

Success Story

INVISTA Streamlines Accounts Payable Operations Using Open Text Vendor Invoice Management for SAP® Solutions

Situation

INVISTA is one of the world's largest integrated fibers and polymers businesses with a global presence. The company delivers exceptional value for customers through market insight, technology innovations, and a powerful portfolio of some of the most recognized global brands and trademarks in their respective industries.

"Open Text's Vendor Invoice Management for SAP Solutions (VIM) has allowed us to streamline and improve our process of managing vendor invoices. We have seen a reduction in our cost-per-invoice and our percentage of overdue invoices has dropped each month since VIM went live. Our accruals are more accurate and less labor intensive and we've seen an overall improvement in our vendor relations."

*- Kathryn Palski,
Global Project Leader,
INVISTA*

INVISTA needed a solution to streamline their accounts payable operations and simplify and automate their invoice processing.

Many of INVISTA's freight payments in North America were completed using a process called Evaluated Receipt Settlement (ERS), which eliminated the need for INVISTA to receive invoices from the vendor. SAP creates

the invoice when the receipt is completed. This process worked with vendors who have simple, stable pricing without additional charges (full truckload shipments or rail outbound shipments). However, this process does not work as well when there are potential price changes, or where additional charges typically occur (bulk truck shipments or less than truckload shipments).

INVISTA decided that a three-way match, which involves matching the invoice to a purchase order with a receiving report, was needed. Moving North American freight vendors from ERS to a three-way match, however, could require an army of additional AP personnel if it wasn't automated.

In addition to de-constructing the freight ERS process in North America and moving to a three-way match, INVISTA had several other projects they wanted to address including:

- Move all invoices to AP
- Implement scanning/indexing where not already in place
- Implement a standardized process with invoice exception blocking and workflow
- First in North America, then Europe
 - Implementing Web-based invoice approval for services
 - Implementing non-PO based invoice approval in Europe

Industry

Chemical Manufacturing

Customer



Business Challenges

- Excessive cost-per-invoice
- Difficulty in preparing accruals
- Missing discount opportunities
- Vendor relations

Business Solutions

- Open Text Vendor Invoice Management for SAP® Solutions

Business Benefits

- Reduced excessive cost-per-invoice
- Drop in percentage of overdue invoices
- Accruals are more accurate and less labor intensive
- Vendor relations improved

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Gaining Control of Customer Invoices

INVISTA faced a number of business challenges including inadequate accounts payable process control, excessive cost-per-invoice and difficulty in preparing accruals. Additionally, they were looking to improve vendor discount opportunities and vendor relations.

Open Text and SAP have shared two decades of partnership and co-development. To address their challenges, INVISTA turned to Open Text Vendor Invoice Management for SAP® Solutions. INVISTA successfully implemented this solution to streamline and improve its process of managing vendor invoices.

Benefits

VIM offers INVISTA a number of benefits:

- Implemented system-driven accounts payable process based on pre-configured business rules to drive accountability and enable continuous improvement
- Eliminated low value process steps to reduce excessive cost-per-invoice
 - Increased discount capture
 - Reduced late fees
 - AP productivity improvement
 - Less AP staff required for Europe
- Percentage of overdue invoices dropped each month since VIM went live
- Accruals are more accurate and less labor intensive
- Improved vendor relations - new process improved payment performance as well as the ability to respond to customer inquiries
- Results so far after switching to three-way match:
 - Payment performance for those vendors improved
 - On track to significantly reduce freight invoice verification staff, while not increasing AP staff

[Click here](#) to learn more about Open Text Vendor Invoice Management for SAP® Solutions.



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