in Casalecchio di Reno (in the province of Bologna): Despar Italia S.c.r.l.

They are coordinated commercially on a national level by the Consorzio Despar Servizi, established at the end of 2005 and also located in Casalecchio di Reno (in the province of Bologna), which is part of the country's largest purchasing centre, Centrale Italiana.

Aspiag Service s.r.l. (Despar Nordest) is the biggest and most innovative of the 12 companies managing the Despar brand in Italy.

Aspiag Service S.r.l. was established in 1991 in Italy by Aspiag AG (Austria Spar International AG), a SPAR Austria company.

The following companies were then acquired in quick succession:

- In 1991 Despar Amonn in Bolzano. The Bolzano distribution centre was the first Gruppo Aspiag Italia centre, and is still the registered company address. Bolzano is also the location of the ultra-modern Centro Carni Superdistribuzione (Super Distribution Meat Centre), which opened in 1996, and in 2000 became one of the first Italian companies to receive ISO 9001 quality certification. In 2007 it also obtained International Food Standard certification.
- In 1992 A&O / Famila Podini (BZ).



- In 1995 Despar Padis (Padua). The distribution centre at Mestrino is currently the Group's operations headquarters.
- In 1996 Despar Scambi Commerciali (Udine).

Today Aspiag – which generated a consolidated turnover of Euro 1,248 million in 2007 – manages 187 branches under the Despar, Eurospar and Interspar names, employs almost 6,000 people, and supplies around 400 independent retailers. It is the largest of the companies in the Consorzio Despar Italia.

Eight distribution platforms in strategic locations in Italy ensure regular daily deliveries of fresh, quality products to retail outlets.

Supplier, delivery documentation and invoice management

The growth of the company, and the continuous selection and inclusion of new products to tailor supply to customer demand at the stores, has resulted in a substantial increase in the number of suppliers, and consequently in the volume of invoices and delivery documentation to process.

Today Aspiag Service has business relationships with over 2,000 companies, ranging from major groups to small workshops, delivering supplies of various products to the various stores and warehouses on a daily basis: these include fresh products, those with a long-term shelf-life and other shelf products. This process generates in excess of 350 thousand invoices a year, equal to 700 thousand delivery documents, for a total of 2 million pages to be checked, collated, recorded and processed.

Until 2006 this work was carried out manually by a full-time staff of 40 working on a continuous cycle, which divided the invoices sent directly to the central office by suppliers and the documentation from the various stores or warehouses (a total of six) to which the deliveries were sent into different files. The delivery documentation was then checked against the relevant invoices, again manually, and the value of the articles shown on the documents was reconciled against the amounts on the invoices. The cycle ended when the data was entered onto the system.

As a benchmark for the entire cycle, which would then be used to compare the manual process with alternative processes, the company calculated that the average time taken to process an invoice from the date the invoice was issued to its registration was 41.8 days. This processing time would inevitably be extended, and extra staff would be needed, as the company grew, and this fact induced Aspiag Service to seek alternative solutions which would make it possible to optimise and shorten the whole process.

From manual to automated processing

The Aspiag Service Administration and Special Projects division analysed the problem with a view to moving from manual to electronic, automated management, in order to reduce accounts payable invoice processing time by 50%. The areas for attention were the invoice and delivery documentation management and collating cycle. Electronic processing would also allow document sharing within the company, which would improve and streamline the process for all the areas involved: administration, supply reordering office, buyers, warehouses and stores.



Aspiag Service in Figures

Consolidated turnover: approx.
1.2 billion Euro

Employees: approx. 6,000

Despar / Eurospar stores: 553

Interspar superstores: 24

2007 market share:

12.3% North-east Italy
(source: Iri Infocan)

The search began for a solution capable of capturing scanned documents, interpreting the data on them and automatically and accurately reconciling the delivery documentation with invoices from different suppliers, which often had very different formats and page layouts.

“We examined and compared several software products from the leading companies on the Italian market. We made a shortlist, preferring products with full OCR over Template-defined products, which offered quicker and more flexible character recognition on the page, and required less manual input from operators.”

Enrico Dall’Angelo, Product Accounts Payable Cycle Project Optimisation EDP Coordinator

EMC Captiva is the software that offered features most closely matching the requirements of Aspiag Service.

