

W.R. Grace and Company



Bogged down by paper and manual processes, W.R. Grace and Company replaced a home grown system with ReadSoft's data capture and workflow solutions to achieve greater integration with SAP and support the consolidation and optimization of AP processes worldwide. Since implementation, the chemicals giant has reduced cost per invoice from more than \$7 to \$1.50 in Asia and Europe, and from \$5 to \$2.25 in the U.S.

Challenge

Eliminating paper

Early on, W.R. Grace's North American division supported 13 AP clerks who processed 20,000 invoices per month. They were overwhelmed by the paper associated with manual processing, and struggled to maintain accountability while 60 percent of invoices were lost during processing. Decision makers recognized the undeniable need to get rid of the paper and in turn, deployed ReadSoft's advanced Optical Character Recognition (OCR) technology. The solution captured the data directly from the invoices so the clerks no longer needed to type in the data a second time. It not only helped to dramatically reduce the number of lost invoices, but it also helped the clerks become more organized and allowed for email correspondence, rather than faxing, as a faster option to resolve problem invoices.

Solution

W.R. Grace still utilized its highly-customized, high-maintenance legacy solution for invoice routing. It's limited integration with SAP was holding the company back. Clerks continued to input data into SAP manually until the next phase of W.R. Grace's adoption of ReadSoft automation. Working as a control center for incoming invoices, ReadSoft's invoice verification automation was deployed. The solution automatically matches invoice line item data against purchase orders and master data in SAP and then posts it in SAP. This important step eliminated manual entry and further drove AP efficiencies and visibility to the firm.

Results

Consolidating operations and solutions

Prior to consolidating the company's AP operations in Asia and Europe, the organization replaced their home grown solution with ReadSoft's automated workflow to achieve tighter integration with SAP and lower cost per invoice. This enabled a tighter integration with SAP ArchiveLink for invoice images and an end-to-end streamlined process that delivers bottom line results.

Meet W.R. Grace and Company

Founded more than 150 years ago by an Irish immigrant seeking refuge from the potato famine, W.R. Grace and Company has since grown to be one of the world's leading specialty chemicals and materials companies. Its products are used by millions each day to ensure the durability of major buildings and bridges, enhancing the performance of petroleum products and helping to preserve the integrity of food packaging.

- ▶ **Countries:** 40
- ▶ **Employees:** 6,000
- ▶ **Net sales:** \$3.2 billion

Products in use: ReadSoft Invoice Processing

Integration: SAP



“A lot of customizations that we had are now standard with ReadSoft, and we wanted to take advantage of that.”

Michele Blessing,
Global AP Manager, W.R. Grace and Company

“The process is simple,” declares Global AP Manager, Michele Blessing. “Once we get the invoice, we push it through [the] ReadSoft solution into verification. It gets verified in ReadSoft and then auto-posts if possible. If not, then we start workflows that go out for approvals, coding or any kind of PO update or fixes, freight approval—things like that. Then when it comes back, we will post it then process it for payment within terms.”

Combined with automated data capture, the workflow deployment reduced the company's cost per invoice from more than \$7 to \$1.50 in Asia and Europe, and from \$5 to \$2.25 in the U.S. Invoice cycle time also significantly decreased, as 83 percent of payments were made electronically. The company's discount capture rate climbed from 40 percent before automation to 85 percent, and for the first time, all stakeholders had complete visibility into the invoice process—whether an SAP user or not.

With ReadSoft solutions in place, W.R. Grace further consolidated its two primary AP centers in North America and the Philippines, which together process approximately 440,000 invoices per year. “In 2009, we went global with ReadSoft,” remembers Global AP Manager Michele Blessing. “AP was one of the first areas to consolidate. We created our own shared service center in Manila.” The consolidation of AP into a single shared service center saves the company \$500,000 per year.

Letting go of customizations

W.R. Grace recently upgraded its long term AP solution to ReadSoft's most recent best practices solution, and facilitated a two-week training schedule in Manila. “I would say that the upgrade was 100 percent successful. It was transparent to users and valued members of executive management,” reported Michele Blessing.

Continuous improvement

Today, the company's invoice processing performance has reached best-in-class status, and have seen tremendous benefits:

- ▶ Invoice cycle time of 2-2 ½ days
- ▶ Cost per invoice at 95 cents
- ▶ Annual savings of \$500,000
- ▶ Complete visibility to monitor SOX compliance
- ▶ Easy management of audits
- ▶ Control to push global simple standards
- ▶ Improved vendor relationships and negotiations
- ▶ One accountable source for all payables

Even with these achievements, AP continues to improve efficiencies under Blessing's direction. W.R. Grace works closely with vendors to submit invoices straight to AP rather than local sites. “That's what we're working on now. In North America, we have 65 percent of our vendors sending invoices directly to AP. In other regions, we still have invoices going to local sites to validate, so we have room to improve process efficiencies even further.”

Industry-leading business process automation

In 2014, Lexmark International, a global technology leader, acquired ReadSoft, a leading provider of applications for automating business processes. Together, they offer an unmatched solution for financial process automation. Lexmark enterprise software, hardware and services remove the inefficiencies of information silos and disconnected processes, connecting people to the information they need at the moment they need it. This case study reflects ReadSoft products and positioning at the time of acquisition and has been approved for use.

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