



Metro Cash & Carry—Achieving Visibility of Invoice Processing

Industry

Financial Services

Customer



Business Challenges

- Enable visibility of processes
- Facilitate attainment of discount deadlines
- Eliminate error susceptibility of the invoice checking system
- Accelerate invoice processing time

Business Solution

OpenText Business Process Management Server

Business Benefits

- Compliance with discount time periods
- Automated invoice verification system
- Increased process visibility and reliability
- Automatic generation of confirmation/change request letters to suppliers

The retail giant Metro uses OpenText Business Process Management (BPM) Server for its invoice controlling processes. Perfectly integrated with Microsoft® Outlook®, this workflow solution from OpenText ensures that everything runs like clockwork, from posting to payment clearance in SAP.

Organization

Employing over 240,000 staff in 28 countries, the METRO Group is one of the major commercial groups in Europe and the fourth-largest in the world. In 2003, the organization achieved a turn-over of approximately 53 billion Euros.

With the Metro Cash & Carry (Metro CC D) markets, operated under the brand names Metro and Makro, the METRO Group is the global market leader in the self service wholesale area. Almost fifty percent of the organization's turn-over is generated by this business segment. With a presence in 26 countries, Metro Cash & Carry employs over 72,000 staff, and has an international presence in 26 countries, with 59 supermarkets on its domestic German market alone.

Situation

The caliber of the logistics chain for goods delivery at Metro CC D is mirrored by the incoming bills for services, equipment, and construction work. From tradesmen invoices to tax statements—everything needs to be approved and verified before being cleared for payment within discount periods.

“We were looking for an expandable and cost-effective solution for our invoice verification process that would be compatible with our main SAP modules and, most importantly, that would be perfectly integrated with Microsoft Outlook since our employees are all very familiar with this application,” explains Metro CC D's Finance and Accounting Project Manager.

Solution

OpenText Business Process Management Server is perfectly suited for the concept. The solution provides a framework for managing orders for services and work equipment through a multi-stage approval process. The system matches the orders with the incoming invoices—a total of more than one thousand per day.

Aiming to improve workflows within the organization, Metro CC D managers worked with the OpenText team to produce two new functionalities: a new method for releasing orders and a method for approving travel expenses for over 40,000 business trips a year.





“In the retail business, speed and transparency are essential. With OpenText Business Process Management Server we now have the optimal solution for our invoice controlling process: accrual amounts at the end of the fiscal year are practically zero.”

Senior Department Manager Finance/Accounting,
Metro Cash & Carry Germany

The resultant system NRE/2—at Metro CC D this stands for a sophisticated combination of SAP, electronic archiving, and BPM Server—is linked to Microsoft Outlook. Initially, a posting is made in SAP with blocked payment and is then handled in a process-oriented manner. Since all invoices are scanned centrally upon receipt, the invoice posting step carries out the verification processes almost entirely without paper documents. If an invoice is rejected or if it needs to be corrected, BPM Server automatically generates the appropriate correspondence to the supplier—via email where possible, but if necessary, in the form of a traditional letter. If all information is correct, the verification system automatically releases the block on the payment by means of a differentiating approval process, and the payment gets sent to the supplier. Depending on the amount being claimed, payment release will pass through three possible instances: partial amount reduction, cost center allocation, or cost transfer to a different department within the company. Any of these permitted changes are automatically posted in SAP.

Benefits

Currently, all invoice approval steps are time monitored and, as with all related processes, employees responsible for invoice verification are informed of the process status by the OpenText solution via a personal e-mail. This means that the chance of a missed discount at Metro CC D is now practically zero. Just as important is the seamless logging function. “It protects us from back claims,” explains the Project Manager.

The travel expense and order release functionalities are expected to run as smoothly as the invoice controlling process. The order release method has already enabled to prevent the infrequent occurrence that a correct invoice would be posted for an order that had not yet been approved.

For an international retail chain like Metro CC D the issue of travel expenses is very important. Currently, supervisors can visibly and efficiently process over 40,000 requests annually by organizing them by person or cost center. Most of these administrative efforts can now be completed electronically.

“Thanks to OpenText BPM Server, our processes are quicker and more transparent, as every relevant staff member is now involved. This enables us to save a great deal of time and significantly increases reliability. Data is entered on receipt—this is essential for balance sheet dates,” concludes the Project Manager.

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