Four 620D Kodak scanners (80 pages/minute), two of which are installed at the Padua offices, one in Udine and one in Bolzano, scan the delivery documentation and invoices and generate TIFF format files. The images are then processed by the EMC Captiva software, which interprets the templates in order to extract the necessary data and produces two more files: an XML file, containing the metadata necessary for the automatic electronic reconciliation of delivery documentation with invoices for data entry into the Oracle database, and a PDF file for storing, consulting and exchanging documents with departments involved in goods invoicing, management and reordering.

At this stage the value of the delivery documentation is checked for consistency with the amount on the invoices to which they relate.

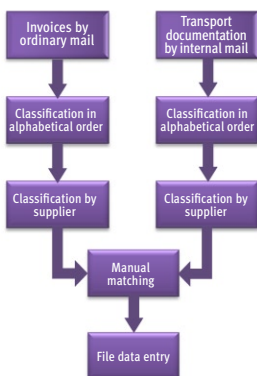
Manual intervention is reduced to a bare minimum, i.e. to managing any discrepancies between an invoice and the relevant delivery documentation.

Advantages

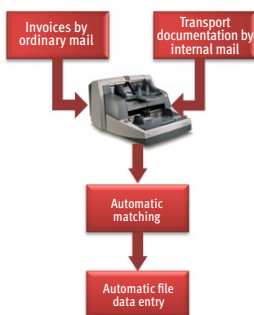
“To date the new automated procedure has covered all the warehouses and stores except for Friuli, which will be integrated by the end of June, completing the accounts payable invoice process automation.” Dall’Angelo continues. “The average invoice processing time has been cut by around 40%, and we can easily support a larger volume of incoming invoices as the company grows, without increasing staff levels.”

But there are also other important advantages from the introduction of the new process. The company purchasing office is able to process supplier payments more quickly, which has brought the added benefit of increased product discounts. As far as checking the consistency between the invoice amount and the transport documentation value is concerned, the latter no longer has to be sent to the Padua office, but can stay in the centres where it is scanned, cutting down on workload and delivery costs. The files containing the invoices and transport documents have been completely eliminated, freeing up storage space which is now only needed for storing the invoices. Any discrepancies between the internal price list and suppliers’ price list are picked up more easily and quickly. Finally, any invoice discrepancies or complaints can be managed more quickly and easily and notes added to documents in electronic format, making them visible in real time.

Manual process



Automated process



The EMC Captiva solution

EMC Captiva input capture and management solutions transform business-critical paper, fax and electronic data sources into business-ready content suitable for processing by enterprise applications.

By eliminating manual data entry, it minimises processing errors, improves data accuracy and boosts productivity. EMC Captiva InputAccel for Invoices enables supplier invoices to be scanned and the invoice data to be automatically extracted and validated, before exporting it to the enterprise administration systems for processing. Using IDR (Intelligent Document Recognition) technology, InputAccel for Invoices recognises incoming documents as invoices and starts the data extraction process, involving for example purchase order number, invoice date, total amount, data per line etc. The supplier code is automatically calculated, while the key information is validated on the basis of the existing data in the accounting systems before being directly exported into the ECM (Enterprise Content Management), ERP (Enterprise Resource Planning), AP (Accounts Payable) and other back-end systems.

EMC Captiva Dispatcher. This tool enables companies to scan all kinds of content – structured, semi-structured and unstructured – in a single flow, because it classifies and manages diverse documents without any manual sorting or other preparation.

Dispatcher's automatic capture feature processes recurring documents quickly without having to create specific templates beforehand. The technology can differentiate between similar documents by identifying symbols such as logos or other graphic indicators, and is effective in both local and international contexts. It is of course possible to configure the classification engine and create additional templates manually, improving the speed and accuracy of the system.

Dispatcher extracts data using text-based analysis and dynamic field recognition according to their position on the page. Using pre-defined business rules and a large database of keywords, associated terms and syntax, Dispatcher performs free-form data capture with high accuracy. The technology also automatically detects tables in documents and extracts row and column data. The tables are analysed according to row, column and page breaks in order to manage the content appearing on consecutive pages of the same document.

The distributed capture function enables documents and images to be received from various workstations, regardless of geographical location, onto a central platform, without using batch, file or page separators. The system can capture over 150,000 images per hour on a single computer (Pentium IV), whether repeating or non-repeating, structured or non-structured, typed or hand-written, without affecting the speed of the identification process. Dispatcher offers the best OCR/ICR/OMR, bar code, and INH/MICR technology available on the market, and enhances colour and two-tone images in fractions of a second.



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